

12-10-2016

Listing Department National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1 G - Block, Bandra Kurla Complex, Mumbai-51	Corporate Service Department Bombay Stock Exchange Limited P.J Towers, Dalal Street Mumbai - 1
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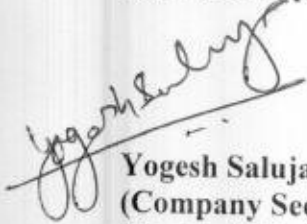
Dear Sir/Madam,

Sub: Submission of the Annual Report of the Company

In compliance of the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the annual report, for the financial year 2015-16, duly approved and adopted in the 22nd annual general meeting ("AGM") of Educomp Solutions Limited ("the Company") held on September 30, 2016 at 03:30 P.M. at Sri Sathya Sai international Center, Pragati Vihar, Lodhi Road, New Delhi- 110003

This is for your information and records.

For Educomp Solutions Limited



Yogesh Saluja

(Company Secretary)

MemberShip No:- A21916

Address:-3/206, Subhash Nagar, New Delhi-110027



Educomp Solutions Limited
CIN:-L74999DL1994PLC061353
Corporate office: 514, Udyog Vihar, Phase III, Gurgaon – 122001, Haryana (INDIA).
Tel.: 91-124-4529000. Fax: 91-124-4529039.
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Tel.: 91-11-25755920. Fax: 91-11-25766775.
Web site www.educomp.com
Bangalore, Mumbai, Chennai, Hyderabad.

21st Century Digital Classroom Solutions





21st Century **Digital Classroom Solutions**

Educomp Solutions Limited | **Annual Report 2015-16**



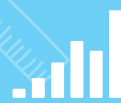
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Caution regarding forward looking statements

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



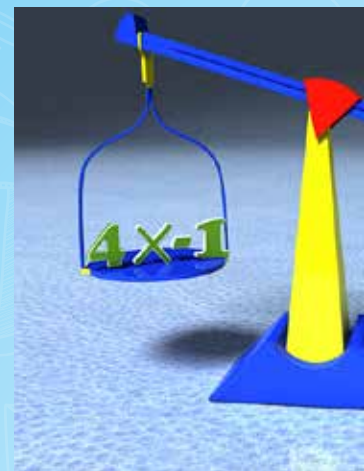
21ST CENTURY DIGITAL CLASSROOM SOLUTIONS



The world is gearing up for a dynamic tomorrow, and India too is trying in small measures to match pace with it. And marching ahead in the 21st Century, our nation of 1.25 billion is riding high on knowledge and technology to catch up fast with the ever-changing world. These two important factors are also determining the impact and success of change at the grassroots level, both feeding on each other to help the country take rapid strides on the various development parameters. Going by technology's widespread impact in our lives, it goes without saying that it has transformed the way knowledge is disseminated. Today, everything including education is digital. The transformation has heralded a new beginning, brought about newer challenges, and a plethora of opportunities and more importantly, it has introduced a whole new way to approach the process of education, making it simpler, more enjoyable and easier to access.

Technology-enabled education will provide strength, direction and vision to the nation of tomorrow. The 21st Century Digital Classroom Solutions by Educomp will transform many a lives in the years to come, with objective to make our future generations smarter and better.

As pioneers in the digital learning space for the last 21 years, Educomp Solutions has been consistently present to assist where education needs it the most. With 25,000+ K-12 learning modules, 30 million learning beneficiaries across 65,000 schools, Educomp is indisputably the largest and unmatched digital learning enabler. It has harnessed the two key pillars of success in this mission – knowledge and technology. With unparalleled infrastructure, pioneering initiatives, steadfast commitment and vision for a change, Educomp is creating the 21st Century Digital Classroom Solutions. Digital is the way to go, succeed and sustain for businesses, industries, and individuals, and Educomp is enabling the future of the nation to garner this wave of transformation through knowledge and technology in the education sector.





Working in this direction, Educomp has aligned all its strategies, operational efficiencies, and financial strengths to make its mission to build and grow 21st Century Digital Classroom Solutions a success. The FY16 witnessed a further finesse in the execution of our Educomp 2.0 strategy and the resultant improvements in our operational agility, performance stabilization and financial strengthening. During the year under review, we launched SmartClassPro – the revolutionary new way of learning; SmartStem – India's First unique learning platform for Science & Mathematics Subjects; entered into strategic association with FlipLearn – most comprehensive learning management platform; and more. These actions are surely going to position us better to garner future growth opportunities, keeping our industry leadership intact. Educomp Solutions believes that its scale of operations, and sector's potential are going to help the Company strengthen its leadership position and establish it as the 21st Century Digital Classroom Solutions provider of choice.



CHAIRMAN'S COMMUNIQUÉ

Dear Shareholders,

The year 2015-16 has indeed been an action packed year for the company. We started 2015-16 taking off for on the approval of our CDR in 2014 by a consortium of domestic tenders subsequent to which the company embarked on implementing a revival plan for the organization which focused on six strategic incorporate initiatives. On these strategic incorporate initiatives, among which were included change in the business model of the SmartClass business, organizational restructuring of the organization to become more customer focused, concentrating on the delinquent customers which fall in the red ERP category to recover the due moneys, further cost rationalization and working on the core areas of strength and trying to divest the non core areas.

You will be happy to know that we have progressed very well on our strategic initiatives. We won orders from 742 new schools in FY16 compared to 490 new schools in FY15, an increase of 51%. It was also a year that was marked by an excellent renewal rate of our past customers showing the confidence that customers had on the company as well as two new strategic initiatives to leverage not only new channels of distribution for our existing products but also leveraging our existing sales channel to sell other value added products to the consumer.

On both fronts we have made substantial progress. We have signed agreements with online portals such as FlipLearn for monetization of the SmartClass content as we recognize that the future is to directly sell our content to consumers through internet and online and given the resource constraints of the company as well as the obligations of the

organization post CDR, we have moved forward to utilize and monetize our intellectual property by inking exclusive distribution arrangements to sell our content through other distribution channels.

Further, the company has leveraged its rather large network of people across the country to introduce other value added products so that our cost of sales and cost of collections should be normalised and rationalised. These initiatives have shown sufficient traction and endorses our belief that Educomp is back to being the leading digital content company across the country. We continue to innovate across our entire product line and have focused on trying to provide and position the latest technology to our customers. We have also tried to unlock the distribution strength of the company to ensure that we position Educomp as a company that is a trusted brand providing various solutions to schools.

In our education infrastructure business, we continue to advocate policy change and try to create awareness for the importance of private sector education in the country as our shareholders are aware that this high potential business has in the past been hampered by various regulations that have limited value creation such as fee regulation, the right to education act as well as the multiple approvals required to set up and manage schools. Further, the taxation policy of the government turned adverse towards the education sector by taxing the income generated from schools. Notwithstanding all of this, we have shown net increase and net enrolment across all the schools has increased from 24,871 students



“

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in FY15 to 25,774 students in FY16, an increase of 4%. The fact that our schools across the country stand for quality education and have won the trust of the consumers is testimony to the fact that eventually consumers will choose quality no matter what. Further, to bolster our brand presence, we have tied up with organizations to license our Millennium School brand so that more Millennium schools can come across the country, thereby popularizing the brand as well as bringing a healthy license fee to the organization.

Lastly, as a part of our Government business, we have shifted focus to working with the Ministry of Skill Development and Entrepreneurship to work in the Skill India initiative and our Edureach team has already signed several contracts across 5 States in this space. Additionally, we are also implementing the Honorable Prime Minister's flagship programme PMKVY in 8 States.

Our focus on monetizing non-core assets continued and we successfully sold our Singapore company to Japanese listed company as well as took concrete steps towards monetizing other non-core assets. We have further divested our investments in other non-core assets such as Vidyamandir Classes and are closely looking at other divestments as well.

I am very thankful to team Educomp who have proved beyond doubt that they are the number one team in the education sector, a team that is dynamic, vibrant, committed to our ideals of ethics, innovation, transparency, accountability and trust and a team that is ready to take on the challenges of 21st century education and learning. While we are proud of our team, I also thank the other stakeholders, specially our customers who have stood steadfast in believing in the company, we assure them that we are fully committed to their long term success and every action that the company takes is fundamentally on a 'Customer First' principle and concept.

Finally, I would like to thank our bankers who have worked very closely with the company and are always receptive to our ideas and work with the positive mindset with us to find ways to work together to unlock shareholder value as well as serve the education sector in our country.

We look forward to Team Educomp contributing to the Indian education story for several decades to come.

Best wishes

Shantanu Prakash
Chairman



IMPECCABLE EDUCATION ECO-SYSTEM FOR 21ST CENTURY LEARNING

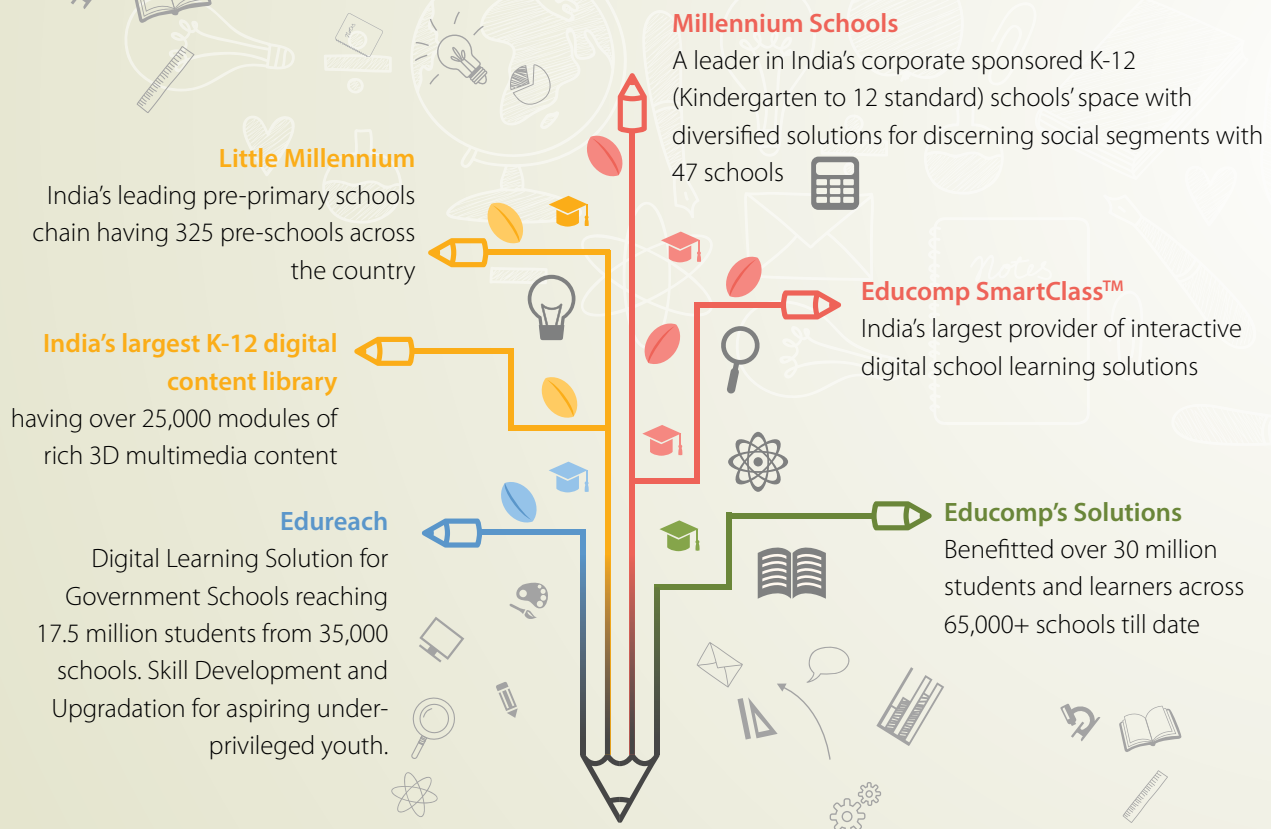
Educomp Solutions is India's largest Education and Technology Company having a highly diversified portfolio of products and services for the varied stakeholders in the education sector.

Educomp Solutions was established in 1994 with the Digital Classroom Solutions wherein the school teaching methodology changed to technology-driven and highly engaging, thus improving learning efficacy and results. Over the years, Educomp Solutions added an array of diversified products and services to its portfolio. Today, besides being

an undisputed leader in the Digital Classroom Learning Solutions, Educomp has a leading K-12 School chain on brick and mortar model. Adding further, Educomp Solutions has one India's fastest growing pre-school chain; Higher Education and Vocational & Skill Development Solutions; Online Supplemental Learning Solutions; and a remarkable global presence.

Educomp's vision is to solve critical education problems by applying innovative solutions focused on 'Quality of Education' and 'Access to Education'.

EDUCOMP SOLUTIONS LIMITED – A DISTINCT MARKET STANDING



Digital Classroom Learning Solutions



India's No. 1 Digital Interactive Learning Solution



The most advanced version of smartclass having flexibility and agility through a 3G SIM based access on a tablet.



Digital Learning Solution for Government Schools. Benefitted 17.5 million students from 35,000 government schools

Online & Supplementary Solutions to Educomp SmartClass



A unique English Language Laboratory for schools & students



A comprehensive student assessment and counseling solution for schools



A virtual learning solution with rich 3D multimedia content for critical modules of select subjects



India's first and largest mathematics tutorial portal of its kind



An Android based flexible learning system with a rich content repository, accessible anytime



India's first comprehensive digital classroom solution for Science and Mathematics

K-12 Schools Network



Network of premier K-12 schools in Metros and Tier II & III cities



K-12 Schools for Tier III & IV cities offering metro like education quality



Low budget schools for semi-urban towns with high-quality standards

Skill Development and ICT Empowerment



Skill Development: Skill Development and Upgradation followed by Placement Assistance for aspiring under-privileged youth to increase and sustain their employability.

ICT Empowerment: Through ICT wing, making Government School Students access to digital learning

Strategic Alliances



21st century learning platform for the internet age to learn, share and interact for all education stakeholders partnered with us for distribution of smart class content to students.



Raffles Millennium International: Professional development programmes in higher education through a JV between Raffles Education Corporation, Singapore and Educomp Solutions, India.



A physical text-book system for K-12 schools and Pre-schools, marketed by Educomp

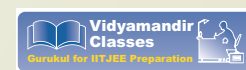
Investment Portfolio



A premier provider of Web-delivered curriculum and assessments in USA and North America



India's leading pre-school chain of 325 schools



India's leading IITJEE Test preparatory classes with 70+ Centres

TRANSFORMATIONAL DIGITAL CLASSROOMS FOR 21ST CENTURY LEARNING SOLUTIONS

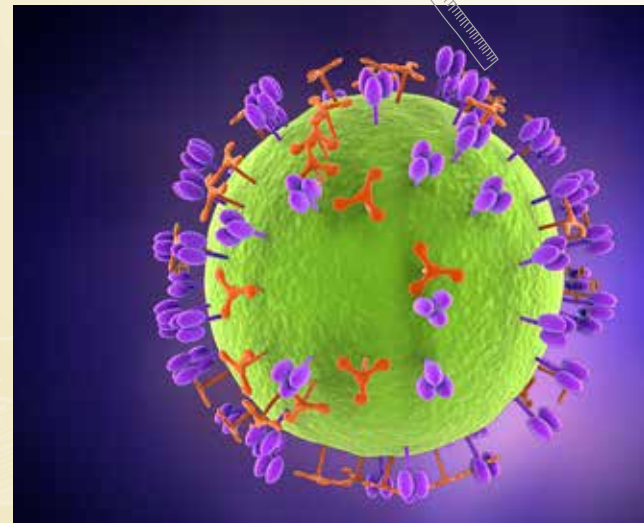


Educomp carries a crystal clear vision for its markets, industry, and stakeholders, which are providing technology-driven learning to transform the landscape of India's education sector. The 21st century is all about technology, accessibility, connectivity, speed and dynamism. After building India's largest Digital Learning System, we had to incorporate these traits into our solutions for our customers. We keep upgrading our solutions' technology platform, content, and functionality.

For the 21st Century education needs, Educomp Solutions is geared up to maintain that pace and deliver stakeholder success through its 21st Century Digital Learning Solutions.



To be a leader means to be responsible. At Educomp Solutions, we are committed to adding value to the overall education and learning system. In 1994, we started building India's largest Interactive Digital Learning System. With technology as the biggest catalyst, the Company created EducompSmartclass, which is transforming the way education is imparted and received. Today, Educomp carries India's largest digital education content library. Educomp has helped 12,000 private schools to make learning interesting and lasting for their 6 million students till date. In government school space, Educomp, through Edureach, has taken digital learning to 17.5 million students across 35,000 government schools. Our responsibility as a product leader and as a thought leader has remained our top-most priority and single most critical enabler of our success.





YEAR'S HIGHLIGHTS:

- **Launch of Educomp SmartclassPro:** Truly the 21st Century Digital Classroom Solution, SmartclassPro is the most advanced version of smartclass. Powered by the Fliplearn, SmartclassPro comes with tablet 3G SIM. SmartclassPro offers ease & flexibility of access for all; real-time connect & control for teachers; connectivity with other students & richer content for students; and teacher connect & study update for parents.
- **Launch of smartstem:** India's first comprehensive digital classroom solution for Science and Mathematics subjects – the two most impact bearing subjects in study and professional career.



WIDER LEARNING AVENUES FOR 21ST CENTURY LEARNING SOLUTIONS

Educomp's Online and Supplementary Solutions give greater impetus to its overall mission to make learning enjoyable and exciting through the use of technology. The Online and Supplementary Solutions add immensely to Educomp's core offerings of Smart Class Solutions, K-12 Schools, Vocational Education and Skill Development and Higher Education. These solutions ensure that there are no gaps left unplugged in the overall learning process. These Online and Supplementary Solutions provide high-quality digital content on general education topics as well as on specialized focus areas besides enhancing our core digital solutions. The purpose of these solutions is to encourage, support and sustain anytime learning for students across age groups.



EDUCOMP SOLUTIONS LIMITED – A DISTINCT MARKET STANDING

Educomp English

Mentor: Focussed solution for English language learning and improvement.

Educomp Mathguru: One its kind digital platform for Mathematics learning.

Educomp UniClass: An Android operating system based hardware that provides high-quality digital learning content anytime accessible through computer, LCD TV screen or projector.

Educomp Smartclass 3D Labs: A breakthrough solution for immersive learning through the creation of a virtual learning world.

Educomp SmartStem: Latest entrant to the Online and Supplemental Solutions bouquet is Smartstem. It is a tablet-based learning solution that is accessible through 3G mobile data connection, for numerous learning modules of Science and Mathematics.

YEAR'S HIGHLIGHTS:

Launched Educomp smartstem: A niche solution that gives a new perspective to Science and Mathematics education. Smartstem uses learning mechanism which is globally recognized and follows STEM education. The subjects include Mathematics, Physics, Chemistry and Biology; it blends technology with traditional teaching method.

smartstem™
Science • Technology • Engineering • Mathematics

Educomp Insight: A unique, comprehensive solution for students' counseling, evaluation and assessment, academically aligned with India's leading education boards and follows CCE method.



SKILLS DEVELOPMENT & DIGITAL EMPOWERMENT FOR 21ST CENTURY EMPLOYABILITY

We believe that skill development and higher education will contribute to India's growth story like never before. Through Government's Skill Development programmes such as the Pradhan Mantri Kaushal Vikas Yojna (PMKVY) and Deen Dayal Upadhyaya Gramin Kaushal Yojna (DDU-GKY), this particular area of learning and development will occupy a significant space in the education sector. The Government is aiming to train 10 million students in coming three years. Under our "Edureach" business vertical, we impart training and conduct workshops on skill development, enhancement, and upgradation. These programs are in tune with various Government programmes and schemes, which lay clear guidelines on the scope of learning. At present, Edureach is imparting training under Modular Employability Skill (MES) courses that are linked with IT/ITeS, Retail, BFSI, Automotive, Health and Construction sectors. As we work to strengthen the nation's present and potential working population, we believe that the 21st century will offer immense opportunities to those who are learned and skilled.



Educomp's Edureach has also been empowering the average students in the government/ government-aided schools with ICT Skills through its Digital Learning Solutions. However, given our recent corporate strategy, under Educomp 2.0, we are focussing on making all of our businesses faster yielding. This way we wish to ensure that we serve the industry and stakeholders sustainably. As part of this strategy, Edureach is working on selective client acquisition in the Government school space due to long gestation periods. Also, we are trying to improve our liquidity by way of focussing on realizations from the on-going projects. In the process, we can serve the existing clientele better and concentrate on the longevity of this business, sustainability, and profitability. Till date, Educomp's Edureach has helped 17.5 million students in 35,000 government schools in 14 states to learn the way 21st Century learners must.





YEAR'S HIGHLIGHTS: EDUREACH – SKILL DEVELOPMENT:

- Received mandate from various central/ state government departments to train 5000 youth across Odisha, Rajasthan, Bihar, Andhra Pradesh, Telangana, Maharashtra, Karnataka and Jharkhand
- First batch of youths attending Employability Linked Training passed out in June 2016 at Mahbubnagar, Telangana with 91% employment rate.

YEAR'S HIGHLIGHTS: INFORMATION & COMMUNICATION TECHNOLOGY (ICT):

- **Completed 9 ICT Projects:** Implemented 9 ICT projects in 6 states and handover process completed in 8 projects as on March 31, 2016.



ASPIRING K-12 SCHOOLS FOR 21ST CENTURY LEARNING INFRASTRUCTURE

A growing economy, thriving democracy, young population, improving literacy rate and increasing disposable incomes are positive signs for any country, at any given time. This scenario also brings even greater demand for quality formal education for a larger audience. These needs call for responsible players in the education sector to deliver on the nation's needs. Educomp is not merely present in formal K-12 education space, but it stands for quality, suitability, span and effectiveness in end-result. Educomp has got a distinct position in K-12 formal school space, having a school for almost every segment of the society. On one hand, The Millennium Schools provide premium K-12 education in metros and Tier II & III cities. On the other hand, Takshila Schools cater to students in Tier III & IV cities & towns. To take education to the last mile of the social structure, Universal Academy Schools play a crucial role by providing same quality education in the semi-urban areas. To even deepen the quality education reach in our society, we have extended a hand to other leading schools and school chains. Two such schools are Shriram Millennium School and PSBB Millennium School; these schools run on such joint efforts and boast of quality education, Educomp way of learning and strong personality development.



**YEAR'S HIGHLIGHTS:**

- **Investing in Brand:** Educomp invested aggressively in marketing its flagship K-12 schools, aimed at containing attrition and strengthening market position.
- **Impetus on higher enrolments:** During FY16, the schools business focused on driving enrolments in K12 schools for efficient utilization of existing resources.
- **Awards:** The Millennium School, Noida was awarded with two prestigious awards details of which are given under "Awards & Accolades" section of this report



LEARNING, FUN AND DEVELOPMENT FOR 21ST CENTURY KIDS



There is no age for learning, and then there is the most promising age for learning. It is said that 90% of a child's brain gets developed by the age of five years. Being a responsible player in the education sector, we could not resist serving these little angels with knowledge, love and care. Today, our 'Little Millennium' chain of pre-schools is one of the fastest growing and most sought-after names among parents of the tiny tots. We provide a fun-filled, knowledge-rich, brain and personality grooming learning for the children between the age group of 2-6 years. Little Millennium follows its proprietary teaching pedagogy i.e. ECLECTIC and SEVEN PETAL to offer unique curriculum that aides development and not just understanding. The popularity and wide acceptance of 'Little Millennium' have made it 325 schools strong in a span of a decade and has walked the development talk with 50,000 children since inception. We believe that children are the future of any country and that if we invest properly in early-childhood education, we can surely look forward to a stronger nation tomorrow. And when it is about a 21st century nation, these little heroes will give us a better tomorrow, but only if we provide them better education today.





YEAR'S HIGHLIGHTS:

- **Best Standalone Pre-school Award:** Little Millennium won the "Best Standalone Pre-school Award" at Indian Education Awards 2016
- **Focused Expansion:** Focussed and selective expansion of Little Millennium Schools made the school chain reach 325 centres
- **Increased enrolments:** Little Millennium schools witnessed ~13,000 enrollments during the year



GLOBAL FOOTPRINTS AND KNOWLEDGE WITH 21ST CENTURY LEARNING SOLUTIONS

Educomp Solutions has a significant overseas presence in the United States of America and Singapore in South Asia through organizational reach and global strategic partners. Educomp harnesses global best practices and technologies through these partnerships and takes its solutions to the world markets. With its strong global presence, Educomp reaches 5.6 million students from 14,611 schools outside India.

Educomp's key global venture:

Learning.com: A premier provider of web-based delivery of K-12 curriculum and assessments in the US. Besides the US, Learning.com is a sought-after name in the UAE, Saudi Arabia, Australia, Canada, Cote D'Ivoire, Guam, Guatemala, Philippines, Virgin Islands and the Cayman Islands. Its popular brands are Aha!Math, Aha!Science, SKY, EasyTech, and TechLiteracy Assessments.

leArnin3.com



YEAR'S HIGHLIGHTS:

- **Consolidating Global Presence:** Educomp made an exit from Wizlearn Technologies during FY16 in the wake of consolidating its global presence for focussed yet stronger. With the focussed approach, Educomp is gearing up for better offerings and deeper penetration its markets of presence

ENGAGING WITH STAKEHOLDERS OF 21ST CENTURY LEARNING ECO-SYSTEM

At Educomp, engaging with stakeholders is an important and integral part of doing business. Engaging with stakeholders keeps us abreast with market needs, stakeholder expectation and helps us keep ourselves on top of their mindspace. We believe that innovation marketing initiatives and communication are a wonderful means of stakeholder engagement. Following are the key marketing initiatives developed and/or supported by Educomp during FY16.

New TV Ad Campaign -#TherelsAnotherWay:

Stakeholder awareness bundled with stakeholder engagement, is how we could summarize this ad campaign. The campaign was highly appreciated and widely received for its sheer creativity and meaningful message.

50 City School Seminars: A school-wise seminar across India in 50 schools on the revolution through STEM methodology of education.

Educomp India Today Educational Excellence Awards: Educomp

Solutions alongwith India Today Group organized these awards for excellence in education. These pan-India awards were conferred as "Principal of the Year and "Teacher of the Year" under 24 sub-categories in 4 zones created for this award, namely – North, East, West and South. This is one its kind initiatives in the industry.

E-DAC Promising Schools of India: A 20
episode series on India's most promising
schools, covering 60 schools brought by
CNN-IBN & E-DAC.

New Educomp

Education Leaders Summit: A summit organized by Educomp Foundation, to discuss and consolidate the best ideas in education delivery, content and pedagogy practices.



CARING, SHARING AND PROGRESSING INCLUSIVELY WITH 21ST CENTURY BUSINESS

Educomp believes in growing inclusively. It is committed to contributing to the progress of the underprivileged sections of the society. Through Educomp Foundation, the Company's CSR arm, Educomp has been investing in measures that have a lasting impact on the society and communities since the very beginning of its journey. Educomp Foundation has been gaining greater trust and resultant impetus from external stakeholders wherein it gets financial support from organizations & individuals outside Educomp Solutions also. Today Corporate Social Responsibility (CSR) is gaining greater focus due to increased corporate focus and finer compliance mandates. Educomp has a structured CSR policy that helps the Company deliver the desired social impact in a systematic manner while staying aligned with legal mandates as well. Educomp's key social impact areas include education, healthcare, awareness and skill development.



TRUST AND RECOGNITION FOR 21ST CENTURY LEARNING SOLUTIONS

Recognition of one's work displays the trust in one's capabilities and transforms into that driving force which makes one excel. Recognition of our works for the education sector is the testimony to our relentless commitment towards delivering 21st Century Learning Solutions. During FY16, we were awarded with a number of awards and recognition, a glimpse of the same is given here.



SmartclassPro won the '**Best Education Initiative**' award at the 'Indian Education Congress 2016'



Educomp received the '**Most Impactful PPP initiative**' award in Skill Development at Indian Education Awards 2015



Smartstem was Awarded for being the '**Best Innovative Learning Tool for smartstem**' by Indian Education Awards 2016



Strategic Partner
Fliplearn was awarded as the '**Best Online Education Platform**' by Indian Education Awards 2015





EDAC awarded as the '**Best Education Publisher of the Year**' at Indian Education Awards 2015



The Millennium School (TMS), Noida awarded as one of the **Best Schools of India** by ELETS Awards 2016



Little Millennium awarded as the '**Best Standalone Pre School**' at Indian Education Awards 2016



The Millennium School (TMS), Noida was awarded for '**Impelling Innovations in Teaching Pedagogy**' category at World Education Summit 2016, Dubai



Mr. Shantanu Prakash was felicitated with "**Education Entrepreneurship Leadership Award 2016**"



Educomp Smartclass won "**Most Promising Brand for Digital Learning**" at "The 2016 Leaders Awards"



Educomp's **ICT solutions under Edureach** was certified with **ISO 9001:2008** standard for **Quality Management System**



Educomp Solutions Limited featured in Fortune's "**India's Top 500 Midsize Companies**" listing



CORPORATE INFORMATION

BOARD OF DIRECTORS

(As on 12th August 2016)

Mr. Sanjay Kumar Bhattacharyya

Chairman and Independent Non Executive Director

Mr. Shantanu Prakash

Managing Director

Mr. Vinod Kumar Dandona

Whole-Time Director

Mr. Vijay Kumar Choudhary

Independent Non Executive Director

Ms. Azra Shauqia Hasan

Independent Non Executive Director

Ms. Swati Sinha

Independent Non Executive Director

COMMITTEES OF THE BOARD

(As on 12th August 2016)

AUDIT COMMITTEE

Mr. Vijay Kumar Choudhary

Chairman, Independent & Non Executive Director

Ms. Azra Shauqia Hasan

Member, Independent & Non Executive Director

Ms. Swati Sinha

Member, Independent & Non Executive Director

Mr. Shantanu Prakash

Member, Promoter & Executive Director

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Vijay Kumar Choudhary

Chairman, Independent & Non-Executive Director

Ms. Azra Shauqia Hasan

Member, Independent & Non-Executive Director

Mr. Shantanu Prakash

Member, Promoter & Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Ms. Azra Shauqia Hasan

Chairman, Independent & Non Executive Director

Mr. Vijay Kumar Choudhary

Member, Independent & Non Executive Director

Ms. Swati Sinha

Member, Independent & Non Executive Director

FINANCE COMMITTEE

Mr. Shantanu Prakash

Chairman, Promoter & Executive Director

Mr. Vijay Kumar Choudhary

Member, Independent & Non Executive Director

Ms. Azra Shauqia Hasan

Member, Independent & Non Executive Director

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Shantanu Prakash

Chairman, Promoter & Executive Director

Mr. Vinod Kumar Dandona

Member, Executive Director

Ms. Vijay Kumar Choudhary

Member, Independent & Non Executive Director

CHIEF FINANCIAL OFFICER

Mr. Ashish Mittal

COMPANY SECRETARY

Mr. Yogesh Saluja

STATUTORY AUDITORS

Haribhakti & Co., LLP
Chartered Accountants

BANKERS

Axis Bank Limited

Canara Bank

Central Bank of India

DBS Bank

ICICI Bank Ltd

IDBI Bank

IndusInd Bank

J & K Bank Limited

Standard Chartered Bank

State Bank of Bikaner & Jaipur

State Bank of India

State Bank of Patiala

Syndicate Bank

Union Bank Of India

Yes Bank Ltd.

SHARE TRANSFER AGENT

Link Intime India Private limited

44, Community Centre, Phase- I,
Near PVR, Naraina Industrial Area,
New Delhi 110028

LISTED AT

National Stock Exchange of India
Limited & Bombay Stock Exchange
Limited CIN: L74999DL1994PLC061353

REGISTERED OFFICE

1211, Padma Tower I, 5, Rajendra Place
New Delhi-110008

CORPORATE OFFICE

Educomp Towers, 514, UdyogVihar,
Phase III, Gurgaon- 122001
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DIRECTOR'S REPORT

Dear Shareholders,

The Directors of your Company (i.e. Educomp Solutions Limited) have pleasure in presenting herewith the 22nd Annual Report of your Company together with the audited accounts for the Financial Year ended 31st March 2016.

1. FINANCIAL PERFORMANCE :

The highlights of the consolidated and standalone audited financial results for the year ended 31st March 2016 are as follows:

(₹ in million)

Particulars	Consolidated		Standalone	
	Year Ended		Year Ended	
	Audited		Audited	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Sales and other Income	5,873.51	5,941.97	2,230.88	2,322.01
Net profit/ (Loss) before tax	(4,823.97)	(16,998.05)	(3,624.29)	(11,654.39)
Tax Expenses	(139.54)	(11.19)	(190.91)	-
Net profit/(Loss) after tax	(4,684.43)	(16,986.86)	(3,433.38)	(11,654.39)
Minority interest and equity in earnings/ (losses) in affiliates/ Pre acquisition Loss/ (profit)	(211.73)	(565.31)	-	-
Net profit/ (Loss) after tax for the year	(4,472.70)	(16,421.55)	(3,433.38)	(11,654.39)
Appropriations	-	-	-	-
Interim Dividend	-	-	-	-
Proposed Dividend on equity shares	-	-	-	-
Corporate Tax on distributed dividend	-	-	-	-
Transfer to Debenture Redemption Reserve	-	-	-	-
Transfer to General Reserve	-	-	-	-

2. DIVIDEND AND TRANSFER TO RESERVE:

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended March 31, 2016.

In view of the losses incurred by the Company, no amount has been transferred to reserve for the financial year ended March 31, 2016.

3. OPERATING RESULTS AND BUSINESS:

We enjoy long-term annuity relationships with both private schools as well as government customers, ranging from three to five years. Our revenues are predictable & locked in for three to five years on account of the contractual nature of our business.

In the Smart Class [™] segment, we have the total number of schools to 17,289 as on March 31, 2016.

In Edureach (formerly ICT) business segment, we have an ongoing partnership with 3 State Governments and reaches to 1,779 Government schools in various states as on March 31, 2016.

On Standalone basis Company's total revenue stands at ₹2,230.88 million as on March 31, 2016 as compared to ₹2,322.01 million as on March 31, 2015, a decline of 3.92%. The loss before taxes is ₹3,624.29 million as on March 31, 2016 as against loss before taxes of ₹11,654.39 million as on March 31, 2015.

On Consolidated basis Company's total revenue stands at ₹5,873.51 million as on March 31, 2016 as compared to ₹5,941.97 million as on March 31, 2015, registering a decline of 1.15%. The loss before tax and after prior period items/ exceptional items stands at ₹4,823.97 million as on March 31, 2016 as against loss of ₹16,998.05 million as on March 31, 2015.

There have been no material changes and commitments between the end of the financial year 2015-16 & the date of the report.

SEGMENTAL PERFORMANCE (STANDALONE):

The EBIT margins in the School learning solutions (SLS) Segment of the Company for the year amounted to ₹(497.65) million or (25.32%) of SLS revenues as on March 31, 2016 as compared to ₹(9,007.37) million or (472.59%) of SLS revenues as on March 31, 2015.

The EBIT margins in the Higher learning solutions (HLS) segment of the Company for the year amounted to ₹10.81 million or 54.82% of HLS revenues as on March 31, 2016 as compared to ₹47.99 million or 83.39% of HLS revenues as on March 31, 2015.

The EBIT margins in Online Supplemental and Global (OSG) segment of the Company for the year amounted to ₹(16.79) million or (68.56%) of OSG segment revenues as on March 31, 2016 as compared to ₹(1.27) million or (6.96%) of OSG revenues as on March 31, 2015.

EXPENDITURE (STANDALONE):

Cost of Goods Sold (COGS) has increased to 17.38% of our total revenue as on March 31, 2016 from 10.06% as on March 31, 2015. This increase is on account of change in revenue.

Personnel expenses have decreased to 51.55% of total revenue as on March 31, 2016 from 55.49% as on March 31, 2015. Other expenses have increased to 52.97% as on March 31, 2016 from 43.37% of total revenue as on March 31, 2015. This increase is essentially because of the fall in revenues and the absolute expenses have infact reduced.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

4. CHANGES IN CAPITAL STRUCTURE:**AUTHORIZED SHARE CAPITAL**

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

ISSUED AND PAID-UP SHARE CAPITAL

During the year under review, the Company has not issued and allotted any equity shares and the paid up share capital stood at ₹24,49,34,336/- consisting of 12,24,67,168 Equity Shares of the face value of ₹2/- each as on 31st March, 2016 and as on the date of report.

5. FOREIGN CURRENCY CONVERTIBLE BONDS

In Year 2012-13, the Company had raised US\$ 10 million, Zero Coupon Foreign Currency Convertible Bonds (FCCB) for redemption of outstanding Zero Coupon Foreign Currency Convertible Bonds. The Bond holders, as per the agreement, have the option to convert these bonds into Equity Shares, at a price of ₹188.62 per share with in 5 years and 1 day from the date of disbursement. The FCCB are redeemable at a premium of 33.15 % on principal after 5 years and 1 day. The FCCB were raised for the purposes of redemption of earlier FCCB of the Company. As on March, 31, 2016 US\$ 10 million (previous year US\$ 10 million) FCCB were outstanding for conversion into equity shares of ₹2 each.

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

As on 31st March 2016, the Company has outstanding Secured Non-Convertible Debentures for an aggregate value of ₹45 Crores comprising 350, 13.5% Secured Non-Convertible Debentures (Listed on Bombay Stock exchange) of the face value of ₹10,00,000/- each aggregating to ₹35 Crores and

100, 13.25% Secured Non-Convertible Debentures of the face value of ₹10,00,000/- each aggregating to ₹10 Crores.

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

External Commercial Borrowings

In Year 2012-13, the Company has raised US\$ 70 million through External Commercial Borrowing (ECB) comprising US\$ 30 million from International Financial Corporation (IFC) a member of the World Bank Group and US\$ 40 million from Société De Promotion Et De Participation Pour La Coopération Économique (PROPARCO), a French development financial institution. The ECB has a term of 8.5 years with a 3 years moratorium and the coupon rate is LIBOR + 4.5%. The ECB has been raised for purposes of redemption of existing FCCB. The said ECB is outstanding at the Financial Year ending on March 31, 2016.

7. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments between the end of the financial year 2015-16 & the date of the report.

8. EXTRACT OF ANNUAL RETURN

Pursuant to the provision of Section 92 (3) of the Companies Act, 2013, the extract of the Annual Return in **Form No. MGT-9** is presented in a separate section and is annexed herewith as "**Annexure – I**" to this report.

9. PUBLIC DEPOSITS:

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

10. SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

As on March 31, 2016, the Company had 42 Subsidiaries, 1 Joint ventures having 1 subsidiary and 1 Associates. During the year, M/s. Educomp Intelliprop Ventures Pte. Ltd., Subsidiary of the Company was sold its entire stake in Wiz Learn Technology Pte. Ltd., Singapore to V-cube Global Services Pte. Ltd., thus, in accordance of such sale, the investment of Wiz Learn Technology Pte. Ltd. in three Subsidiaries naming Singapore Learning.com Pte. Ltd.; Pave Education Pte. Ltd.; Wiz Learn Pte. Ltd. was also stand ceased. During the year, the Board of Directors (the Board) reviewed the affairs of material subsidiaries. We have, in accordance with Section 129(3) of the Companies Act, 2013 prepared consolidated financial statements of the Company and all its subsidiaries except M/s Edu Smart Services Private Limited, which form part of the Annual Report. Further, the consolidated financial results of JV of the Company i.e. Educomp Raffles Higher Education Limited as at March 31,

2016 are not available with the Company. The consolidated financial results of the Company reflects total revenue of ₹176.46 lacs and total loss after taxes of ₹143.01 lacs for the year ended March 31, 2016 which are based on unreviewed consolidated financial results of the JV for the quarter ended June 30, 2015.

Further, the report on the performance and financial position of each of the subsidiary, associate and joint venture and salient features of the financial statements in the prescribed Form AOC-1, duly approved along with the financial statements, is annexed to this report [**Annexure – II**].

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of each of the subsidiary will be available on our website <http://www.educomp.com/content/investors-home>. These documents will also be available for inspection during business hours at the registered office of the Company.

11. CHANGE IN SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the Financial year 2015-16, M/s. Educomp Intelliprop Ventures Pte. Ltd., Subsidiary of the Company sold its entire stake in Wiz Learn Technology Pte. Ltd., Singapore and its subsidiaries namely Singapore Learning.com Pte. Ltd.; Pave Education Pte. Ltd and Wiz Learn Pte. Ltd. to V-cuble Global Services Pte. Ltd. Singapore, thus, Hence, indirect subsidiary of the company namely M/s Wiz Learn Technology Pte. Ltd., Singapore; M/s Singapore Learning.com Pte. Ltd.; M/s Pave Education Pte. Ltd and M/s Wiz Learn Pte. Ltd ceased to be the subsidiary Companies of the Company during the year under review.

Further, pursuant to a negotiated settlement entered into with ICICI Bank, after 31st March 2016, board of the company accorded its approval to divest its entire shareholding in Vidya Mandir Classes Limited (being 67% shareholding of VMCL), a subsidiary of the Company and Educomp Learning Hour Private Limited, a step down subsidiary of the Company by executing the share purchase agreement dated July 25, 2016 with the buyer. The transaction is consummated as on the date of this report. However, part of the consideration shall be received on or before March 31, 2019.

In addition to above, after 31st March 2016, M/s Little Millennium Education Private Limited(Formerly known as Educomp Child Care Private Limited), ceased to be the subsidiary of the company from April 22, 2016 due to dilution of the share of the Company, below 50%, in the paid share capital of Little Millennium Education Private Limited. The said dilution is due to additional subscription of shares, in the paid up share capital, by the other minority shareholder.

12. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

• Composition of Board of Directors

As on 31st March 2016, Board of Directors of Educomp Solutions Limited comprises of two Executive Directors namely Mr. Shantanu Prakash, Chairman & Managing Director and Mr. Vinod Kumar Dandona, Whole Time Director and Five Independent Non-Executive Directors, namely Ms. Azra Shauqia Hasan, Mr. Rajat Khare, Mr. Vijay Kumar Choudhary, Dr. Venkata Subbarao Valluri and Ms. Swati Sinha.

• Appointment and Resignation of Director and Key Managerial Personnel

During the year, the Company, pursuant to the applicable provisions of the Companies Act, 2013 and Listing Agreement and on the recommendations of the Nomination and Remuneration Committee, made appointment of Ms. Azra Shauqia Hasan as the Additional Director (Independent) w.e.f. 28th May, 2015 to hold the office till the conclusion of the Last Annual General Meeting of the Company. The Company has received declarations from the said Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the Clause 49 of Listing Agreement. Further, Mr. Shonu Chandra, Independent Director of the Company resigned, due to preoccupation, from the office w.e.f. 29th May, 2015.

Further, during the year, on the recommendations of the Nomination and Remuneration Committee and board, the shareholders of the company in their previous Annual general Meeting held in the year 2015 appointed Ms. Azra Shauqia Hasan as an Independent Director of the Company w.e.f. 28th May, 2015. In accordance with the provisions of Section 149 and proviso to Section 152(5) of the Companies Act, 2013, Ms. Azra Shauqia Hasan is being appointed as Independent Directors to hold office for the term of five years w.e.f 28th May 2015.

After 31st March, 2016, Mr. Rajat Khare & Mr. Venkata Subbarao Valluri, Independent Directors of the Company has resigned, due to their preoccupation, from the office w.e.f. 27th May, 2016 and the Board of Directors of the Company, vide resolution by circulation on 16th July 2016, has appointed Mr. Sanjay Kumar Bhattacharyya as Additional Director (Category – Independent/Non-Executive) of the Company to hold the office till the conclusion of the ensuing Annual General Meeting of the Company. He is also appointed as the Chairman of the Board in place of Mr. Shantanu Prakash, Managing Director of the company.

- **Re-appointment**

In terms of the Companies Act, 2013, the directors other than independent directors shall only be considered for ascertaining the directors liable to retire by rotation. Further as per section 152 of the Companies Act, 2013 Mr. Shantanu Prakash is the Director liable to retire by rotation and further being eligible, offers themselves for re-appointment at the ensuing Annual General Meeting. The Board recommends their re-appointment and requisite resolution forms part of the notice convening the AGM.

Further, the existing tenure of Mr. Vinod Kumar Dandona, Whole Time Director of the company will be expired on November 12, 2016. The Nomination and Remuneration Committee and Board of Directors of the Company felt that, considering the rich experience and contribution of Mr. Vinod Kumar Dandona, Whole Time Director, the reappointment of Mr. Vinod Kumar Dandona as Whole Time Director of the company for further period of three (3) years is in the interest of the company and accordingly proposes his re-appointment as Whole Time Director of the company for further period of three (3) years and at such remuneration mentioned in the Notice of the forthcoming AGM of the Company.

The brief resume and other details relating to the directors, who are to be appointed/ re-appointed as stipulated under Listing Regulations, 2015, are furnished in the Notice of AGM forming part of the Annual Report.

- **Board Evaluation**

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, 2015 the Board has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors.

Schedule IV to the Companies Act, 2013 also provides for the performance evaluation of Independent Directors by the entire Board of Directors, excluding the Directors being evaluated.

After performance evaluation of the Independent Directors, the performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Details regarding the process of formal evaluation of the performance of the Board, its Committees and individual Directors including the manner in which the evaluation board, its committees and individual directors has been carried out for the financial year ended March 31, 2016 are provided in the Corporate Governance Report.

13. BOARD MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. The Board met 4 (Four) times during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations, 2015.

14. INDEPENDENT DIRECTORS DECLARATION

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 read with Clause 16(1)(b) and 25 of the Listing Regulations, 2015.

15. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Your Company has put in place a structured induction and familiarization programme for Independent Directors. The Company through such programme familiarizes Independent Directors with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc. Details on familiarization programme for Independent Directors is posted on the Company's website and can be accessed at <http://www.educomp.com/content/familiarisation-programme>.

16. COMMITTEES TO THE BOARD OF DIRECTORS

- **Audit Committee**

The Company also has Audit Committee which is constituted as per requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, 2015. Audit Committee has 4 members out of which 3 are Non-Executive Independent Directors and one is Executive Director. The Chairman of Audit Committee is an Independent Non-Executive Director.

The Committee met 4 (Four) times during the year.

- **Nomination and Remuneration Committee**

The Company also has Nomination and Remuneration Committee which is duly constituted as per Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, 2015. Nomination and Remuneration Committee has 3 members which are Independent Non-Executive Directors. The Chairman of Nomination and Remuneration Committee is an Independent Non-Executive Director.

The Committee met 4 (Four) times during the year.

- **Stakeholders Relationship Committee**

The Company also has Stakeholders Relationship Committee which is duly constituted as per Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, 2015. Stakeholders Relationship Committee has 3 members out of which 2 are Non-Executive Independent Directors and one is Executive Director. The Chairman of Stakeholders Relationship Committee is an Independent Non-Executive Director.

The Committee met 5 (Five) times during the year.

- **Corporate Social Responsibility Committee**

The Company also has Corporate Social Responsibility Committee which is duly constituted as per Section 135 of the Companies Act, 2013. Corporate Social Responsibility Committee has 3 members out of which one is Non-Executive Independent Directors and two are Executive Director. The Chairman of Corporate Social Responsibility Committee is an Executive Director.

The Committee met 1 (One) time only during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The Policy on Corporate Social Responsibility is available on Company's website and may be access on <http://www.educomp.com/content/policies.>

Note:

1) The details of the above committees along with their composition, number of meetings and attendance of members at the meetings are provided in the corporate governance report which forms part of this annual report.

2) The details of the other committees to the board are provided in the corporate governance report that forms part of this Annual Report.

17. NOMINATION AND REMUNERATION POLICY

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

18. DIRECTORS RESPONSIBILITY STATEMENT:

In pursuance of provisions of Section 134(3) and 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirm:

- a. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the period ended on March 31, 2016;
- c. That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the annual accounts have been prepared on a going concern basis; and
- e. that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.
- f. That the directors have devised the proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. STATUTORY DISCLOSURES:

The Company has received Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014.

None of the Directors of your Company is disqualified as per provision of Section 164(2) of the Companies Act, 2013 read with Regulation 16(1)(b) and 25 of Listing Regulations, 2015. The Directors of the Company have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and Listing Regulations, 2015.

20. HUMAN RESOURCE MANAGEMENT:

Educomp is an equal opportunity employer with total employee strength of 5065 (Five Thousand Sixty Five) as on 31st March, 2016 as compared to 6879 (Six Thousand Eight Hundred Seventy Nine) as on 31st March, 2015.

The Company has a suitable recruitment and human resource management process, which enables us to attract and retain high caliber employees. Company has created incentive driven remuneration policies which act as an effective retention tool.

21. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has the Corporate Social Responsibility (CSR) Committee, as per the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014. Further, the Annual Report on CSR Activities in format prescribed in Companies

(Corporate Social responsibility) Rules, 2014 including the brief outline of the corporate social responsibility (CSR) policy of the Company annexed to this report **Annexure III**. For other details regarding the CSR Committee, please refer to the corporate governance report, which forms part of this report.

22. REVISION OF FINANCIAL STATEMENTS

No revision is made in the financial statements or Board's report for the year under review.

23. AUDITORS & AUDITORS' REPORT:

• Statutory Auditors and Statutory Auditors Report

Haribhakti & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 103523W), who are the Statutory Auditors of the Company, hold office until the conclusion of the 25th (Twenty Fifth) Annual General Meeting (AGM). The Members of the Company at the 20th (Twentieth) AGM held on 29th September, 2014 was approved the appointment of M/s Haribhakti & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 103523W) to examine and audit the accounts of the Company for Five years to hold office till the conclusion of the Twenty Fifth AGM of the Company to be held in the year 2019 subject to ratification at every AGM held thereafter. The Company has received letter from them to the effect that their ratification, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from being auditors of the Company. Accordingly, pursuant to the provisions of Section 139 of the Companies Act, 2013, it is proposed to ratify the appointment of M/s Haribhakti & Co. LLP, Chartered Accountants as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the next AGM.

The Directors refer to the auditors' qualification, matter of emphasis, observation in the Annexure to Independent Auditors' Report and as required under Section 134(3) of the Companies Act, 2013, provide their explanation as under:

MANAGEMENT'S RESPONSE TO AUDITORS' QUALIFICATION, MATTER OF EMPHASIS AND AUDITORS' OBSERVATIONS -

MANAGEMENT RESPONSE TO THE MATTER OF EMPHASIS IN THE STANDALONE AUDIT REPORT FOR THE FINANCIAL YEAR ENDING 31ST MARCH 2016:-

Response to Point (a)

In this regard the management of the Company is in the process of making necessary application 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.

Response to Point (b)

The Company has assessed the business projections of six of its subsidiary companies, namely Educomp Infrastructure and School Management Limited, Educomp Online Supplemental Service Limited, Educomp Child Care Private Limited, Educomp Professional Education Limited, Vidya Mandir Classes Limited, Educomp Intelliprop Ventures Pte Ltd. (Formerly known as Educomp Intelprop Ventures Pte Ltd.) and its associate Greycells18 Media Limited, having a total investment of ₹153,090.73 lacs and has concluded that their businesses are sustainable on a going concern basis. The Company evaluated the recoverability of its investments, using business valuations performed by independent experts, according to which the decline in the carrying 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 as on March 31, 2016 and concluded that no adjustments to the carrying value of its long term investments is required to be recorded in these audited standalone financial results of the Company for the year ended March 31, 2016.

Response to Point (c)

Pursuant to implementation of approved Corporate Debt Restructuring Scheme (CDR scheme), certain lenders have disbursed fresh corporate loans to the Company and corresponding trade receivables were bought from Edu Smart Services Private Limited (ESSPL) together with future business relating to these customers. Due to this restructuring, the remaining receivables in ESSPL may not yield adequate surplus to discharge its liability towards the Company for trade receivables and redemption of redeemable non convertible preference shares. However, the approved CDR scheme has mandated merger of ESSPL with the Company and accordingly, the Company has initiated the process and has taken the approval of Board of Directors in the board meeting held on 13th January 2015. The Board of Directors in their meeting held on 26th May 2016 has suggested certain changes in the scheme with respect to above said merger and revised scheme shall be placed in next board meeting. The impact for the amalgamation shall be given/ recorded in the books of accounts upon obtaining approvals and implementation of the Scheme.

Response to Point (d)

The Company has incurred substantial losses and its net worth has significantly eroded. Based on Company's projected cash flows, it shall have sufficient funds to run its operations in foreseeable future. As regards availability of requisite funds to meet its debt related obligations including those overdue and falling due in financial year 2016-17 as per its CDR package executed with Company's lenders, the Company intends to monetize its identified investments, receivables and assets to meet the necessary obligations. The Company is also taking several measures to improve operational efficiencies and other avenues of raising funds.

The management is confident that with the above measures and continuous efforts to improve the business, it would be able to generate sustainable cash flow, discharge its short-term and

long term liabilities and recover and recoup the erosion in its net worth through profitable operations and continue as a going concern. Accordingly, these standalone financial results 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.

MANAGEMENT RESPONSE TO THE MATTER OF EMPHASIS IN THE CONSOLIDATED AUDIT REPORT FOR THE FINANCIAL YEAR ENDING 31ST MARCH 2016:-

Response to point (a)

In this regard 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/recorded in year ended March 31, 2014, March 31, 2015 and quarter ended June 30, 2015 in due course.

EISML has submitted an application to the Central Government for waiver/approval of managerial remuneration pertaining to year ended March 31, 2014.

Response to point (b)

Due to longer than expected gestation period of schools, recovery of trade receivables amounting ₹19,363 lacs from various Trusts engaged in running the schools, to the subsidiary Company EISML has been slow. The Management of EISML, is regularly monitoring the growth in schools and their future projections, based on which, the Management believes that the trade receivables from the Trusts are fully recoverable.

Response to point (c)

The Group has assessed the business projections of six companies in the Group, namely, Educomp Infrastructure and School Management Limited, Educomp Online Supplemental Service Limited, Educomp Child Care Private Limited, Educomp Professional Education Limited, Vidya Mandir Classes Limited, Educomp Intelliprop Ventures Pte Ltd. (Formerly known as Educomp Intelprop Ventures Pte Ltd.) and its associate Greycells 18 Media Limited., for evaluating the recoverability of Group's share of net assets and has concluded that their businesses are sustainable on a going concern basis. The Company has evaluated the recoverability of its share of net assets held through these Companies, using business valuations performed by independent experts, according to which the decline in the carrying value of net assets is considered to be temporary. The said evaluation is based on the long term business plans of its subsidiaries/associate as on March 31, 2016 and concluded that no adjustments to the carrying value of its share in net assets is required to be recorded in the consolidated financial results of the Company for the year ended March 31, 2016.

Response to point (d)

The Management is continuously monitoring the settlement of these balances and is regularly following up with respective parties for recovery of the said capital advances. The

Management believes that other capital advances, which have not been provided for, although have been long outstanding are fully recoverable and hence, existing provision recorded in books is sufficient to cover any possible future losses on account of non recovery of such capital advances.

Response to point (e)

The Group's management has reviewed business plan of its joint venture, Educomp Raffles Higher Education Limited which had advanced loans amounting ₹5,147 lacs to Jai Radha Raman Education Society (Society) and its subsidiary Millennium Infra Developers Limited which had trade receivables of ₹6,021 lacs from the same Society under contractual obligations. The Group's management had also considered the business plan of the Society and estimated market value of its net assets, based on which no adjustment is required in carrying value of its share of net assets in such joint venture. The Group's holding in the joint venture is 41.82%.

The consolidated financial results of Educomp Raffles Higher Education Limited subsequent to June 30, 2015 are not available with the Company, hence there is no update available on above status.

Response to point (f)

The Group had evaluated the recoverability of intangible assets in form of Brand 'Universal' in one of its step down subsidiary, by using valuations performed by an independent valuation expert. The said evaluation was based on long term business plans and underlying assumptions used for the purpose of valuation, which in view of the Management were realistic and achievable by the subsidiary. Based on revised business plans which entailed scaling down the operation of 'Universal' brand of schools, the management had recorded an impairment of ₹4,527 lacs to this asset till March 31, 2016.

Response to point (g)

Pursuant to implementation of approved CDR scheme, certain lenders have disbursed fresh corporate loans to the Company and corresponding trade receivables were bought from Edu Smart Services Private Limited (ESSPL) together with future business relating to these customers. Due to this restructuring, the remaining receivables in ESSPL may not yield adequate surplus to discharge its liability towards the Company for trade receivables and redemption of Redeemable non convertible preference shares. However, the approved CDR scheme has mandated merger of ESSPL with the Company and accordingly, the Company has initiated the process and has taken the approval of Board of Directors in the board meeting held on 13th January 2015. The Board of Directors in their meeting held on 26th May 2016 has suggested certain changes in the scheme with respect to above said merger and revised scheme shall be placed in next board meeting. The impact for the amalgamation shall be given/recorded in the books of accounts upon obtaining approvals and implementation of the Scheme.

Response to point (h)

The Company has incurred substantial losses and its net worth

has been significantly eroded. Based on Company's projected cash flows, it shall have sufficient funds to run its operations in foreseeable future. As regards availability of requisite funds to meet its debt related obligations including those overdue and falling due in year 2016-17 as per its CDR package executed with Company's lenders, the Company intends to monetize its identified investments, receivables and assets to meet the necessary obligations. The Company is also taking several measures to improve operational efficiencies and other avenues of raising funds.

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

Response to point (i)

The Company's subsidiary, Educomp Infrastructure & School Management Limited has incurred losses and the subsidiary's debt related obligation in form of Funded Interest Term Loan has been converted into 0.1% Cumulative Compulsory Convertible Preference Shares during the earlier quarters. Based on subsidiary company's projected cash flows, it shall have sufficient funds to run its operations in foreseeable future. As regards availability of requisite funds to meet its debt related obligations overdue and including those falling due in year 2016-17 as per the CDR package executed with subsidiary's lenders, the subsidiary intends to monetize its assets identified for sale to meet the necessary obligations. The subsidiary is also taking several measures to improve operational efficiencies and other avenues of raising funds.

The management of the subsidiary is confident that with the above measures and continuous efforts to improve the business, it would be able to generate sustainable cash flow to discharge its short-term and long term liabilities and recover & recoup the erosion in its net worth through profitable operations and continue as a going concern. Accordingly, these consolidated financial results have been prepared considering EISML's financials results 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 subsidiary is unable to continue as a going concern.

Response to point (j)

The Company's step down subsidiary, Knowledge Vistas Limited has taken land from Lavasa Corporation Limited on lease vide lease agreement dated June 30, 2009 for a period of 999 years to construct an international residential school. Further, this

subsidiary has entered into a sub-lease agreement with Gyan Kunj Educational Trust (GKET) to sub lease the school building. As per the sub lease agreement, GKET shall be liable to pay lease rental to the subsidiary from the year in which it has cash surplus. GKET has started its operations in Academic Session 2011-12 but due to certain environmental matters, GKET decided to suspend its operations and is waiting for favourable business opportunities.

On the basis of the valuation reports from an independent valuer, the carrying cost of the said subsidiary's assets is not less than its net realisable value. Hence, the management doesn't anticipate any asset impairment. These consolidated financial results have been prepared considering the subsidiary's financials results 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 subsidiary is unable to continue as a going concern.

MANAGEMENT RESPONSE TO THE QUALIFICATION IN THE CONSOLIDATED AUDIT REPORT FOR THE FINANCIAL YEAR ENDING 31ST MARCH 2016:-

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

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

EXPLANATION TO THE OBSERVATIONS IN THE ANNEXURE TO STANDALONE INDEPENDENT AUDITORS' REPORT, AS REQUIRED UNDER THE COMPANIES ACT, 2013 EXPLANATION ON THE SAME AS UNDER:-

(vii) In respect of auditors' observation in standalone financial statements regarding delay in the depositing statutory dues.

In this regard, it has been clarified that the delays were not material and the same has been subsequently rectified.

(viii) In respect of auditors' observation in standalone financial statements regarding certain default in repayment of dues to financial institutions, banks and debentureholders.

It was clarified that the delay in payment of dues was from mismatches of cash inflows and outflows. Further,

management believes that with improved business scenario, the company will be able to meet its obligation in time.

- (xi) In respect of auditors' observation in standalone financial statements regarding the payment of managerial remuneration in excess of the limits prescribed in the Companies Act, 2013

In this regard the management of the Company is in the process of making necessary application 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.

• Secretarial Auditor & Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company was appointed M/s. Sanjay Grover & Associates, Company Secretaries, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Report of the Secretarial Auditor is annexed herewith as **(Annexure – IV)**.

MANAGEMENT RESPONSE TO THE OBSERVATIONS IN THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDING 31ST MARCH 2016:-

Response to point No. (i)

In this regard the management of the company is in the process of making necessary application to the Central Government to obtain its approval for the waiver/approval of the remuneration so paid, in due course.

Response to point No. (ii)

The Company was prohibited to file the Charge with the Registrar of Companies, NCT of Delhi & Haryana due to the order of Debt Recovery Tribunal-II, Delhi, by their order no. 393/14 dated 24.09.2014. In terms of the said Order, the Company unable to secure and create charge for making the 100% asset cover for the Debt Securities. However, the company has specifically mentioned in the Master Restructuring Agreement, as executed by the Company with the CDR lender, for the perfection / creation of the security for its Debt Securities. Moreover, the Company will file and provide 100% asset cover for the Debt Securities after the reversal of the said order of the tribunal.

Response to point No. (iii)

The delay in payment of installment(s) of External Commercial Borrowings was from mismatches of cash inflows and outflows. Further, the management believes that with improved business scenario, the company will be able to meet its obligation in time.

• Cost Auditor and Cost Audit Report

As per Section 148 of the Companies Act, 2013, the Company

is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company was appointed M/s Ahuja Sunny & Co., Cost Accountant, as the Auditor of the Cost records of the Company for the year ending 31st March, 2016 and on the recommendation of the Audit Committee, the Board further approved the appointment of M/s Ahuja Sunny & Co., Cost Accountant, as the cost auditors of the Company for the year ending 31st March, 2017, at a remuneration, subject to approval and ratification by the shareholders, of ₹1,40,000/- (Rupees One Lacs Forty Thousand Only) plus out of pocket expenses.

The cost audit report of M/s Ahuja Sunny & Co., Cost Accountant, for the financial year 2015-16 does not contains any adverse qualification or remarks.

24. SHARE REGISTRATION ACTIVITY:

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

25. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, 2015, the Company has a Vigil Mechanism Policy/ Whistle Blower Policy to deal with instance of unethical practices, fraud and mismanagement or gross misconduct by the employees of the Company, if any, that can lead to financial loss or reputational risk to the organization. The details of the vigil mechanism Policy/ Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company. It can be accessed on the following link <http://www.educomp.com/content/policies>

26. RISK MANAGEMENT COMMITTEE AND RISK MANAGEMENT POLICY

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

By way of a systematic risk assessment process, a detailed enterprise risk identification exercise is carried out every year; and risks are evaluated for their likelihood of materialization, potential impact and mitigation efforts. Management has assigned ownership of key risks to various risk owners who are responsible to monitor and review these risks from time to time, and plan for their mitigation measures.

Your Company's Risk Management Policy is backed by strong internal control systems. The risk management

framework consists of policies and procedures framed at management level and strictly adhered to and monitored at all levels. The framework also defines the risk management approach across the enterprise at various levels. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risk and future action plans.

At the Beginning of the Financial Year, the Company had the Risk Management Committee of the Board of Directors of the Company, but as per the provisions of the Companies Act, 2013 and Regulation 21 of the Listing Regulations 2015, it was not mandatory for the Company to constitute such Committee. Further, there was no meeting held of the Risk Management Committee during the Financial Year 2015-16, Thus, the Board of Directors of the Company dissolved such Committee in their meeting held on 11th February, 2016 during the financial year.

The internal audit team periodically visits the divisions and carries out audit. The findings are periodically reviewed by the Board and Audit Committee with emphasis on maintaining its effectiveness in dynamic business environment.

27. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All the Related Party Transactions are placed before the Audit Committee for approval as per the Related Party Transactions Policy of the Company as approved by the Board. The Policy is also uploaded on the website of the Company & can be accessed on <http://www.educomp.com/content/policies>.

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

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

28. CONSOLIDATED FINANCIAL STATEMENTS:

As required under the Listing Regulations, 2015, Consolidated Financial Statements of the Company and all its subsidiaries and Joint Venture(s) except M/s Edu Smart Services Private Limited, a Subsidiary Company and M/s Educomp Raffles Higher Education Limited, a Joint Venture are attached to the Annual Report. The consolidated Financial statements have been prepared in accordance with Accounting standard 21, Accounting standard 23 and Accounting standard 27 issued

by The Institute of Chartered Accountants of India and showing the financial resources, assets, liabilities, income, profits and other details of the Company and its subsidiaries as a single entity, after elimination of minority interest. The audited consolidated financial statements together with Auditor's Report form part of this Annual Report.

29. LISTING OF SHARES:

The Equity Shares of your Company are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Listing fee for the financial year 2016-17 has already been paid to BSE and NSE.

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

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

31. RATINGS, AWARDS, ACHIEVEMENTS & RECOGNITIONS:

Ratings

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

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

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

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

AWARDS, ACHIEVEMENTS & RECOGNITIONS:

In exploring the horizons of what learning can be, accolades and awards have come our way, awards which have reiterated our resolve to live our vision everyday and fulfill our mission.

Over the year, Educomp, its affiliates and its leadership has won recognition from several renowned institutions. We have received following awards this year which truly attest to the quality and excellence created by our teams.

- Award for Leadership Project in eEducation 2016 by @Assocham;
- Little Millennium awarded as the '**Best Standalone Pre School**' at Indian Education Awards 2016;
- Awarded for '**Best Education Initiative**' for smartclass Pro by Indian Education Awards 2016;

- Awarded for 'Best Innovative Learning Tool for smartstem' for smartstem by Indian Education Awards 2016;
- Mr. Shantanu Prakash felicitated with Education Entrepreneurship Leadership Award 2016;
- Award for 'Most Promising Brand for Digital Learning' at the 2016 Leaders Awards.

32. CORPORATE GOVERNANCE

The Company has always been committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements as set out by Statutory Bodies. As committed to good corporate governance practices, your company fully conform to standards set out by SEBI and other regulatory authorities and has implemented and complied with all of its major stipulations. As per Regulation 34(3) read with Schedule V of the Listing Regulations, 2015, a detailed report on Corporate Governance along with the Certificate from M/s Sanjay Grover & Associates, Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under Part C of Schedule V of the Listing Regulations, 2015 are annexed and forms part of this Annual Report.

33. CODE OF CONDUCT:

As per the Listing Regulations, 2015, the Board of the Company has laid down Code of Conduct for all the Board members of the Company and Senior Management Personnel as well and the same has been posted on Website of the Company which can be access by the following link <http://www.educomp.com/content/code-conduct>. Annual Compliance Report for the year ended 31st March 2016 has been received from all the Board members and senior management of the Company regarding the compliance of all the provisions of Code of Conduct. Declaration regarding compliance by Board members and senior management personnel with the Company's Code of Conduct are hereby attached as 'Annexure – VI' to this report.

34. NOTES TO ACCOUNTS:

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

35. INTERNAL FINANCIAL CONTROLS AND INTERNAL CONTROL SYSTEM

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has appointed M/s Rajnish & Associates, Chartered Accountants and M/s. Mazars, Chartered Accountants, as the Joint Internal Auditors of the Company to maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of the internal control system in the

Company, it compliance with operating systems, accounting procedures and policies of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

36. PARTICULARS OF EMPLOYEES:

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

Further, the disclosure pursuant to Section 197(14) of the Companies Act, 2013 in respect of remuneration or commission received from any holding or subsidiary company of company by any Managing Director or Whole Time Director who is also in receipt of commission from that company is annexed with this report as Annexure- VIII.

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

37. DETAILS OF FRAUD REPORTABLE BY STATUTORY AUDITOR TO BOARD

Basis the confirmations reported to the Board in this regard, there were no instance of fraud, misfeasance or irregularity detected and reported in the Company during the Financial Year 2015-16 by the Statutory Auditors of the Company pursuant to Section 143 (12) of the Companies Act, 2013.

38. EMPLOYEES STOCK OPTION SCHEMES (ESOPs)

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Schemes of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999) hereinafter referred as the "SEBI Guidelines".

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

Certificate from Auditors confirming that schemes have been implemented in accordance with the SEBI Guidelines will be placed at the forthcoming Annual General Meeting of the Company before the members and a copy of the same shall be available for inspection at the registered office of the Company.

39. DISCLOSURE PURSUANT TO REGULATION 39 OF THE LISTING REGULATIONS, 2015

Details pursuant to Regulation 39 of the Listing Regulations, 2015 are given in Corporate Governance Report annexed herewith

40. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

There are no significant or material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its operations in future.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. No case has been reported during the year under review.

43. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the Co-operation and support received from the Government and Semi-Government agencies.

Your Directors are also thankful to all the bankers and financial institutions for their support to the Company. The Board places on record its appreciation for continued support provided by the esteemed customers, suppliers, consultants and shareholders.

The directors also acknowledge the hard work, dedication and commitment of the employees of the Company and its subsidiaries. The enthusiasm and unstinting efforts of the employees have enabled the Company to continue being a leading player in the Education field.

**For and on Behalf of the Board of Directors
Educomp Solutions Limited**

Sd/-
(Shantanu Prakash)
Managing Director
DIN: 00983057

Sd/-
Vinod Kumar Dandona
Whole-time Director
DIN: 06730804

Date : August 12, 2016
Place : Gurgaon, Haryana

Annexure - I

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L74999DL1994PLC061353
ii)	Registration Date	07 th September, 1994
iii)	Name of the Company	Educomp Solutions Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v)	Address of the Registered office and contact details	1211, Padma Tower – I, 5 Rajendra Place, New Delhi-110008 TEL: 91-11-25755920 Fax: 91-11-25766775 Email: investor.services@educomp.com Website: www.educomp.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 44, Community Centre, Phase-I, Near PVR, Naraina Ind. Area, New Delhi – 110028 TEL: 011-41410592-94 Fax: 011-41410591 Email: delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Educational Support Services	85500*	100%

*As per National Industrial Classification 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Wheatstone Productions Private Limited No.71/5 IV Main Road, Chennai-600004, Tamil Nadu	U52599TN1998PTC041563	Subsidiary	51.00	2(87)(ii)
2	Edumatics Corporation Inc., USA 5701 W. Slaughter LN Suite A130-400, Austin TX 78749	Foreign Company	Subsidiary	100	2(87)(ii)
3	Educomp Learning Private Limited Corniche Allatheef, NO. 25, Cunningham Road, Bangalore, Karnataka-560001	U72900KA2003PTC032674	Subsidiary	51.00	2(87)(ii)
4	Educomp Infrastructure & School Management Limited 514, Udyog Vihar, Phase-III, Gurgaon, Haryana – 122001	U70104HR2006PLC045915	Subsidiary	83.71	2(87)(ii)
5	Educomp School Management Limited 802 Padma Tower 1, 5, Rajendra Place New Delhi-110008	U80103DL2006PLC153405	Subsidiary	68.35	2(87)(ii)
6	Educomp Learning Hour Private Limited Second Floor, Kamal Theatre Building, Safdarjung Enclave, New Delhi- 110029	U72200DL2005PTC142030	Subsidiary	95.90	2(87)(ii)

7	Educomp Asia Pacific Pte. Ltd., 8 Shenton Way #47-01 AXA tower Singapore (068811)	Foreign Company	Subsidiary	100	2(87)(ii)
8	Wiz Learn Technologies Pte. Ltd, Singapore* 10 Science Park Road #03-13 The Alpha Singapore (117684)	Foreign Company	Subsidiary	NIL	2(87)(ii)
9	Singapore Learning.com Pte. Ltd, Singapore* 10 Science Park Road #03-13 The Alpha Singapore (117684)	Foreign Company	Subsidiary	NIL	2(87)(ii)
10	Vidya Mandir Classes Limited 3rd Floor, Aggarwal Corporate Heights, Plot No A-7, Netaji Subhash Place, Distt. Centre, Wazirpur, New Delhi- 110034	U74899DL1992PLC049025	Subsidiary	67.00	2(87)(ii)
11	Pave Education Pte Ltd, Singapore* 10 Science Park Road #03-13 The alpha Singapore (117684)	Foreign Company	Subsidiary	NIL	2(87)(ii)
12	Wiz Learn Pte Ltd., Singapore* 10 Science Park Road #03-13 The alpha Singapore (117684)	Foreign Company	Subsidiary	NIL	2(87)(ii)
13	Educomp Software Limited 1210, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U72900DL2007PLC171509	Subsidiary	95.90	2(87)(ii)
14	Educomp Infrastructure Services Private Limited 1211, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U45400DL2008PTC174712	Subsidiary	83.71	2(87)(ii)
15	Educomp Professional Education Limited 514, Udyog Vihar, Phase-III, Gurgaon, Haryana – 122001	U80300HR2008PLC037672	Subsidiary	100	2(87)(ii)
16	Learning Internet Inc., U.S.A. 1620 SW Taylor Street Suite 100 Portland, Oregon 97205	Foreign Company	Subsidiary	58.32	2(87)(ii)
17	Educomp APAC Services Ltd., BVI ATC Trustees (BVI) Limited, 2nd Floor, Abbott Building, Road Town, Tortola, British Virgin Islands	Foreign Company	Subsidiary	83.71	2(87)(ii)
18	Savvica Inc., Canada 110 Fourth Avenue, Courtice, Ontario, Canada	Foreign Company	Subsidiary	79.55	2(87)(ii)

19	Little Millennium Education Private Limited (Formerly Known as Educomp Child Care Private Limited) 514, Udyog Vihar, Phase-III, Gurgaon, Haryana – 122001	U80100HR2008PTC045934	Subsidiary	60.66	2(87)(ii)
20	Educomp Online Supplemental Service Limited 1211, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U80301DL2010PLC200323	Subsidiary	95.90	2(87)(ii)
21	Educomp Intelliprop Ventures Pte. Ltd., Singapore (Formerly Educomp Intelprop Ventures Pte. Ltd.) 8 Shenton Way #47-01 AXA tower Singapore (068811)	Foreign Company	Subsidiary	100	2(87)(ii)
22	Educomp Investment Management Limited 1211, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U74140DL2010PLC206434	Subsidiary	100	2(87)(ii)
23	Falcate Builders Private Limited 1211, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U70100DL2007PTC159420	Subsidiary	83.53	2(87)(ii)
24	Newzone Infrastructure Private Limited 1211, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U72900DL2007PTC159532	Subsidiary	83.41	2(87)(ii)
25	Rockstrong Infratech Private Limited 1211, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U45200DL2007PTC159426	Subsidiary	83.48	2(87)(ii)
26	Reverie Infratech Private Limited 1211, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U51909DL2007PTC159846	Subsidiary	83.52	2(87)(ii)
27	Herold Infra Private Limited 1211, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U51101DL2007PTC159533	Subsidiary	83.54	2(87)(ii)
28	Growzone Infrastructure Private Limited 802, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U51101DL2007PTC159428	Subsidiary	83.52	2(87)(ii)
29	Hidream Constructions Private Limited L-74, Mahipalpur Extension New Delhi-110037	U45200DL2007PTC159764	Subsidiary	83.54	2(87)(ii)
30	Leading Edge Infratech Private Limited 802, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U45400DL2007PTC159595	Subsidiary	83.44	2(87)(ii)
31	Strotech Infrastruture Private Limited 1211, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U51909DL2007PTC159419	Subsidiary	83.54	2(87)(ii)
32	Markus Infrastructure Private Limited 1211, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U45209DL2007PTC159417	Subsidiary	83.51	2(87)(ii)
33	Orlando Builders Private Limited L-74, Mahipalpur Extension New Delhi-110037	U51909DL2007PTC159418	Subsidiary	83.52	2(87)(ii)
34	Crosshome Developers Private Limited L-74, Mahipalpur Extension New Delhi-110037	U45202DL2007PTC160056	Subsidiary	83.43	2(87)(ii)

35	Good Luck Structure Private Limited 802, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U45200DL2007PTC159526	Subsidiary	83.34	2(87)(ii)
36	Evergreen Realtech Private Limited L-74, Mahipalpur Extension New Delhi-110037	U45400DL2010PTC197529	Subsidiary	83.39	2(87)(ii)
37	Zeta Buildcon Private Limited 802, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U45400DL2010PTC197552	Subsidiary	83.54	2(87)(ii)
38	Onega Infrastructure Private Limited L-74, Mahipalpur Extension New Delhi-110037	U45400DL2009PTC197133	Subsidiary	83.47	2(87)(ii)
39	Grider Infratech Private Limited L-74, Mahipalpur Extension New Delhi-110037	U45400DL2010PTC197525	Subsidiary	83.51	2(87)(ii)
40	Boston Realtech Private Limited 802, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U45200DL2009PTC197514	Subsidiary	83.41	2(87)(ii)
41	Modzex Infrastructure Private Limited L-74, Mahipalpur Extension New Delhi-110037	U45400DL2007PTC159888	Subsidiary	83.37	2(87)(ii)
42	Virtual Buildtech Private Limited 802, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U45200DL2007PTC159525	Subsidiary	83.31	2(87)(ii)
43	Laservision Estates Private Limited 802, Padma Tower 1, 5, Rajendra Place New Delhi-110008	U45400DL2010PTC197531	Subsidiary	83.36	2(87)(ii)
44	Knowledge Vistas Limited 401 & 402, 4th Floor, Kaatyayni Busines Park, Off:Mahakali Caves Road, MIDC,Andheri, Kurla Road Mumbai,Maharashtra-400093	U80301MH2009PLC190552	Subsidiary	40.61	2(87)(ii)
45	Educomp Global Holding WLL A1 Matrook Building Road 1705 Diplomatic Area P.O Box 11522, Manama 317 Kingdom of Bahrain	Foreign Company	Subsidiary	100	2(87)(ii)
46	Educomp Global FZE. PO Box: 16111, RAS AL KHAIMAH United Arab Emirates	Foreign Company	Subsidiary	100	2(87)(ii)
47	Edu Smart Services Private Limited L-74, Mahipalpur Extension New Delhi-110037	U80902DL2009PTC191840	Subsidiary	..**	2(87)(ii)
48	Greycells18 Media Limited 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110001	U65923DL2006PLC150020	Associate	25.78	2(6)

* Sold during the year 2015-16.

** one of the Subsidiary of Educomp Solutions Limited holds 5% Cumulative Compulsorily Convertible Preference Shares in Edu Smart Services Private Limited. Therefore, M/s Edu Smart Services Private Limited is considered as the Subsidiary of Educomp Solutions Limited and the extent of holding is 99.82% of Total of Equity & Convertible Preference Shares of Edu Smart Services Private Limited.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category wise shareholding

Category of shareholders		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual/ HUF	47553645	-	47553645	38.83	47553645	-	47553645	38.83	0
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	7284600	-	7284600	5.95	7284600	-	7284600	5.95	0
e)	Banks/ FI	-	-	-	-	-	-	-	-	-
f)	Any Other ...	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1):-	54838245	-	54838245	44.78	54838245	-	54838245	44.78	0
(2)	Foreign									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/ FI	-	-	-	-	-	-	-	-	-
e)	Any Other ...	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	54838245	-	54838245	44.78	54838245	-	54838245	44.78	0
B.	Public Shareholding									
1	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks/ FI	485293	-	485293	0.40	934375	-	934375	0.76	0.36
c)	Central Govt or State Govt(s)	10168	-	10168	0.01	10168	-	10168	0.01	-
d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e)	Insurance companies	-	-	-	-	-	-	-	-	-
f)	FII's	11274386	-	11274386	9.21	200266	-	200266	0.16	(9.05)
g)	Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
h)	Others (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	11769847	-	11769847	9.61	1144809	-	1144809	0.93	(8.68)
2	Non Institutions									
a)	Bodies Corp.									
i)	Indian	8762118	-	8762118	7.15	7601188	-	7601188	6.21	(0.94)
ii)	Overseas	1823545	-	1823545	1.49	1823545	-	1823545	1.49	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 lakh	35318969	5545	35324514	28.84	48941005	6220	48947225	39.97	11.13
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	3203550	-	3203550	2.62	4220862	-	4220862	3.45	0.83

c)	Any other (Specify)	6745349	-	6745349	5.51	3891294	-	3891294	3.18	(2.33)
i)	Non Resident Indians	1579561	-	1579561	1.29	1853733	-	1853733	1.51	0.22
ii)	Clearing Members	2206879	-	2206879	1.80	1402661	-	1402661	1.15	(0.65)
iii)	Trusts	930	-	930	0.00	1350	-	1350	0.00	0.00
iv)	HUF	-	-	-	-	-	-	-	-	-
v)	Foreign Portfolio Investors	2957979	-	2957979	2.42	633550	-	633550	0.52	(1.90)
	Sub-total (B)(2):-	55853531	5545	55859076	45.61	66477894	6220	66484114	54.29	8.68
	Total Public Shareholding (B)=(B)(1)+(B)(2)	67623378	5545	67628923	55.22	67622703	6220	67628923	55.22	-
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	122461623	5545	122467168	100	122461623	6220	122467168	100	-

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1.	Shantanu Prakash	4,43,15,205	36.18	36.18	4,43,15,205	36.18	36.18	0
2.	Anjlee Prakash	32,38,440	2.65	2.65	32,38,440	2.65	2.65	0
3.	A. P. Eduvision Pvt. Ltd.	72,84,600	5.95	0	72,84,600	5.95	0	0
	Total	5,48,38,245	44.78	38.83	5,48,38,245	44.78	38.83	0

(iii) Change in promoter's shareholding (please specify, if there is no change)

S. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	MR. SHANTANU PRAKASH				
1.	At the beginning of the year	4,43,15,205	36.18	4,43,15,205	36.18
2.	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	-	-	4,43,15,205	36.18
3.	At the End of the year	4,43,15,205	36.18	4,43,15,205	36.18
	MRS. ANJLEE PRAKASH				
1.	At the beginning of the year	32,38,440	2.65	32,38,440	2.65
2.	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	-	-	32,38,440	2.65
3.	At the End of the year	32,38,440	2.65	32,38,440	2.65

	A.P. EDUVISION PVT. LTD.	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	At the beginning of the year	72,84,600	5.95	72,84,600	5.95
2.	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	-	-	72,84,600	5.95
3.	At the End of the year	72,84,600	5.95	72,84,600	5.95

(iv) Shareholding pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Particulars of Shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	SOCIÉTÉ DE PROMOTION ET DE PARTICIPATION POUR LA COOPERATION ECONOMIQUE SA (PROPARCO)				
	At the beginning of the year	1823545	1.48	1823545	1.48
	Bought during the Year	-	0.00	1823545	1.48
	Sold during the Year	-	0.00	1823545	1.48
	At the End of the year	1823545	1.48	1823545	1.48
2.	GAJA ADVISORS PRIVATE LIMITED				
	At the beginning of the year	365000	0.29	365000	0.29
	Bought during the Year	-	-	365000	0.29
	Sold during the Year	-	-	365000	0.29
	At the End of the year	365000	0.29	365000	0.29
3.	PREMIER INVESTMENT FUND LIMITED				
	At the beginning of the year	653000	0.53	653000	0.53
	Bought during the Year	550	0.00	653550	0.53
	Sold during the Year	20000	0.01	633550	0.52
	At the End of the year	633550	0.52	633550	0.52
4.	GOPAL JAIN				
	At the beginning of the year	300000	0.24	300000	0.24
	Bought during the Year	-	-	300000	0.24
	Sold during the Year	-	-	300000	0.24
	At the End of the year	300000	0.24	300000	0.24
5.	MADAN DOULATRAM BAHAL				
	At the beginning of the year	800000	0.65	800000	0.65
	Bought during the Year	-	-	800000	0.65
	Sold during the Year	-	-	800000	0.65
	At the End of the year	800000	0.65	800000	0.65
6.	JATALIA FINANCE COMPANY LIMITED				
	At the beginning of the year	396771	0.32	396771	0.32
	Bought during the Year	55246	0.05	452017	0.37
	Sold during the Year	2100	0.00	449917	0.37
	At the End of the year	449917	0.37	449917	0.37
7.	IL AND FS SECURITIES SERVICES LIMITED				
	At the beginning of the year	88380	0.07	88380	0.07
	Bought during the Year	939816	0.77	1028196	0.84
	Sold during the Year	725259	0.59	302937	0.25

	At the End of the year	302937	0.25	302937	0.25
8. SMC GLOBAL SECURITIES LIMITED	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	
	At the beginning of the year	239691	0.20	239691	0.20
	Bought during the Year	726341	0.59	966032	0.79
	Sold during the Year	625191	0.51	340841	0.28
	At the End of the year	340841	0.28	340841	0.28
9. GLOBE CAPITAL MARKET LIMITED	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	
	At the beginning of the year	219218	0.18	219218	0.18
	Bought during the Year	633947	0.52	853165	0.70
	Sold during the Year	453052	0.37	400113	0.33
	At the End of the year	400113	0.33	400113	0.33
10. AXIS BANK LIMITED	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	
	At the beginning of the year	101933	0.08	101933	0.08
	Bought during the Year	599038	0.49	700971	0.57
	Sold during the Year	316354	0.26	384617	0.31
	At the End of the year	384617	0.31	384617	0.31

* Top ten shareholders of the Company as on March 31, 2016 have been considered for the above disclosure.

* The above information is based on the weekly beneficiary position data received from depositories.

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Shantanu Prakash, Chairman & Managing Director				
	At the beginning of the year	4,43,15,205	36.18	4,43,15,205	36.18
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	4,43,15,205	36.18
	At the End of the year	4,43,15,205	36.18	4,43,15,205	36.18
2.	Mr. Shonu Chandra, Independent-Non Executive Director*				
	At the beginning of the year	3250	0.00	3250	0.00
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	3250	0.00
	At the End of the year	3250	0.00	3250	0.00
3.	Mr. Yogesh Saluja, Company Secretary				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	1	0.00
	At the End of the year	1	0.00	1	0.00

* Resigned from the directorship w.e.f. 29th May, 2015

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ in million)

Indebtedness at the beginning of the Financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	24,117.08	1,026.12	-	25,143.20
ii) Interest due but not paid	678.99	9.48	-	688.47
iii) Interest accrued but not due	94.00	-	-	94.00
Total (i+ii+iii)	24,890.07	1,035.60	-	25,925.67
Changes in Indebtedness during the financial year				
Addition*	2,927.57	264.85	-	3,192.42
Reduction**	2,079.25	250.49	-	2,329.74
Net Change	848.32	14.36	-	862.68
Indebtedness at the end of the financial year				
i) Principal Amount	24,356.85	1,018.85	-	25,375.70
ii) Interest due but not paid***	1,278.63	31.11	-	1,309.74
iii) Interest accrued but not due	102.91	-	-	102.91
Total (i+ii+iii)	25,738.39	1,049.96	-	26,788.35

Note

* In Secured loan included ₹299.37 million forex restatement of ECB and FCCB.

**In unsecured loan included ₹148.98 million written back under settlement agreement.

*** In secured loan included ₹29.02 million forex restatement of interest on ECB.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole Time Director and/or Manager**

(Amount in ₹)

S. No.	Particulars of Remuneration	Mr. Shantanu Prakash, Chairman & Managing Director*	Mr. Vinod Kumar Dandona, Whole-time Director*	Total Amount
1	Gross Salary			
(a)	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	450,416 [#]	450,416
(b)	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	NIL	NIL	-
1	I Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	-
2	Stock Option	NIL	NIL	-
3	Sweat Equity	NIL	NIL	-
4	Commission	NIL	NIL	-
(a)	(a) as % of profit			
(b)	(b) others, specify ...			
(i)	(i) Particulars			
(ii)	(ii) Amount			
5.	Others, please specify	NIL	NIL	-
(a)	(a) Particulars			
(b)	(b) Amount			
	Total	NIL	450,416	450,416
	Ceiling as per the Act	NIL	NIL**	

* No Remuneration has been paid to Mr. Shantanu Prakash due to Loss incurred in the Company and further, the Company is under process of filing of application for the waiver of remuneration paid.

** The Company is under process of filing of application for the waiver of remuneration paid.

The same pertains only for the two months i.e., April and May 2015 and for the remaining periods no remuneration has been paid.

B. *Remuneration to other Directors*

S. No.	Particulars of Remuneration	Mr. Vijay Kumar Choudhary	Mr. Rajat Khare	Mr. Venkata Subbarao Valluri	Ms. Swati Sinha	Mr. Shonu Chandra**	Ms. Azra S. Hasan	Total Amount (in ₹)
1	Independent Directors							
	Fee for attending Board / Committee Meetings* (Amount in ₹)	1,50,000	40,000	80,000	30,000	60,000	1,40,000	5,00,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	1,50,000	40,000	80,000	30,000	60,000	1,40,000	5,00,000
2	Other Non-Executive Directors							
	Fee for attending Board / Committee Meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	1,50,000	40,000	80,000	30,000	60,000	1,40,000	5,00,000
	Total Managerial Remuneration							
	Overall Ceiling as per the Act	₹1,00,000 per meeting of the board and committee	₹1,00,000 per meeting of the board and committee	₹1,00,000 per meeting of the board and committee	₹1,00,000 per meeting of the board and committee	₹1,00,000 per meeting of the board and committee	₹1,00,000 per meeting of the board and committee	₹1,00,000 per meeting of the board and committee

* Excluding service tax

** Resigned w.e.f. 29th May, 2015

C. *Remuneration to Key Managerial Personnel other than MD/Manager/WT*

S. No.	Particulars of Remuneration	Mr. Ashish Mittal, Chief Financial Officer	Mr. Yogesh Saluja, Company Secretary	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,992,216	1,172,052	6,164,268
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	6,600	NIL	6,600
	I Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	NIL
2.	Stock Options (in number)	19,00,000	2,75,000	21,75,000
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
	(a) as % of profit			
	(b) others, specify ...			
	(i) Particulars			
	(ii) Amount			
5.	Other, please specify	NIL	NIL	NIL
	(a) Particulars			
	(b) Amount			
	Total (amount in ₹)	4,998,816	1,172,052	6,170,868

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

For and on Behalf of the Board of Directors
Educomp Solutions Limited

Sd/-
(Shantanu Prakash)
Managing Director
DIN: 00983057

Sd/-
Vinod Kumar Dandona
Whole-time Director
DIN: 06730804

Date : August 12, 2016
Place : Gurgaon, Haryana

Form AOC-1

Annexure - II

[Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statements of the subsidiaries/joint ventures /associate companies

Part-A: Subsidiaries

(₹ in million)																
S. No.	Name of the Company	The date since when subsidiary was acquire	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Exchange Rate as on last date of Financial Year	Share Capital	Share Reserves & Surplus	Total Assets*	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision or Taxation (Loss) after Taxation	Proposed Dividend	% of shareholding (Equity) as on last date	
1	2	3	4	5A	5B	6	7	8	9	10	11	12	13	14	15	16
1	Educomp Learning Pvt. Ltd.	01-10-2004	-	INR	1.00	1.05	49.34	62.21	11.82	-	36.80	(33.78)	-	(33.78)	-	51.00%
2	Whetstone Productions Pvt Ltd.	24-01-2001	-	INR	1.00	1.68	(3.41)	0.02	1.74	-	-	(0.01)	-	(0.01)	-	51.00%
3	Edumatics Corporation Inc. USA	01-06-2006	-	USD	66.33	62.09	(42.57)	32.27	12.75	-	-	5.35	0.05	5.30	-	100.00%
4	Educomp Infrastructure and School Management Ltd.	10-03-2007	-	INR	1.00	674.52	7,671.99	17,260.75	8,914.24	-	472.35	(1,320.09)	-	(1,320.09)	-	83.71%
5	Educomp Infrastructure Services Pvt Ltd.	28-02-2008	-	INR	1.00	0.79	(0.56)	0.27	0.04	-	-	(0.03)	-	(0.03)	-	83.71%
6	Educomp APAC Services Ltd. BVI	19-06-2008	-	USD	66.33	926.78	(328.18)	598.60	-	-	0.44	(47.85)	0.18	(48.04)	-	83.71%
7	Knowledge Vistas Limited	23-04-2010	-	INR	1.00	6.34	257.35	435.72	172.04	-	-	(21.43)	-	(21.43)	-	40.61%
8	Laservision Estates Private Limited	11-02-2011	-	INR	1.00	23.72	34.79	58.69	0.19	-	-	(0.06)	-	(0.06)	-	83.36%
9	Virtual Buildtech Private Limited	11-02-2011	-	INR	1.00	20.88	30.57	51.62	0.17	-	-	(0.09)	-	(0.09)	-	83.31%
10	Modzex Infrastructure Private Limited	11-02-2011	-	INR	1.00	24.31	38.98	63.72	0.44	-	0.90	0.71	0.48	0.22	-	83.37%
11	Falcate Builders Private Ltd	30-03-2010	-	INR	1.00	46.98	139.81	186.93	0.14	-	-	(0.06)	-	(0.06)	-	83.53%
12	Newzone Infrastructure Pvt. Ltd.	30-03-2010	-	INR	1.00	27.92	45.32	73.44	0.20	-	0.90	0.81	0.22	0.59	-	83.41%
13	Rockstrong Infratech Private Ltd.	30-03-2010	-	INR	1.00	35.76	51.60	87.57	0.22	-	-	(0.22)	-	(0.22)	-	83.48%
14	Reverie Infratech Private Limited	30-03-2010	-	INR	1.00	45.12	(12.25)	35.50	2.64	-	-	(0.06)	-	(0.06)	-	83.52%
15	Herold Infra Private Limited	30-03-2010	-	INR	1.00	49.11	(11.29)	38.37	0.56	-	-	(0.06)	-	(0.06)	-	83.54%
16	Growzone Infrastructure Private Ltd.	30-03-2010	-	INR	1.00	43.11	63.62	106.88	0.15	-	-	(0.07)	-	(0.07)	-	83.52%

17	Hidream Constructions Private Ltd.	30-03-2010	-	INR	1.00	49.91	223.50	273.60	0.20	-	(0.12)	-	(0.12)	-	83.54%
18	Leading Edge Infotech Private Ltd.	30-03-2010	-	INR	1.00	30.71	45.10	76.12	0.30	-	(0.06)	-	(0.06)	-	83.44%
19	Strotech Infrastructure Private Ltd.	30-03-2010	-	INR	1.00	48.13	88.75	137.40	0.52	-	0.90	0.54	0.11	-	83.54%
20	Markus Infrastructure Private Ltd.	30-03-2010	-	INR	1.00	41.99	32.32	74.51	0.19	-	(0.06)	-	(0.06)	-	83.51%
21	Orlando Builders Private Ltd.	30-03-2010	-	INR	1.00	44.04	14.93	170.70	111.73	-	(0.06)	-	(0.06)	-	83.52%
22	Crosshorne Developers Private Ltd.	30-03-2010	-	INR	1.00	30.35	44.63	75.42	0.44	-	(0.05)	-	(0.05)	-	83.43%
23	Good Luck Structure Private Ltd.	30-03-2010	-	INR	1.00	22.83	33.46	56.50	0.21	-	(0.06)	-	(0.06)	-	83.34%
24	Evergreen Realtech Pvt. Ltd.	30-03-2010	-	INR	1.00	26.31	38.62	65.08	0.16	-	(0.08)	-	(0.08)	-	83.39%
25	Zeta Buildcon Pvt. Ltd	30-03-2010	-	INR	1.00	48.37	(18.52)	119.97	90.13	-	(0.05)	-	(0.05)	-	83.54%
26	Omega Infrastructure Pvt. Ltd.	30-03-2010	-	INR	1.00	34.35	(45.75)	88.70	100.09	-	(0.06)	0.13	(0.19)	-	83.47%
27	Grider Infotech Pvt. Ltd.	30-03-2010	-	INR	1.00	42.72	63.03	105.91	0.16	-	(0.09)	-	(0.09)	-	83.51%
28	Boston Realtech Pvt. Ltd.	30-03-2010	-	INR	1.00	27.51	40.41	68.09	0.17	-	(0.09)	-	(0.09)	-	83.41%
29	Educomp School Management Ltd.	10-03-2007	-	INR	1.00	0.50	92.26	20.81	0.60	72.55	-	(0.11)	-	(0.11)	68.35%
30	Wiz Learn Technologies Pte. Ltd**	13-07-2007	-	SGD	49.02	298.42	105.92	580.32	392.94	-	243.29	(16.71)	-	(16.71)	-
31	Singapore Learning. com Pte. Limited**	13-07-2007	-	SGD	49.02	0.00	155.66	155.66	9.38	-	2.36	(0.16)	-	(0.16)	-
32	Pave Education Pte. Ltd. **	13-07-2007	-	SGD	49.02	7.89	15.97	26.71	32.73	-	11.25	(0.77)	-	(0.77)	-
33	Wiz Learn Pte Ltd. **	13-07-2007	-	SGD	49.02	41.18	53.38	109.46	9.32	-	3.12	(0.21)	-	(0.21)	-
34	Educomp Asia Pacific PTE. Ltd	10-07-2007	-	USD	66.33	1,220.51	16.40	2,369.05	1,132.14	-	17.37	70.05	-	(14.08)	100.00%
35	Educomp Learning Hour Pvt. Ltd.	09-04-2007	-	INR	1.00	0.95	(318.07)	1,042.53	1,359.65	-	278.41	21.01	-	21.01	95.90%
36	Educomp Software Ltd.	30-03-2008	-	INR	1.00	77.96	(82.42)	101.09	105.54	-	(1.82)	-	(1.82)	-	95.90%
37	Educomp Online Supplemental Services Ltd.	17-03-2010	-	INR	1.00	36.58	206.92	360.56	117.06	-	(0.85)	-	(0.85)	-	95.90%
38	Educomp Professional Education Ltd.	03-03-2008	-	INR	1.00	54.35	942.35	997.22	0.52	-	0.27	(0.48)	-	(0.48)	100.00%
39	Savrica Inc., Canada	26-08-2008	-	CAD	50.97	150.72	(153.63)	9.08	12.00	-	-	6.48	-	6.48	79.55%
40	Learning Internet Inc. USA	17-05-2008	-	USD	66.33	1,334.72	(1,457.74)	703.44	826.46	-	1,138.59	(120.42)	3.15	(123.57)	58.32%
41	Educomp Child Care Pvt. Ltd.	01-10-2009	-	INR	1.00	265.60	(177.68)	229.38	141.46	-	147.84	(5.13)	-	(5.13)	60.66%
42	Educomp Intelliprop Ventures Pte Ltd. (formerly known as Educomp Intelprop Ventures Pte Ltd.)	11-12-2009	-	EURO	75.10	39.30	(380.30)	25.21	366.22	-	-	41.92	-	41.92	100.00%
43	Vidya Mandir Classes Limited	10-08-2010	-	INR	1.00	0.73	333.68	831.63	497.23	-	911.36	132.38	46.61	85.77	67.00%
44	Educomp Investment Management Limited	29-07-2010	-	INR	1.00	6.89	2.00	11.36	2.48	0.01	0.01	(0.04)	-	(0.04)	100.00%

45	Educomp Global Holding	25-07-2011	-	BHD	174.12	29.61	13.79	43.40	-	-	-	-	100.00%
46	Educomp Global FZE	22-04-2012	-	AED	17.99	1.46	(13.46)	2.69	14.70	-	(0.05)	-	100.00%

Note:

1. The above disclosure of Subsidiary does not include the financial Statements of M/s Edu Smart Services Private Limited as the same falls under the definition of subsidiary as the Companies Act 2013 by virtue of Group's investment in the convertible preference shares of the company. However in conformity of the finition of Subsidiary in Accounting Standard-21 on 'Consolidate Financial Statements' the financial statements of the same has not been include in the consolidate financial statements for the year ended March 31, 2016.

- Names of subsidiaries which are yet to commence operations:- N/A
- Names of subsidiaries which have been liquidated or sold during the year:-
 - Singapore Learning.com Pte. Ltd.
 - Pave Education Pte. Ltd.
 - Wiz Learn Pte. Ltd.
 - Wiz Learn Technologies Pte. Ltd.

* This doesn't include investment in subsidiaries of the respective company

** ceased to be subsidiary w.e.f. 22nd October, 2015

Part-B: Associates & Joint Ventures

S. No.	Names of Associates/ Joint Ventures	Greycells18 Media Limited (Associate)	Educomp - Raffles Higher Education Limited* (Joint Venture)	(₹ in million)
1.	Latest audited Balance Sheet Date	31.03.2016	31.03.2016	
2.	Date on which the Associate or Joint Venture was associated or acquired	19th January, 2010	06th June, 2008	
3	Shares of Associate/ Joint Ventures held by the Company on the year end No.	2,999,749	1,577,588	
	Amount of investment in Associates/Joint Ventures	104,555,932	1,101,122,084	
	Extent of Holding %	25.78%	41.82%	
4	Description of how there is significance influence	Company is Associate of the Educomp Solutions Ltd.	Company is Joint Venture of directly held subsidiary's	
5	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	
6	Net Worth attributable to Shareholding as per latest audited Balance Sheet	(52,870,210)	1,271,635,932	
7.	Profit/ Loss for the year			
	i) Considered in Consolidation	(15,914,433)	(14,301,233)	
	ii) Not considered in Consolidation	(45,828,151)	(19,895,881)	

*The consolidated financial results of JV of the Company i.e. Educomp Raffles Higher Education Limited as at March 31, 2016 are not available with the Company. The consolidated financial results of the Company reflects total revenue of ₹176.46 lacs and total loss after taxes of ₹143.01 lacs for the year ended March 31, 2016 which are based on unreviewed consolidated financial results of the JV for the quarter ended June 30, 2015.

Note:

- Names of associates or joint ventures which are yet to commence operations:- Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year:-Not Applicable

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

Sd/-

Shantanu Prakash
Managing Director
(DIN: 00983057)

Sd/-

V. K. Dandona
Whole Time Director
(DIN: 06730804)

Sd/-

Ashish Mittal
Chief Financial Officer

Sd/-

Yogesh Saluja
Company secretary

Place: Gurgaon
Date: May 26, 2016

Annexure – III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

CSR POLICY

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

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

(c) Manner in which the amount spent during the financial year is detailed below

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

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

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

Not Applicable

7. The CSR Committee hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

- V. To engage with youth/ students to develop them into real empathetic leaders.

During the financial year no programme was conducted by the Educomp Foundation i.e. the implementing agency for the CSR Activities of the Company from the funds/ contribution provided by the company, as the Company does not contributed any amount for the CSR activities due to lack of profits or insufficient Funds in the Company..

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

2. The Composition of the CSR Committee.

- Mr. Shantanu Prakash –Chairman
- Mr. Vinod Kumar Dandona – Member
- Mr. Vijay Kumar Choudhary –Member

3. Average net profit of the company for last three financial years

Average Net Loss is ₹(1794.63) Million.

4. Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above)

NIL

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year:- NIL

(b) Amount unspent, if any – Not Applicable

For and on Behalf of the Board of Directors
Educomp Solutions Limited

Sd/-
(Shantanu Prakash)
Managing Director
Chairman CSR Committee
DIN: 00983057

Sd/-
Vinod Kumar Dandona
Whole-time Director
DIN: 06730804

Date : August 12, 2016
Place : Gurgaon, Haryana

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Educomp Solutions Limited
(CIN: L74999DL1994PLC061353)
1211, Padma Tower I, 5 Rajendra Place;
New Delhi- 110008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Educomp Solutions Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in

our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992(applicable up to 14th May, 2015)/ The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective w.e.f. 15th May, 2015);
 - (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

- (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) *The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing obligations and disclosures requirements) Regulations, 2015 (applicable w.e.f. 1st December, 2015);

*No event falling under these regulations taken place during the Audit period.

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

- (i) Secretarial Standard on Meetings of the Board of Directors and General Meetings issued by The Institute of Company Secretaries of India and made effective w.e.f. 01st July, 2015, with which the Company has generally complied with.
- (ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited (applicable upto November 30, 2015).

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above except reported herein after. The Company was generally regular in filing of e-forms with the Registrar of Companies.

- *The Company has paid remuneration to its whole time director during the financial year ended 31st March, 2015 and in the month(s) of April and May, 2015, in excess of the limits as provided in Section 197 & 198 read with Schedule V to the Act without the Central Government approval.*
- *The Company has not maintained the 100% asset cover sufficient to discharge the principal amount at all times for the listed debt securities as per the requirements of Regulation 54 of the Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015 (erstwhile Clause 5 of Debt Listing Agreement entered with BSE Limited).*
- *The Company has not paid the installment(s) of External Commercial Borrowings, which was repayable in 11 half-yearly equal installments of USD 6.36 millions, starting from 15th January, 2016 and*

ending 15th January, 2021, as per the terms agreed upon amongst the Company and Overseas Financial Institutions.

- (vi) 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 the computer literacy), professional development and retail & consulting initiatives. The company's business can be categorized into four strategic business units namely

- i. School Learning Solutions (Comprising of Smart Class and Edureach (ICT) business)
- ii. K-12 Schools (comprising pre-schools & high school)
- iii. Higher Learning Solutions (comprising of vocational, higher education and professional development)
- iv. On-line, supplemental & global business (comprising of Internet based educational services and coaching spreading education ecosystem).

As informed by the Management, there is no sector specific law applicable on the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Advance seven days notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, which need to be further strengthened.

We further report that during the audit period, the shareholders of the Company at its Annual General Meeting held on 28th September, 2015 by passed the following Special Resolutions-

- For Approving the Educomp Employee Stock Options

Scheme, 2015 which consists such number of options which shall entitle the option holders to acquire in one or more tranches not exceeding 1,00,00,000 (One Crore) equity Shares of the Company of the face value of ₹2.00/- (Rupees Two Only) each;

- For extending the benefits of the Educomp Employee Stock Options Scheme, 2015 to such present and future permanent employees including Managing Director/ Whole- Time Directors/ Non- Executive Directors (excluding Independent Directors) of such subsidiary Companies of the Company, as may be decided by the Board of Directors of the Company.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-
Sanjay Grover
Managing Partner
C.P. No.: 3850

Date : August 10, 2016
Place : New Delhi

Annexure V

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

A) CONSERVATION OF ENERGY

1. The steps taken or impact on conservation of energy:-

Though energy does not form a significant portion of the cost for the Company yet wherever possible and feasible, continuous efforts are being put for conservation of energy and minimize power cost

2. The steps taken by the company for utilizing alternate sources of energy: NIL
3. The capital investment on energy conservation equipments: NIL

B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

RESEARCH AND DEVELOPMENT (R & D)

- Specific area in which R&D was carried out by the Company
NIL
- Benefits derived as a result of the above R&D
NIL.
- Future plan of action
To add more technical skills to provide better educational solutions to clients.
- Expenditure on R&D

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

TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

- The efforts made towards technology absorption, adaptation and innovation.

We at Educomp Solutions Limited are well aware of latest technology being available in our field of operation.

Necessary training is imparted to the relevant people from time to time to make them well acquainted with the latest technology.

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

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

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

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

c) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

Foreign Exchange Earning & Outgo details are as follows:

(₹ in Million)		
Foreign Exchange details *	As on 31 st March, 2016	As on 31 st March, 2015
Foreign Exchange Earnings (A) (Including deemed exports & sales through export houses)	-	3.77
Foreign Exchange Outgo (B)	397.66	268.53
Net Foreign Exchange Earnings (A-B)	(397.66)	(264.76)

* The Figures are on accrual basis.

**For and on Behalf of the Board of Directors
Educomp Solutions Limited**

Sd/-
(Shantanu Prakash)
Managing Director
DIN: 00983057

Sd/-
Vinod Kumar Dandona
Whole-time Director
DIN: 06730804

Date : August 12, 2016
Place : Gurgaon, Haryana

Annexure VI**Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's code of conduct**

This is to confirm and certify that the Company has adopted/laid down a Code of Conduct for all Board Members and Senior Management Personnel of the company. The Code of Conduct is available on the Company's website viz. www.educomp.com. I hereby further confirm that the Company has in respect of the Financial Year ended March 31, 2016, received from the Senior Management team of the Company and the members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

**For and on Behalf of the Board of Directors
Educomp Solutions Limited**

Sd/-
(Shantanu Prakash)
Managing Director
DIN: 00983057

Sd/-
Vinod Kumar Dandona
Whole-time Director
DIN: 06730804

Date : August 12, 2016
Place : Gurgaon, Haryana

Annexure - VII

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Name & Designation	Ratio to Median Remuneration
Mr. Shantanu Prakash, Chairman & Managing Director	-
Mr. Vinod Kumar Dandona, Whole-time Director [^]	-
Mr. Vijay Kumar Choudhary, Independent Non-Executive Director	1.25
Mr. Rajat Khare, Independent Non-Executive Director	0.33
Mr. Venkata Subbarao Valluri, Independent Non-Executive Director	0.67
Mr. Shonu Chandra, Independent Non-Executive Director*	0.50
Mrs. Swati Sinha, Independent Non-Executive Director	0.25
Ms. Azra S. Hasan, Independent Non-Executive Director	1.17

[^] Remuneration was paid only for Two months; therefore, the same is not comparable

* Resigned w.e.f. 29th May, 2015.

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

Name & Designation	% increase in remuneration in the financial year
Mr. Shantanu Prakash, Chairman & Managing Director	-
Mr. Vinod Kumar Dandona, Whole-time Director	-
Mr. Vijay Kumar Choudhary, Independent Non-Executive Director	-
Mr. Rajat Khare, Independent Non-Executive Director	-
Mr. Venkata Subbarao Valluri, Independent Non-Executive Director	-
Mr. Shonu Chandra, Independent Non-Executive Director	-
Mrs. Swati Sinha, Independent Non-Executive Director	-
Ms. Azra Shauqia Hasan, Independent Non-Executive Director*	-
Mr. Ashish Mittal, Chief Financial Officer	-
Mr. Yogesh Saluja, Company Secretary	6.00%

Note: During the Financial Year 2015-16, there is no increase in the sitting fee paid to the Independent Non-executive Directors for attending each board and committee meeting(s).

(iii) The percentage increase in the median remuneration of employees in the financial year- 5.26%**(iv) The number of permanent employees on the rolls of company as on 31st March, 2016: 5065 Employees****(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for the increase;**

The average annual increase was around 6 to 10%. During the Financial Year 2015-16 the managerial remuneration was paid only to Mr. Vinod Kumar Dandona, Whole-time Director of the Company and that was only for two months. Hence the disclosure with respect to percentage increase in his salary between Financial Years 2014-15 and 2015-16 is not made.

(vi) The key parameters for any variable component of remuneration availed by the directors
NIL**(vii) Affirmation that the remuneration is as per the remuneration policy of the company.**

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

For and on Behalf of the Board of Directors
Educomp Solutions Limited

Sd/-
(Shantanu Prakash)
Managing Director
DIN: 00983057

Sd/-
Vinod Kumar Dandona
Whole-time Director
DIN: 06730804

Date : August 12, 2016
Place : Gurgaon, Haryana

Annexure - VIII

DISCLOSURE PURSUANT TO SECTION 197(14) OF THE COMPANIES ACT, 2013 IN RESPECT OF REMUNERATION OR COMMISSION RECEIVED FROM ANY HOLDING OR SUBSIDIARY COMPANY OF COMPANY BY ANY MANAGING DIRECTOR OR WHOLE TIME DIRECTOR

Name of Director & Designation	Name of Company from which the remuneration or commission received	Holding/Subsidiary	Amount per annum (In SGD)
Mr. Shantanu Prakash, Chairman & Managing Director	Wiz Learn Technologies Pte. Ltd	Subsidiary	1,10,52,452*

* Amount was actually paid in SGD

For and on Behalf of the Board of Directors
Educomp Solutions Limited

Sd/-
(Shantanu Prakash)
Managing Director
DIN: 00983057

Sd/-
Vinod Kumar Dandona
Whole-time Director
DIN: 06730804

Date : August 12, 2016
Place : Gurgaon, Haryana

Annexure – IX

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

(A) Employed through out the Financial Year

Sl. NO	Employee Name	Designation	Nature of Duties	Qualification	Joining date	Age (In years)	Experience (Yrs)	Remuneration Received (considering the Cost to the company OR actual amount received, whichever is higher) (In ₹)	Previous Employment- designation
1.	Mansoor Raza	Vice President	Procurement & Supply Chain SSG	B.Sc.	07-Sep-1994	49	21	5,140,104	N.A
2.	Vijayavalli J	Vice President		PGDCA	10-Feb-2003	51	24	5,686,488	Computer Instructor-Citadel Pharmaceuticals
3.	Rohit Malik	National Head - Strategic Relationships President	KAG	B.Sc. (H)	21-Aug-2006	38	13	5,162,448	Sales Head:- Career Launcher India Limited
4.	Nuriya Ansari		Prof. Development	MA (Psychology)	01-Nov-2006	43	20	6,000,000	Head Dept of Psychology- Modern School
5.	Divya Lal	COO – Smartclass	SSG	MA (Psychology)	14-Nov-2006	37	12	6,236,916	NIT Faculty
6.	Hiten Shah	State Business Head	SSG	B.Com	03-Jun-2009	33	9	4,868,028	Process Developer- Genpact Limited
7.	Tapesh Bagati	Advisor - Corporate Affairs President	Corporate Affairs	Graduate	01-May-2009	46	NA	6,000,000	NA
8.	Ashok Mehta		Edureach	MBA	01-Sep-2013	52	24	8,000,000	Managing Director- Edu Smart Services Private Limited
9.	Ashish Mittal	Chief Financial Officer	Finance & Accounts- Head	Chartered Accountant	01-Nov-2013	49	24	8,000,000	Ashish Mittal & Company, Chartered Accountant-
10.	Pramod Thatoi	General Manager	Finance & Accounts	B.Com	12-Sep-2013	48	25	6,495,096	Proprietor Educomp Datamatics

Notes:

- The remuneration received shown as above comprises of salary, bonus, allowances, cash incentives and monetary value of perquisites (excluding ESOP Perquisites) as per income tax rules, Provident Fund and professional tax.
- None of the employees shown above is related to any Directors of The Company.
- None of employees mentioned above is holding more than 2% of outstanding equity shares of the Company as on 31st March 2016.
- All the employees shown above are in full-time employment with the Company.
- In addition to the above remuneration, employees are entitled to gratuity in accordance with the Company's rules.
- The appointment of the above employees is non-contractual and are governed by the company's policy and rules.
- The aforesaid employees were in receipt of remuneration which in the aggregate is in excess of that drawn by Managing Director of the Company and but does not hold by himself or along with his spouse and dependent children, more than 2% of the equity shares of the Company.

Sd/-
(Shantanu Prakash)
Managing Director
DIN: 00983057

For and on Behalf of the Board of Directors
Educomp Solutions Limited

Sd/-
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Date : August 12, 2016
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MANAGEMENT DISCUSSIONS AND ANALYSIS

FINANCIAL YEAR 2015-16

1. SmartClass

a. Launch of new products - The Company launched the most advanced version of Smart class called the Smartclass Pro; the tablet version of the revolutionary Smartclass. The tablet provides exceptional mobility which allows better classroom management by the teacher through real time connectivity. The information is just a click away with Smartclass Pro which comes with a 3G SIM, connecting to a wealth of learning, making classroom atmosphere more exciting with increased participation. The product enables content upgradation through online connectivity from cloud.

b. Operational efficiencies - The Company has been aggressively working on reducing response time and generating consumer delight. There have been continuous efforts made to reduce the turnaround time to resolve customer complaints.

c. Generation of new business - The Company continues to expand its footprint across the country by expansion of sales force in different geographies.

d. Focus on Collections - During the financial year under review, the Company aggressively focused on recoveries from delinquent customers. Towards this end, the arbitration department was expanded and results in terms of awards and their executions should soon follow.

e. Leaner organization - The Company continues to streamline its operations, integrating technology into the supply chain and servicing components to replace and optimize the existing cost structure. During the year, the company took specific measures strengthen its servicing operations for Smartclass. In its K-12 business, the Company has also streamlined the cost structure in line with the business requirements. Within SmartClass business, KRA realignment exercise and sales force reorganization into Customer Acquisition group and Relationship Management Group was undertaken to positively impact sales and collections.

f. Rising Leadership - As a last and very important priority the Company is a mix of experienced and new leadership. We thus have the advantage of youth & experience at the same time.

2. K-12

a. 5-25 Flexible restructuring scheme: - The proposal to restructure EISML's borrowings under the 5/25 Flexible restructuring Scheme has been accepted by the lenders thus enabling the improvement in the overall liquidity position of the company.

b. Improving Brand value - The Company took aggressive steps for marketing which led to improvement in brand value and even attrition was brought under control.

3. Edureach

There were huge delays in recoveries of outstanding dues from the state agencies, which put a significant stress on the operating cash flows of the Company. Therefore, during 2015-16, the Company did not bid for any fresh Government projects but focused on executing the projects on hand.

In addition, the Company took advantage of new opportunities that have arisen in the skills development business. The Government of India is actively pushing the Skill India mission. During the year, the Company has initiated its participation in various capital light skill development projects and has been successful in securing and executing the contracts for many of them.

OUTLOOK FOR 2016-17

1. SmartClass

a. Sales penetration - The Company envisages deepening the penetration of digitized content in the education system. The launch of Smartclass Pro is one such initiative in that direction. Smartclass Pro is not only less expensive but also a technically superior version of the Smartclass classic model. The Company hopes that its cost effectiveness should drive higher sales and greater digitization in schools in the coming years. The Company will be driving its future growth by focusing on increasing sales of Smartclass Pro.

b. School Solutions Group - In order to optimize the utilization of human resources, the Company has restructured its sales and support roles into the Schools Solutions Group (SSG). The new structure will be led by National Sales Support team which will drive the sales targets from an assigned territory through fresh sales, up selling and cross selling. NSS team will be ably supported by a battery of State Business Heads, Divisional Manager, Regional Managers and Area Managers.

c. Service oriented organization - The Company has strengthened the customer complaints addressal mechanism, thus ensuring reduction in the turnaround time. We shall continue to strive towards improvement in this area.

d. Focus on training - The Company has formed a full-fledged training department to ensure that every employee is thoroughly skilled in order to deliver the targets assigned. Additionally this department will provide training to existing clients, interact with teachers individually to discuss their subject /class modules and support them in using technology in day to day teaching.

- e. Debt restructuring** - The Company is negotiating with its lenders to restructure its loan facilities, in order to align them with the collections of long term receivables and new business growth. Provided that the lenders back the Company's reasonable requests and the company remains on its improved trajectory, the near term outlook in FY17 will remain positive.

2. Edureach

- a)** The outlook for Edureach will be bidding for very selective contracts in association with a financial Partner. Selectivity in Government ICT business is a must as huge delays in recovering outstanding dues puts a significant stress on the Company's liquidity position.

FY17 should be a big year for the Skilling Business. Company's focus shall be on delivering on the Pradhan Mantri Kaushal Vikas Yojna (PMKVY) using an asset light model. The opportunity is enormous as the Government has targeted training 10 million students in next 3 years as part of PMKVY Scheme.

- b) Bidding for New ICT Business** - The company proposes to bid for new contracts under the ICT business for installation, set-up and operating computer labs /IT facilities at government schools. Under this proposal, the company plans to partner with overseas IT Company for partnership in the ICT Business. The partner will supply the hardware and provide the necessary financing for the hardware. It will also contribute the working capital required for the business. The proposed partnership arrangement envisages 50% of revenue and cost sharing with the partner.

3. School Business

- a)** The focus in K12 will be on driving enrolments and efficient utilization of existing resources.
- b) Asset Monetization** - The Company has planned monetization of various assets including closed schools, land parcels, schools identified for sale and other subsidiary assets. These will lead to additional realizations in the future years.
- c) Capacity utilization and enhancement** - The Company plans to increase the capacity utilization in existing schools. Additionally, a regular planned capital expenditure for capacity enhancement shall be incurred for sustained revenue growth in the future.

INDUSTRY STRUCTURE AND DEVELOPMENT

- a) Market Overview** - Education plays an important part in the building of a nation. This has even more relevance in case of India given its young population which has a significant portion of school going children. India, today, is considered as a talent pool of the world, having qualified and educated human resources in abundance. India has the world's largest population under 25 years of age, approximately 550 million. Education is the key to unlocking and building lasting value

in a robust economy. In order to meet this existing and emergent demand, there is huge need of investments in the Indian education sector. There have been encouraging signals already received from various government announcements done pertaining to education. A lot more enabling environment is expected to get developed that should take care of various growth inhibitors that continue to exist for certain segments.

In the Union Budget 2016, about ₹69,074 crore was allocated for education in 2015-16, as against ₹70,505 crore in the revised estimate in 2014-15.

- b) Demand Supply Gap** - While there has been some private investment in setting up educational institutions, there remains a glaring mismatch in demand and supply, particularly in high quality institutions. To reduce the demand supply gap in school education, it has been proposed in the 12th Five Year Plan (2012-2017) to set up 6,000 schools at block level as model schools to benchmark excellence. Of these 2500 will be set up under Public Private Partnership. The government has been investing in the promotion of literacy and education, although its efforts remain largely focused on elementary schooling.

KEY MARKET SEGMENTS

- a) Smart class market** - Education has taken a quantum leap with the Internet, breaking classroom barriers and introducing students to a whole range of courses for upgrading themselves, which are also more affordable and accessible. Smartclass is rapidly transforming the way teachers teach and students learn in the schools with innovative and meaningful use of technology. Powered by the world's largest repository of digital content mapped to Indian school curriculum, Smartclass brings in technology right next to the blackboard for teachers in the classrooms. Total number of schools in India stood at 1.53 million in 2015 (as per EY-FICCI report). Only around 10 per cent of the private schools have tapped the potential of multimedia classroom teaching, whereas in government schools, it has barely made any inroads. The current market size for digitized school products in private schools is around US\$500 million. This is expected to grow at a Compound Annual Growth Rate (CAGR) of 20 per cent to breach the US \$2 billion mark by 2020. In an IT savvy country like India, virtual classrooms assume a whole new value. India needs to take the virtual classrooms to each and every sphere of education to take India to the next level as far as learning, knowledge and skills are concerned.

This makes India a very promising market for introducing newer technology in classrooms. A recent trend is that schools in tier two and tier three cities are increasingly adopting the latest technology. Moreover, state governments are also giving a boost to the adoption of technology in schools.

- b) K-12 Market** - The current K-12 school system in India is one of the largest in the world with more than 1.53 million

schools in 2015 with 250+ million students enrolled, reveals EY-FICCI report on the education sector in India. 54% of all 1.46 million K-12 schools in India, are managed by the Central Government/ state governments and 21% are managed by local bodies/ municipal corporations. Private schools account for 25% of the total number of K-12 schools in India. The share of private K-12 institutions is projected to rise to 30% in 2017-18. Policies for K-12 are framed by The National Council of Education Research and training (NCERT). Popular boards under which K-12 is accredited are CBSE, ICSE, IB as well as state boards. The K-12 segment is regulated by the respective state government through local bodies and state level education departments.

Key issues currently faced by the segment include:

- a) Quality of education is questionable: Although the government is investing in the promotion of literacy and education, its efforts remain largely focused on elementary schooling but secondary and higher education has not been accorded priority as it is necessary to first create adequate infrastructure and provide incentives to universalize elementary education.
- b) Lack of adequate infrastructure: Many state funded schools especially in rural areas lack even basic infrastructure facilities.
- c) Lack of qualified teachers: Given rising enrollments in the K-12 segment, the availability of teachers is going to be a perpetual concern.
- d) Low enrolment across senior classes remains a key challenge in the K-12 education system.
- e) Right to Education Act provides a subsidy on education to weaker sections of Society. However, this increases cost of education for the non-subsidised segment and negatively impacts the profitability of the sector as a whole.

OPPORTUNITY

1. Government impetus on skill development;
2. Existing shortage of K-12 schools in country;
3. Growing aspirations of a huge middle class in India;
4. Large untapped opportunities in the digital classroom space;
5. Opportunity to drive economic growth on the back of its rising-working age population;
6. Train growing work force and create quality employment;
7. Opportunity for innovation by taking advantage of technological advancements;

8. Reduction in hardware prices which is increasing propensity to digitize and adoption by schools.

THREATS

Competition in all segments (however, Educomp has unmatched scale across segments, providing it the competitive advantage).

RISKS

1. High interest rates.
2. Saturation in Tier I and Tier II cities (but hardware prices are falling and may expand the market further).

CONCERNS

1. The interest in digital content has evolved over the years and the consumer expectations and compliance requirement have increased. There might be some patent issues in using the interactive content, as some of the content in the offering remains licensed content.
2. Prohibitive costs in tier-I & II cities in setting up new schools.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

In FY 2015-16, key Human Resource (HR) policies and processes were redesigned and realigned to the business vision. The same were effectively institutionalized in order to improve the efficiency and accuracy of business output. The On-boarding process was deepened further with the implementation of a one week rigorous induction program. As part of this process, the Buddy Program was launched which is essentially mentorship by high performers. FAQs for key HR policies were uploaded onto the system to ensure easy understanding.

Further, as on March 31, 2016, 5065 number of employees have been employed by the company. Festivals, birthdays and various other events are celebrated regularly to build employee camaraderie.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has appointed M/s Rajnish & Associates, Chartered Accountants, and M/s Mazars, jointly as the Internal Auditors of the Company to maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

FINANCIAL PERFORMANCE

Overview - Executive Summary

The financial performance of Educomp Solutions Limited (Educomp) as per Indian GAAP is discussed in two parts:

- Educomp (Standalone), which excludes the performance of subsidiaries of Educomp.
- Educomp (Consolidated), which includes performance of subsidiaries of Educomp. The Consolidated Financial Statements bring out comprehensively the performance of the Educomp group and are more relevant for understanding the overall performance of the group.

Overview of the Financial performance summary (Standalone)

The total revenues of Educomp aggregated ₹2,231 million in FY16 as compared to ₹2,322 million in FY15.

In fiscal 2016, the Company's profit/(loss) before prior period items, exceptional items and taxes aggregated ₹(3,360) million as against ₹(2,981) million in fiscal 2015.

In fiscal 2016, the Company's profit/(loss) after taxes, prior period and exceptional items aggregated ₹(3,433) million as against ₹(11,654) million in fiscal 2015.

In fiscal 2016, the Company's earnings/(loss) per share (basic) is ₹(28.04) as against ₹(95.17) in fiscal 2015.

Overview of the financial performance summary (Consolidated)

In fiscal 2016, the total consolidated revenues of Educomp group aggregated ₹5,874 million as compared to ₹5,942 million in fiscal 2015.

The consolidated profit/(loss) before taxes aggregated ₹(3,901) million in fiscal 2016 as against ₹(4,347) million in fiscal 2015.

In fiscal 2016, the Company's consolidated profit after taxes, prior period and minority interest aggregated ₹(4,473) million as against ₹(16,422) million in fiscal 2015.

In fiscal 2016, the Company's consolidated earnings/(loss) per share (basic) is ₹(36.52) as against ₹(134.10) in fiscal 2015.

Detailed financial review under standalone version is provided in the following sections of this report.

Financial Review (Standalone)

Result of operations

Total revenues from operations of the Company aggregated to at ₹2,010 million as against ₹1,982 million in fiscal 2015.

EBIDTA stands at ₹(489) million in FY16 vs. ₹(207) million in FY15. EBIT stands at ₹(889) million in FY16 vs. ₹(685) million in FY15. Profit/(loss) after tax stands at ₹(3,433) million in FY16 vs. ₹(11,654) million in FY15.

(₹ in million)

Particulars	FY'16	FY'15
Net Sales	2,010	1,982
Other income	221	340
Total Income	2,231	2,322
Expenditure	2,719	2,529
Interest	2,471	2,295
Depreciation	401	478
Loss/Profit before taxes, prior period and exceptional items	-3,360	-2,981
Provision for Tax including Current tax, Deferred tax	-191	-
Prior Period, Exceptional Items	264	8,673
Profit after taxation and prior period items	-3,433	-11,654
Basic Earnings per share	-28.04	-95.17

Key Ratios	FY'16	FY'15
EBIDTA/Net Sales	-24.30%	-10.44%
Profit after Tax and prior period items/ Net Sales	-170.8%	-588.0%
Total Expenditure/ Net Sales	135.3%	127.6%
Consumption of Raw material/ Net Sales	19.29%	11.79%
Staff Cost/Net Sales	57.22%	65.01%
Selling, Distribution & Administration expenses (including Miscellaneous Expenses)/ Net Sales	58.79%	50.82%

Segment results

(₹ in million)

Revenues	FY'16	FY'15
School Learning Solutions	1966	1906
Higher Learning Solutions	20	58
K-12 Schools	-	-
Online, Supplementary & Global	24	18
Total Net Sales	2010	1982

(₹ in million)

PBIT	FY'16	FY'15
School Learning Solutions	-498	-9008
Higher Learning Solutions	11	48
K-12 Schools	-	-
Online, Supplementary & Global	-17	-1
	-504	-8961
Less: Interest (Net)	2471	2295
Other un-allocable expenses (net of un- allocable income)	649	398
Total Profit before Tax	-3624	-11654

Other Income

The Company generated other income of ₹221 million in FY 2016, a decrease of 35% over other income of ₹340 million generated in FY 2015.

Expense Analysis:**Cost of goods sold (COGS):**

COGS totaled ₹388 million during FY16, a increase of 66% from ₹234 million in FY15.

(₹ in million)

Particulars	March 31, 2016	March 31, 2015
Cost of Goods Sold	388	234
% of Net Sales	19%	12%

Personnel Expenses:

Personnel expenses consist of compensation to all employees. It includes salaries, contribution to provident fund, bonus & retirement benefits, staff welfare and ESOP amortization. It also includes expenses incurred on staff welfare. The total personnel cost decreased by 10.7% to ₹1,150 million from ₹1,289 million during the year, with total staff strength going down due to ICT and Smartclass manpower reduction and rationalizations across business.

(₹ in million)

Particulars	March 31, 2016	March 31, 2015
Personnel Expenses	1,150	1,289
% of Net Sales	57%	65%

Depreciation:

Depreciation has decreased by 16.2% to ₹401 million during FY16, compared to ₹478 million in FY15. The increase in depreciation was primarily due to changes in product mix in Smartclass, which resulted in lower capital expenditures during the year.

(₹ in million)

Particulars	March 31, 2016	March 31, 2015
Depreciation	401	478
% of Net Sales	20%	24%

Other expenses:

Other expenses were ₹1,182 million during FY16, a increase of 17% compared to ₹1,007 million during FY15. Administration & other expenses (as a percentage of Net Sales was 59%, up from 51% in FY15).

(₹ in million)

Particulars	March 31, 2016	March 31, 2015
Other expenses	1,182	1,007
% of Net Sales	59%	51%

Finance Charges:

Interest expenses increased from ₹2,471 million from ₹2,295 million during FY15.

(₹ in million)

Particulars	March 31, 2016	March 31, 2015
Finance charges	2,471	2,295
% of Net Sales	123%	116%

Income Tax Expense:

The Company's current tax expense in FY15 is ₹(191) million.

(₹ in million)

Particulars	March 31, 2016	March 31, 2015
Current tax	-	-
Deferred Tax	-	-
Tax earlier year's	-191	-
Total	-191	-

Profit after Tax:

Net (loss)/profit after tax was ₹(3,433) million during FY16, an decrease of 71% from ₹(11,654) million in FY15. Net profit as a percentage of revenues in FY16 has decreased to (171%) as compared to (588%) in FY 15. This decrease was due to impairment charges on long term receivables of our legacy Smartclass business.

(₹ in million)

Particulars	March 31, 2016	March 31, 2015
Profit after tax	-3,433	-11,654
% of net sales	-171%	-588%

Financial Position (Standalone):**Equity and Liabilities****Shareholder's Fund****Share Capital:**

The total paid up Equity Share Capital stood at ₹244.93 million as on March 31, 2016, as compared to ₹244.93 million as on March 31, 2015.

A statement of movement in the equity share capital is given below:

	March 31, 2016		March 31, 2015	
	No. of Equity shares	₹ in million	No. of Equity shares	₹ in million
Balance at the beginning of the year	12,24,67,168	244.93	12,24,41,068	244.88
Shares issued during the year	-	-	26,100	0.05
Balance at the closing of the year	12,24,67,168	244.93	12,24,67,168	244.93

Reserve & Surplus:

Securities premium:

The addition to the share premium account of ₹Nil million during the year and a reduction of redemption premium of ₹51 million for FCCB redemption.

(₹ in million)

	March 31, 2016	March 31, 2015
Securities premium- opening balance	10129	10235
Add: On issue of shares (including shares under ESOP)	-	5
Less: Issue expense/redemption premium	51	111
Balance at the end of the year	10078	10129

General Reserve:

During the year ₹76 million has been transferred to the general reserve due to ESOP cost reversal on forfeiture.

Profit and Loss Account:

The balance retained in the profit and loss account as of March 31, 2016 is ₹(9,616) million.

(₹ in million)

	March 31, 2016	March 31, 2015
Profit & Loss Account-Opening balance	-6,183	5518
Add: Deletion/Addition during the year	-3,433	-11,701
Less: Proposed dividend	-	-
Less: Corporate Dividend Tax	-	-
Less: Transferred to General Reserve	-	-
Balance at the end of the year	-9,616	-6,183

Borrowings

Long term borrowing stands at ₹18,847 million as on 31st March, 2016 as against ₹21,533 million as on 31st March, 2015.

Short term borrowing stands at ₹982 million as on 31st March, 2016 as against ₹2,107 million as on 31st March, 2015.

(₹ in million)

Particulars	March 31, 2016	March 31, 2015
Long-term borrowings		
Foreign Currency Convertible Bonds	663	626
Non convertible debentures	450	450
Term Loans-Secured/Unsecured & Finance Lease Obligations	17,734	20,457
Total (Long-term borrowings)	18,847	21,533
Short-term borrowings		
Loans repayable on demand/Commercial papers	982	2,107
Total (Short-term borrowings)	982	2,107

Capital Expenditure:

The Company has incurred an amount of ₹188 million (₹319 million in FY15) as capital expenditure, comprising additions to gross block of assets. Addition to fixed assets is mainly on account of addition to knowledge based content repository and addition to office equipment.

(₹ in million)

Particulars	March 31, 2016	March 31, 2015
Addition to Fixed assets	188	319
Increase in capital Work-in-progress	-	-
Deletions in Fixed assets	1,065	3

Investments:

The Company has made strategic investments in subsidiaries/ associates/ Mutual funds/various companies, amounting to ₹17,132 million as at March 31, 2016.

(₹ in million)

	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
	Non current	Current	Non current	Current
Investment in subsidiaries/associates	16682	-	16063	-
Investment in other companies	450	-	875	-
Investment in Mutual fund/ subsidiaries	-	-	-	-
Net Investment	17132	-	16938	-

Inventories:

The Company had inventories of ₹120 million as on March 31, 2016 as against ₹254 million as on March 31, 2015.

(₹ in million)

	March 31, 2016	March 31, 2015
Educational Products	-	-
Technology Equipment	120	254
Total	120	254

Trade Receivable:

Trade Receivable amounts to ₹11,662 million as of March 31, 2016 as compared to ₹13,569 million. The decrease is due to provisioning for bad debts on receivables acquired from ESSPL in previous fiscal year.

(₹ in million)

	March 31, 2016	March 31, 2015
Trade Receivable	18,819	21,312
Less: Provision for doubtful debts	7,157	7,740
Net Trade Receivable	11,662	13,569

Cash & Bank balances:

As on March 31, 2016, the Company had cash & bank balances of ₹344 million (₹570 million as on March 31, 2015) including Margin money deposit given against borrowings, letter of credit and bank guarantees including to revenue authorities.

(₹ in million)

	March 31, 2016	March 31, 2015
Cash & Bank balances	316	541
Other bank balances (restricted)	28	29
Total	344	570

Loans and Advances:

Loans and advances as on March 31, 2016 were ₹821 million (₹1,746 million as on March 31, 2015). Loans and advances include loans and advances given to related and unrelated parties, EMD (refundable and non-refundable) to various State Governments, security deposits to various parties and advances to trade creditors.

(₹ in million)

	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
	Long term	Short term	Long term	Short term
Security deposits	6	357	7	363
Other loans & advances	248	107	247	408
Loans & advances to related parties	102	1	102	619
Total	356	465	356	1390

Other assets:

Other current assets cover mainly Non current bank balances, income accrued, but not due, i.e. unbilled revenue and interest accrued but not due.

(₹ in million)

	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
	Non current	Current	Non current	Current
Non current bank balances	21	-	11	-
Interest accrued on deposits	4	-	3	-
Unbilled receivables	-	-	-	8
Recoverable from Banks	-	-	-	1
Recoverable against corporate guarantee	-	224	-	-
Total	25	224	14	9

Other liabilities:

Other liabilities as on March 31, 2016 stood at ₹8,345 million (₹3,283 million as on March 31, 2015). Increase in short term liabilities is mainly due to maturing principal due on the CDR debt.

(₹ in million)

	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
	Long Term	Short term	Long Term	Short term
Advance from customers	73	588	73	450
Current Maturities of debt/Finance lease & Interest accrued	-	6,960	-	2,285
Premium on Foreign Currency Convertible Bond	162	-	111	-
Others	-	562	-	364
Total	235	8110	184	3099

Trade Payable:

Trade payable amount to ₹851 million as of March 31, 2016 as compared to ₹892 million as of March 31, 2015.

(₹ in million)

	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
	Long Term	Short term	Long Term	Short term
Trade Payable	-	851	-	892

Provisions:

Provisions made towards taxes, employee retirement benefits, proposed dividend, and tax on dividend aggregated to ₹648 million as on March 31, 2016 (₹1,268 million as on March 31, 2015). Significant provisions include provision for warranties.

(in million)

	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
	Long Term	Short term	Long Term	Short term
Staff benefits	64	7	64	8
Income Tax (net of TDS/Adv. Tax)	-	-	-	-
Warranties	115	462	662	534
Proposed dividend	-	-	-	-
Tax on Proposed dividend	-	-	-	-
Total	179	469	726	542

Earnings per Share:

Basic and Diluted Earnings per share (EPS) as per computation based on AS 20 issued by The Institute of Chartered Accountants of India (ICAI) was ₹(28.04) as on March 31, 2016 against ₹(95.17) for basic and diluted EPS respectively.

	March 31, 2016	March 31, 2015
Basic and Diluted Earnings per share (₹)	-28.04	-95.17

Cash Flows:

The cash (used)/generated from operations stands at ₹1,416 million as on March 31, 2016 as against ₹(2,997) million as on March 31, 2015.

The cash generated/ (used in) on account of investing activities stands at by ₹140 million as on March 31, 2016 as against ₹170 million as on March 31, 2015.

The net proceeds from financing activity were ₹(1,781) million as on March 31, 2016 as against ₹3,201 as on March 31, 2015.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Philosophy

Corporate Governance is the creation and enhancement of long-term sustainable value for the stakeholders through ethically driven business processes. At Educomp, over the years, governance processes and systems have been strengthened and Corporate governance has always been an integral part of the way the business is done. The Company's corporate governance philosophy rests on the pillars of integrity, accountability, equity, transparency and environmental responsibility that conform fully with laws, regulations and guidelines. The Company considers it our inherent responsibility to disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. The Company continues to focus on good Corporate Governance and its primary objective is to create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards shareholders and other stakeholders.

The Company has always set SMART (Specific, Measurable, Achievable, Realistic and Timely) targets for the growth, profitability, customer satisfaction, safety and environmental performance and continues its commitment to high standards of corporate governance practices.

Independent directors are appointed in compliance to the listing requirement having diverse skills, experience and external objectivity that they bring to effectively perform their role to provide strategic direction, guidance and provide constructive support to management.

The Company is in compliance with all the requirements of the corporate governance code as enshrined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "**Listing Regulations, 2015**").

1. MANDATORY REQUIREMENTS

The report on Corporate Governance as per requirement under Schedule V of the Listing Regulations, 2015 is given below:

A. BOARD OF DIRECTORS

The Company is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically and manages the business of the Company. Further, the Board continuously reviews the Company's governance, risk and compliance framework, business plans and other competitive benchmarks.

(i) Board Composition and Category

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations, 2015. As on 31st March 2016, Board comprised of 7 Directors, out of which 2 are Executive Directors, including the Chairman & Managing Director and Whole Time Director, and 5 are Independent Non Executive Directors including Two Women Director. As on 31st March 2016, Mr. Shantanu Prakash is Executive Chairman of the Board. In compliance with Regulation 17 of the Listing Regulations, 2015, half of the Board comprises of independent directors.

During the year Ms. Azra Shauqia Hasan was appointed as a Director of the Company w.e.f. 28th May 2015 and Mr. Shonu Chandra, due to preoccupation, was resigned from the Board with effect from 29th May, 2015.

Further, after 31st March, 2016, Mr. Sanjay Kumar Bhattacharyya was appointed as an Additional Director (Independent- Non Executive Director) of the Company and the Chairman of the Company in place of Mr. Shantanu Prakash, the former Chairman of the Company w.e.f. 16th July, 2016 and the Letter of Appointment to Mr. Sanjay Kumar Bhattacharyya was duly forwarded as per the provisions of Listing Regulations, 2015 and Mr. Rajat Khare and Mr. Venkata Subbarao Valluri, Independent Non Executive Directors of the Company, have resigned from the Board, due to preoccupation, with effect from 27th May, 2016. Further, as required by the Listing Regulations, 2015, the terms and conditions of appointment of IDs are available on the Company's website and can be accessed at <http://www.educomp.com/content/terms-conditions-apptt-ids>.

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on March 31, 2016 are given herein below:

Name of Director	Category	Designation	Number of Board meetings during the year 2015-16		Whether attended last AGM held on September 28, 2015	Directorships in Other Indian Companies (other than Educomp Solutions Limited)	Committees Position in Other Indian Companies (other than Educomp Solutions Limited)	
			Held	Attended			Member	Chairman
Shantanu Prakash DIN:- 00983057	Promoter & Executive Director	Chairman & Managing Director	4	4	Yes	11	1	1
Vinod Kumar Dandona DIN:- 06730804	Executive Director	Whole-Time Director	4	3	Yes	9	-	-
Rajat Khare DIN:-00452419	Independent & Non-Executive Director	Director	4	1	Yes	11	1	-
Shonu Chandra* DIN:- 01019974	Independent & Non-Executive Director	Director	4	1	N.A.	N.A.	N.A.	N.A.
Azra Shauqia Hasan** DIN:- 07181657	Independent & Non-Executive Director	Director	4##	4	Yes	4	4	-
Venkata Subbarao Valluri DIN:- 06645126	Independent & Non-Executive Director	Director	4	4	No	-	-	-
Vijay Kumar Choudhary DIN:- 00203673	Independent & Non-Executive Director	Director	4	4	Yes	2	2	-
Swati Sinha DIN:06947829	Independent & Non-Executive Director	Director	4	3	Yes	-	-	-

* Resigned w.e.f. 29th May, 2015.

** Appointed as an independent director for a period of 5 years w.e.f 28th May, 2015.

Details provided from the date of appointment.

Notes:

- (i) The directorships held by the directors, as mentioned above do not include the directorships held in, Foreign Companies and Companies under Section-8 of the Companies Act, 2013.
- (ii) The committees considered, as mentioned above, are those prescribed under Regulation 26(1) of the Listing Regulations, 2015 viz. Audit Committee and Stakeholder Relationship Committee of Indian Public Limited Companies, whether listed or not, and Companies registered under Section-8 of the Companies Act, 2013 are excluded.
- (iii) None of the directors are relatives of any other director as per Section 2(77) of the Companies Act, 2013. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company. None of the Directors are related inter-se.
- (iv) None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees (as specified in Listing Regulations, 2015) in Indian Public Companies (Listed & Unlisted). Necessary disclosures regarding Committee positions in other public companies as on 31st March 2016 have been made by the Directors.
- (v) The Independence of a Director is determined by the criteria stipulated under Regulation 16(1)(b) of the Listing Regulations, 2015 & Section 149 (6) of the Companies Act, 2013.
- (vi) No directors of the Company are holding position of Independent Director in more than seven listed companies.

(vii) Whole Time Director of the Company is not holding position of Independent Director in more than three listed companies.

(viii) As required under second proviso to Section 149(1) of the Act read with Regulation 17 of the Listing Regulations, 2015, Mrs. Swati Sinha and Ms. Azra Shauqia Hasan, are the Women Directors on the Board of the Company.

• Details of Board Meetings held during the year

Minimum four pre-scheduled Board meetings are held annually. Additional Board Meetings are convened by giving appropriate notice to address the Company's specific needs. Dates of Board Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting. Each agenda item is provided with sufficient background and all material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. In case of exigencies or urgencies, resolutions are considered by Circulation as well.

The Board is given presentations covering the Company's major business segments and their operations, overview of business operations of major subsidiary companies, global business environment, the Company's business areas, including business opportunities and strategy and risk management practices before taking on record the Company's quarterly/annual financial results.

During the financial year ended on March 31, 2016, 4 (Four) Board Meetings were held. The dates of the Board meeting are as follows:

May 28, 2015; August 13 2015; November 09, 2015 and February 11, 2016.

The time gap between two meetings was not more than 120 days from the date of last Board Meeting. Meetings are held at Corporate Office in Gurgaon. Notices of the Board meeting are generally given at least 7 days before the meeting.

• Disclosure of relationship between Directors inter-se

None of the Directors of the Company are related with the other Directors in any manner as per the provisions of Companies Act, 2013 and Listing Regulations, 2015.

• Number of Shares & Convertible instruments held by Non-Executive Directors

The detail of the Shares and Convertible instruments held by Non-Executive Directors as on 31st March, 2016 are as follows:

S. No.	Name of the Director	Type of Securities	No. of Securities
1.	Mr. Rajat Khare	Equity Shares	-
2.	Mr. Shonu Chandra*	Equity Shares	3250
		Stock options®	100000
3.	Ms. Azra Shauqia Hasan**	Equity Shares	-
4.	Mr. Venkata Subbarao Valluri	Equity Shares	-
5.	Mr. Vijay Kumar Choudhary	Equity Shares	-
6.	Ms. Swati Sinha	Equity Shares	-

* Resigned w.e.f. 29th May, 2015.

**Appointed as director w.e.f 28th May 2015

@ Number of Stock options granted, outstanding and adjusted post split and were granted earlier to 01st April 2014. However, The Nomination & Remuneration Committee in their meeting held on 12th August, 2016 has forfeited the ESOP with immediate effect.

• Separate Meeting of Independent Director's & Familiarization Programme for Independent Directors

During Financial Year 2015-16, a Separate Meeting of the Independent Directors of the Company was held on 09th November, 2015 without the attendance of non-independent directors and members of management. In that meeting, along with other matters, Independent Directors discussed the matters specified in -Regulation 25(4) of the Listing Regulation, 2015.

The Company has also carried out Familiarization Programme on 11th February, 2016 in accordance with the Listing Regulations, 2015. The details of Familiarization Programmes conducted are specified in the Board Report and also uploaded on the website of the Company & can be accessed through the link <http://www.educomp.com/content/familiarisation-programme>.

• Board Evaluation Criteria

The Board undertook the initiative to conduct a formal evaluation of its own performance and that of its committees & individual Directors. The Nomination & Remuneration Committee led the evaluation process. The Independent Directors reviewed the performance of non-independent Directors, the Chairperson of the Company and the Board as a whole. Structured questionnaire(s) were devised to facilitate the evaluation process. The Board would use the

results of the evaluation process constructively to improve its effectiveness, optimize individual strength of Directors and deliver performance & overall growth for the Company.

B. INFORMATION AVAILABLE TO THE BOARD

During the year 2015-16, minimum information as mentioned in Schedule II to the Listing Regulations, 2015, wherever applicable, has been placed before the Board for its consideration.

The aforesaid information is generally provided as a part of the agenda of the board meeting and/or is placed at the table during the course of the meeting. The Key Managerial Personnel and other senior management staff are also invited to the board meetings to present reports on the Company's operations and internal control systems. The Company Secretary, in consultation with the Chairman, prepares the agenda. The detailed agenda is sent to the members a week before the board meeting date. In special and exceptional circumstances, an additional or supplementary item(s) on the agenda are permitted to be taken up as 'any other item'. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance. Board meetings are held quarterly to coincide with the announcement of quarterly results and the Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

C. AUDIT COMMITTEE

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits.

The Board of Directors has entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

BROAD TERMS OF REFERENCE

The composition of audit committee meets the criteria as mentioned in Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, 2015. The terms of reference of this Committee covers the matters specified for Audit Committee under Part C to Schedule II of the Listing Regulations, 2015 read with the Section 177 of the Companies Act, 2013. The terms of the reference of Audit Committee include inter alia the following:

Powers of Audit Committee

- i. To investigate any activity within its terms of reference.

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

Key responsibilities of Audit Committee

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

between the Company and the external auditors;

- i. The extent to which the financial statements are affected by any unusual transactions or any off-balance sheet arrangements, including any disclosable guarantees, indemnification agreements or interests in unconsolidated special purpose entities, in the year and how they are disclosed;
 - j. the policies and process for identifying and assessing business risks and the management of these risks;
 - k. material misstatements detected by the auditors that individually or in aggregate have not been corrected and management's explanations as to why they have not been adjusted;
 - l. possible impairments of the Group's assets;
 - m. compliance with financial reporting standards and relevant financial and governance reporting requirements;
5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with internal auditors any significant findings and follow up there on.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit

as well as post-audit discussion to ascertain any area of concern.

11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. **Mandatory review the following information:**
 - i. Management discussion and analysis of financial condition and results of operations;
 - ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - iv. Internal audit reports relating to internal control weaknesses; and
 - v. The appointment, removal and terms of remuneration of the Chief internal auditor
14. Overseeing the relationships with the external auditors as follows:
 - i. To consider the appointment of the external auditors and provide the Board with its recommendation to the shareholders on the appointment, reappointment and removal of the external auditors, approve the audit engagement fees and terms and review annually their activities, findings, conclusions and recommendations. The external auditors shall report directly to the Audit Committee. The Audit Committee shall be responsible for ensuring the resolution of any disagreements between management and the external auditors regarding financial reporting;
 - ii. To discuss with the external auditors the nature and scope of the audit (including any significant ventures, investments or operations which are not subject to audit) and ensure co-ordination if more than one audit firm is involved;
 - iii. To review and monitor the independence of the external auditors and the objectivity and the effectiveness of the audit process including reviewing and monitoring the external auditors' quality control procedures and steps taken by the external auditors to

respond to changes in regulatory and other requirements. This review will include a review of the experience and qualifications of the senior members of the audit team, including rotational procedures;

- iv. To pre-approve the scope and extent of audit and non-audit services provided to the Group by any third party in the case of audit services and by the external auditors in the case of audit and permitted non-audit services. The Audit Committee may delegate to the Chairman of the Audit Committee (and in his absence another member) the authority to pre-approve any audit or permitted non-audit service to be provided by the external auditors provided such approvals are presented to the Audit Committee at its next scheduled meeting;
 - v. To consider communications from the external auditors on audit planning and findings and on material weaknesses in accounting and internal control systems that came to the auditors' attention, including a review of material items of correspondence between the Company and the external auditors; and
 - vi. To ensure that there are no restrictions on the scope of the statutory audit;
- 14A the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 14B review and monitor the auditor's independence and performance and effectiveness of audit process;
- 14C examination of the financial statement and the auditors' report thereon;
- 14D approval or any subsequent modification of transactions of the company with related parties;
- 14E scrutiny of inter-corporate loans and investments;
- 14F valuation of undertakings or assets of the company, wherever it is necessary;
- 14G evaluation of internal financial controls and risk management systems;
- 14H monitoring the end use of funds raised through public offers and related matters.
- 14I Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other

person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- 15 such other functions, as may be assigned by the Board of directors from time to time or as may be stipulated under any law, rule or regulation including listing agreement and the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force)

Composition, Meetings & Attendance of the Committee

The Audit Committee of the Company has been constituted as per the requirements of Regulation 18 of the Listing Regulations, 2015. As on 31st March 2016, Audit Committee consist of four Directors, namely Mr. Vijay Kumar Choudhary (having Financial and Accounting knowledge), Mr. Rajat Khare; Ms. Azra Shauqia Hasan and Mr. Shantanu Prakash. Out of the four members three are Independent, Non-Executive Directors. The Constitution of Audit Committee also meets the requirements under Section 177 of the Companies Act, 2013 and Regulation 18(1) of the Listing Regulations, 2015.

The Chairman of the Committee is Mr. Vijay Kumar Choudhary, an Independent Non Executive Director nominated by the Board. The Chairman of the Audit Committee, Mr. Vijay Kumar Choudhary, was present at the last Annual General Meeting of the Company.

The Statutory Auditors and Internal Auditors also attend the meetings by invitation. The Company Secretary of the Company acts as Secretary of the Committee.

During the year under review, the Committee met 4 times on May 28, 2015; August 13, 2015; November 09, 2015 and February 11, 2016. The gap between two meetings did not exceed one hundred and twenty days from the previous meeting. Constitution of Audit Committee and other related information as on 31st March, 2016 are as under:

Name of Member	Category	No. of Meetings held	No. of Meetings Attended
Mr. Vijay Kumar Choudhary	Chairman, Independent & Non Executive Director	4	4
Ms. Azra Shauqia Hasan*	Member, Independent & Non Executive Director	4	3

Mr. Shantanu Prakash	Member, Promoter & Executive Director	4	4
Mr. Rajat Khare	Member, Independent & Non Executive Director	4	1
Mr. Shonu Chandra#	Member, Independent & Non Executive Director	4	1

* Appointed as on 28th May, 2015.

Resigned w.e.f. 29th May, 2015.

D. INTERNAL AUDITORS

At the beginning of the year, the Company has an Internal Auditors viz. M/s. Rajnish & Associates, Chartered Accountant, to review the internal controls system of the Company and to report thereon. During the Financial Year 2015-16, for Better internal control, the Board of Directors and/or Management also appointed M/s. Mazars as an Internal Auditors of the Company.

Therefore, as on 31st March, 2016, there were Joint Internal Auditors namely, M/s. Rajnish & Associates and M/s. Mazars.

The reports of the internal auditors are reviewed by the Audit Committee. The audit is based on an Internal Audit Plan, which is reviewed each year in consultation with the statutory auditors and the Audit Committee. The planning and conduct of internal audit is oriented towards the review of controls in the management of risks and opportunities in the Company's activities. The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations.

E. NOMINATION AND REMUNERATION COMMITTEE

The Company complies with the provisions related with Nomination & Remuneration Committee in terms of the Regulation 19 of Listing Regulations, 2015 as well as in terms of the provisions of Section 178 of the Companies Act, 2013.

The Nomination & Remuneration Committee entirely comprises of Independent Directors of the Company.

Terms of Reference:

The Broad terms of reference includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

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

- 8 such other functions, as may be assigned by the board of directors from time to time or as may be stipulated under any law, rule or regulation including listing regulations and the companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force)

Composition, Meetings and Attendance of Committee:

As on 31st March 2016, Nomination and Remuneration Committee of the Company consisted of Three Independent, Non- Executive Directors namely Ms. Azra Shauqia Hasan, Mr. Rajat Khare and Dr. Venkata Subbrao Valluri. The Chairman of the Committee is Mr. Rajat Khare, an Independent Non Executive Director nominated by the Board. Mr. Rajat Khare, Chairman of Committee was attended the Last AGM held on 28th September, 2015.

During the year under review, Nomination and Remuneration Committee met 4 times i.e. May 28, 2015; August 13 2015; November 09, 2015 and February 11, 2016.

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Mr. Rajat Khare	Chairman, Independent & Non Executive Director	4	1
Dr. Venkata Subbrao Valluri	Member, Independent & Non Executive Director	4	4
Ms. Azra Shauqia Hasan*	Member, Independent & Non Executive Director	4	3
Mr. Shonu Chandra#	Member, Independent & Non Executive Director	4	1

* Appointed as on 28th May, 2015.

Resigned w.e.f. 29th May, 2015.

Performance Evaluation Criteria for the Independent Directors

The Companies Act, 2013 and Listing Agreement/ Listing Regulations, 2015 has enabled an evaluation mechanism to appraise the performance of the Independent Directors. In terms of that, the Nomination

& Remuneration Committee of the Company has laid down the criteria for the evaluation of the Independent Directors of the Company. The performance of Independent Directors shall be done by the entire Board of Directors (excluding the Director being evaluated) and on the basis of evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

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

General Criteria:

- Highest personal and professional ethics, integrity and values;
- Inquisitive and objective perspective, practical wisdom and mature judgment;
- Demonstrated intelligence, maturity, wisdom and independent Judgment
- Self-confidence to contribute to board deliberations and stature such that other board members will respect his or her view;
- The willingness and commitment to devote the extensive time necessary to fulfill his/her duties;
- The ability to communicate effectively and collaborate with other board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others; and
- The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including, but not limited to relevant experience in international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing etc.

Specific Criteria:

- Participation and contribution by a Director;
- Commitment, including guidance provided to the Senior Management outside of Board/ Committee Meetings;
- Effective deployment of knowledge and expertise;
- Effective management of relationship with various stakeholders;

- Independence of behavior and judgment;
- Maintenance of confidentiality of critical issues.

NOMINATION AND REMUNERATION POLICY

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

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

Appointment

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

Remuneration

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

a) Remuneration of Executive Director/(s)

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

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

During financial year 2015-16 the company has Two Executive Directors Mr. Shantanu Prakash, Chairman and Managing Director; and Mr. Vinod Kumar Dandona, Whole Time Director.

Details of the remuneration paid to Executive Directors and there shareholding in the company for the year ended March 31, 2016 is as follows:

(Amt in ₹ Million except No. of Shares)

S. No.	Name of Directors	Gross Salary*	Performance linked incentives	Commission	Sitting Fees	Stock Options	No. of Equity Shares held
1.	Mr. Vinod Kumar Dandona	0.45	-	-	-	-	NIL
2.	Mr. Shantanu Prakash	NIL	-	-	-	-	44,315,205

* The above figures do not include provision for en-cashable leave and gratuity. Remuneration paid to Executive Director exceeded the limits specified under Companies Act, 2013. The company is under process for the waiver and/or approval from Central Government for payment of managerial remuneration in excess of the limits specified under the Companies Act, 2013.

Details of Employment Contract of Executive Director(s)

Name of Director	Tenure	Notice Period	Severance Fee
Mr. Shantanu Prakash	3 years w.e.f August 01, 2014	--	NIL
Mr. Vinod Kumar Dandona	3 Years w.e.f November 13, 2013	3 months by either party	NIL

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

Non- Executive Directors are entitled as follows:

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

The Company does not have material pecuniary relationship or transactions with its non-executive directors.

Details of the remuneration paid to Non executive Director in the F.Y 2015-16 and their shareholding in the company as at March 31, 2016 is as follows:

S. No.	Name of Directors	Sitting Fees (Amt in ₹) **	Commission (Amt in ₹)	Stock Options as at 31 st March 2016 @	Stock options exercised during the year	Stock options granted during the year	Total amount paid (Amt in ₹)	No. of Equity Shares held in the Company
1.	Mr. Shonu Chandra*	60,000	-	1,00,000	-	-	60,000	3,250
2.	Mr. Vijay K. Choudhary	1,50,000	-	-	-	-	1,50,000	-
3.	Mr. Rajat Khare	40,000	-	-	-	-	40,000	-
4.	Dr. Venkata Subbarao Valluri	80,000	-	-	-	-	80,000	-
5.	Ms. Swati Sinha	30,000	-	-	-	-	30,000	-
6.	Ms. Azra S. Hasan#	1,40,000	-	-	-	-	1,40,000	-

@ Number of Stock options granted, outstanding and adjusted post split and were granted earlier to 01st April 2014. However, The Nomination & Remuneration Committee in their meeting held on 12th August, 2016 has forfeited the ESOP with immediate effect.

* Resigned w.e.f. 29th May, 2015.

Details provided from the date of appointment.

** Excluding service tax

Stock options were granted at the prevailing market price. Stock options will vest over a period of five/seven years with an option to convert the stock options into equity shares at any time upto 6 years/8 years from the Grant Date.

Apart from receiving sitting fees, no Non-Executive Directors including Independent Directors received any fixed component, commissions & performance linked incentives from the Company during the period under review.

Further, there were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

F. STAKEHOLDER RELATIONSHIP COMMITTEE

Terms of Reference

The broad terms of reference includes the following:

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

Composition, meetings and attendance of Committee

In compliance with the Listing Regulations, 2015 and provisions of the Companies Act, 2013, the Company has constituted a Stakeholder Relationship Committee consisting of majority of Non-Executive Independent Directors. As on 31st March 2016, Committee consists of three members comprising of Ms. Azra Shauqia Hasan, Mr. Shantanu Prakash and Mr. Vijay Kumar Choudhary. The Chairman of the Committee is Mr. Vijay Kumar Choudhary, Independent & Non Executive Director. Company Secretary acts as secretary to committee.

During the year under review, Committee met Five (5) times on April 15, 2015, August 13, 2015, November 09, 2015, January 15, 2016 and March 30, 2016.

Attendance particulars of members are as follows:

S. No.	Name of Director	Category	No. of meetings of held	No. of meetings attended
1	Mr. Vijay K Choudhary	Chairman, Independent & Non-Executive Director	5	5
2	Ms. Azra Shauqia Hasan*	Member, Independent & Non-Executive Director	5	4
3	Mr. Shantanu Prakash	Member, Promoter & Executive Director	5	5
4	Mr. Shonu Chandra#	Member, Promoter & Executive Director	5	-

* Appointed as on 28th May, 2015.

Resigned w.e.f. 29th May, 2015.

Compliance Officer

Mr. Yogesh Saluja, Company Secretary, is the Compliance Officer for complying with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company Secretary is responsible for complying with the requirements of Listing Regulations, 2015. The Compliance Officer can be contacted at:

Educomp Solutions Limited
Plot No 514, Udyog Vihar Phase III
Gurgaon, Haryana-122002
Tel: +91-124-4529000
Fax: +91-124-4529039
Email: investor.services@educomp.com

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

Particulars	Pending as on April 1, 2015	Received during the Year	Disposed during the Year	Pending as on March 31, 2016
No of Complaints	1	26	25	2

G. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**Composition**

The Corporate Social Responsibility Committee of the Board ("CSR Committee") has been duly constituted as per Companies Act, 2013, to oversee the CSR Policy of the Company and recommend the amount of expenditure to be incurred on the activities mentioned in the Schedule VII of the Companies Act, 2013. As on 31st March, 2016, the Committee consists of two Executive Directors i.e. Mr. Shantanu Prakash and Mr. Vinod Kumar Dandona and one Independent Non-Executive Director Mr. Vijay Kumar Choudhary. The Chairman of the Committee is Mr. Shantanu Prakash an Executive Director of the Company.

Meeting & Attendance during the year

During the year ended March 31, 2016, Only one (1) meeting of the Committee was held – August 13, 2015

The attendances of Members at the meetings of the Committee held during the year are as follows:-

S. No.	Name of Director	Category	No of meetings of held	No of meetings attended
1	Mr. Shantanu Prakash	Chairman, Promoter & Executive Director	1	1
2	Mr. Vinod Kumar Dandona	Member, & Executive Director	1	1
3	Mr. Vijay Kumar Choudhary	Member, Independent & Non-Executive Director	1	1

H. OTHER COMMITTEES OF THE BOARD

The details of the meeting of the other committees of the board, held during the year 2015-16, are given herein below:-

FINANCE COMMITTEE**Composition**

As on 31st March 2016, the Finance Committee of the company consists of one Executive Directors i.e. Mr. Shantanu Prakash and two Independent Non-Executive Director Mr. Vijay Kumar Choudhary and Ms. Azra Shauqia Hasan. The Chairman of the Committee is Mr. Shantanu Prakash, an Executive Director of the Company.

Meeting & Attendance during the year

During the year ended March 31, 2016, only One (1) meeting of the Finance Committee was held on September 23, 2015. The attendances of Members at the meeting of the Committee held during the year are as follows:-

S. No.	Name of Director	Category	No of meetings of held	No of meetings attended
1	Mr. Shantanu Prakash	Chairman, Promoter & Executive Director	1	1
2	Ms. Azra Shauqia Hasan*	Member, Independent & Non-Executive Director	1	1
3	Mr. Vijay Kumar Choudhary	Member, Independent & Non-Executive Director	1	1
4	Mr. Shonu Chandra#	Member, Independent & Non-Executive Director	1	N.A

* Appointed as on 28th May, 2015.

Resigned w.e.f. 29th May, 2015.

RISK MANAGEMNT COMMITTEE

At the Beginning of the Financial Year, the Company has the Risk Management Committee of the Board of Directors of the Company.

But as per the provisions of the Companies Act, 2013 and Listing Agreement/Listing Regulations 2015, it was not mandatory for the Company to constitute such Committee. Further, there was no meeting held of the Risk Management Committee during the Financial Year 2015-16, Thus, the Board of Directors of the Company dissolved such Committee in their meeting held on 11th February, 2016 during the financial year.

The Composition and attendances of members at the meeting of the committee held during the year are as follows:-

S. No.	Name of Director	Category	No. of meetings of held	No. of meetings attended
1	Mr. Shantanu Prakash	Chairman, Promoter & Executive Director	-	-
2	Dr. Subbarao Valluri Venkata	Member, Independent & Non-Executive Director	-	-
3	Mr. Vijay Kumar Choudhary	Member, Independent & Non-Executive Director	-	-

DEBENTURE COMMITTEE

The Company has the Debenture Committee of the Board of Directors of the Company. Further, there was no meeting held of the Debenture Committee during the Financial Year 2015-16.

The Composition as on 31st March, 2016 and attendances of members at the meeting of the committee held during the year are as follows:-

S. No.	Name of Director	Category	No. of meetings of held	No. of meetings attended
1	Mr. Shantanu Prakash	Chairman, Promoter & Executive Director	-	-
2	Ms. Azra Shauqia Hasan	Member, Independent & Non-Executive Director	-	-
3	Mr. Vijay Kumar Choudhary	Member, Independent & Non-Executive Director	-	-

FUND RAISING CUM ALLOTMENT COMMITTEE

The Company has the Fund Raising Cum Allotment Committee of the Board of Directors of the Company. Further, there was no meeting held of the Fund Raising Cum Allotment Committee during the Financial Year 2015-16.

The Composition as on 31st March, 2016 and attendances of members at the meeting of the committee held during the year are as follows:-

S. No.	Name of Director	Category	No. of meetings of held	No. of meetings attended
1	Mr. Shantanu Prakash	Chairman, Promoter & Executive Director	-	-
2	Ms. Azra Shauqia Hasan	Member, Independent & Non-Executive Director	-	-
3	Mr. Vijay Kumar Choudhary	Member, Independent & Non-Executive Director	-	-

CORPORATE MANAGEMENT COMMITTEE

The Company has the Corporate Management Committee of the Board of Directors of the Company. Further, there was no meeting held of the Corporate Management Committee during the Financial Year 2015-16.

The Composition as on 31st March, 2016 and attendances of members at the meeting of the committee held during the year are as follows:-

S. No.	Name of Director	Category	No. of meetings of held	No. of meetings attended
1	Mr. Shantanu Prakash	Chairman, Promoter & Executive Director	-	-
2	Ms. Azra Shauqia Hasan	Member, Independent & Non-Executive Director	-	-
3	Mr. Vijay Kumar Choudhary	Member, Independent & Non-Executive Director	-	-

I. GENERAL BODY MEETING

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

Financial Year	Date and Time	Venue	Particulars of special resolution passed
2012-13 (AGM)	26-09-2013 04.30 P.M.	Sri Sathya Sai International Center, Pragati Vihar, Lodhi Road, New Delhi-110003	1. To approve the waiver of the recovery of remuneration of the managing director of the company 2. To approve the waiver of the recovery of remuneration of the whole time director of the company. 3. Approval of remuneration of managing director for the remaining tenure 4. Approval of remuneration of whole time director for the remaining tenure
2013-14 (AGM)	29-09-2014 03.30 P.M.	Sri Sathya Sai International Center, Pragati Vihar, Lodhi Road, New Delhi-110003	1.To appoint Shri Vinod Kumar Dandona as a Director. 2. To approve the Agreement and Ratified the related party agreement.

2014-15 (AGM)	28-09-2015 4:00 P.M.	Sri Sathya Sai International Center, Pragati Vihar, Lodhi Road, New Delhi-110003	<ol style="list-style-type: none"> 1. To approve the waiver of the recovery of remuneration of Mr. Shantanu Prakash (DIN: 00983057), Chairman & Managing Director of the Company. 2. To approve the remuneration of Mr. Shantanu Prakash (DIN: 00983057), Chairman & Managing Director of the Company for the period from 01st April 2013 to 31st July 2014. 3. To approve the remuneration of Mr. Shantanu Prakash (DIN: 00983057), Chairman & Managing Director of the Company for the period of three years from 01st August 2014. 4. To approve the waiver of the recovery of remuneration paid to Mr. Jagdish Prakash (DIN: 00001115), Whole Time Director of the Company during financial year 2012-13. 5. To approve the waiver of the recovery of remuneration of Mr. Vinod Kumar Dandona (DIN: 06730804), Whole Time Director of the Company. 6. To approve the remuneration of Mr. Vinod Kumar Dandona (DIN: 06730804), Whole Time Director of the Company. 7. To approve the agreement to be entered between the Company and M/s Edu Smart Services Private Limited, Related Party. 8. To approve the Educomp Employee Stock Options Scheme 2015 and issue of securities. 9. To approve the Educomp Employee Stock Options Scheme 2015 for subsidiaries.
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Extra Ordinary General Meeting

During the last three financial years, there was no Extra Ordinary General Meeting held.

Postal Ballot

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

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

Procedure for postal ballot:

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

J. DISCLOSURES

Related Party Transactions

The required statements/disclosures with respect to the related party transactions, are placed before the audit committee as well as to the Board of directors in terms of Regulation 23 and other applicable laws/rules/regulations for approval.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All the Related Party Transactions are placed before the Audit Committee for approval as per the Related Party Transactions Policy of the Company as approved by the Board. The Policy is also uploaded on the website of the Company & can be accessed on <http://educomp.com/content/policies>.

The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on consideration of various business exigencies such as synergy in operations, sectoral specialization, liquidity and capital resource of subsidiary and associates. Where ever applicable and required, necessary approvals from Shareholders U/s 188 of the Companies Act, 2013 has been taken for the related party transaction.

No transaction of a material nature has been entered into by the Company with the related parties, as defined under the Companies Act, 2013 and/or in the applicable accounting standards, which may have potential conflict with the interest of the Company. Further, the related party disclosure pursuant to Part A of Schedule V to Listing Regulations, 2015 has been made and form part of the notes and schedules of the Financial Statements provided in this Annual Report.

Disclosure of accounting treatment

The Company follows accounting standards notified under the Act and under Accounting Standard Rules, 2006 laid down by the Institute of Chartered Accountants of India (ICAI) in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standards. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

Details of non-compliance with regard to Capital Market

There were no instances of non-compliances by the Company on any matter related to capital markets. The Company has complied with the requirements of listing agreement as well as the regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). There were no penalties imposed nor strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets, during last three years.

The Company has paid listing fees to the stock exchanges and annual custodial fees to the depositories for the financial year 2016-17.

Risk Management

The risk assessment and minimization procedures are in place and the Board is informed about the business risks and the steps taken to mitigate the same.

Management Discussion and Analysis Report

The Management Discussion and Analysis report forms part of this annual report.

Shareholders

The Profile of the Directors to be appointed/re-appointed along with the Directorship details, is provided in the Notice of the 22nd Annual General Meeting of the Company.

Whistle Blower Policy/Vigil Mechanism

The Company has established and adopted a Vigil Mechanism/Whistle-Blower Policy, which provides a formal mechanism for all stakeholders, including employees and their representative bodies, to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee. The detail of the establishment of such policy on Vigil Mechanism/ Whistle Blower Policy is also uploaded on the website and can be access through the link: <http://educomp.com/content/policies>. Further, it is hereby confirmed that no personnel has been denied access to the Audit Committee.

Details of Compliance with mandatory requirements

The Company has complied with the mandatory requirements as stipulated under the Listing Regulations, 2015. The Company has also submitted the Quarterly compliance report to the stock exchanges within the prescribed time limit. Further, M/s Sanjay Grover & Associates, Practicing Company Secretaries have certified that the company has complied with the mandatory requirements of corporate governance as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchange for the period April 01, 2015 to November 30, 2015 and as stipulated in Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period December 01, 2015 to March 31, 2016 for above mentioned instance.

The Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, 2015.

K. MEANS OF COMMUNICATION

The Company regularly intimates un-audited Financial Results as well as Audited Financial Statements to the Stock Exchanges immediately after these are approved by the Board in accordance with the requirements of the Listing Agreement/Listing Regulations, 2015. These financial results are published in one of the leading newspapers of country viz. Financial Express, Mint, (English daily) and Jansatta, Rashtirya Sahara (vernacular newspaper) and are displayed on the website of the Company i.e. www.educomp.com.

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

L. GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard provided in the shareholders information section forms part of this report.

M. UNCLAIMED SHARES

Pursuant to Regulation 39(4) read with Schedule VI to the Listing Regulations, 2016 unclaimed shares i.e. shares issued pursuant to the Public Issues but remaining unclaimed despite of the best efforts of the Registrar to Issue or the Company required to be transferred such shares and any other corporate benefit related to these shares to a separate Demat Suspense Account.

Therefore, the Company opened a separate Demat Suspense Account in the name and style of "Educomp Solutions Limited IPO Suspense" and the shares lying unclaimed as on that date.

The details of such equity shares as on 31st March 2016 are as follows:

S. No.	Description	Number of Shares/ Shareholders
1	Total number of Shareholders in the Suspense Account at the beginning of the year	3

2	Total number of outstanding equity shares in the Suspense Account lying at the beginning of the year	750
3	Number of Shareholders who approached the Company for transfer of shares and to whom shares were transferred from Suspense Account during the year	NIL
4	Number of shares transferred from Suspense Account to Beneficiary Account during the year	NIL
5	Total number of Shareholders in the Suspense Account at the end of the year	3
6	Total number of outstanding equity shares in the Suspense Account lying at the end of the year	750

Further, the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

N. SUBSIDIARY COMPANIES

Company has Three 'Material non-listed Subsidiary Companies' i.e. Educomp Infrastructure & School Management Limited, Educomp Professional Education Limited and Educomp Asia Pacific Pte Ltd during the accounting year under review in terms of the provisions of Regulation 16(1)(c) of the Listing Regulations, 2015. The Company formulated a policy for determining 'material' subsidiaries and such policy uploaded on the Company's website and & can be accessed through the link <http://educomp.com/content/policies>.

O. CODE OF CONDUCT

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and the same has been posted on the web-site of the Company which can be access by the following link <http://educomp.com/content/code-conduct> Annual Compliance Report for the year ended 31st March 2016 has been received from all the Board members and senior management of the Company regarding the compliance of all the provisions of Code of Conduct. A declaration to this effect, duly signed by Managing Director/Chief Executive Officer, is annexed with Directors' Report and forms part of this Annual Report.

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

The Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Prevention of Insider Trading with a view to deal with Unpublished Price Sensitive Information and trading in securities by Directors, employees of the Company, Designated Employees and Connected Persons. The Company Secretary or any other senior officer duly authorized by the Board of Directors of the Company, shall act as the Chief Investor Relations Officer (CIRO), who would be responsible for satisfactory discharge of the duties and responsibilities laid down under this Code and In the absence of CIRO for any reason whatsoever, the Key Managerial Personnel (KMPs) would be severally and/or jointly responsible for discharging responsibilities under this Code. The said Code is available on the website of the Company and can be access through the link <http://www.educomp.com/Data/Code-of-Fair-Practices-Procedures-V1.pdf>.

Q. DISCLOSURE OF COMMODITY PRICE RISK AND COMMODITY

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

R. CEO/CFO CERTIFICATE

The certificate required under Regulation 17 (8) read with Schedule II Part B of the Listing Regulations, 2015 duly signed by the CEO and CFO was placed before the Board and the same is annexed as Annexure A.

S. DETAILS OF ADOPTION OF NON-MANDATORY REQUIREMENTS**Reporting of Internal Auditor**

The Joint Internal Auditors of the Company i.e. M/s Rajnish & Associates, Chartered Accountants & M/s. Mazars, reports to the Audit Committee of the Company.

**For and on Behalf of the Board of Directors
Educomp Solutions Limited**

**Sd/-
(Shantanu Prakash)
Managing Director
DIN: 00983057**

**Sd/-
Vinod Kumar Dandona
Whole-time Director
DIN: 06730804**

Date : August 12, 2016
Place : Gurgaon, Haryana

CORPORATE GOVERNANCE CERTIFICATE

**To,
The Members
Educomp Solutions Limited**

We have examined the compliance of regulations of Corporate Governance by Educomp Solutions Limited for the year ended March 31, 2016, as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900**

**Sd/-
Sanjay Grover
Managing Partner
C.P. No.: 3850**

Date : August 10, 2016
Place : New Delhi

Annexure A**Chief Executive Officer (CEO) /Chief Financial Officer (CFO) certification**

We, Shantanu Prakash, Chairman and Managing Director and Ashish Mittal, Chief Financial Officer of Educomp Solutions Limited, to the best of our knowledge and belief hereby certify that:

- (A) We have reviewed financial statements and the cash flow statements for the year ended 31st March 2016 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit Committee that:
- (i) Significant changes in the internal control over financial reporting during the year under reference;
 - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on Behalf of the Board of Directors
Educomp Solutions Limited**

**Date : May 26, 2016
Place : Gurgaon**

**Sd/-
Ashish Mittal
Chief Financial Officer**

**Sd/-
(Shantanu Prakash)
Chairman & Managing Director
DIN: 00983057**

SHAREHOLDERS INFORMATION

ANNUAL GENERAL MEETING

Day, Date, Venue and Time are as follows:

Registered office	1211, Padma Tower-I, 5, Rajendra Place, New Delhi-110008
Day	Friday
Date	30th September, 2016
Time	03.30 P.M.
Venue	Sri Sathya Sai international Center, Pragati Vihar, Lodhi Road, New Delhi- 110003

FINANCIAL CALENDAR

The financial year covers the period starting from 1st April and ending on 31st March.

Financial Year Schedule (Tentative)

- * Financial Reporting for Quarter ending June 30, 2016 on or before September 14, 2016^{##}
- * Financial Reporting for Quarter ending September 30, 2016 on or before December 14, 2016^{##}
- * Financial Reporting for Quarter ending December 31, 2016 on or before February 14, 2017
- * Financial Reporting for Quarter ending March 31, 2017 on or before May 30, 2017
- * Annual General Meeting End of September, 2017

^{##}The said date is within the extended time in terms of the SEBI Circular bearing reference number CIR/CFD/FAC/62/2016 dated July 5, 2016 or any other revised date with reference to any other circular issued by SEBI on time to time basis.

BOOK CLOSURE DATES	23rd September 2016 to 30th September 2016 (both days inclusive)
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Dividend Payment Date

The Company has not recommended/ paid any dividend for the period under review.

LISTING ON STOCK EXCHANGES:

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

BSE Limited, PJ Towers, Dalal Street, Fort, Mumbai-400001	Debentures	NSDL and CDSL INE216H07016	948029
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Listing Fees: Annual Listing fees for the year 2016-17, as applicable, have been paid to the above Stock Exchanges.

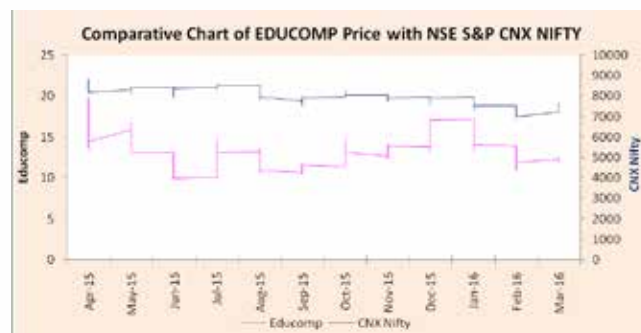
Stock Market Data

The Monthly High and Low quotation of equity shares traded on NSE and BSE are as under:-

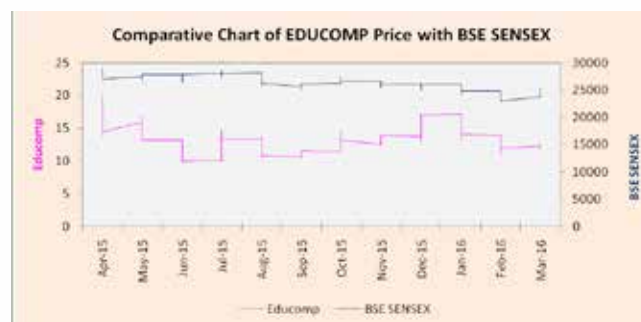
(Amount in ₹)

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April'15	20.7	12.3	20.65	12.35
May'15	17.24	13.1	17.2	13.05
June'15	13.48	9.91	13.7	9.9
July'15	15.45	9.5	15.5	9.35
August'15	14.44	9.74	14.4	9.75
September'15	12.18	10.16	12.15	10.05
October'15	15.15	11.32	15.2	11.3
November'15	14.4	11.98	14.45	11.9
December'15	18.15	12.81	18.15	12.85
January'16	18.25	12.55	18.3	12.95
February'16	14.34	10.27	14.35	10.1
March'16	13.2	11.31	13.2	11.25

Share Performance Chart on NSE



Share Performance Chart on BSE



Registrar to an issue and Share Transfer Agents

The Company has appointed Link Intime India Private Limited having its office at 44, Community Centre, Phase- I, Near PVR, Naraina Industrial Area, New Delhi 110028 as Registrar and Transfer Agent for physical transfer and demat segment.

Share Transfer System

Share Transfer request received in physical form are registered within 15 days from the date of receipt and demat request are normally confirmed within prescribed time from date of the receipt. Pursuant to Listing Regulations, 2015, certificates on half yearly basis confirming the due compliance of share transfer formalities by the Company, certificate for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations 1996 and a reconciliation of share capital audit report obtained from Practicing Company Secretary have been submitted to Stock Exchanges in stipulated time.

Distribution of shareholding as on 31st March 2016:**a) Distribution of Shareholding as on 31st March 2016**

Shareholding of Shares	Share Holders		Shares	
	Number	% to total	No. of Shares	% to total
Upto 1000	129016	93.39	19148224	15.63
1001 - 2000	4622	3.35	7098099	5.80
2001 - 3000	1552	1.12	3989074	3.26
3001 - 4000	717	0.52	2576728	2.10
4001 - 5000	695	0.50	3313217	2.71
5001 - 10000	862	0.62	6419831	5.24
10001 - above	686	0.50	79921995	65.26
Total	138150	100	122467168	100

b) Categories of Equity Shareholding as on 31st March, 2016

Category	Number of Shares Held	Percentage of Shareholding
Promoters	54838245	44.78
FII & Foreign Body Corporate	2018427	1.65
Body Corporate	7601188	6.21
Others	58009308	47.36
Total	122467168	100.00

Shareholding Pattern as on 31st March, 2016 depicted by way of pie chart as follows:

**Dematerialization of Shares and Liquidity**

About 99.99% of the Equity Shares of the Company have been dematerialized as on 31st March 2016. The Company's Shares are compulsorily traded in dematerialization form. The Equity Shares of the Company are actively traded on NSE and BSE.

Relevant data for the monthly turnover for the period starting from 01st April, 2015 to 31st March, 2016 are as follows:

Period	The Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)		BSE + NSE Volume / Value	
	Volume	Value	Volume	Value	Volume	Value
	(Lacs)	(₹Lacs)	(Lacs)	(₹Lacs)	(Lacs)	(₹Lacs)
End of April, 2015	121.14	2067.57	301.94	5090.56	423.08	7158.13
End of May, 2015	36.42	539.29	144.75	2130.82	181.17	2670.11
End of June, 2015	63.37	699.12	268.89	2956.25	332.26	3655.37
End of July, 2015	196.44	2624.46	766.94	10180.09	963.38	12804.55
End of August, 2015	63.06	810.83	210.02	2731.93	273.08	3542.76
End of September, 2015	34.10	383.51	112.03	1261.69	146.13	1645.2
End of October, 2015	100.51	1385.46	288.66	3985.36	389.17	5370.82
End of November, 2015	37.99	504.01	131.67	1747.35	169.66	2251.36
End of December, 2015	170.26	2693.70	598.40	9540.89	768.66	12234.59

End of January , 2016	103.30	1642.05	347.66	5580.7	450.96	7222.75
End of February, 2016	30.16	376.46	118.06	1479.54	148.22	1856.00
End of March, 2016	18.42	224.68	93.61	1146.48	112.03	1371.16
Total	975.17	13951.14	3382.63	47831.66	4357.8	61782.80

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

No GDRs/ ADRs/Warrants have been issued by the Company.

In Year 2012-13, the Company had raised US\$ 10 million, Zero Coupon Foreign Currency Convertible Bonds (FCCB) for redemption of outstanding Zero Coupon Foreign Currency Convertible Bonds. The Bond holders, as per the agreement, have the option to convert these bonds into Equity Shares, at a price of ₹188.62 per share with in 5 years and 1 day from the date of disbursement. The FCCB are redeemable at a premium of 33.15 % on principal after 5 years and 1 day. The FCCB were raised for the purposes of redemption of earlier FCCB of the Company. As on March, 31, 2016 US\$ 10 million (previous year US\$ 10 million) FCCB were outstanding for conversion into equity shares of ₹2 each.

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

Commodity Price Risk or Foreign Exchange Risk and hedging activities

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

Offices: New Delhi, Gurgaon (Haryana), Noida, Lucknow (U.P), Mumbai (Maharashtra), Kolkatta (West Bengal), Bangalore (Karnataka), Mohali (Punjab), Chennai (Tamil Nadu), Parwanoo (Himachal Pradesh), Secunderabad (Hyderabad), Ghandhinagar (Gujrat), Guwahati (Assam), Dhankawadi (Pune).

Addresses of Major Business Offices:

1. Khasara No. 701, 2nd Floor, Vill-Taksal, Sec-2, Kasauli Road, Parawnoo (HP) 173220;
2. Plot no 85, Special Economic Zone, Phase II, Sector 82, Noida;
3. Brigade Square, 2nd Floor, Cambridge Road, Ulsoor, Bangalore -560 008;
4. Plot No 514, Udyog Vihar, Phase III, Gurgaon – 122 001.

Address for Correspondence:

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

- **For securities held in physical form:** Please contact Registrar & Transfer Agent at address given below.
- **For securities held in Demat Form:** To the Depository participant
- **Any query on Annual report:** To the Company address.

Company Address	Debenture Trustee Address	Registrar & transfer Agent Address
Company Secretary Educomp Solutions Limited Plot No 514, Udyog Vihar, Phase-III, Gurgaon-122001, (Haryana) Telephone: 0124-4529000 Fax: 0124 – 4529039 Email:investor.services@educomp.com	Axis Trustee Services Limited, Axis House, 2nd Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra- 400025 Ph:-022-24255215/5216; email:-complaints@axistrustee.com; debenturetrustee@axistrustee.com	Link Intime India Private limited 44, Community Centre, Phase- I, Near PVR, Naraina Industrial Area, New Delhi 110028 Telephone: 011-41410592-94 Fax: 011-41410591 Email : delhi@linkintime.co.in

STANDALONE FINANCIAL STATEMENTS 2015-16

INDEPENDENT AUDITOR'S REPORT

To the Members of Educomp Solutions Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Educomp Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 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, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the notes to the standalone financial statements:

- a) Note no. 32, 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 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 has not been obtained.
- b) Note no. 2.11, with respect to Management's assessment of carrying value of investment in 6 of its subsidiary companies namely, Educomp Infrastructure and School Management Limited, Educomp Online Supplemental Service Limited, Educomp Child Care Private Limited, Educomp Professional Education Limited, Vidya Mandir Classes Limited, Educomp Intelliprop Ventures Pte. Ltd. (formerly known as Educomp Intelprop Ventures Pte. Ltd.) and in its associate, Greycells18 Media Limited. The Company has evaluated the carrying value of its investments using business valuations performed by independent experts/ its own assessment, according to which the management is of opinion that no provision for impairment is considered necessary in respect of these investments.
- c) Note no. 8, wherein, the Company has not considered impairment/diminution of trade receivables from/ investment in Edu Smart Services Private Limited (ESSPL) in the intervening period, in view of proposed merger of ESSPL with the Company.

- d) Note no. 1(i)(b), wherein, in the opinion of the management, despite incurring substantial losses including during the current financial year and erosion of net worth as at March 31, 2016, the audited standalone financial statements have been prepared on a going concern basis in view of matters more fully explained in the said note.

Our opinion is not modified in respect of these matters.

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:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - The matter described in sub-paragraph (c) and (d) under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

- f. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. 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".
- h. 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:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 15(a) in respect of Contingent Liabilities and Note 34 to the standalone financial statements in respect of other pending litigations;
 - The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-
Pranav Jain
Partner

Place : Gurgaon
Date : May 26, 2016

Membership No.: 098308

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 financial statements for the year ended March 31, 2016]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties recorded 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 explanations 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 in respect of investments and guarantees, the Company has complied with the provisions of Section 185 and 186 of the Act. Further, the Company has not provided any loans or securities to any of the parties covered under section 185 and 186 of Companies Act 2013.
- (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 slight delay in few cases.

According to the information and explanations given to us, no 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 outstanding, at the year-end for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues outstanding with respect to income tax, sales tax, value added tax, customs duty, excise duty on account of any dispute. According to the information and explanation given to us, dues of service tax which have not been deposited on account of any dispute are as under:

(₹ in Million)

Name of the statute	Nature of the dues	Amount Disputed (In ₹ Millions)	Amount paid under protest (In ₹ Millions)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	25.46	16.98	2009-10	Customs, Excise & Service Tax Appellate Tribunal, New Delhi

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and debenture holders except as mentioned below:

- a) Defaults during the year and rectified before the year-end:

Particulars	Amount (In ₹ Millions)	Period of Delay
Banks		
IndusInd Bank	1.28	89
Axis Bank	95.72	91
Yes Bank	61.47	91
State Bank of Patiala	40.05	79-82
	198.52	

b) Defaults not rectified and existing as at March 31, 2016:

Particulars	Amount (In ₹ Millions)	Period of Delay
Banks		
Canara Bank	34.74	1-91
Central Bank of India	56.87	1-91
ICICI Bank	36.98	1-91
IndusInd Bank	1.51	1-91
State Bank of Bikaner & Jaipur	13.51	1-91
Syndicate Bank	14.79	1-91
IDBI Bank	273.00	1-91
Jammu & Kashmir Bank	117.60	1-91
Union Bank Of India	70.27	1-91
Axis Bank	90.04	1-91
Standard Chartered Bank	97.78	91-456
Yes Bank	124.40	91-273
DBS Bank	57.50	1-91
State Bank of India	7.26	1-91
State Bank of Patiala	38.45	1-91
Financial Institution		
International Finance Corporation	180.91	76
PROPARCO	241.21	76
HP Financial Services Private Limited	61.64	30- 396
Reliance Capital Limited	12.00	366
IBM India Private Limited	32.58	16- 260
Total	1,563.04	

c) Defaults not rectified and existing as at March 31, 2016 in respect of Interest on Debentures:

Particulars	Amount (In ₹ Millions)	Period of Default (Days)
Interest on Non convertible Debentures	34.75	255-312

According to the information and explanations given to us, the Company has not taken any loans or borrowings from government.

(ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised. The Company has not raised any money by way of initial public issue offer/ further public offer (including debt instruments) during the year.

(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 any fraud 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.

(xi) According to the information and explanations given to us, the Company has not paid the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. The details are as follows:

Payment made to	Amount paid in excess of the limits prescribed	Amount due for recovery as at March 31, 2016 (In ₹ Million)	Steps taken to secure the recovery of the amount	Remarks
Whole-time Director	0.45	0.45	Refer Note 32 to the financial statements.	

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

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

(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

Sd/-
Pranav Jain
Partner

Place : Gurgaon
Date : May 26, 2016

Membership No.: 098308

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 financial statements for the year ended March 31, 2016.

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, 2016 in conjunction with our audit of the standalone 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 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 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 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 financial statements 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 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Sd/-

Pranav Jain

Partner

Membership No.: 098308

Place : Gurgaon

Date : May 26, 2016

Balance Sheet as at March 31, 2016

(₹ in million)

	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	244.93	244.93
Reserves and surplus	2.2	1,058.61	4,647.57
		1,303.54	4,892.50
Non-current liabilities			
Long-term borrowings	2.3	18,846.86	21,533.34
Other long term liabilities	2.4	234.76	184.03
Long-term provisions	2.5	179.22	725.42
		19,260.84	22,442.79
Current liabilities			
Short-term borrowings	2.6	981.51	2,107.01
Trade payables	2.7		
Dues to micro, small and medium enterprises		2.58	0.95
Dues to others		848.51	891.40
Other current liabilities	2.8	8,109.74	3,098.66
Short-term provisions	2.9	468.59	542.19
		10,410.93	6,640.21
		30,975.31	33,975.50
ASSETS			
Non-current assets			
Fixed assets	2.10		
Tangible assets		208.89	289.02
Intangible assets		416.01	548.93
Capital work-in-progress		21.98	38.73
Non-current investments	2.11	17,132.02	16,938.39
Deferred tax assets (Net)	2.12	-	-
Long-term loans and advances	2.13	356.05	356.07
Other non-current assets	2.14	24.81	13.64
		18,159.76	18,184.78
Current assets			
Inventories	2.15	119.97	253.63
Trade receivables	2.16	11,662.43	13,568.52
Cash and bank balances	2.17	344.09	569.65
Short-term loans and advances	2.18	465.18	1,389.93
Other current assets	2.19	223.88	8.99
		12,815.55	15,790.72
		30,975.31	33,975.50
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.

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

Sd/-
Pranav Jain
Partner
Membership No.: 098308

Place: Gurgaon
Date: May 26, 2016

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

Sd/-
Shantanu Prakash
Chairman and Managing Director
(DIN: 00983057)

Sd/-
Ashish Mittal
Chief Financial Officer

Sd/-
V. K. Dandona
Whole Time Director
(DIN: 06730804)

Sd/-
Yogesh Saluja
Company secretary

Statement of Profit and Loss for the year ended March 31, 2016

(₹ in million)

	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
Income:			
Revenue from operations	2.20	2,009.89	1,981.75
Other income	2.21	220.99	340.26
Total revenue		2,230.88	2,322.01
Expenses:			
Purchase of traded goods	2.22	356.08	189.59
Changes in inventories of stock-in-trade	2.23	31.62	44.06
Employee benefits expense	2.24	1,150.03	1,288.57
Finance costs	2.25	2,471.20	2,295.44
Depreciation and amortization expense	2.10	400.72	478.33
Other expenses	2.26	1,181.65	1,007.03
Total expenses		5,591.30	5,303.02
Loss before prior period items, exceptional items and tax		(3,360.42)	(2,981.01)
Prior period items	3	134.76	59.16
Loss before exceptional items and tax		(3,495.18)	(3,040.17)
Exceptional items	4	129.11	8,614.22
Loss before tax		(3,624.29)	(11,654.39)
Tax expense:			
Deferred tax charge/ (credit)	2.12	-	-
Tax relating to earlier years' (Refer note 24)		(190.91)	-
Loss after tax		(3,433.38)	(11,654.39)
Loss per share (Basic and diluted) (₹)	5		
(nominal value of share ₹2 each)		(28.04)	(95.17)
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.

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

Sd/-
Pranav Jain
Partner
Membership No.: 098308

Place: Gurgaon
Date: May 26, 2016

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

Sd/-
Shantanu Prakash
Chairman and Managing Director
(DIN: 00983057)

Sd/-
Ashish Mittal
Chief Financial Officer

Sd/-
V. K. Dandona
Whole Time Director
(DIN: 06730804)

Sd/-
Yogesh Saluja
Company secretary

Cash Flow Statement for the year ended March 31, 2016

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Cash flows from operating activities		
Loss before tax as per Statement of Profit and Loss	(3,624.29)	(11,654.39)
Adjusted for:		
Net prior period adjustments	134.76	59.16
Exceptional items - loss on sale of investments	275.00	-
Exceptional items - credit balance written back	(145.89)	-
Exceptional items - Provision for doubtful debts	-	6,502.35
Exceptional items - Discount on down time/preclosure	-	436.22
Exceptional items - Provision for warranty cost	-	1,195.93
Provision for doubtful debts/ advances	8.22	43.81
Provision for capital work in progress	9.15	20.00
Provision for inventory obsolescence	(12.53)	30.29
Provisions/credit balances written back	(19.94)	(325.34)
Loan liability written back	(148.98)	-
Bad advances written off	0.32	23.78
Interest on income tax written back	(9.10)	-
Depreciation and amortisation expenses	400.72	478.33
Fixed assets balance adjusted against credit balance written back	-	10.85
Unrealised foreign exchange effects	242.67	155.03
Interest income	(3.88)	(6.78)
Interest expense	2,471.20	2,295.44
Employee stock option scheme amortisation cost	0.79	4.03
(Profit)/ Loss on sale of fixed assets	(0.55)	(0.28)
Operating (loss)/profit before working capital changes	(422.33)	(731.57)
Adjusted for:		
Trade receivables	1,907.54	(2,039.42)
Inventory	146.19	282.36
Loans, advances and other assets	(112.57)	303.53
Trade payables and other liabilities	(187.99)	(719.83)
Restricted bank balances /fixed deposits with maturity period within twelve months	0.85	(6.93)
Cash generated from / (used in) operations	1,331.69	(2,911.86)
Net prior period adjustments	(134.76)	(59.16)
Taxes paid	218.71	(26.08)
Net cash generated from / (used in) operating activities (A)	1,415.64	(2,997.10)
Cash flows from investing activities		
Purchase of fixed assets (including capital work-in-progress)	(14.32)	(291.82)
Proceeds from sale of fixed assets	0.94	0.77
Refund of share application money	-	453.99
Sale of investment in other companies	149.91	-
Interest income	3.88	6.78
Net cash generated from investing activities (B)	140.41	169.72
Cash flows from financing activities		
Proceeds from issue of shares/warrants	-	0.65
Promoter contribution received	230.00	128.60

Cash Flow Statement for the year ended March 31, 2016

	For the year ended March 31, 2016	For the year ended March 31, 2015
Proceeds of long-term borrowings (Refer footnote 2)	205.72	5,328.92
Repayment of long-term borrowings	(408.90)	(495.17)
(Repayment)/ Proceeds of short-term borrowings	(54.70)	141.18
Payment of dividend (including dividend tax)	(0.03)	(0.06)
Interest on borrowings paid	(1,752.85)	(1,903.21)
Net cash generated from / (used in) financing activities (C)	(1,780.76)	3,200.91
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(224.71)	373.53
Opening cash and cash equivalents	540.95	167.42
Closing cash and cash equivalents (Refer note 2.17)	316.24	540.95
Summary of significant accounting policies (refer note 1)		
Notes:		
1. Reconciliation of components of cash and cash equivalents		
	As at March 31, 2016	As at March 31, 2015
Balances with banks-on current accounts	313.67	398.06
Cheques/draft on hand	1.57	142.20
Cash on hand	1.00	0.69
	316.24	540.95

- Interest liability converted into funded interest term loan amounting to Nil (previous year ₹666.01 million) due to implementation of corporate debt restructuring (Refer note 7).
- Figures in brackets indicate cash outflow.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.

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

Sd/-
Pranav Jain
Partner
Membership No.: 098308

Place: Gurgaon
Date: May 26, 2016

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

Sd/-
Shantanu Prakash
Chairman and Managing Director
(DIN: 00983057)

Sd/-
Ashish Mittal
Chief Financial Officer

Sd/-
V. K. Dandona
Whole Time Director
(DIN: 06730804)

Sd/-
Yogesh Saluja
Company secretary

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. Significant Accounting Policies**(i) Basis for preparation of Financial Statements**

- a) The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material respects with the Accounting Standards (Standards referred to in sections 133 of the Companies Act 2013("the Act")), read with rule 7 of Companies (Accounts) Rules 2014.

The accounting policies adopted for the preparation of financial statements are consistent with those of previous year.

- b) The Company has incurred substantial losses and its net worth has been significantly eroded. Based on Company's projected cash flows, it shall have sufficient funds to run its operations in foreseeable future. As regards availability of requisite funds to meet its debt related obligations including those falling due in financial year 2016-17 as per its CDR package executed with Company's lenders, the Company intends to monetize its identified investments, receivables and assets to meet the necessary obligations. The Company is also taking several measures to improve operational efficiencies and other avenues of raising funds.

The management is confident that with the above measures and continuous efforts to improve the business, it would be able to generate sustainable cash flow, discharge its short-term and long term liabilities and recover & recoup the erosion in its net worth through profitable operations and continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is

unable to continue as a going concern.

(ii) 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 (except for specific project/contract/product line/service) 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.

(iii) Use of estimates

The preparation of Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

(iv) Revenue recognition

The Company derives its revenue from sale, supply and installation of educational products and rendering of educational services.

Revenue from sale of educational products/ technology equipments is recognized as and when significant risk and rewards of the ownership of goods gets transferred to the buyer. Sales are net off any trade discounts, sales return and Sales Tax/ Value Added Tax.

Revenue under Build, Own, Operate and Transfer ("BOOT model") contracts is recognized on straight line basis over the period of the contract.

Revenue from educational support services are recognized on completion of related services.

Income from interest on fixed deposits is recognized using the time proportion method taking into account applicable rate of interest.

Dividends income is recognized when the right to receive payment is established.

(v) Fixed assets/ depreciation and amortization**Tangible assets**

Tangible fixed assets 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.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance and cost of replacing parts, are charged to the Statement of Profit and Loss for the period in which such expenses 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.

Schedule II to the Companies Act 2013 has become applicable to the Company with effect from April 1, 2014. Accordingly, the Company has determined the useful life of its assets as per Schedule II. Useful lives are as under:

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

* Other than project specific assets

Effective April 1, 2014, the Company has revised the useful life of fixed assets in accordance with part C of Schedule II to the Companies Act, 2013 for the purposes of providing depreciation on fixed assets, except some project related assets. During the year In case of a school building, the Company has carried out a technical assessment of building for identification of components with different useful lives, as required by Schedule II to the Companies Act, 2013, which shall be completed in due course. The impact on the depreciation, if any has been charged to profit and loss account during the year. The following are the project related assets purchased under BOOT model, which are depreciated on a straight line basis over the project duration, which is lower than lives prescribed by Schedule II and which best represents useful lives of these assets as these assets are project specific and their useful life for the Company is only till the end of the respective project, where these assets are deployed:

Class of Asset	Useful life
Furniture & fittings	5 years
Computer and accessories - Networks & servers	3-5 years
Office equipments	3-5 years

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.

Leasehold improvements are amortized on the straight-line basis over the primary period of lease or useful life, whichever is shorter.

During the previous year if the Company had not adopted Schedule II to the Companies Act, 2013, depreciation for the year would have been lower by ₹28.45 million and loss for the year would have been lower by ₹28.45 million and the written down value of assets as at March 31, 2015 would have been ₹866.40 million as against reported written down value of ₹837.95 million.

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 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. 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.

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.

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.

(vi) Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of asset's net selling price and value in use which means the present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is impaired.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vii) 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 capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term and the useful life envisaged in Schedule II to the Act.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense 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.

(viii) Inventories

Inventory comprises of traded goods and is valued at lower of cost and net realisable value. 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.

Items of consumable inventory are valued at cost.

(ix) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are stated at acquisition cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Any reduction in carrying amount and any reversal of such reductions are charged to or credit to or Statement of Profit and Loss. Current investments are valued at lower of cost and fair value on individual investment basis.

Classification in the Financial Statements

Investments that are realisable within the period of twelve months from the Balance Sheet date are classified as current investment. All other investments are classified as non-current investments.

(x) 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.

Monetary assets and liabilities outstanding as at Balance Sheet date are restated at the closing exchange rate on that 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.

Monetary assets and liabilities outstanding as at Balance Sheet date are restated at the closing exchange rate on that date.

The Company has opted for accounting the exchange differences arising on the reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Second Amendment Rules 2011 on Accounting Standard 11 as notified by the Central Government vide Notification dated 29th December, 2011. 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 as provided in the aforesaid notification.

(xi) Employee benefits

(a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, and bonus etc are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service. The employees are further entitled to sick leaves which cannot be encashed and will lapse at the end of the calendar year. The Company is providing provision for such employee benefits on the basis of its best estimate.

(b) Long term employee benefits

(i) Defined contribution plan

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.

(ii) Defined benefit plan

Leave encashment- The Company has provided for the liability at the year end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit method in accordance with Accounting Standard 15, "Employee benefits". All actuarial gains/losses are charged to the Statement of Profit and Loss in the year they arise.

Gratuity- The Company provides for retirement benefits in the form of Gratuity. The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined plan is determined based on an actuarial valuation carried out by an

independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under the defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

(c) Employee stock option scheme

The stock options are accounted as per the accounting treatment prescribed by the employee stock option scheme and Employee Stock Purchase Guidelines, 1999 issued by Securities Exchange Board of India, whereby the intrinsic value of the option being, excess of market value of the underlying share immediately prior to the date of award over its exercise price is recognized as deferred employee compensation with a credit to Employee stock options outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The balance in employee stock option outstanding account net of any unamortized deferred employee compensation is shown separately as part of shareholders' fund.

(xii) 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 an 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.

(xiii) Provision for tax

Tax expense for the year comprises current and deferred tax included in determining the net profit for the year.

Provision for current tax is based on the tax liabilities computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax expense or benefit is recognized on timing difference between accounting and taxable income that originates in one year and is capable of reversal in one or more subsequent period. Deferred tax assets

and liabilities are measured using the tax rates and laws that have been substantively enacted by the Balance Sheet date.

The Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which these assets can be realized in future whereas in cases of existence of carry forward of losses or unabsorbed depreciation, deferred tax assets are recognized only if there is virtual certainty of realization backed by convincing evidence. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit receivable. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit receivable to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

(xiv) Contingent liabilities 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.

Provisions

A provision is recognized when the Company has a present 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.

Provisions are not 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. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

(xv) Earning per share

Basic earnings per share are 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.

(xvi) Segment reporting

Identification of segment

The Company's operating businesses are organized and managed separately 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.

Intersegment transfer

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.

(xvii) Cash flow statement

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effect of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities are segregated.

(xviii) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

(xix) 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 enterprise for the period, are disclosed separately in the Statement of Profit and Loss.

(xx) Share issue expenses

Share issue expenses are adjusted against the securities premium account as permissible under Section 52 of the Act, to the extent balance is available for utilization in the securities premium account. The balance of share issue expenses in excess of securities premium account, if any, is charged to Statement of Profit and Loss.

Notes to the financial statements for the year ended March 31, 2016

Amounts in the financial statements are presented in ₹million, except for number of shares and as otherwise stated.

2.1. Share capital

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Authorized shares		
200,000,000 (previous year 200,000,000) equity shares of ₹2 each	400.00	400.00
Issued, subscribed and fully paid-up shares		
122,467,168 (122,467,168) equity shares of ₹2 each fully paid-up	244.93	244.93
	244.93	244.93

a. Reconciliation of the shares outstanding at the beginning and as at the end of the reporting year

(₹ in million)

	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	122,467,168	244.93	122,441,068	244.88
Shares issued during the year	-	-	26,100	0.05
Shares outstanding at the end of the year	122,467,168	244.93	122,467,168	244.93

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends 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.

c. Details of shareholders holding more than 5% equity shares in the Company

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares of ₹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	-		9,898,370	8.08%

d. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at March 31, 2016	As at March 31, 2015
Equity shares fully paid up pursuant to contract(s) without payment being received in cash	-	55,643

e. Share reserved for issue under options/contracts

For details of shares reserved for issue on conversion of Zero Coupon Foreign Currency Convertible Bonds, please refer note 27.

For details of shares reserved for issue on exercise of employee stock options, please refer note 28.

For details of shares reserved for issue to lender banks as per CDR scheme, please refer note 8.

2.2. Reserves and surplus

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Capital reserve		
Opening balance	411.66	411.66
Add: On account of forfeiture of share warrant	-	-
Closing balance	411.66	411.66
Securities premium account		
Opening balance	10,128.96	10,235.36
Add: On issue of shares (including shares under Employee Stock Option Scheme) (refer note 29)	-	4.96
Less: FCCB redemption premium (net of tax effect) (refer note 27)	50.73	111.36
Closing balance	10,078.23	10,128.96
Share options outstanding account		
Opening balance	76.78	110.77
Add: Employee stock compensation provided	0.79	4.04
Less: Employee stock compensation reversed	76.44	33.68
Less: Transfer to securities premium account on exercise of stock options	-	4.35
Closing balance	1.13	76.78
General reserve		
Opening balance	948.97	915.29
Add: ESOP cost reversal on forfeiture	76.44	33.68
Closing balance	1,025.41	948.97
Surplus		
Opening balance	(6,182.70)	5,518.23
Add: Net loss after tax transferred from the Statement of Profit and Loss	(3,433.38)	(11,654.39)
Less: Impact on transition to Schedule II (refer note 2.10(iii))	-	46.54
Closing balance	(9,616.08)	(6,182.70)
Foreign Currency Monetary Items Translation Difference Account (refer note 31)		
Opening balance	(736.10)	(670.92)
Add: Addition during the year	(299.38)	(199.28)
Less: Amortisation during the year	(193.74)	(134.10)
Closing balance	(841.74)	(736.10)
	1,058.61	4,647.57

2.3. Long-term borrowings

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Bonds and debentures		
13.50%, 350 Non Convertible Debentures (previous year 350) of ₹10,00,000 each (secured)	350.00	350.00
13.25%, 100 Non Convertible Debentures (previous year 100) of ₹10,00,000 each (secured)	100.00	100.00
10 Zero Coupon Foreign Currency Convertible Bonds (previous year 10) of \$ 1,000,000 each (secured) (refer note 27)	663.33	625.91
Term loans		
Secured		
from banks	13,570.96	15,402.95
from others		
- External Commercial Borrowings	3,376.95	4,381.36
Unsecured		
from related parties (refer note 14)	584.65	354.65
from others	200.97	318.47
	18,846.86	21,533.34
Note:		
1. Refer note 2.8 for current maturities of long term borrowings.		
2. Refer note 7 for details of security and principal terms of borrowing.		

2.4. Other long term liabilities

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Others		
Advance from customers* (refer note 33)	72.67	72.67
Premium on Foreign Currency Convertible Bonds (refer note 27)	162.09	111.36
	234.76	184.03
* includes payable to related party		
Joint Venture		
Educomp Raffles Higher Education Limited	72.67	72.67

2.5. Long-term provisions

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Gratuity (refer note 10)	62.78	59.83
Leave benefits (refer note 10)	1.00	3.96
Other provisions		
Provision for warranties (refer note 15(b))	115.44	661.63
	179.22	725.42

2.6. Short-term borrowings

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Loans repayable on demand		
Working capital loans from bank (secured)	959.51	2,085.01
Other loans		
From others (unsecured)	22.00	22.00
	981.51	2,107.01
Note		
1. Refer note 7 for details of security and principal terms of borrowings.		

2.7. Trade payables - current

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Dues to micro, small and medium enterprises (refer note 30)	2.58	0.95
Dues to others*	848.51	891.40
	851.09	892.35
* includes trade payable to related parties		
Subsidiaries		
Educomp Learning Private Limited	-	18.95
Other related parties		
Unnati Educational Trust	40.79	22.88
DSK Legal	0.24	-
V. K. Dandona	0.20	-
	41.23	41.83

2.8. Other current liabilities

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term borrowings#		
External Commercial Borrowings	1,266.35	-
Term loans -from banks (secured)	4,069.76	1,171.86
Term loans -from others (unsecured)	211.23	306.46
Current maturities of finance lease obligations#		
Finance lease obligations (unsecured)	-	24.54
Interest accrued but not due on borrowings	102.91	94.00
Interest accrued and due on borrowings	1,309.74	688.47
Advances from customers*	588.28	449.81
Unpaid dividend (refer note 2.17)	1.46	1.50
Security deposits	0.84	0.82
Other payables		
Employees related payables**	315.12	342.65
Statutory dues (includes tax deducted at source payable, provident and other fund payable and service tax payable)	20.23	18.55
Payables in lieu of corporate guarantee	223.82	-
	8,109.74	3,098.66

# Refer note 7 for details of security and principal terms of borrowings.		
* includes advance from related parties		
Subsidiaries		
Educomp Global Holding W.L.L	43.50	41.04
Edumatics Corporation	16.58	15.65
Wizlearn technologies Pte Ltd	-	142.74
Orlando Builders Private Limited	111.50	-
Joint Venture		
Educomp Raffles Higher Education Limited	32.30	32.30
Other related parties (refer note 14 on related party disclosures)		
Vigyan Education Trust	0.60	-
	204.48	231.73
** includes employee related payable to Mr. V.K. Dandona	0.20	0.29

2.9. Short-term provisions

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Gratuity (Refer note 10)	1.77	1.74
Leave benefits (Refer note 10)	5.04	6.15
Other provisions		
Provision for warranties (refer note 15(b))	461.78	534.30
	468.59	542.19

2.10. Fixed assets

(₹ in million)

	Gross block					Accumulated depreciation/amortisation				Net block	
	As at April 1, 2015	Additions	Disposals	Other adjustments	As at March 31, 2016	As at April 1, 2015	Charge for the year	On disposals	Other adjustments	As at March 31, 2016	As at March 31, 2016
Tangible assets											
Land (freehold)	8.93	-	-	-	8.93	-	-	-	-	-	8.93
Building	106.66	-	-	-	106.66	27.88	3.75	-	-	31.63	75.03
Office equipment	616.22	5.33	384.31	-	237.24	495.54	44.75	384.06	-	156.23	81.01
Office equipment-finance lease	68.74	-	-	-	68.74	47.67	13.77	-	-	61.44	7.30
Computers and accessories	676.88	5.82	508.53	-	174.17	644.03	17.07	508.44	-	152.66	21.51
Computers and accessories-finance lease	90.32	-	-	-	90.32	90.31	-	-	-	90.31	0.01
Furniture and fixtures	192.56	0.42	106.02	-	86.96	166.43	12.30	105.98	-	72.75	14.21
Vehicles	5.73	-	-	-	5.73	5.22	0.18	-	-	5.40	0.33
Leasehold improvements	13.32	0.73	-	-	14.05	13.26	0.23	-	-	13.49	0.56
Sub total	1,779.36	12.30	998.86	-	792.80	1,490.34	92.05	998.48	-	583.91	208.89
Intangible assets											
Computer software	92.93	0.09	66.40	-	26.62	88.07	2.36	66.40	-	24.03	2.59
Knowledge-based content (Refer note i)	2,083.68	175.66	-	-	2,259.34	1,539.61	306.31	-	-	1,845.92	413.42
Sub total	2,176.61	175.75	66.40	-	2,285.96	1,627.68	308.67	66.40	-	1,869.95	416.01
Total	3,955.97	188.05	1,065.26	-	3,078.76	3,118.02	400.72	1,064.88	-	2,453.86	624.90
Intangibles under development											-
Capital work in progress											51.13
Less:- Provision											(29.15)
Total											21.98
Grand total											646.88
Note:											
(i) Knowledge based content includes:											
(a) Internally generated intangible asset:											
Current year	686.82	166.14	-	-	852.96	405.66	213.52	-	-	619.18	233.78

(ii) 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 sale its non-core assets, wherever applicable with prior approval of the Asset Sale Monitoring Committee.

Comparatives	As at April 1, 2014	Additions	Gross block Disposals	Other adjustments (refer note iv)	As at March 31, 2015	As at April 1, 2014	Charge for the year (refer note iii)	On disposals	Other adjustments	As at March 31, 2015	As at March 31, 2015	(₹ in million) Net block
Tangible assets												
Land (freehold)	8.93	-	-	-	8.93	-	-	-	-	-	-	8.93
Building	106.66	-	-	-	106.66	24.11	3.77	-	-	27.88	-	78.78
Office equipment	533.51	83.38	0.67	-	616.22	406.76	89.21	0.43	-	495.54	-	120.68
Office equipment-finance lease	68.74	-	-	-	68.74	33.94	13.73	-	-	47.67	-	21.07
Computers and accessories	650.90	27.95	1.97	-	676.88	574.35	71.44	1.76	-	644.03	-	32.85
Computers and accessories-finance lease	90.32	-	-	-	90.32	44.76	45.55	-	-	90.31	-	0.01
Furniture and fixtures	183.80	8.80	0.04	-	192.56	145.94	20.50	0.01	-	166.43	-	26.13
Vehicles	5.73	-	-	-	5.73	4.79	0.43	-	-	5.22	-	0.51
Leasehold improvements	13.32	-	-	-	13.32	12.67	0.59	-	-	13.26	-	0.06
Sub total	1,661.91	120.13	2.68	-	1,779.36	1,247.32	245.22	2.20	-	1,490.34	-	289.02
Intangible assets												
Computer software	90.24	2.69	-	-	92.93	81.10	6.97	-	-	88.07	-	4.86
Knowledge-based content (Refer note i)	1,898.65	195.88	-	-	2,083.68	1,266.93	272.68	-	-	1,539.61	-	544.07
Sub total	1,988.89	198.57	-	-	2,176.61	1,348.03	279.65	-	-	1,627.68	-	548.93
Total	3,650.80	318.70	2.68	-	3,955.97	2,595.35	524.87	2.20	-	3,118.02	-	837.95
Intangibles under development (Refer note ii)												-
Capital work in progress												58.73
Less:- Provision												(20.00)
Total												38.73
Grand total												876.68
Note:												
(i) Knowledge based content includes:												
Internally generated intangible asset:												
Current year	686.18	0.64	-	-	686.82	234.07	171.59	-	-	405.66	-	281.16
(ii) Intangibles under development												
It includes payroll cost of ₹0.47 million) and other expenses of ₹Nil (previous year ₹0.18 million) incurred for development of knowledge-based content.												
(iii) An amount of ₹46.54 million representing the carrying amount of the assets having revised useful life as nil as at April 1, 2014, has been adjusted from the opening reserves as on April 1, 2014 pursuant to the Companies Act, 2013.												
(iv) The net carrying value of educational content of ₹10.85 million has been adjusted on account of waiver by the party.												

2.11. Investments

Non-current investments

	No of Units as at		Face value	Extent of holding as at		As at March 31, 2016	As at March 31, 2015
	March 31 2016	March 31 2015		March 31 2016	March 31 2015		
(₹ in million)							
Long term, unquoted, trade, at cost							
a) Investment in subsidiaries in equity share							
Wheatstone Productions Private Limited	85,899	85,899	₹10	51.00%	51.00%	3.35	3.35
Less: Provision for diminution in the value of investment						3.35	3.35
						-	-
Savvica Inc., Canada	3,503,522	3,503,522	CAD 1	79.55%	79.55%	150.72	150.72
Less: Provision for diminution in the value of investment						150.72	150.72
						-	-
Eduomatics Corporation Inc, USA#	1,366,092	1,366,092	USD 1	100.00%	100.00%	62.09	62.09
Educomp Learning Private Limited#	53,550	53,550	₹10	51.00%	51.00%	1.96	1.96
Educomp Infrastructure & School Management Limited##	26,726,448	26,726,448	₹10	83.38%	83.38%	10,427.45	10,427.45
Educomp School Management Limited#	34,175	34,175	₹10	68.35%	68.35%	50.00	50.00
Educomp Asia pacific Pte Ltd., Singapore#	24,085,351	24,085,351	USD 1	100.00%	100.00%	1,220.51	1,220.51
Educomp Professional Education Limited#	4,284,095	4,284,095	₹10	100.00%	100.00%	2,960.09	2,960.09
Educomp Child care Private Limited#	16,110,239	16,110,239	₹10	60.66%	63.53%	161.10	161.10
Educomp Intelliprop Ventures Pte Limited (Formerly Educomp Intelprop Ventures Pte Limited.)*	1,198,755	1,198,755	SGD 1	100.00%	100.00%	39.30	39.30
Educomp Online Supplemental Services Limited#	904,056	904,056	₹10	24.72%	24.72%	14.56	14.56
Educomp Online Supplemental Services Limited - ₹5 paid up	4,351,675	4,351,675	₹10	59.49%	59.49%	502.62	502.62
Educomp Investment Management Limited#	689,045	600,000	₹10	100.00%	100.00%	7.32	6.00
Educomp Global Holding W.L.L.#	2,475	2,475	BHD 100	100.00%	100.00%	29.61	29.61
Educomp Global FZE #	1	1	AED 100,000	100.00%	100.00%	1.46	1.46
Vidya Mandir Classes Private Limited*	48,776	48,776	₹10	67.00%	67.00%	346.87	346.87
						15,824.94	15,823.62
b) Investment in subsidiaries in preference share							
0% Redeemable optionally fully convertible Preference shares, in Educomp Infrastructure & School Management Limited	79,857	79,857	₹1000			79.86	79.86
0.10% Non Cumulative optionally convertible Preference shares in Educomp Infrastructure & School Management Limited	20,327	-	₹100			347.33	-

0.10% Non Cumulative optionally convertible Preference shares in Educomp Professional Education Limited	1,150,772	-	₹10			269.98	-
c) Investment in associates in equity share						697.17	79.86
Greycells 18 Media Limited#	2,999,749	2,999,749	₹10	25.78%	25.78%	159.91	159.91
						159.91	159.91
d) Others							
8% Cumulative Redeemable Non-convertible Preference Shares, in Edu Smart Services Private Limited	4,500,000	4,500,000	₹100			450.00	450.00
e) Investment in Trust							
India Education Fund (refer note 4)	-	425,000	₹1000			-	425.00
						450.00	875.00
						17,132.02	16,938.39
Provision for diminution in the value of investment							
-Savvica Inc.						150.72	150.72
-Wheitstone Productions Private Limited						3.35	3.35
Aggregate value of provision for diminution for value in investments						154.07	154.07
Aggregate amount of unquoted investments						17,286.09	17,092.46

Aggregate amount of quoted investments (Market value of ₹Nil (previous year ₹Nil)

shares are earmarked as per terms of Master Restructuring Agreement pursuant to CDR. (Refer note 7).

51% shares are pledge to FCCB & ECB lenders and balance shares earmarked to CDR lenders of EISML. (Refer note 7).

* these investments are pledged against loan taken by the subsidiary companies.

Note:-

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 sale its non-core assets including investments, wherever applicable with prior approval of the Asset Sale Monitoring Committee.

2.11. The Company has assessed the business projections of 6 of its subsidiary companies, namely Educomp Infrastructure and School Management Limited, Educomp Online Supplemental Services Limited, Educomp Child Care Private Limited, Educomp Professional Education Limited, Vidya Mandir Classes Limited, Educomp Intelliprop Ventures Pte Ltd. (Formerly Educomp Intelprop Ventures Pte. Ltd.), and in its associate Greycells 18 Media Limited, having a total investment of ₹15,309.07 million (previous year ₹15,116.76 million) and concluded that their businesses are sustainable on a going concern basis. The Company evaluated the recoverability of its investments, using business valuations performed by independent experts/its own assessment, according to which the decline in the value of these long term investments has been considered to be temporary. The said evaluation is based on the long term business plans of its subsidiaries and associate and concluded that no adjustments to the carrying value of its long term investments is required to be recorded in these financial statements of the Company for the year ended March 31, 2016.

2.12. Deferred tax assets

As required by Accounting Standard 22 on "Accounting for taxes on income", where an enterprise has unabsorbed depreciation and accumulated carried forward losses under tax laws, deferred tax assets should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Hence, in the absence of virtual certainty of sufficient future taxable income deferred tax asset has not been recognized. There were no items which could result in deferred tax liabilities. The charge in the Statement of Profit and Loss in previous year represents reversal of deferred tax recognised in earlier years.

2.13. Long term loans and advances

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Security deposits	5.98	7.19
Loans and advances to related parties*	102.21	102.21
Prepaid expenses	51.22	36.87
Earnest money deposits	0.54	0.56
TDS Recoverable [net of provision of tax Nil, (Previous year Nil)]	170.59	173.74
Balance with Statutory/Government authorities	25.51	35.50
Unsecured, considered doubtful		
Balance with statutory/Government authorities	3.51	3.51
Less: Provision for doubtful advances	(3.51)	(3.51)
	356.05	356.07
<i>* includes: (refer note 14 on related party disclosures)</i>		
Advance call money to Subsidiary		
Educomp Online Supplemental Services Limited	102.21	102.21

2.14. Other non current assets

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Non-current bank balances		
- Fixed deposit held as margin money/security*	20.51	10.67
Others		
Interest accrued but not due on deposits		
- Held as margin money/security	4.30	2.97
	24.81	13.64

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

2.15. Inventories (valued at lower of cost and net realisable value)

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Stock-in-trade		
Technology equipment	162.91	219.40
Less: Provision for obsolescence	(42.94)	(55.47)
	119.97	163.93
Consumables	-	89.70
	119.97	253.63

2.16. Trade receivables **

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	8,526.82	6,922.40
Unsecured, considered doubtful	4,766.26	6,514.14
Less: Provision for doubtful debts (refer note 4)	(4,766.26)	(6,514.14)
	8,526.82	6,922.40
Others		
Unsecured, considered good	3,135.61	6,646.12
Unsecured, considered doubtful	2,390.38	1,229.32
Less: Provision for doubtful debts (refer note 4)	(2,390.38)	(1,229.32)
	3,135.61	6,646.12
	11,662.43	13,568.52
# (refer note 8)		
* Includes receivables due from subsidiaries (refer note 14 on related party disclosures)		
Educomp Child Care Private Limited	0.26	0.33
Educomp Infrastructure & School Management Limited	-	12.81
Educomp School Management Limited	0.31	0.31
Educomp learning Private Limited	0.48	0.37
Educomp Online Supplemental Services Limited	0.90	0.90
SAVVICA Inc. (provision for doubtful debts ₹5.40 million (previous year ₹5.40 million))	5.57	5.40
Other related parties (refer note 14 on related party disclosures)		
Learning Leadership Foundation	38.37	38.23
Learning Links Foundation	5.25	7.71
League India Education Foundation	7.44	4.49
Lakshya Digital Services Private Limited	4.89	4.89
Shiri Hare Educational Trust	-	0.06
Siya Ram Educational Trust	-	0.32
Sri Vasudev Educational Trust	-	0.63
Vigyan Education Trust	-	0.13
	63.47	76.58

2.17. Cash and bank balances

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Balances with banks-on current accounts	313.67	398.06
Cheques/draft on hand	1.57	142.20
Cash on hand	1.00	0.69
	316.24	540.95
Other bank balances		
Unpaid dividend account (refer note 2.8)	1.46	1.50
Margin money deposit*	26.39	27.20
	344.09	569.65

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

2.18. Short term loans and advances

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Security deposit	356.70	363.34
Loans and advances to related parties*	0.86	619.40
Prepaid expenses	27.71	13.72
For supply of goods and rendering of services*	54.82	183.73
Loans and advances to employees	23.68	20.71
Earnest money deposits	1.31	0.81
TDS Recoverable [net of provision of tax Nil, (Previous year ₹190.91 million)]	-	15.56
Balance with Statutory/Government Authorities	-	5.25
Others	0.10	167.41
Unsecured, considered doubtful		
Security deposit	1.35	1.35
Advance for supply of goods and rendering of services	37.93	29.70
Loans and advances to employees	3.33	3.33
Earnest money deposits	9.93	9.93
Less: Provision for doubtful advances	(52.54)	(44.31)
	465.18	1,389.93
* includes: (refer note 14 on related party disclosures)		
(i) Share application money advanced to		
Subsidiaries		
Educomp Professional Education Limited	-	269.99
Educomp Investment Management Limited	-	1.32
Educomp Infrastructure & School Management Limited	-	347.33
(ii) Advance to Subsidiaries		
Educomp Software Limited	0.86	0.76
For supply of goods and rendering of services		
- Subsidiary - Educomp Investment Management Limited	0.91	0.90
	1.77	620.30

2.19. Other current assets

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Unbilled receivables	-	7.61
Interest accrued on deposits		
Held as margin money (refer note 2.18)	0.06	1.38
Recoverable against corporate guarantee	223.82	-
	223.88	8.99

2.20. Revenue from operations

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of education products and technology equipments	465.98	283.61
Educational services	1,543.91	1,698.14
	2,009.89	1,981.75

2.21. Other income

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest income on:		
- Fixed deposit	3.87	4.12
- Others	9.10	6.78
Provision no longer required written back	31.47	51.73
Other non-operating income	176.55	277.63
	220.99	340.26

2.22. Purchase of traded goods

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Technology equipments	347.45	176.88
Educational products	8.63	12.71
	356.08	189.59

2.23. Changes in inventories of stock-in-trade

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Changes in inventories of stock-in-trade		
Opening -stock-in-trade		
Technology equipment	219.40	351.15
Less: Transfer to fixed assets/repair and maintenance	(24.87)	(87.69)
	194.53	263.46
Closing -stock-in-trade		
Technology equipment	162.91	219.40
	162.91	219.40
	31.62	44.06

2.24. Employee benefit expense (refer note 10)

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries wages and bonus	1,064.80	1,208.75
Contribution to provident and other funds	58.35	54.87
Employee stock option scheme (Refer note 28)	0.79	4.03
Gratuity expenses	21.43	17.09
Staff welfare expenses	4.66	3.83
	1,150.03	1,288.57

2.25. Finance costs

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense	2,457.39	2,264.43
Interest on delay in payment of statutory dues	0.41	10.66
Other borrowing costs	13.40	20.35
	2,471.20	2,295.44

2.26. Other expenses

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Lease rent (Refer note 18(ii))	24.27	18.48
Rates and taxes	10.07	21.73
Travelling and conveyance	121.33	126.48
Recruitment and training	1.02	1.61
Legal and professional (Refer note 17)	167.60	108.64
Communication	33.50	38.22
Printing and stationery	181.06	133.05
Repair and maintenance		
- Building	16.03	14.04
- Machinery	21.55	7.61
- Others	164.24	149.14
Power and fuel	19.79	20.00
Insurance	2.11	4.14
Advertisement and business promotion	91.53	42.16
Freight and forwarding charges	40.81	22.06
Bank charges	1.09	1.55
Bad advances written off	0.32	23.78
Provision for doubtful debts/advances	16.07	63.81
Provision for inventory obsolescence	-	30.29
Foreign exchange loss (net) (refer note 23)	249.60	173.20
Loss on sale of fixed assets (net)	-	0.02
Miscellaneous expenses	19.66	7.02
	1,181.65	1,007.03

3. Prior period items

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Prior period income		
Revenue from operations	-	4.56
	-	4.56
Prior period expenses		
Repair and maintenance-others	73.29	22.57
Interest expenses	45.03	30.89
Legal & professional	0.10	10.19
Power and fuel	16.34	-
Communication	-	0.07
	134.76	63.72
	134.76	59.16

4. Exceptional items

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Provision for doubtful debts*	-	6,502.35
Provision for warranty obligation**	-	1,511.03
Repair & maintenance**	-	164.62
Discount on down time/ preclosure***	-	436.22
Loss on sale of investments (net)#	275.00	-
Credit balance written back##	(145.89)	-
	129.11	8,614.22

*. The Company as part of its regular recoverability evaluation process, has evaluated its outstanding trade receivables including dues from Government Companies/ agencies amounting to ₹ Nil (previous year ₹6,502.35 million) as doubtful of recovery. Consequently, the management has provided the said amount as doubtful debts, out of which ₹Nil (previous year ₹6,502.35 million) has been disclosed as an exceptional item. The overall provision for doubtful trade receivables as at March 31, 2016 stands at ₹7,156.64 million (previous year ₹7,743.46 million). The Management is continuously monitoring the recoverability of its trade receivables, which have been classified as good for recovery and is regularly following up with them.

** Pursuant to approved CDR scheme, trade receivables were acquired from ESSPL along with obligations and rights associated, both present and future, with these trade receivables and customers. As per the trade receivables purchase agreement, all repairs and maintenance cost of hardware sold under these contracts during the remaining contract period is to be borne by the Company. Based on experience of actual cost incurred in servicing such hardware during the previous financial year, the Company had estimated that the servicing costs under the remaining contract period was expected to be ₹1,511.03 million, which had been recorded as provision for warranty during the year ended March 31, 2015 as an exceptional item. The Company had shown this warranty provision along with expense of ₹164.62 million incurred during the year ended March 31, 2015 as an exceptional item.

*** The Company had recorded expense of ₹436.22 million as down time/pre-closure discount under contractual obligation during the year ended March 31, 2015 and disclosed as an exceptional item.

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

During the year, the Company has sold one of its step down subsidiary i.e. Wizlearn Pte. Ltd. In respect of the said subsidiary, the Company had received ₹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.

5. Loss per share (EPS)

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Calculation of loss for basic/ diluted EPS		
Net loss attributable to equity shareholders (₹)	(3,433.38)	(11,654.39)
Nominal value of equity share (₹)	2.00	2.00
No of shares as at end of the year	122,467,168	122,467,168
No. of weighted average equity shares	122,467,168	122,460,681
Loss per share Basic/ diluted (₹)	(28.04)	(95.17)

The Company is having potential equity shares as mentioned in note 2.1.e but these are not considered to be dilutive. Consequently, the basic and diluted EPS of the Company remains the same.

6. Unhedged foreign currency exposure

(₹ in million)

	Foreign currency	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
		(Foreign currency)	(Foreign currency)		
Trade payable	US\$	6.87	6.87	455.50	429.75
	Euro	0.01	0.01	0.75	0.71
	GBP	-	0.00	-	0.17
Advance to suppliers	US\$	0.06	0.11	3.94	7.17
	GBP	0.01	-	0.52	-
	HKD	0.09	-	0.81	-
	SGD	0.09	-	4.38	-
Trade receivable	US\$	0.35	0.35	22.89	21.60
	C\$	0.11	0.11	5.57	5.40
Advance from customer	US\$	0.91	0.91	60.68	57.25
	SGD	-	3.14	-	142.74
Loans payable	US\$	80.00	80.00	5,306.63	5,007.26
Interest accrued and due	US\$	9.35	5.21	620.47	326.27
Interest accrued but not due	US\$	0.80	0.71	52.93	44.35
Premium on Foreign Currency Convertible Bonds	US\$	2.44	1.78	162.09	111.36

7. Borrowings (Included in Long term borrowing, short term borrowing and current maturity of long term borrowing)

Particulars of security, interest and terms of repayment of Loans

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015 (₹ in million)
Loan from Bank - CDR - Secured						
Term loan (a)	102.40	102.46	Repayment in 10 quarterly equal installments of ₹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 ₹10.25 million commencing from quarter ending December 31, 2015 and ending in quarter ending March 31, 2018	<p>-First pari passu charge on all fixed assets (movable and immovable) of the company, both present and future.</p> <p>- 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 ESSPL, both present and future.</p> <p>- First charge on the borrower's bank accounts, including but not limited to Trust & Retention Account.</p> <p>- Pledge of all unencumbered shares held by the Promoters Group in company.</p> <p>- Pledge of all unencumbered shares held by company in various companies.</p> <p>- Pledge of all unencumbered shares of subsidiaries of the borrower held by Mr. Shantanu Prakash in the share capital of such subsidiaries.</p> <p>- Unconditional & irrevocable Personal Guarantees from Mr. Shantanu Prakash & Mr. Jagdish Prakash and Corporate Guarantee of ESSPL.</p> <p>- First pari-passu charge by way of mortgage of personal property of Mr. Shantanu Prakash situated at Residential Plot No. P-63, Sector 56, Gurgaon, Haryana.</p>	<p>-First pari passu charge on all fixed assets (movable and immovable) of the company, both present and future.</p> <p>- 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 ESSPL, both present and future.</p> <p>- First charge on the borrower's bank accounts, including but not limited to Trust & Retention Account.</p> <p>- Pledge of all unencumbered shares held by the Promoters Group in company.</p> <p>- Pledge of all unencumbered shares held by company in various companies.</p> <p>- Pledge of all unencumbered shares of subsidiaries of the borrower held by Mr. Shantanu Prakash in the share capital of such subsidiaries.</p> <p>- Unconditional & irrevocable Personal Guarantees from Mr. Shantanu Prakash & Mr. Jagdish Prakash and Corporate Guarantee of ESSPL.</p> <p>- First pari-passu charge by way of mortgage of personal property of Mr. Shantanu Prakash situated at Residential Plot No. P-63, Sector 56, Gurgaon, Haryana.</p>

Term loan (b)	216.39	216.39	216.39	"Repayment in 30 quarterly structured installments after moratorium of 30 months from the cut-off date i.e. April 01, 2013 commencing from quarter ending March 31, 2023. Installments Amount per Inst. 1-2 93.29 3-14 139.94 15-30 174.92	"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 March 31, 2023. Installments Amount per Inst. 1-2 81.31 3-14 121.97 15-30 152.46
Term loan (c)		309.85	300.00		
Term loan (d)		223.37	250.00		
Term loan (e)		62.72	64.00		
Working capital term loan		2,882.22	2,348.67		
Funded interest term loan - FITL (a)		919.62	886.60		
Term loan (f)		2,813.00	2,783.28		
Term loan (g)		4,550.00	4,550.00		
Term loan (h)		397.65	359.98		
Term loan (i)		1,960.00	1,960.00		
Term loan (j)		1,171.16	1,172.80		
Term loan (k)		947.83	896.86		
Working capital facility (a)		959.51	1,028.27		
Sub-total (a)		17,515.72	16,919.31		

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Loan from Bank - Other - Secured						
Term loan (I)	74.70	103.40	Repayable on December 31, 2014	Repayable on December 31, 2014	-First pari-passu charge over all the current assets of the company including receivables from ESSPL and receivables brought 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.	(₹ in million) -First pari-passu charge over all the current assets of the company including receivables from ESSPL and receivables brought 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)	115.70	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.	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 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.
			Installments Amount per Inst. 1-2 2.31 3-14 3.47 15-30 4.34		

Restructuring of existing facilities

During the previous year, the Company entered into Restructuring Agreement subject to term and conditions setout 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 11% with effect from September 1, 2014 for term loan (l) and April 1, 2013 for other facilities (FITL (b) and working capital facility (c)). The interest due with effect from April 01, 2013 till March 31, 2015 at revised rates amounting ₹ 115.70 million has been converted into Funded Interest Term Loan (FITL (b)).

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015 (₹ in million)	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Term loan (m)	400.00	464.66	Balance repayable in 6 equal quarterly installments of ₹46.47 million starting quarter ended December 31, 2013 and quarter ending September 30, 2017 and ₹121.18 million has been shown as continuing default of loan.	Balance repayable in 10 equal quarterly installments of ₹46.47 million starting December 31, 2013 and quarter ending September 30, 2017.	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 (n)	609.80	-	Repayable in 14 unequal quarterly installments commencing from quarter ended December 31, 2015 and ending in quarter ending March 31, 2019.	Not applicable	<ul style="list-style-type: none"> 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 	Not applicable
Working capital facility (b)#	-	499.80	Not applicable	Payable on demand	Not applicable	<ul style="list-style-type: none"> 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)	-	556.94	Not applicable	Payable on demand	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 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.
Sub-total (b)	1,084.50	1,740.50				

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015 (₹ in million)
Loan from Other - Secured						
Non Convertible Debentures*	450.00	450.00	NCD aggregating ₹350 million and ₹100 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 ₹350 million and ₹100 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.	- Pari-passu charge with the CDR lenders, without any preference or priority to one over the other or others.
Foreign Currency Convertible Bonds (FCCB)	663.33	625.91	Repayable at 133.15% of principal par value (USD 13.315 million) on July 24, 2017 after 5 year and 1 day from July 23, 2012, date of disbursement, if not converted in equity shares.	Repayable at 133.15% of principal par value (USD 13.315 million) on July 24, 2017 after 5 year and 1 day from July 23, 2012, date of disbursement, if not converted in equity shares.	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)	4,643.30	4,381.36	Repayable in 11 half yearly equal installments of USD 6.36 million starting from 15th January, 2016 and ending January 15, 2021..	Repayable in 11 half yearly equal installments of USD 6.36 million starting from 15th January, 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.
Sub-total (c)	5,756.63	5,457.27				
Loan from others-unsecured						
From others - unsecured (a)	412.20	624.93	There are two loans to repayable in 26 & 45 unequal monthly installments as per their repayment schedules.	There are two loans to repayable in 26 & 45 unequal monthly installments as per their repayment schedules.	Not applicable	Not applicable
From others - unsecured (b)	22.00	22.00	Of ₹22 million, ₹10 million is repayable on February 28, 2017, and ₹12 million is over due as on Balance Sheet date.	Of ₹22 million, ₹10 million is repayable on February 29, 2016, and ₹12 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.
Finance lease	-	24.54	Not applicable	Balance to be repayable in 18 monthly installments	Not applicable	Not applicable
From others - unsecured (c)	584.65	354.65	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

Sub-total (d)	1,018.85	1,026.12	
Total (a-d)	25,375.70	25,143.20	

* In respect of 450, 13.25% to 13.50% Secured Redeemable Non Convertible Debentures of ₹10,00,000 each aggregating ₹450.00 million, 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.

Note:

- (i) Term loan (a) to (k), working capital term loan, funded interest term loan, working capital facility (a) are at interest rate ranging from 10.25% to 11% p.a. (Previous year 11% p.a.)
- (ii) Term loan (l) to (n) and working capital facility (b) to (c) are at varying rate of interest ranging from 11% to 13.45% p.a. (Previous year 11% to 13.45% p.a.)
- (iii) Loans from other unsecured (a) to (b) are at varying rate of interest ranging from 12.50% to 18% p.a. (Previous year 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 (Previous year 4.5% p.a.+LIBOR)
- (vi) Non Convertible Debentures are at interest rate ranging from 13.25% to 13.50% p.a. (Previous year 13.25% to 13.50% p.a.)
- (vii) Aggregate of loan amount guaranteed by promoter Mr. Shantanu Prakash and Mr. Jagdish Prakash ₹18,600.22 million (previous year ₹18,659.82 million)
- (viii) Aggregate of loan amount guaranteed by Edu Smart Services Pvt. Ltd. ₹17,590.42 million (previous year ₹17,695.35 million)
- (ix) Working capital facility (a) to (c) and loan from others unsecured (b) constitute short term borrowings.
- (x) The first and second instalment of the principal amount were due on December 31, 2015 and March 31, 2016. However the Company has made default in making the repayment of these instalments as at the Balance Sheet date. The same has been shown as continuing default of loan as at March 31, 2016 under Note No.9 in of the notes to accounts to the financial statements. The default detail as under:
 1. Term loan (a) to (d) and (g) to (k) both the instalment in default due on December 31, 2015 and March 31, 2016.
 2. Term loan (e) and (f) only one instalment in default due on March 31, 2016.
 3. In case of funded interest term loan (FITL) (a) and Working interest term loan (WCTL) both the instalment in default due on December 31, 2015 and March 31, 2016 of SBI, ICICI, Syndicate, Canara, SCB and SBBJ banks.
 4. In case of funded interest term loan (FITL) (a) and Working interest term loan (WCTL) only one instalment in default due on March 31, 2016 of SBOP, Axis and Indusind banks.

8. Corporate debt restructuring scheme

The Company executed the Master Restructuring Agreement (MRA)/other definitive documents on March 26, 2014 with the majority of its lenders banks, consequent to approval from Corporate Debt Restructuring Empowered Group (CDR-EG) to re-structure Company's existing debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme").

As a part of the CDR Scheme, the promoters were required to contribute funds in accordance with letter of approval. As a consequence, the Company has received a contribution from its promoter amounting to ₹584.65 million (previous year ₹354.65 million) as at March 31, 2016 and March 31, 2015. The same has been received as interest free unsecured loan. Refer above loan from others - unsecured (c).

The MRA has been signed by all the lender banks and the Company has complied with all necessary conditions precedent. From April 01, 2013 (the "cut-off date"), the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR scheme on the balances as appearing in the books of account pending confirmations from various lenders. Accordingly, the interest payable to these banks has been recalculated in accordance with the CDR scheme. Considering the MRA have been signed by all the lender banks, the Company has accounted for CDR scheme (reclassifications and interest calculations) in the books for the year ended March 31, 2016 and March 31, 2015 as follows:

- (i) The rate of interest has been changed and reduced to 11% with effect from April 1, 2013. The interest due with effect from April 01, 2013 till March 31, 2016 at revised rates amounting to ₹919.62 million (up to previous year ₹886.60 million) has been 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 revised charge in favor of lenders as per the terms of MRA, is pending registration.

Pursuant to approved CDR scheme and in terms of Master Restructuring Agreement, the Company has acquired trade receivable of Edu Smart Services Private Limited (ESSPL) amounting to ₹Nil (previous year ₹1,498.68 million). To acquire these receivables the Company has been granted loan of ₹Nil (previous year ₹3,846.23 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 ₹Nil

(previous year ₹2,347.55 million). The Company has taken over these receivables to improve the recoverability and to provide uninterrupted services to these schools in future.

Pursuant to implementation of approved Corporate Debt Restructuring Scheme (CDR scheme), certain lenders have disbursed fresh corporate loans to the Company and corresponding trade receivables were bought from Edu Smart Services Private Limited (ESSPL) together with future business relating to this customers, as explained above. Due to this restructuring, the remaining receivables in ESSPL may not yield adequate surplus to discharge its liability towards the Company for trade receivables and redemption of redeemable non convertible preference shares. However, the approved CDR scheme has mandated merger of ESSPL with the Company and accordingly, the Company has initiated the process and has taken the approval of Board of Directors in the board meeting held on 13th January 2015. The Board of Directors in their meeting held on 26th May 2016 has suggested certain changes in the scheme with respect to above said merger and revised scheme shall be placed in next board meeting. 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 instalments of principal amounts of the Restructured Loans, Corporate loans and/or the Additional Rupee Loan or interest thereon or any combination thereof, accordingly CDR Lenders, Corporate loan lenders and/or the Additional Rupee Lenders, at their discretion, have the right to convert at their option the whole of the outstanding amount or part of the defaulted amount into fully paid-up equity shares of the Company, but the lenders have not exercised the rights as at balance sheet date. 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, 2016 is given below:

(₹ in million)

	Delay upto 3 month	Delay of 3 to 6 month	Delay of 6 to 12 month	Delay more than 12 month
Repayment of principal	976.39	433.97	65.98	86.70
Interest	611.76	129.24	170.85	333.02
	1,588.15	563.21	236.83	419.72
Previous year				
Repayment of principal	16.90	103.40	-	12.00
Interest	237.04	25.48	168.57	123.64
	253.94	128.88	168.57	135.64

10. Employee benefits

a. During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

Defined contribution plan

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Employer's contribution to provident fund (including admin charges)	56.69	53.03
Employer's contribution employee state insurance	0.22	0.23
Employer's contribution employee deposit linked insurance fund	1.44	1.61
Employer's contribution labour welfare fund	-	-
	58.35	54.87

Defined benefit plan

The Company operates two defined benefit plans viz gratuity and leave benefit for its employees. 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.

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

Statement of Profit and Loss - Net employee benefit expense recognised

(₹ in million)

	Gratuity-Unfunded	Leave benefit -Unfunded	Gratuity-Unfunded	Leave benefit -Unfunded
	For the year ended March 31, 2016	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2015
Current service cost	12.43	0.53	11.96	2.17
Interest cost	4.93	0.36	5.01	1.21
Actuarial (gain)/loss	4.07	(4.30)	0.12	(11.33)
Total	21.43	(3.41)	17.09	(7.95)

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

(₹ in million)

	Gratuity-Unfunded	Leave benefit -Unfunded	Gratuity-Unfunded	Leave benefit -Unfunded
	For the year ended March 31, 2016	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2015
Present value of obligation as at the beginning of the year	61.57	4.56	59.67	14.41
Acquisition adjustment	-	-	-	-
Interest cost	4.93	0.36	5.01	1.21
Current service cost	12.43	0.53	11.96	2.17
Benefit paid	(18.45)	(0.08)	(15.19)	(1.90)
Actuarial (gain)/loss	4.07	(4.30)	0.12	(11.33)
Present value of obligation as at the end of the year*	64.55	1.07	61.57	4.56
Current	1.77	0.07	1.74	0.60
Non current	62.78	1.00	59.83	3.96

* excluding provision for casual leave for ₹4.97 million (previous year ₹5.55 million) being short term employee benefit

c. Amount for current period and previous four periods**Gratuity (unfunded)**

(₹ in million)

	Year ended March 31,				
	2016	2015	2014	2013	2012
Present value of obligation as at the end of the year	64.55	61.57	59.67	78.01	59.24
Surplus/(Deficit)	(64.55)	(61.57)	(59.67)	(78.01)	(59.24)
Experience adjustment on plan liabilities	(4.07)	3.45	16.19	(2.12)	(3.27)

Leave benefit Unfunded

(₹ in million)

	Year ended March 31,				
	2016	2015	2014	2013	2012
Present value of obligation as at the end of the year	1.07	4.56	14.41	28.33	25.05
Surplus/(Deficit)	(1.07)	(4.56)	(14.41)	(28.33)	(25.05)
Experience adjustment on plan liabilities	4.30	11.63	15.94	6.60	2.77

d. Principal actuarial assumptions at the Balance Sheet date:

(₹ in million)

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

- (e) The discount rate is based upon the market yields available on Government bonds at the accounting date for remaining life of employees.
- (f) 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.
- (g) Estimated amounts of contribution payable during the next year are:
 - For gratuity ₹23.28 million (previous year ₹22.37 million).
 - For leave benefit ₹0.53 million (previous year ₹1.61 million)

11. Segment Reporting

The Company has four segments: 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 and d) Online, Supplemental & Global business (OSG).

In accordance with the provision of AS 17, "Segment Reporting" the Company has identified business segment as primary segment. As its Secondary Segment, the Company has only one geographical segment having 10 per cent or more of enterprise revenue from sales to external customers 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 as un-allocable expenses.

Assets and liabilities that are directly attributable to segments are disclosed under respective reportable segment. All other assets and liabilities are disclosed as un-allocable.

Previous year's figures are given in parenthesis.

A. Primary segment information:- Business Segments

(₹ in million)

	HLS	SLS	K-12	OSG	Total
Segment assets	45.22	12,387.40	0.58	72.41	12,505.61
	(47.70)	(14,895.13)	(13.44)	(81.36)	(15,037.63)
Unallocated corporate assets					18,469.70
					(18,937.87)
Total assets					30,975.31
					(33,975.50)
Segment liabilities	105.88	1,974.74	111.50	54.97	2,247.09
	(105.52)	(2,491.53)	-	(195.26)	(2,792.31)
Unallocated corporate liabilities					27,424.68
					(26,290.68)
Total liabilities					29,671.77
					(29,082.99)
Capital expenditure	-	166.21	-	-	166.21
	-	(269.08)	-	-	(269.08)
Unallocated corporate capital expenditure					5.09
					(2.73)
Total capital expenditure					171.30
					(271.81)
Depreciation and amortization	0.01	391.25	-	0.03	391.29
	(0.11)	(460.07)	-	(0.14)	(460.32)
Unallocated corporate depreciation and amortisation					9.43
					(18.01)
Total depreciation and amortization					400.72
					(478.33)
Non cash expenditure other than depreciation and amortisation	-	8.16	-	-	8.16
	-	(8,195.64)	-	(0.02)	(8,195.66)
Unallocated expenditure					318.70
					(80.22)
Total non cash expenditure other than depreciation and amortisation					326.86
					(8,275.88)
	HLS	SLS	K-12	OSG	Total
Revenue	19.72	1,965.68	-	24.49	2,009.89
	(57.55)	(1,905.95)	-	(18.25)	(1,981.75)
Expenses	8.91	2,463.33	-	41.28	2,513.52
	(9.56)	(10,913.32)	-	(19.52)	(10,942.40)
Segment results	10.81	(497.65)	-	(16.79)	(503.63)
	(47.99)	(-9,007.37)	-	(-1.27)	(-8960.65)
Un-allocable expenditure					696.32
					(679.40)
Finance cost					2,471.20
					(2,295.44)
Operating loss					(3,671.15)
					(-11,935.49)
Other income					220.99
					(340.26)

Prior period Items				174.13
				(59.16)
Loss before tax				(3,624.29)
				(-11,654.39)
Less: Tax expense				
-Current tax/ excess provision written back of earlier years				(190.91)
				-
-Deferred tax				-
				-
Loss after tax and prior period items				(3,433.38)
				(-11,654.39)

B. Secondary segment information –Geographical

(₹ in million)

	Revenue	Segment assets	Capital expenditure
India	2,009.89	30,946.86	171.30
	(1,977.98)	(33,948.50)	(271.83)
Outside India	-	28.45	-
	(3.77)	(27.00)	-
Total	2,009.89	30,975.31	171.30
	(1,981.75)	(33,975.50)	(271.83)

Notes:

The accounting policies used to derive reportable segment results are consistent with those described in "Significant Accounting Policies" notes to the financial statements.

Related party disclosures:

As per Accounting Standard 18, the disclosures of transactions with related parties as defined in Accounting Standard are given as below:

12. List of related parties and relationships:

Subsidiary Companies (Direct and Indirect Holding)

S. No.	Name of Related Party
1	Wheatstone 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	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	Reverie 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 Infratruture 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	Gateforum Educational Services Private Limited**
46	Educomp Global Holding WLL
47	Educomp Global FZE.

Associates

S. No.	Name of Related Party
1	Greycells18 Media Limited

Joint Venture of Direct Subsidiary

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

Key Managerial Personnel

S. No.	Name of Related Party
1	Mr. Shantanu Prakash
2	Mr. V. K. Dandona

Parties over which the Company has significant control (including subsidiary of Joint Venture of Subsidiary)

S. No.	Name of Related Party
1	Learning Links Foundation
2	Learning Leadership Foundation
3	Education Quality Foundation of India
4	Richmond Educational society
5	Millennium InfraDevelopers Limited
6	Lakshya Digital Private Limited***
7	Unnati Educational Trust
8	A P Eduvision Private Limited
9	League India Education Foundation (w.e.f September 1, 2014)
10	DSK Legal (w.e.f September 29, 2014)
11	Shri Hare Educational trust
12	Siya Ram Educational trust
13	Sri Vasudev Educational Trust
14	Vigyan Education Trust
15	Naveen Shiksha educational Trust
16	Shiksha Solution Trustee Pvt. Ltd.

* ceased to be subsidiary w.e.f. 22th October, 2015

** ceased to be subsidiary w.e.f. 26th August, 2014

*** ceased to be others w.e.f. 15th October, 2014

13. Transactions during the year with related parties:**Details of Related Party Transactions for the year ended 31st March, 2016**

(₹ in million)

	Subsidiaries	Associates	Joint Venture of Subsidiary	Key Managerial Personnel	Parties having significant influence	Total
Revenues [net of (sales return)]*	-	-	-	-	26.09	26.09
(note1)	(3.81)	-	(32.30)	-	(33.28)	(69.39)
Other income *	146.03	-	-	-	0.27	146.30
(note2)	(0.13)	-	-	-	(0.31)	(0.44)
Reimbursement of expenses paid by related party	0.06	-	-	-	-	0.06
(note 3)	(0.11)	-	-	-	-	(0.11)
Reimbursement of expenses paid to related party	-	-	-	-	-	-
(note 4)	(0.17)	-	-	-	-	(0.17)
Expenses paid for services	-	-	-	2.25	35.43	37.68
(note 5)	-	-	-	-	(66.90)	(66.90)
Loans and advances/ share application money given/ (received back)	(0.00)	-	-	-	-	(0.00)
(note 6)	(-453.59)	-	-	-	-	(-453.59)
Advance from customers /(return to customers)	111.50	-	-	-	-	111.50
(note 7)	(-168.81)	-	-	-	(-1.23)	(-170.04)
Purchase of investments	618.64	-	-	-	-	618.64
(note 8)	-	-	-	-	-	-
Remuneration**	-	-	-	0.45	-	0.45
(note 9)	-	-	-	(2.47)	-	(2.47)

Corporate guarantees given	-	-	-	-	-	-
(note 10)	(512.17)	-	-	-	-	(512.17)
Rent paid	0.17	-	-	0.83	-	1.00
(Note 11)	(0.25)	-	-	(0.83)	-	(1.08)
Loan received	-	-	-	230.00	-	230.00
(Note 12)	-	-	-	(128.60)	-	(128.60)

Note: Previous year's figures are given in parenthesis.

*including taxes where it is charged

** The remuneration to the key management personnel does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

(₹ in million)

Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
1 Includes Sales and services to/ (return) from:		
Learning Link Foundation	22.53	27.69
League India Education Foundation	2.80	4.49
Educomp Raffles Higher Education Limited	-	32.30
Wiz Learn Pte Ltd.	-	3.77
Vidya Mandir Classes Limited	-	0.04
Shiri Hare Educational Trust	0.22	0.10
Siya Ram Educational Trust	0.08	0.31
Sri Vasudev Educational Trust	0.21	0.67
Vigyan Education Trust	0.25	0.02
	26.09	69.39
2 Includes other income from:		
Wiz Learn Pte Ltd.	145.89	-
Educomp Learning Private Limited	0.14	0.13
Learning Link Foundation	0.14	0.13
Learning Leadership Foundation	0.13	0.18
	146.30	0.44
3 Includes expenses paid by:		
Educomp Child Care Private Limited	0.06	0.11
4 Includes expenses paid on behalf of:		
Educomp Child Care Private Limited	-	0.17
	-	0.17
5 Includes expenses paid for services		
Unnati Educational Trust	28.94	65.81
DSK Legal	6.49	0.76
Shiksha Solution Trustee Pvt. Ltd.	-	0.33
V. K. Dandona	2.25	-
	37.68	66.90
6 Loans and advances (includes share application money) given/ (received back) relates to:		
Educomp Professional Education Limited	-	(404.02)
Educomp Infrastructure & School Management Limited	-	(45.07)
Educomp School Management Limited	-	(4.50)
	-	(453.59)
7 Includes advance / (return) from/ to customers:		
Vidya Mandir Classes Limited	-	(5.11)
Educomp Child Care Private Limited	-	(163.70)
Lakshya Digital Private Limited	-	(1.23)
Orlando Builders Private Limited	111.50	-

		111.50	(170.04)
8	Represents investment made in:		
	Educomp Infrastructure & School Management Limited	347.33	-
	Educomp Professional Education Limited	269.98	-
	Educomp Investment Management Limited	1.33	-
		618.64	-
9	Includes transaction for the year mainly with:		
	Mr. V. K. Dandona	0.45	2.47
		0.45	2.47
10	Represents corporate guarantee given for:		
	Educomp Learning Hour Private Limited	-	400.00
	Educomp Infrastructure & School Management Limited	-	112.17
		-	512.17
11	Includes rent paid to:		
	Educomp Learning Private Limited	0.17	0.25
	Mr. Shantanu Prakash	0.83	0.83
		1.00	1.08
12	Loan received from		
	Mr. Shantanu Prakash	230.00	128.60

14 Balances with related parties as at March 31, 2016:

(₹ in million)

	Subsidiary	Associates	Joint Venture of Subsidiary	Key Managerial Personnel	Parties having significant influence	Total
Investment	16,676.18	159.91	-	-	-	16,836.09
	(16,057.54)	(159.91)	-	-	-	(16,217.45)
Share application money (including advance call money)	102.21	-	-	-	-	102.21
	(720.84)	-	-	-	-	(720.84)
Trade receivables	7.52	-	-	-	55.95	63.47
	(20.12)	-	-	-	(56.46)	(76.58)
Loan and advances and other current asset	1.77	-	-	-	-	1.77
	(1.66)	-	-	-	-	(1.66)
Unsecured loan	-	-	-	584.65	-	584.65
	-	-	-	(354.65)	-	(354.65)
Trade and other payables	-	-	-	0.20	41.03	41.23
	(18.95)	-	-	(0.29)	(22.88)	(42.12)
Advances received from customers	171.58	-	104.97	-	0.60	277.15
	(199.43)	-	(104.97)	-	-	(304.40)
Corporate guarantees given	-	-	-	-	-	-
	(11,886.10)	-	-	-	-	(11,886.10)

Note: Previous year's figures are given in parenthesis.

15(a). Contingent liabilities

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
a. Corporate guarantee given to bank for secured loan to third party		
- Edu Smart Services Private Limited	2,250.00	3,000.00
b. Corporate guarantee given to bank for secured loan and debenture to subsidiaries		
- Educomp Infrastructure & School Management Limited	9,371.69	9,371.69
- Educomp Asia Pacific Pte. Ltd., Singapore	1,392.99	1,314.41
- Educomp Learning Hour Private Limited	1,200.00	1,200.00
c. Other money for which the Company is contingently liable		
i. Taxes under adjudication/appeal	25.46	25.46
ii Premium on redemption of Zero Coupon Foreign Currency Convertible Bonds (net of provision)	57.80	96.13
	14,297.94	15,007.69

Notes:

- The loan outstanding to banks against the corporate guarantee in point no. (a) above as on 31st March, 2016 is ₹930.29 million (previous year ₹1,487.01 million).
- The loan and debenture outstanding against the corporate guarantee in point no. (b) above as on 31st March, 2016 is ₹9,111.77 million (previous year ₹10,698.84 million).
- Future outflows in respect of (a) & (b) will arise on crystallization and demand made by bank, and in respect of (c)(ii) on redemption of the bonds on the maturity date, if not converted before the maturity date as per the terms of issue of FCCB.
- Taxes under adjudication/appeal represents ₹25.46 million (Previous year ₹25.46 million) under appeal under service tax. The Company has paid ₹16.98 million (previous year ₹16.98 million) under protest against demands raised by tax authorities.

The Company does not expect any cash outflows in respect of (a), (b) & (c)(i).

15(b). The Company has the following provision for warranty liability in the books of accounts.

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Opening balance	1,195.93	5.00
Additions during the year	-	1,511.03
Utilised during the year	618.71	320.10
Closing balance	577.22	1,195.93

16. Commitments

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	880.00	880.00
b. Uncalled liability on partly paid shares	502.62	502.62
	1,382.62	1,382.62

17. Payments to auditors

(Included in legal and professional expenses in note 2.26)

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Statutory auditor*		
Statutory audit	3.46	3.40
Limited review fee	2.48	2.44
Certification fee	1.14	0.14
Out of pocket expenses	0.90	0.81
Total	7.98	6.79

*including service tax

As per Accounting Standard 19, the disclosures of lease transactions as defined in Accounting Standard are given as below:

18. Operating lease

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 ₹24.27 million (previous year ₹18.48 million). The future minimum lease rent payable (minimum lease payments) under non-cancellable operating leases are as follows:

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Not later than one year	4.31	5.21
Later than one year but not later than five years	0.08	4.84
Later than five years	-	-
Total	4.39	10.05

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 ₹1.17 million (previous year ₹1.54 million). The future minimum sublease payment expected to be received are as follows:

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Not later than one year	1.03	0.84
Later than one year but not later than five years	1.73	-
Later than five years	-	-
Total	2.76	0.84

19. Finance lease

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.

Finance lease obligation of the Company as at March 31, 2016:

(₹ in million)

	Future minimum lease payments	Interest	Present value of minimum lease payments
Not later than one year	-	-	-
Later than one year but not later than five years	-	-	-
Later than five years	-	-	-
Total	-	-	-

Finance lease obligation of the Company as at March 31, 2015:

(₹ in million)

	Future minimum lease payments*	Interest	Present value of minimum lease payments
Not later than 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

* Subsequent to the year end, the Company has entered into a settlement agreement with the lessor with respect to the amount outstanding as on 31 March 2015. Pursuant to such agreement, the Company is required to pay one time settlement amount of ₹12.12 million along with due rental for the month of February and March 2015 amounting to ₹0.84 million for each month to the lessor.

20. C.I.F. value of imports

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Trading goods	3.06	12.47
Total	3.06	12.47

21. Expenditure in Foreign Currency (on accrual basis)

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Travelling and conveyance	1.34	0.79
Legal and professional expenses	27.57	5.68
Interest expense	280.94	237.52
Advertisement and business promotion	1.63	1.60
Repair & maintenance expenses	43.99	22.20
Communication expenses	41.97	-
Others	0.22	0.74
Total	397.66	268.53

22. Earnings in foreign currency (on accrual basis)

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue from sale of hardware and educational products	-	3.77
Revenue from other services	-	-
Total	-	3.77

23. Foreign exchange fluctuation (net) under the head other expenses comprises of:

(₹ in million)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Foreign exchange loss	251.89	295.21
Foreign exchange gain	2.29	122.01
Net foreign exchange loss	(249.60)	(173.20)

- 24.** During the previous year, block assessment of the Company for Assessment Year 2007-08 to 2012-13 was completed by the Income Tax authorities and additional demand of ₹190.91 Million was raised on account of certain disallowances. Consequently, during the current year the company has received favorable final order of appeal filed with ITAT during the previous year and accordingly the company has written back the excess provision of ₹190.91 million.

During the previous year, the Company had received a favourable order from the ITAT with respect to the AY 2007-08. On the basis of such favourable order, the Company had received a refund of ₹ 45.70 million (including interest) during the previous year and ₹193.31 million during the current year.

- 25.** 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 "arms 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 ending March 31, 2015 has been obtained and there are no adverse comments requiring adjustments in these Financial Statements.
- 26.** 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 arms' 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 ending March 31, 2015 has been obtained and there are no adverse comments requiring adjustments in these Financial Statements.

27. 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 ₹188.62 for each equity shares at the applicable exchange rate at the date of conversion. As on March 31, 2016 USD 10 million (previous year USD 10 million) FCCB are outstanding for conversion into equity shares of ₹2 each. Due date for redemption is July 24, 2017 and redemption price at maturity is 133.15% of par value.

Further, based on the current market scenario, the management is of the view that the FCCB holder may opt for redemption, consequently the proportionate premium on redemption amounting ₹162.09 million (previous year ₹111.36 million) has been provided against the securities premium and classified under 'Other long term liabilities'.

28. Employees Stock Option Schemes (ESOS)

The Company has seven stock option schemes which provides equity shares to employees and directors (excluding promoter director) of the Company and its subsidiaries. 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 excise period is 1 year from the end of last vesting date of respective grants. There are no condition 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.

Employees 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, 2016 and March 31, 2015, the Company had 1,050,000 and 1,053,562 number of shares reserved for issue under the scheme respectively.

Employees 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, 2016 and March 31, 2015, the Company had 805,550 and 905,550 number of shares reserved for issue under the scheme respectively.

Employees 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, 2016 and March 31, 2015 the Company had 1,082,800 and 1,209,800 number of shares

reserved for issue under the scheme respectively.

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, 2016 and March 31, 2015 the Company had 988,125 and 998,125 number of shares reserved for issue under the scheme respectively.

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, 2016 and March 31, 2015 the Company had 745,000 and 995,000 number of shares reserved for issue under the scheme respectively.

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, 2016 and March 31, 2015 the Company had 3,371,625 and 3,496,625 number of shares reserved for issue under the scheme respectively.

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, 2016 and March 31, 2015 the Company had 4,898,650 and 4,968,650 number of shares reserved for issue under the scheme respectively.

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

	As at March 31, 2016		As at March 31, 2015	
	No. of stock options	Weighted average price (₹)	No. of stock options	Weighted average price (₹)
Employee Stock Option Scheme 2006				
No. of shares under option				
Outstanding at the beginning of the year	1,053,562	43.20	797,692	58.80
Granted	662,000	13.50	357,000	28.98
Exercised	-	-	26,100	25.00
Forfeited during the year	665,562	24.92	75,030	147.75
Outstanding at the end of year	1,050,000	36.06	1,053,562	43.20
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable	
Weighted average remaining contractual life (in years)	3.45 yrs		2.69 yrs	
Payment received against share allotted during the year	Nil		0.65 million	
Employee Stock Option Scheme 2007				
No. of shares under option				
Outstanding at the beginning of the year	905,550	35.74	664,760	239.96
Granted	68,000	13.50	575,250	24.68
Exercised	-	-	-	-
Forfeited during the year	168,000	20.40	334,460	422.62
Outstanding at the end of year	805,550	37.06	905,550	35.74
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable	
Weighted average remaining contractual life (in years)	3.69 yrs		4.69 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	1,209,800	111.77	984,763	215.62
Granted	240,000	13.50	430,000	23.77
Exercised	-	-	-	-
Forfeited during the year	367,000	51.37	204,963	426.15
Outstanding at the end of year	1,082,800	110.46	1,209,800	111.77
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable	
Weighted average remaining contractual life (in years)	3.31 yrs		4.45 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	998,125	75.44	860,625	222.63
Granted	280,000	13.49	585,000	22.55
Exercised	-	-	-	-
Forfeited during the year	290,000	44.28	447,500	289.36
Outstanding at the end of year	988,125	67.03	998,125	75.44
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable	
Weighted average remaining contractual life (in years)	3.46 yrs		4.45 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	995,000	21.95	863,000	93.91
Granted	-	-	490,000	19.07
Exercised	-	-	-	-
Forfeited during the year	250,000	20.45	358,000	191.47
Outstanding at the end of year	745,000	22.46	995,000	21.95
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable	
Weighted average remaining contractual life (in years)	3.52 yrs		4.50 yrs	
Payment received against share allotted during the year	Nil		Nil	

Employee Stock Option Scheme 2012					
No. of shares under option					
Outstanding at the beginning of the year	3,496,625	32.37	3,204,625	61.56	
Granted	-	0	1,040,000	15.84	
Exercised	-	-	-	-	
Forfeited during the year	125,000	102.51	748,000	134.46	
Outstanding at the end of year	3,371,625	29.77	3,496,625	32.37	
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable		
Weighted average remaining contractual life (in years)	3.18 yrs		4.22 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	4,968,650	14.86	-	-	
Granted	130,000	13.50	4,968,650	14.86	
Exercised	-	-	-	-	
Forfeited during the year	200,000	14.00	-	-	
Outstanding at the end of year	4,898,650	14.86	4,968,650	14.86	
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable		
Weighted average remaining contractual life (in years)	3.16 yrs		4.15 yrs		
Payment received against share allotted during the year	Nil		Nil		

*Fair value related disclosures as required by guidance note on "Accounting for Employee Share-based Payments" have not been furnished because of the voluminous nature of disclosures due to different grant dates and vesting conditions.

30. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 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 liabilities		
Principal amount due to micro, small and medium enterprises	2.58	0.95
Interest due on above	-	-
Total	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.	-	-

31. Foreign Currency Monetary Items Translation Difference Account (FCMITDA)

The Company has adopted Companies (Accounting Standards) Second Amendment Rules 2011 on Accounting Standard 11 as notified by the Central Government vide Notification dated December 29, 2011. 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 as provided in the aforesaid notification. Further, as per the decision of the council of the Institute of Chartered Accountants of India (ICAI) in its meeting dated March 31, 2013, FCMITDA has been shown as a part of Reserves and Surplus.

32. 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.
33. The Company had received advances, from customers, which are outstanding for more than one year and still lying in the books as on 31 March 2016. 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 Act read with Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014.
34. The Company has initiated proceedings for recovery of outstanding amount from certain trade receivables amounting to ₹3,601.17 million (previous year ₹2826.55 million), in respect of which the Company has created a provision of ₹3,596.57 million (previous year ₹1910.02 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 ₹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.
35. 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

Sd/-
Pranav Jain
Partner
Membership No.: 098308

Place: Gurgaon
Date: May 26, 2016

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

Sd/-
Shantanu Prakash
Chairman and Managing Director
(DIN: 00983057)

Sd/-
Ashish Mittal
Chief Financial Officer

Sd/-
V. K. Dandona
Whole Time Director
(DIN: 06730804)

Sd/-
Yogesh Saluja
Company secretary

CONSOLIDATED FINANCIAL STATEMENTS 2015-16

INDEPENDENT AUDITOR'S REPORT

To the Members of Educomp Solutions Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Educomp Solutions Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 thereunder.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

As per the terms of Master Restructuring Agreement (MRA) dated December 28, 2013 entered into pursuant to approved Corporate Debt Restructuring Scheme to restructure debt of Educomp Infrastructure and School Management Limited (EISML), a subsidiary of the Company, certain tangible fixed assets of EISML and EISML's subsidiaries have been identified for sale in a time bound manner. As per the valuation of such tangible fixed assets as evaluated and disclosed in the approved Corporate Debt Restructuring Package, some of these assets are expected to have lower realizable value than their carrying values. Such tangible fixed assets having total carrying value of ₹3,207.53 million as at March 31, 2016 (as at March 31, 2015 ₹3,207.53 million) are included in the tangible fixed assets.

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

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entity as at 31st March, 2016, their consolidated loss and their

consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the notes to the consolidated financial statements:

- (a) Note 43 regarding managerial remuneration paid to one of the whole time director of the Holding Company for the quarter ended June 30, 2015, 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 for 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 and managing directors of one of its subsidiary Company, Educomp Infrastructure and School Management Limited during the year ended March 31, 2014, in non-compliance with the requirements of Section 198, Section 269 and Section 309 read with Schedule XIII to the Companies Act, 1956, for which Central Government's approval has not been obtained.
- (b) Note 44 wherein a subsidiary company, Educomp Infrastructure and School Management Limited has considered its long outstanding Trade Receivables due from certain Trusts which are due for more than one year, as good and fully recoverable.
- (c) Note 45 with respect to Management's assessment of recoverability of Group's share of net assets as regards investment in six companies of the Group, namely, Educomp Infrastructure and School Management Limited, Educomp Online Supplemental Service Limited, Educomp Child Care Private Limited, Educomp Professional Education Limited, Vidya Mandir Classes Limited, Educomp Intelliprop Ventures Pte. Ltd. (formerly known as Educomp Intelprop Ventures Pte. Ltd.) and its associate, Greycells18 Media Limited.
- (d) Note 46(c) which explains Management's view on recoverability of certain significant amount of capital advances given by the Group and which have been outstanding for a long period of time.
- (e) Note 48 which explains Management's view on recoverability of certain loans advanced to Jai Radha Raman Education Society (the society) by Educomp Raffles Higher Education Limited, a joint venture (JV), and trade receivables due to JV's subsidiary Millennium Infra Developers Limited from the society under contractual obligations.
- (f) Note 46(e) with respect to Management's assessment, based on valuation performed by a firm of chartered accountants, of recoverability of intangible assets in form of brand 'Universal' in one of its step down subsidiary named, Educomp APAC Services Limited. The recoverability of the intangible assets is significantly dependent on the step down subsidiary's ability to achieve long term futuristic growth plan envisaged in the related assumptions used for the purpose of valuation.

- (g) Note 50 wherein the Holding Company has not considered impairment/diminution of trade receivables from/ investment in Edu Smart Services Private Limited (ESSPL) in the intervening period, in view of proposed merger of ESSPL with the Company.
- (h) Note 60 in respect of the Holding Company, in the opinion of the management, despite incurring net losses, including during the current financial year and erosion of net worth as at March 31, 2016, the consolidated financial statements have been prepared on a going concern basis in view of matters more fully explained in the said note.
- (i) Note 62 in respect of one of Holding Company's subsidiary, Educomp Infrastructure & School Management Limited, in the opinion of the management, despite incurring losses, including during the current financial year and erosion of net worth as at March 31, 2016, the consolidated financial statements have been prepared on a going concern basis in view of matters more fully explained in the said note.
- (j) Note 61 in respect of one of Holding Company's step down subsidiary, Knowledge Vistas Limited, which indicates that the company has suspended its operation and is waiting for favourable business opportunities. Despite existence of these conditions, along with other matters more fully explained in the said note, the consolidated financial statements have been prepared on going concern basis.

Our opinion is not modified in respect of these matters.

Other Matter

- (a) (a) We did not audit the financial statements of 45 subsidiaries, whose financial statements reflects total assets of ₹10,413.38 million as at March 31, 2016, total revenues of ₹3,224.05 million and net cash flows amounting to ₹211.44 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of 1 jointly controlled entity, whose financial statements reflects total assets of ₹831.28 million as at March 31, 2016, total revenues of ₹17.65 million and net cash flows amounting to ₹0.17 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include Group's share of net loss of ₹15.91 million for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entity and an associate,

and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity and an associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

- (c) As fully explained in Note 32 of the consolidated financial statements, in case of Joint Venture of the Company, the consolidated financial statements of such JV for the year ended March 31, 2016 are not available with the Company and accordingly the consolidated financial statements of the Company for the year ended March 31, 2016 which are based on un-audited consolidated financial statements of the Joint Venture as at June 30, 2015, as furnished to us by the management.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e. The matters described in the Basis for Qualified Opinion paragraph, sub-paragraph (b), (d) (e), (g), (h), (i) and (j) under the emphasis of matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- f. On the basis of written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies, associate Company, jointly controlled entity incorporated in India, none of the directors of the Group companies, its associate company and jointly controlled entity incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. With respect to the adequacy of the internal financial controls over financial reporting of the the Group, its associate and jointly controlled entity and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entity – Refer Note 33 in respect of Contingent Liabilities and Note no. 65 of the consolidated financial statements in respect of other pending litigations;
 - (ii) The Group, its associate and jointly controlled entity did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies, associate company and jointly controlled entity incorporated in India.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Sd/-

Pranav Jain

Partner

Place : Gurgaon

Date : May 26, 2016

Membership No.: 098308

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to 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 consolidated financial statements for the year ended March 31, 2016]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of the Group, its associate company and jointly controlled entity, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group, its associate company and jointly controlled entity, which are companies incorporated in India, are 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our 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 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 financial statements 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 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.

Opinion

In our opinion, the Group, its associate company and jointly controlled entity, which are companies incorporated in India,

have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 35 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Further in respect of an

associate company and a jointly controlled entity, which are companies incorporated in India and whose financial statements have not been audited by us and have been furnished to us by the Management, we are unable to comment on the adequacy and operating effectiveness of the internal financial controls over financial reporting.

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

Place : Gurgaon
Date : May 26, 2016

Sd/-
Pranav Jain
Partner
Membership No.: 098308

Consolidated Balance Sheet as at March 31, 2016

(₹ in million)

	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	244.93	244.93
Reserves and Surplus	3	2,515.65	5,532.24
		2,760.58	5,777.17
Minority interest		1,943.14	1,892.57
Non-current liabilities			
Long-term borrowings	4	27,181.01	30,413.04
Deferred tax liabilities (net)	5	0.63	-
Other long term liabilities	6	395.83	311.36
Long-term provisions	7	191.57	741.65
		27,769.04	31,466.05
Current liabilities			
Short-term borrowings	8	1,087.37	2,151.40
Trade payables			
Dues to micro, small and medium enterprises	9	27.24	21.87
Dues to others	9	924.10	961.97
Other current liabilities	10	11,801.49	8,448.53
Short-term provisions	11	476.18	550.24
		14,316.38	12,134.01
		46,789.14	51,269.80
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	11,646.40	12,320.74
Intangible assets	12	1,211.79	1,602.12
Capital work-in-progress	12	446.91	471.09
		13,305.10	14,393.95
Goodwill on consolidation	31	10,589.57	10,663.75
Non-current investments	13	1,338.18	1,779.09
Deferred tax assets (net)	5	0.61	1.02
Long-term loans and advances	14	2,999.42	3,538.92
Other non-current assets	15	511.54	466.43
		4,849.75	5,785.46
Current assets			
Inventories	16	203.34	360.35
Trade receivables	17	14,729.11	16,429.52
Cash and bank balances	18	1,062.03	1,600.37
Short-term loans and advances	19	853.52	1,771.11
Other current assets	20	1,196.72	265.29
		18,044.72	20,426.64
		46,789.14	51,269.80
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

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

Pranav Jain
Partner
Membership No.: 098308

Place: Gurgaon
Date: May 26, 2016

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

Sd/-
Shantanu Prakash
Chairman and Managing Director
DIN: 00983057

Sd/-
Yogesh Saluja
Company secretary

Sd/-
V. K. Dandona
Whole Time Director
DIN: 06730804

Sd/-
Ashish Mittal
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(₹ in million)

	Note	Year ended March 31, 2016	Year ended March 31, 2015
Income:			
Revenue from operations	21	4,994.96	5,182.02
Other income	22	878.55	759.95
Total revenue		5,873.51	5,941.97
Expenses:			
Purchase of traded goods	23	405.07	311.66
Changes in inventories of stock-in-trade	24	54.97	10.05
Cost of construction services	52	0.31	3.74
Employee benefit expenses	25	2,217.72	2,499.08
Finance cost	26	3,733.31	3,670.41
Depreciation and amortization expense	12	778.35	949.14
Other expenses	27	2,584.35	2,845.54
Total expenses		9,774.08	10,289.62
Loss before prior period items, exceptional items, tax, minority interest and share in loss of associate		(3,900.57)	(4,347.65)
Prior period items	28 (a)	136.27	71.24
Loss before exceptional item, tax, minority interest and share in loss of associate		(4,036.84)	(4,418.89)
Exceptional items	28 (b)	787.14	12,579.16
Loss before tax, minority interest and share in loss of associate		(4,823.98)	(16,998.05)
Tax expense:			
Current tax		50.50	36.26
Deferred tax credit		0.54	(47.45)
Tax earlier year's (Refer note 56)		(190.58)	-
Tax expense		(139.54)	(11.19)
Loss after tax but before minority interest and share in loss of associate		(4,684.44)	(16,986.86)
Share of loss of associate		15.91	10.03
Minority interest		(227.65)	(575.34)
Loss after tax, minority interest and share of loss of associate		(4,472.70)	(16,421.55)
Loss per share (₹)	29		
Basic and Diluted		(36.52)	(134.10)
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

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

Pranav Jain
Partner
Membership No.: 098308

Place: Gurgaon
Date: May 26, 2016

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

Sd/-
Shantanu Prakash
Chairman and Managing Director
DIN: 00983057

Sd/-
Yogesh Saluja
Company secretary

Sd/-
V. K. Dandona
Whole Time Director
DIN: 06730804

Sd/-
Ashish Mittal
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2016

(₹ in million)

	Year ended March 31, 2016	Year ended March 31, 2015
Cash flows from operating activities		
Net (Loss) before taxation and after prior period as per Statement of Profit and Loss	(4,823.98)	(16,998.05)
Adjusted for :		
Net prior period adjustments	136.27	71.24
Exceptional items - Provision for doubtful capital advances	-	2,900.71
Exceptional items - Provision for doubtful debts	-	6,502.35
Exceptional items - Discount on down time/precloser	-	436.22
Exceptional items - Impairment of Fixed Assets	-	739.15
Exceptional items - Provision for warranty cost	-	1,195.93
Exceptional items - Doubtful trade receivables and advances written off	658.03	-
Exceptional items - loss on sale of investment	275.00	-
Exceptional items - Credit balances written back	(145.89)	-
Provision written back / provision for obsolescence of Inventory	(12.53)	30.29
Provision for doubtful debts	-	105.40
Provision for doubtful advances	8.23	47.64
Provision for Capital work in progress	9.15	-
Bad debts and advances written off	1.44	46.12
Loan liability written back	(148.98)	-
Liability written back	(265.22)	(342.59)
Depreciation/ amortization	778.35	949.14
Fixed assets balance adjusted against credit balance written back	-	10.86
ESOP amortisation cost	0.79	4.40
Unrealised foreign exchange loss	207.93	440.14
Other non operating income	(127.61)	(123.40)
Interest income	(138.02)	(142.71)
Interest on income tax written back	(9.10)	-
Interest expense	3,733.31	3,670.41
Gain on sale of long term investment	(92.51)	(103.08)
Provision for loss on sale of fixed assets	-	325.08
Loss / (Profit) on sale of fixed assets/ investments	(0.26)	(6.89)
Exchange gain on translation of foreign subsidiaries	(190.93)	(105.89)
Operating (loss) before working capital changes	(146.53)	(347.53)
Adjusted for :		
Trade receivables	2,064.76	(1,515.02)
Inventories	169.54	250.00
Loans & advances and other assets	(412.28)	155.65
Trade payables and other liabilities	305.84	(501.54)
Restricted cash	0.73	(6.93)
Cash generated/(used in) from operations	1,982.06	(1,965.37)
Net prior period adjustments	(136.27)	(68.63)
Taxes refund /(paid) net	209.13	48.16
Net cash generated/(used in) from operating activities (A)	2,054.92	(1,985.84)
Cash flows from investing activities		
Payment of fixed assets (including capital work in progress)	(253.53)	(593.05)
Proceeds/advance against sale of fixed assets	81.42	153.84

Investment in subsidiaries	-	(2.50)
Purchase of investments	-	(199.54)
Sale of investments in other entities	150.00	-
Sale of investment in subsidiaries/associates	819.35	266.83
Loan given	(727.81)	(833.48)
Loan repayment received	895.35	930.24
Interest income	26.44	42.24
Net cash generated /(used in) from investing activities (B)	991.22	(235.42)
Proceeds from issuance of share/warrants	356.77	93.15
Share application money received (net of refund)	8.33	-
Promoter contribution received	230.00	128.60
Proceeds of long-term borrowings	216.54	6,646.29
Repayment of long-term borrowings	(1,636.25)	(1,879.67)
Proceeds/ (repayment) of short-term borrowings	12.48	220.54
Payment of dividend (including corporate dividend tax) net of intercompany dividends	(19.24)	(0.06)
Interest on borrowings	(2,778.16)	(2,454.68)
Net cash (used in)/generated from financing activities (C)	(3,609.53)	2,754.17
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(563.39)	532.91
Opening cash and cash equivalents	1,569.76	1,025.09
Effect of exchange differences on translation of foreign currency cash and cash equivalents	27.69	11.76
Closing cash and cash equivalents	1,034.06	1,569.76

Summary of significant accounting policies (refer note 1)

Notes:

1. Reconciliation of components of cash and cash equivalents

Balances with banks-on current accounts	958.97	1,171.43
Balances with banks-on fixed deposits	59.19	230.85
Cheques/draft on hand	9.76	162.82
Cash on hand	5.25	4.66
Stamps on hand	0.89	-
	1,034.06	1,569.76

- Interest liability converted into funded interest term loan amounting to ₹Nil (Previous year ₹1,453.24 million) due to implementation of corporate debt restructuring (Refer note 50).
- Figures in brackets indicate cash outflow.
- Corresponding figures for the previous year have been regrouped and recast wherever necessary to confirm the current year's classification.

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.:103523W

Pranav Jain

Partner

Membership No.: 098308

Place: Gurgaon

Date: May 26, 2016

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

Sd/-

Shantanu Prakash

Chairman and Managing Director

DIN: 00983057

Sd/-

Yogesh Saluja

Company secretary

Sd/-

V. K. Dandona

Whole Time Director

DIN: 06730804

Sd/-

Ashish Mittal

Chief Financial Officer

1. Significant accounting policies

a. Basis for preparation of Consolidated Financial Statements

The Consolidated Financial Statements include the Financial Statements of Educomp Solutions Limited, ("Parent Company"), its subsidiaries, joint ventures and associates (collectively known as "the Group").

These Consolidated Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis. Accounting policies have been consistently applied and where a newly issued accounting standard is initially adopted or where an existing accounting policy requires a change due to more appropriate presentation of financial statements, such changes are suitably incorporated. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

b. Current/Non-current classification of assets/liabilities

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Companies Act, 2013. The Group has ascertained its operating cycle (except for specific project/contract/product line/service) as 12 months for the purpose of current/non-current classification of assets and liabilities. However, operating cycle for the business activities of the Group covers the duration of the specific project/contract/product line/service and extends up to the realisation of receivables within the agreed credit period normally applicable to the respective lines of business.

c. Use of estimates

The preparation of Consolidated Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

d. Principles of consolidation

The Consolidated Financial Statements have been

combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Parent Company and its share in the post-acquisition increase/decrease in the reserves of the consolidated entities.

Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method. Intra group balances, intra-group transactions and unrealized profit or loss are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered.

Investments in Associates are accounted for using the equity method, under which the investment is initially recorded at cost, identifying any goodwill or capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. Where the associate prepares and presents consolidated financial statements, such consolidated financial statements of the associate are used for the purpose of equity accounting. In other cases, standalone financial statements of associates are used for the purpose of consolidation.

The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which investment in such entities was made is recognized in the Consolidated Financial Statements as goodwill/capital reserve. The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

Minority interest represents the amount of equity attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding Company.

Notes to the Consolidated Financial Statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the Consolidated Financial Statements has not been disclosed in the Consolidated Financial Statements.

As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Differences in accounting policies are disclosed separately. The Consolidated Financial Statements are presented, to the extent possible and required, in the same format as that adopted by the Parent Company for its separate financial statements.

Entities acquired/ sold during the year have been consolidated from/ upto the respective date of their acquisition/ disposal.

The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the company i.e. year ended March 31, 2016.

e. Revenue recognition

The Group derives its revenue from sale, supply and installation of educational products and rendering of educational services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from sale of educational products/ technology equipments is recognized as and when significant risk and rewards of the ownership of goods gets transferred to the buyer. Sales are net of any trade discounts, sales return and Sales Tax/ Value Added Tax.

Revenue under Build Own Operate and Transfer (BOOT model) based contracts is recognized on straight line basis over the period of the contract.

Revenue from educational support services are recognized on completion of related services.

Income from letting out of buildings and from provisioning of maintenance and transportation facilities is recognized ratably over the period of the agreement in accordance with the terms of respective agreements.

The revenue from the sale of user license for software applications is recognized on transfer of the title in the user license. The revenue from education or other services are recognized ratably over the period of service. Revenue from software development on fixed-price, fixed-time frame contracts, where there is no uncertainty as to measurement or collect ability of consideration is recognized as per the percentage of completion method.

Subscription revenue from the web based learning software is recognized ratably over the subscription period.

The revenue from tuition fee is recorded equally over the period of instruction.

Revenue from educational counseling services is recognized after the counseling services have been rendered to the customer.

Revenue from course fee is recognized in a manner over the period of imparting tuition and only after right to claim the fee is established, as per the applicable fee structure of every course.

Revenue in respect of project management and consultancy agreement is recognized on cost plus markup basis, as per the markup percentage mentioned in project management and consultancy agreement.

Interest on fixed deposits is recognized using the time proportion method, based on interest rates implicit in the transaction.

Dividends income is recognized when the right to receive dividend is established.

f. Fixed assets/ depreciation and amortization

Tangible fixed assets 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.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Consolidated Statement of Profit and Loss for the period during which such expenses are incurred.

Losses arising from the retirement of, and gain or losses arising from disposal of tangible asset are determined

as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the Consolidated Statement of Profit and Loss.

Schedule II to the Companies Act 2013 has become applicable to the Group with effect from April 1, 2014. Accordingly, the Group has determined the useful life of its assets as per Schedule II. Useful lives are as under:

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

*Other than project specific assets

Effective April 1, 2014, the Group has revised the useful life of fixed assets in accordance with part C of Schedule II to the Companies Act, 2013 for the purposes of providing depreciation on fixed assets, except for buildings which continue to be depreciated over the period of 30/60 years, as in the previous financial year and some project related assets. The impact on the depreciation, if any has been charged to profit and loss account during the year.

The following are the project related assets purchased under BOOT model, which are depreciated on a straight line basis over the project duration, which is lower than lives prescribed by Schedule II and which best represents useful lives of these assets as these assets are project specific and their useful life for the Company is only till the end of the respective project, where these assets are deployed:

Class of Asset	Useful life
Furniture & fittings	5 years
Computer and accessories - Networks & servers	3-5 years
Office equipments	3-5 years

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.

Leasehold improvements are amortized on the straight-line basis over the primary period of lease or useful life, whichever is shorter.

During the previous year, if Group had not adopted Schedule II to the Companies Act, 2013, depreciation for the year would have been lower by ₹84.42 million and loss for the year would have been lower by ₹84.42 million and the written down value of assets as at March 31, 2015 would have been ₹12,405.16 million as against reported written down value of ₹12,320.74 million. Impact of change in estimates of useful lives on subsequent periods is not realistically ascertainable.

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.

Intangible asset are stated at cost of acquisition less accumulated amortization and impairment loss. 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, 4 years for knowledge-based content. Licensed intangible assets are amortized over the period of license. Goodwill on purchase is being amortized over a period of 10 years. License rights taken by the subsidiaries for a long period of time are amortized over the life of license and the respective subsidiaries have disclosed the reasons for considering useful life of the asset to be more than 10 years in their separate financial statements.

Cost of an internally generated assets 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.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the assets are disposed off.

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.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on the individual project is recognized as an individual asset when the Group 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.

g. Impairment of assets

The carrying amounts of assets are reviewed at each Consolidated Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of asset's net selling price and value in use which means the present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal. An Impairment loss is charged to the Consolidated Statement of Profit and Loss in the year in which an asset is impaired.

For the purpose of impairment testing, goodwill is allocated to each of the companies' cash- generating units expected to benefit from the synergies of the acquisition. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in the subsequent period.

Reversal of impairment loss is recognized immediately as income in the Consolidated Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h. Leases

Operating leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

As lessee:

Lease payments under operating lease are recognized as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

As lessor:

The assets given under operating lease are shown in the Consolidated Balance Sheet under fixed assets and depreciated on a basis consistent with the depreciation

policy of the Group. Lease income are recognized on a straight line basis/ agreed terms over the period of lease as the case may be.

Finance leases

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 capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term and the useful life envisaged in Schedule II to the Act.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets.

Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense 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.

i. Inventories

Inventory comprises of traded goods and is valued at lower of cost and net realizable value. 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 realizable 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.

Items of consumable inventory are valued at cost.

j. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are stated at acquisition cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Current investments are valued at lower of cost and market rate on individual investment basis.

Investments that are realizable within the period of twelve months from the Balance Sheet date are classified as current investment. All other investments are classified as non-current investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Consolidated Statement of Profit and Loss.

k. Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Exchange differences arising on the settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, other than those relating to fixed assets and other long term assets are recognized as income or as expenses in the year in which they arise. Non Monetary items are carried at cost.

The Group classifies all its foreign operations as either "integral foreign operations" or "non integral foreign operations."

In translating the financial statements of Companies which are treated as non-integral foreign operations, all the assets and liabilities, both monetary and non-monetary, are translated at the rate prevailing on the Balance Sheet date and income and expenses items are translated at the respective average rate. All resulting exchange differences should be accumulated in a foreign currency translation reserve until the disposal of the net investment. Exchange difference arising on arising on the monetary item that, in substance, forms part of enterprise's net investment in a non integral foreign operations are accumulated in a foreign currency translation reserve account.

In translating the financial statements of Companies which are treated as integral foreign operations, monetary items at the Balance Sheet date are translated using the rates prevailing on the Balance Sheet date, non-monetary assets are recorded at the rates prevailing on the date of the transaction and income and expenditure items are translated at the average exchange rate of their respective foreign currencies.

l. Employee benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as Short term employee benefits. Benefits such as salaries, wages, and bonus etc are recognized in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service. The employees of some Companies of the Group are further entitled to sick leaves which cannot be en-cashed and will lapse at the end of the calendar year. The Group is providing provision for such employee benefits on the basis of its best estimate.

Long term employee benefits

(a) Defined contribution plan

Contributions to provident fund, labour welfare fund and Employee State Insurance are deposited with the appropriate authorities and charged to the Consolidated Statement of Profit and Loss on accrual basis. The Group has no further obligations under these plans beyond its monthly contributions.

(b) Defined benefit plan

Leave benefits

The Group has provided for the liability at the year end on account of unavailed earned leave as per the actuarial valuation as at the year end as per the Projected Unit Credit method in accordance with Accounting Standard 15, "Employee benefits". All actuarial gains/losses are charged to the Consolidated Statement of Profit and Loss in the year these arise.

Gratuity

The Group provides for retirement benefits in the form of Gratuity. The Group's gratuity plan is a defined benefit plan. The present value of gratuity obligation under

such defined plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under the defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognized immediately in the Consolidated Statement of Profit and Loss.

(c) *Employee stock option scheme*

The stock options are accounted as per the accounting treatment prescribed by the employee stock option scheme and Employee Stock Purchase Guidelines, 1999 issued by Securities Exchange Board of India, whereby the intrinsic value of the option being, excess of market value of the underlying share immediately prior to the date of award over its exercise price is recognized as deferred employee compensation with a credit to Employee stock options outstanding account. The deferred employee compensation is charged to Consolidated Statement of Profit and Loss on straight line basis over the vesting period of the option. The balance in employee stock option outstanding account net of any unamortized deferred employee compensation is shown separately as part of shareholders' fund.

m. Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an 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.

n. Provision for tax

Tax expense for the year comprises current and deferred.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Tax expense or benefit is recognized on timing difference between accounting and taxable income that originates in one year and is capable of reversal in one or more subsequent period. Deferred tax assets and liabilities

are measured using the tax rates and laws that are enacted or substantively enacted by the Balance Sheet date.

The Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which these assets can be realized in future where as in cases of existence of carry forward of losses or unabsorbed depreciation, deferred tax assets are recognized only if there is virtual certainty of realization backed by convincing evidence. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year for entities of the Group, which are subject to Indian Income Tax Act, 1961 is charged to the Consolidated Statement of Profit and Loss as current tax. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Consolidated Statement of Profit and Loss and shown as MAT Credit receivable. The respective company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit receivable to the extent there is no longer convincing evidence to the effect that the respective company will pay normal income tax during the specified period.

o. Contingent liabilities and provisions

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

Provisions

A provision is recognized when the Group has a present 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.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after tax (and including post tax effect of any extra-ordinary item) 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 issue to existing shareholders.

For the purpose of calculating diluted earning per share, the net profits 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.

q. Cash flow statement

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effect of transaction

of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities are segregated.

r. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

s. Share issue expenses

Share issue expenses are adjusted against the securities premium account as permissible under Section 52 of the Act, to the extent balance is available for utilization in the securities premium account. The balance of share issue expenses in excess of securities premium account, if any, is charged to Consolidated Statement of Profit and Loss.

t. Prior Period Items and Exceptional Items

Prior period expenses/ incomes are shown as prior period items in the Consolidated Statement of Profit and Loss as per the provisions of Accounting Standard-5, 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'.

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments or subsidiaries, charges relating to the acquisition of subsidiaries, write down of inventories and significant disposal of fixed assets.

Items of income or expense that arise from events or transactions that are distinct from ordinary activities of the enterprise and are not expected to recur frequently or regularly are treated as extraordinary items.

Notes to the consolidated financial statements for the year ended March 31, 2016

Amounts in the consolidated financial statements are presented in ₹million, except for number of shares and as otherwise stated

2. Share capital

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Authorized shares		
200,000,000 (previous year 200,000,000) equity shares of ₹2 each	400.00	400.00
Issued, subscribed and fully paid-up shares		
122,467,168 (122,467,168) equity shares of ₹2 each fully paid-up	244.93	244.93
	244.93	244.93

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	122,467,168	244.93	122,441,068	244.88
Shares Issued during the year	-	-	26,100	0.05
Shares outstanding at the end of the year	122,467,168	244.93	122,467,168	244.93

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends 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.

c. Details of shareholders holding more than 5% shares in the Company

(₹ in million)

	As at March 31, 2016		As at March 31, 2015	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity shares of ₹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	-	-	9,898,370	8.09%

d. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of last five years immediately preceeding the reporting date

Particulars	As at March 31, 2016	As at March 31, 2015
Equity shares fully paid up pursuant to contract(s) without payment being received in cash-bonus shares	-	55,643

e. Share reserved for issue under options/contracts

For details of shares reserved for issue on conversion of Zero Coupon Foreign Currency Convertible Bonds, please refer note 35.

For details of shares reserved for issue on conversion of share warrants, please refer note 36.

For details of shares reserved for issue on exercise of employee stock options, please refer note 37.

For details of shares reserved for issue to lender banks as per CDR please refer note 50.

3. Reserve and surplus

(₹ in million)

	As at March 31, 2016	As at March 31, 2015
Capital reserve		
On consolidation (refer note 31)		
Opening balance	102.56	39.62
Add :Effects of changes in the Group's interest	-	62.94
	102.56	102.56
Others		
Opening balance	411.66	411.66
Add: On account of forfeiture of share warrant	-	-
	411.66	411.66
Closing balance	514.22	514.22
Securities premium account		
Opening balance	18,031.72	18,138.12
Add: On issue of shares (including shares issued under employee stock option schemes)	1,700.76	4.96
Less: FCCB redemption premium (net of tax effect) (refer note 35)	50.73	111.36
Closing balance	19,681.75	18,031.72
Debenture redemption reserve		
Opening balance	-	470.34
Less :Transferred to General Reserve (refer note 50)	-	470.34
Closing balance	-	-
Employee stock options outstanding account (refer note 37)		
Opening balance	95.36	129.35
Add: Employee stock compensation provided	0.79	4.04
Less: Employee stock compensation reversed	76.44	33.68
Less: Transfer to securities premium account on exercise of stock options	-	4.35
Closing balance	19.71	95.36
General reserve		
Opening balance	1,429.78	938.90
Add: Transferred from debenture redemption reserve	-	470.34
Add: ESOS cost reversal on forfeiture	76.44	33.68
Less: Effect of change in share holding of Subsidiaries	-	13.14
Closing balance	1,506.22	1,429.78
Surplus		
Opening balance	(14,515.56)	1,962.73
Add: Loss for the year	(4,472.70)	(16,421.55)
Less: Proposed dividend	20.78	-
Add: Adjustment for minority interest	85.80	-
Less: Impact on transition to Schedule II [refer note 12 (ii)]	-	56.80
Add: Effect of change in share holding of Joint Venture Company/ Subsidiaries	-	0.06
Closing balance	(18,923.24)	(14,515.56)
Foreign currency translation reserve		
Opening balance	712.82	587.25
Addition/(reduction) during the year	(154.09)	125.57
Closing balance	558.73	712.82
Foreign Currency Monetary Items Translation Difference Account (refer note 38)		
Opening balance	(736.10)	(670.92)
Add: Addition during the year	(299.38)	(199.28)
Less: Amortisation during the year	(193.74)	(134.10)
Closing balance	(841.74)	(736.10)
	2,515.65	5,532.24

4. Long-term borrowings

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Bonds and Debentures		
13.50%, 350 Non Convertible Debentures (previous year 350) of ₹1,000,000 each (secured)	350.00	350.00
13.25%, 100 Non Convertible Debentures (previous year 100) of ₹1,000,000 each (secured)	100.00	100.00
10 Zero Coupon Foreign Currency Convertible Bonds (previous year 10) of \$ 1,000,000 each (secured) (refer note 35)	663.33	625.91
Secured		
Term Loans		
from banks	21,894.03	24,247.66
from others		
External Commercial Borrowings	3,376.95	4,381.36
Deferred payment liabilities towards leasehold land	-	31.12
Unsecured		
from related parties (refer note 53)	584.65	354.65
from others	206.86	318.47
Deferred payment liabilities towards expenses	5.19	3.87
	27,181.01	30,413.04
Note:		
1. Refer note 10 for current maturities of long term borrowings		
2. Refer note 50 for details of securities and principal terms of borrowings		

5. Deferred tax

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax liability (net)		
Differences in net book value of fixed assets as per books and WDV of income tax	547.15	517.24
Unabsorbed losses and depreciation/amortisation	(535.41)	(505.85)
Effect of expenditure allowable on payment basis u/s 37 of Income Tax Act, 1961.	0.34	0.06
Provision for doubtful debts and advances	(11.45)	(11.45)
	0.63	-
Deferred tax assets (net)		
Differences in net book value of fixed assets as per books and WDV of income tax	0.52	0.55
Effect of expenditure allowable on payment basis u/s 37 of Income Tax Act, 1961.	0.09	0.47
	0.61	1.02

Note:

- Deferred Tax Asset is disclosed only to the extent deferred assets are recognised in subsidiary entities on satisfaction of reasonable/virtual certainty for recovery and to the extent of deferred tax liability for subsidiary entity for which recovery of net deferred tax assets are not reasonably/virtual certain.
- Deferred tax balances of the Group have been aggregated on a line by line basis for the like items.

6. Other Long-term liabilities

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Advance from related party (refer note 53 & 66)	42.28	42.28
Others		
Advance from customers (others)	191.07	148.02
Premium on Foreign Currency Convertible Bond of USD 10 million (refer note 35)	162.09	111.36
Security deposits	0.39	-
Payable for capital assets	-	8.92
Others	-	0.78
	395.83	311.36

7. Long-term provisions

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Gratuity (refer note 39)	74.70	72.59
Leave benefits	1.42	7.42
Other provisions		
Provision for warranties (refer note 63)	115.45	661.64
	191.57	741.65

8. Short-term borrowings

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Term Loans		
Secured		
from banks	39.50	-
Loans repayable on demand		
Working capital loans from banks- secured	1,022.22	2,085.01
Other loans		
Others-unsecured	25.65	66.39
	1,087.37	2,151.40

Note:

1. Refer note 50 for details of securities and principal terms of borrowings

9. Trade payables (Current)

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Dues to micro, small and medium enterprises (refer note 64)	27.24	21.87
Dues to others* (including acceptances)	924.10	961.97
	951.34	983.84

* includes trade payable to related parties (refer note 53)

10. Other current liabilities

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term debts*		
External Commercial Borrowings	1,266.35	-
Term loans from banks (secured)	6,167.23	5,475.99
Term loans from other parties (unsecured)	211.23	306.46
Deferred payment liabilities towards leasehold land (secured)	-	8.14
Current maturities of finance lease obligations* (unsecured)	-	24.54
Interest accrued but not due on borrowings	211.74	200.85
Interest accrued and due on borrowings	1,595.46	745.39
Advances from customers	468.37	257.65
Advances from related party (refer note 53)	18.79	18.79
Income received in advance	1,024.23	864.61
Advance against sale of fixed assets held for sale (refer note 12)	94.00	14.00
Unpaid dividend (refer note 18)	1.46	1.50
Other payables		
Employee related payables**	376.83	393.22
Statutory dues (including tax deducted at source payable, provident and other funds payable, works contract tax payable and service tax payable)	33.33	38.26
Expense payable	18.67	30.55
-Dues to others	42.82	25.61
-Dues to micro, small and medium enterprises (refer note 64)		
Payable for supply/construction of fixed assets	23.93	21.10
Payable against corporate guarantee	223.82	-
Retention money payable to contractors	12.87	13.32
Other deductions payable to contractors	0.28	0.28
Others	10.09	8.27
	11,801.49	8,448.53

Note:

* Refer note 50 for details of securities and principal terms of borrowings

** Includes employee related payable to Mr. V.K. Dandona amounting to ₹0.20 million (previous year ₹0.29 million)

11. Short-term provisions

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Gratuity (note 39)	2.64	2.88
Leave benefits	6.70	7.80
Other provisions		
Provision for warranties (refer note 63)	461.78	534.29
Provision for commission	0.38	4.98
Provision for income tax	4.68	0.29
	476.18	550.24

12. Fixed assets

(₹ in million)

	Gross block				Accumulated depreciation and amortization				Net block	
	As at April 1, 2016	Additions	Disposals	Other adjustments	As at March 31, 2016	As at April 1, 2015	Charge for the year [refer note (ii)]	Disposals	Other adjustments	As at March 31, 2016
Tangible assets										
Land (freehold) \$ # (refer note 46(d))	6,222.91	-	246.19	-	5,976.72	0.03	-	-	-	0.03
Land (leasehold)	103.53	-	-	-	103.53	1.67	1.25	-	-	2.92
Buildings (owned) (refer note 40)	6,189.64	98.56	347.72	-	5,940.48	581.63	104.16	45.68	-	640.11
Leasehold improvements	74.93	0.73	0.63	(10.80)	64.23	56.81	6.15	0.63	(8.47)	53.86
Office equipment (owned)	771.42	12.13	384.31	(2.52)	396.72	607.96	61.12	384.06	(2.26)	282.76
Office equipment-finance lease	68.95	-	-	-	68.95	47.36	13.77	-	-	61.13
Furniture and fixtures (owned)	426.81	17.14	106.02	0.07	338.00	317.86	41.11	105.97	0.33	253.33
Computers and accessories (owned)	853.38	29.62	541.55	(24.01)	317.44	780.72	39.00	534.21	(16.70)	268.81
Computers and accessories-finance lease (refer note 41)	90.32	-	-	-	90.32	90.31	-	-	-	90.31
Vehicles	29.68	1.23	0.21	-	30.70	26.48	1.15	0.20	-	27.43
Sub total	14,831.57	159.41	1,626.63	(37.26)	13,327.09	2,510.83	267.71	1,070.75	(27.10)	1,680.69
Intangible assets										
Goodwill on purchase	63.40	-	-	-	63.40	34.86	6.36	-	-	41.22
Software	626.57	0.09	66.40	(382.92)	177.34	550.93	9.36	66.40	(319.15)	174.74
Knowledge-based content*	3,610.09	310.54	-	(412.15)	3,508.48	2,699.87	446.62	-	(232.90)	2,913.59
Trade mark license** [refer note 46(e)]	807.71	52.41	-	0.07	860.19	219.99	48.30	-	-	268.29
Sub total	5,107.77	363.04	66.40	(795.00)	4,609.41	3,505.65	510.64	66.40	(552.27)	3,397.62
Grand total	19,939.34	522.45	1,693.03	(832.26)	17,936.50	6,016.48	778.35	1,137.15	(579.37)	5,078.31
Capital work in progress (refer note 32)										476.06
Less:- Provision										(29.15)
Total										13,305.09
* (i) Knowledge based content includes :										
(a) Internally generate assets:										
Current Year	2,333.27	301.02	-	90.95	2,725.24	1,790.19	331.71	-	66.85	2,188.75
Previous year	2,165.51	147.62	6.25	26.39	2,333.27	1,422.43	358.88	5.93	14.81	1,790.19

\$ Includes land amounting ₹1,408.56 million (Previous year ₹1,408.56 million) pending registration in the name of respective subsidiaries of the Group.

(iii) The carrying amount of the assets (except buildings and project assets) as on April 1, 2014 has been depreciated over the remaining revised useful life of the fixed assets as per Schedule II to Companies Act 2013. Further, an amount of ₹56.81 million representing the carrying amount of the assets having revised useful life as NIL as at April 1, 2014, has been adjusted from the opening reserves as on April 1, 2014 pursuant to the Companies Act, 2013.

(₹ in million)

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Trade mark license	1,217.78	53.33	463.39	(0.01)	807.71	165.07	45.11	-	9.81	219.99	587.72
Sub total	5,253.67	402.66	469.80	(78.76)	5,107.77	3,015.72	514.04	6.07	(18.04)	3,505.65	1,602.12
Total	20,739.43	698.84	1,380.65	(118.28)	19,939.34	5,055.60	1,005.94	21.46	(23.60)	6,016.48	13,922.86
Capital work in progress											491.09
Less:- Provision											(20.00)
Total											14,393.95
Grand Total											28,316.81
* (i) Knowledge based content includes :											
(a) Internally generate assets:											
Current Year	2,165.51	147.62	6.25	26.39	2,333.27	1,422.43	358.88	5.93	14.81	1,790.19	543.08
Previous year	1,720.15	343.88	8.97	110.45	2,165.51	905.48	440.10	(0.04)	76.81	1,422.43	743.08

13. Investments

Non-current Investments

(₹ in million)

Particulars	No of Shares/Units as at		Extent of holding as at		Face value\$	As at	As at
	March 31 2016	March 31 2015	March 31 2016	March 31 2015		March 31, 2016	March 31, 2015
A) Long term, unquoted, trade, at cost							
a) Investment in associates in equity share (refer note 45)							
Greycells 18 Media Limited#*	2,999,749	2,999,749	25.78%	25.78%	₹10	88.65	104.56
						88.65	104.56
b) Others							
8% Cumulative Redeemable Non-convertible Preference Shares, in Edu Smart Services Private Limited of ₹100 each, fully paid	4,500,000	4,500,000			₹100	450.00	450.00
5% Non-Cumulative Redeemable Non Convertible Preference Shares, in Edu Smart Services Private Limited of ₹10 each, fully paid	19,953,551	19,953,551			₹10	199.54	199.53
5% Cumulative Compulsorily Convertible Preference Shares, in Edu Smart Services Private Limited of ₹10 each, fully paid	5,470,929	5,470,929			₹10	600.00	600.00
c) Investment in Trust							
India Education Fund# (refer note 46(g))	425,000	425,000			₹1000	-	425.00
						1,249.53	1,674.53
						1,338.18	1,779.09
Aggregate amount of unquoted investments						1,338.18	1,779.09
Aggregate amount of quoted investments						-	-
# shares are earmarked as per terms of Master Restructuring Agreement pursuant to CDR. (Refer note 50).							
\$ Shares are fully paid up, unless otherwise stated.							
Note:-							
As per MRA, the respective companies of Group under CDR, 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, these Companies, shall sale its non-core assets including investments, wherever applicable with prior approval of the Asset Sale Monitoring Committee.							
*Greycells 18 Media Limited							
% of Voting interest						25.78%	25.78%
Cost of acquisition						159.91	159.91
Add: Further investment during the year						-	-
Share of post acquisition Reserves and Surplus						(71.26)	(55.35)
Carrying cost of investment						88.65	104.56

14. Long term loans and advances

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital advances		
Unsecured, considered good		
- Others	1,303.73	1,342.95
Unsecured, considered doubtful	4,205.39	4,255.39
Less: Provision for doubtful advances [refer note 46(c) & (f)]	(4,205.39)	(4,255.39)
	1,303.73	1,342.95
Unsecured, considered good		
Security deposits	215.08	216.47
Earnest money deposits	-	0.56
Advance income tax [net of provision of tax ₹76.04 million (previous year ₹75.22 million)]	28.65	68.03
Minimum Alternate Tax credit entitlement	105.40	130.60
Balance with Statutory/Government authorities	26.48	57.39
TDS Recoverable [net of provision of tax ₹0.02 million (previous year ₹0.02 million)]	204.17	174.93
Loans and advances to related parties (refer note 53)	811.40	1,154.47
Prepaid expenses	85.23	71.99
Advance recoverable in cash or in kind		
- Others	219.28	316.52
Others loans and advances	-	5.01
Unsecured, considered doubtful		
Advance for supply of goods and rendering of services	108.97	108.97
Balance with Statutory/Government authorities	3.51	3.51
Loans and advances to related parties (refer note 53)	27.23	27.23
Less: Provision for doubtful advances	(139.71)	(139.71)
	2,999.42	3,538.92

15. Other non current assets

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Non-current bank balances		
Held as margin money/security*	22.32	10.87
Others		
Interest accrued on loans to related parties (refer note 53)	484.43	452.54
Interest accrued but not due on deposits		
Held as margin money/security	4.79	3.02
	511.54	466.43

*margin money deposit given against borrowings, letter of credit and bank guarantees

16. Inventories (valued at Lower of Cost and Net Realisable Value)

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Stock-in-trade		
Technology equipments	162.91	219.40
Educational products	83.77	107.12
Less: Provision for obsolescence	(43.34)	(55.87)
	203.34	270.65
Consumables	-	89.70
	203.34	360.35

17. Trade receivables*

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	10,635.28	9,520.67
Unsecured, considered doubtful	4,788.39	6,550.01
Less: Provision for doubtful debts [refer note no. 44 & 46(a)]	(4,788.39)	(6,550.01)
	10,635.28	9,520.67
Other receivables		
Unsecured, considered good	4,093.83	6,908.85
Unsecured, considered doubtful	2,392.39	1,238.55
Less: Provision for doubtful debts	(2,392.39)	(1,238.55)
	4,093.83	6,908.85
	14,729.11	16,429.52

*includes receivables from related parties (refer note 53)

18. Cash and bank balances

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Balances with banks		
- on current accounts	958.97	1,171.43
- on fixed deposits	59.19	230.85
Cheques/draft on hand	9.76	162.82
Cash on hand	5.25	4.66
Stamp on hand	0.89	-
Other bank balances		
- unpaid dividend account (refer note 10)	1.46	1.50
- deposit with original maturity of more than three months but less than twelve months#	0.12	1.61
- margin money deposit*	26.39	27.50
	1,062.03	1,600.37

*margin money deposit given against borrowings, letter of credit and bank guarantees

Includes ₹Nil (previous year ₹1.61 million) being pledged with bank as security deposit against bank guarantees issued to tax authorities/government authorities/against loans.

19. Short term loans and advances

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Loans and advances-others		
Unsecured, considered good		
For supply of goods and rendering of services	179.62	198.22
Balance with Statutory/Government authorities	27.12	6.65
TDS Recoverable [net of provision of tax ₹Nil (previous year ₹190.91 million)]	-	16.75
Security deposit	368.57	365.27
Earnest money deposit	1.31	0.82
Loans and advances to employees	31.39	25.23
Prepaid expenses	177.43	62.43
Others	68.08	1,095.74
Unsecured, considered doubtful		
Security deposit	1.35	1.35
Advance for supply of goods and rendering of services	38.58	70.21
Loans and advances to employees	3.33	3.33
Earnest money deposits	9.93	9.93
Less: Provision for doubtful advances	(53.19)	(84.82)
	853.52	1,771.11

20. Other current assets

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Unbilled receivables	0.01	7.61
Interest accrued on deposits		
Held as margin money	0.06	1.38
Others	0.13	1.05
Stamp papers in hand	0.08	0.89
Assets held for sale (at lower of cost or realisable value) (refer note 12)	794.57	246.34
Recoverable against corporate guarantee	223.82	-
Others* (refer note 53)	178.05	8.02
	1,196.72	265.29

* Includes receivable from Gyan Kunj Educational Trust amounting to ₹Nil (previous year ₹0.48 million)

21. Revenue from operations

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sale of education products and technology equipment	1,766.47	1,520.91
Education and other services	2,911.41	3,253.67
Lease rent [refer note 40 (2)(b)]	316.76	403.54
Revenue from construction and service contracts (refer note 52)	0.32	3.90
	4,994.96	5,182.02

22. Other Income

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest income	147.12	146.82
Provision no longer required written back	273.93	53.58
Profit on sale of fixed assets	0.30	10.13
Profit on sale of investment		
-Long term	92.51	103.09
Foreign exchange gain	33.92	0.69
Other non-operating income	330.77	445.64
	878.55	759.95

23. Purchase of traded goods

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Technology equipment	349.87	161.83
Educational products	55.20	149.83
	405.07	311.66

24. Change in Inventories of stock-in-trade

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Changes in inventories		
Opening -stock-in-trade		
Technology equipment	219.40	351.15
Educational products	125.59	91.58
Less: Adjustment pursuant to sale of investment in subsidiary		
Educational products	-	(18.47)
Less: Transfer to fixed assets/repair and maintenance	(43.34)	(87.69)
	301.65	336.57
Closing -stock-in-trade		
Technology equipment	162.91	219.40
Educational products	83.77	107.12
	246.68	326.52
	54.97	10.05

25. Employee benefits expense

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages and bonus	1,995.33	2,274.55
Contribution to provident and other funds (refer note 39)	134.31	141.66
Gratuity expenses (refer note 39)	25.48	24.25
ESOP amortisation cost (refer note 37)	0.79	4.40
Staff welfare expenses	61.81	54.22
	2,217.72	2,499.08

26. Finance cost

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense (refer note 50)	3,719.35	3,639.24
Interest on delay in payment of Income taxes	0.54	10.82
Other borrowing costs	13.42	20.35
	3,733.31	3,670.41

27. Other expenses

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Lease rent [refer note 40 (1)(b)]	143.09	161.94
Rates and taxes	21.98	34.99
Travelling and conveyance	185.76	202.73
Recruitment and training	17.44	14.00
Legal and professional fees	771.27	582.11
Communication	48.31	53.91
Printing and stationery	217.43	300.88
License fees and royalty	72.69	51.16
Repair and maintenance		
Building	18.18	20.38
Machinery	21.79	7.85
Others	195.88	168.92
Power and fuel	35.27	38.28
Insurance	12.58	10.70
Commission on sales	128.91	128.55
Advertisement, publicity and business promotion	268.24	279.02
Freight and forwarding	43.87	26.49
Bank charges	10.31	5.14
Bad debts and advances written off	1.44	46.12
Provision for doubtful trade receivable	16.07	105.40
Provision for doubtful advances	-	47.64
Provision for inventory obsolescence	-	30.29
Foreign exchange loss	249.74	456.69
Loss on sale of fixed assets (net)	0.04	3.61
Corporate Social Responsibility expenses	2.00	1.05
Software development charges	61.64	47.05
Miscellaneous expenses	40.42	20.64
	2,584.35	2,845.54

28. Prior period and exceptional items

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(a) Prior period item		
Revenue from operations	-	4.56
Miscellaneous Income	11.42	12.94
	11.42	17.50

Employee benefit expenses	0.05	9.94
Repair and maintenance - others	73.30	22.80
Advertisement, publicity and business promotion	1.35	0.63
Bank Interest	48.30	31.88
Legal and professional fees	0.10	10.78
Travelling and conveyance	-	0.87
Bank charges	-	0.01
Depreciation and amortisation expenses	-	2.60
Power and fuel	17.43	-
Rates and taxes	-	2.23
Communication	-	0.07
Miscellaneous expenses	7.16	6.93
	147.69	88.74
	136.27	71.24
(b) Exceptional items		
Provision for doubtful trade receivables [refer note 46 (a)]	-	6,502.34
Provision for warranty [refer note 46 (b)]	-	1,511.03
Repair & maintenance [refer note 46 (b)]	-	164.62
Discount on down time/ preclosure [refer note 46 (b)]	-	436.22
Provision for doubtful capital advances [refer note 46 (c), (d), (e) & (f)]	-	3,964.95
Trade receivables and advances written off [refer note 46 (i)]	658.03	-
Loss on sale of investments (net) [refer note 46 (g)]	275.00	-
Credit balance written back [refer note 46 (h)]	(145.89)	-
	787.14	12,579.16

29. Loss per share (EPS)

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Calculation of loss for Basic EPS		
Net loss attributable to equity shareholders		
Loss after tax, minority interest, pre-acquisition profits and share of loss of associates	(4,472.70)	(16,421.55)
Net loss available for calculation of basic EPS (A)	(4,472.70)	(16,421.55)
Total no. of shares outstanding as at the year end (B)	122,467,168	122,467,168
No. of weighted average equity shares		
Basic (C)	122,467,168	122,460,681
Nominal value of equity share [₹]	2	2
Loss per share (₹)		
	(36.52)	(134.10)

*The Company is having potential equity shares as mentioned in note 2.e but there are not considered to be dilutive. Consequently, the basic and diluted EPS of the Company remains the same.

30. (A) Particulars of Subsidiaries, Joint Ventures and Associates considered in the Consolidated Financial Statements are:

Particulars	Country of incorporation	Extent of Control	
		As at March 31, 2016	As at March 31, 2015
Subsidiaries			
Directly Held			
Edumatics Corporation Inc.	USA	100.00%	100.00%
Wheatstone Productions Private Limited	India	51.00%	51.00%
Educomp Learning Private Limited	India	51.00%	51.00%
Educomp Infrastructure & School Management Limited	India	83.71%	83.71%
Educomp School Management Limited	India	68.35%	68.35%
Educomp Professional Education Limited	India	100.00%	100.00%
Educomp Asia Pacific Pte Ltd.	Singapore	100.00%	100.00%
Savvica Inc.	Canada	79.55%	79.55%
Educomp Child Care Private Limited (refer footnote (a))	India	60.66%	63.53%
Educomp Intelliprop Ventures Pte Ltd. (formerly known as Educomp Intelprop Ventures Pte. Ltd.)	Singapore	100.00%	100.00%
Educomp Online Supplemental Service Limited (refer footnote (d))	India	95.90%	95.90%
Vidya Mandir Classes Limited	India	67.00%	67.00%
Educomp Investment Management Limited	India	100.00%	100.00%
Educomp Global Holding WLL	Bahrain	100.00%	100.00%
Educomp Global FZE	UAE	100.00%	100.00%
Indirectly Held			
Educomp Infrastructure Services Private Limited	India	83.71%	83.71%
Educomp APAC Services Limited	British Virgin Island	83.71%	83.71%
Wizlearn Technologies Pte Ltd (earlier known as AsknLearn Pte Ltd) (refer footnote (b))	Singapore	Nil	100.00%
Wiz Learn Pte Ltd. (refer footnote (b))	Singapore	Nil	100.00%
Pave Education Pte Ltd. (refer footnote (b))	Singapore	Nil	100.00%
Singapore Learning.Com Pte Ltd. (refer footnote (b))	Singapore	Nil	100.00%
The Learning Internet Inc	USA	58.32%	58.32%
Falcate Builders Private Limited	India	83.53%	83.53%
Newzone Infrastructure Private Limited	India	83.41%	83.41%
Rockstrong Infratech Private Limited	India	83.47%	83.47%
Reverie Infratech Private Limited	India	83.52%	83.52%
Herold Infra Private Limited	India	83.54%	83.54%
Growzone Infrastructure Private Limited	India	83.52%	83.52%
Hidream Constructions Private Limited	India	83.54%	83.54%
Leading Edge Infratech Private Limited	India	83.44%	83.44%
Strotech Infrastructure Private Limited	India	83.54%	83.54%
Markus Infrastructure Private Limited	India	83.51%	83.51%
Orlando Builders Private Limited	India	83.52%	83.52%
Crosshome Developers Private Limited	India	83.43%	83.43%
Good Luck Structure Private Limited	India	83.34%	83.34%
Evergreen Realtech Private Limited	India	83.39%	83.39%
Zeta Buildcon Private Limited	India	83.54%	83.54%
Onega Infrastructure Private Limited	India	83.47%	83.47%
Grider Infratech Private Limited	India	83.51%	83.51%
Boston Realtech Private Limited	India	83.41%	83.41%

Particulars	Country of incorporation	Extent of Control	
Subsidiaries		As at March 31, 2016	As at March 31, 2015
Modzex Infrastructure Private Limited	India	83.37%	83.37%
Virtual Buildtech Private Limited	India	83.30%	83.30%
Laservision Estates Private Limited	India	83.36%	83.36%
Educomp Learning Hour Private Limited (refer footnote (d))	India	95.90%	95.90%
Knowledge Vistas Limited	India	40.61%	42.69%
Educomp Software Limited (refer footnote (d))	India	95.90%	95.90%
Gateforum Educational Services Private Limited (refer footnote (e))	India	Nil	Nil
Joint Ventures			
Educomp - Raffles Higher Education Limited (refer footnote (c))	India	41.82%	41.82%
Subsidiary of Joint Ventures			
Millennium InfraDevelopers Limited	India	41.82%	41.82%
Associates			
Greycells18 Media Pvt. Limited	India	25.78%	25.78%

30. (B) Statement of net assets and profit or loss attributable to owner and minority interest

(₹ in million)

Name of the Entity	Net Assets (total assets minus total liabilities) as at March 31, 2016		Share in Profit or Loss for the year ended March 31, 2016	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Educomp Solutions Limited	8.20%	1,303.55	71.64%	(3,433.38)
Indian Subsidiaries				
Educomp Child Care Pvt. Limited. (refer footnote (a))	0.55%	87.92	0.11%	(5.13)
Educomp Infrastructure and School Management Limited.	53.83%	8,413.18	27.54%	(1,320.09)
Educomp Infrastructure Services Private Limited.	0.00%	0.23	0.00%	(0.03)
Educomp Investment Management Limited	0.06%	8.89	0.00%	(0.04)
Educomp Learning Hour Pvt. Limited. (refer footnote (d))	(1.99%)	(317.12)	(0.44%)	21.01
Educomp Learning Pvt. Limited.	0.32%	50.39	0.70%	(33.78)
Educomp Online Supplemental Services Limited. (refer footnote (d))	1.53%	243.50	0.02%	(0.85)
Educomp Professional Education Limited.	6.32%	1,004.85	0.01%	(0.26)
Educomp School Management Limited.	0.58%	92.76	0.00%	(0.11)
Educomp Software Limited. (refer footnote (d))	(0.03%)	(4.45)	0.04%	(1.82)
Vidya Mandir Classes Limited	2.10%	334.40	(1.79%)	85.77
Knowledge Vista Limited	1.66%	263.68	0.45%	(21.43)
Wheatstone Productions Pvt Limited.	(0.01%)	(1.72)	0.00%	(0.01)
Boston Realtech Pvt. Limited.	0.43%	67.92	0.00%	(0.09)
Crosshome Developers Private Limited.	0.47%	74.98	0.00%	(0.05)
Evergreen Realtech Pvt. Limited.	0.41%	64.93	0.00%	(0.08)

Name of the Entity	Net Assets (total assets minus total liabilities) as at March 31, 2016		Share in Profit or Loss for the year ended March 31, 2016	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Falcate Builders Private Limited	1.17%	186.79	0.00%	(0.06)
Good Luck Structure Private Limited.	0.35%	56.29	0.00%	(0.06)
Grider Infratech Pvt. Limited.	0.66%	105.74	0.00%	(0.09)
Growzone Infrastructure Private Limited.	0.67%	106.73	0.00%	(0.07)
Herold Infra Private Limited	0.24%	37.82	0.00%	(0.06)
Hidream Constructions Private Limited.	1.72%	273.41	0.00%	(0.12)
Laservision Estates Private Limited	0.37%	58.51	0.00%	(0.06)
Leading Edge Infratech Private Limited.	0.48%	75.82	0.00%	(0.06)
Markus Infrastructure Private Limited.	0.47%	74.32	0.00%	(0.06)
Modzex Infrastructure Private Limited	0.40%	63.29	0.00%	0.22
Newzone Infrastructure Pvt.Limited.	0.46%	73.23	(0.01%)	0.59
Onega Infrastructure Pvt. Limited.	(0.07%)	(11.39)	0.00%	(0.19)
Orlando Builders Private Limited.	0.37%	58.97	0.00%	(0.06)
Reverie Infratech Private Limited	0.21%	32.86	0.00%	(0.06)
Rockstrong Infratech Private Limited.	0.55%	87.35	0.00%	(0.22)
Strotech Infrastructure Private Limited.	0.86%	136.88	0.00%	0.11
Virtual Buildtech Private Limited	0.32%	51.45	0.00%	(0.09)
Zeta Buildcon Pvt. Limited	0.19%	29.84	0.00%	(0.05)
Gateforum Educational Services Private Limited (refer footnote (e))	-	-	-	-
Foreign Subsidiaries				
Edumatics Corporation Inc. USA	0.12%	19.52	(0.11%)	5.30
Educomp APAC Services Limited.	3.76%	598.60	1.00%	(48.04)
Ask N Learn Pte. Limited. (refer footnote (b))	-	-	0.35%	(16.71)
Singapore Learning.com Pte. Limited. (refer footnote (b))	-	-	0.00%	(0.16)
Pave Education Pte. Limited. (refer footnote (b))	-	-	0.02%	(0.77)
Wiz Learn Pte Limited. (refer footnote (b))	-	-	0.00%	(0.21)
Educomp Asia Pacific Pte. Limited.	10.86%	1,727.52	(1.76%)	84.13
Savvica Inc., Canada	(0.02%)	(2.92)	(0.14%)	6.48
Learning Internet Inc. USA	(0.77%)	(123.02)	2.58%	(123.57)
Educomp IntelProp Ventures Pte Limited	(2.14%)	(341.01)	(0.87%)	41.92
Educomp Global Holding	0.27%	43.40	0.00%	-
Educomp Global FZE	(0.08%)	(12.00)	0.00%	(0.05)
Joint Ventures				
Indian				
Educomp Raffles Higher Education Limited (refer footnote (c))	3.36%	534.01	0.30%	(14.30)
Associate				
Indian				
Greycells18 Media Pvt. Limited	0.00%	-	0.33%	(15.91)
Total	100.00%	15,629.90	100.00%	(4,792.65)

Name of the Entity	Net Assets (total assets minus total liabilities) as at March 31, 2016		Share in Profit or Loss for the year ended March 31, 2016	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
a) Adjustment arising out of consolidation		(10,926.16)		92.31
b) Minority Interest				
Indian Subsidiaries				
Educomp Infrastructure and School Management Limited.		1,743.90		(237.50)
Educomp Learning Pvt. Limited.		24.94		(16.55)
Educomp School Management Limited.		29.36		(0.04)
Educomp Child Care Pvt. Limited.		34.59		(1.87)
Vidya Mandir Classes Limited		110.35		28.30
Total Minority Interest		1,943.14		(227.65)
Consolidated net Assets / Loss after tax		2,760.58		(4,472.70)

Footnotes:**a) Educomp Child Care Private Limited**

Up to March 31, 2015 – 63.53% stake was held by Educomp Solutions Limited. During the year, by mode of further issue to a shareholder to the extent of 2.87% of total number of shares as on March 31, 2016, the stake of Educomp Solutions Limited reduced to 60.66%.

b) Wizlearn Technologies Pte Ltd

During the year, entire stake in Wizlearn Technologies Pte Ltd. and its subsidiaries namely Wiz Learn Pte Ltd, Pave Education Pte. Ltd. and Singapore Learning.com Pte. Ltd. has been disposed off on October 22, 2015.

c) Educomp - Raffles Higher Education Limited

Up to March 09, 2015 – 41.82% stake was held by Educomp Professional Education Limited (on March 10, 2015, 41.17% of holding in Educomp Raffles Higher Education Limited was transferred to Educomp Asia Pacific Limited a wholly owned subsidiary of Educomp Solutions Limited)

d) Educomp Online Supplemental Service Limited

During the financial year 2014-15, the stake of Educomp Solutions Limited in Educomp Online Supplemental Services Limited has been increased by 11.69% due to further acquisition of shares by subsidiary, Educomp Child Care Private Limited (acquired 8.79% on September 30, 2014 and 2.90% on November 21, 2014). The stake of wholly owned subsidiary of Educomp Online Supplemental Services Limited namely Educomp Software Limited and Educomp Learning Hour Private Limited has also changed to the same proportion as that of holding.

e) Gateforum Educational Services Private Limited

During the previous year, entire stake in Gateforum i.e 46.66% has been disposed off on August 26, 2014.

31. Goodwill and Capital Reserve on consolidation as on the Balance Sheet date comprises of the following:

(₹ in million)

Goodwill on consolidation of companies	As at	As at
	March 31, 2016	March 31, 2015
Educomp Learning Private Limited	0.66	0.66
Edumatics Corporation Inc.	25.95	25.95
Educomp Infrastructure & School Management Limited	9,316.06	9,316.06
Educomp School Management Limited	9.99	9.99
Wheatstone Productions Private Limited	3.43	3.43
The Learning Internet Inc	653.20	653.20
Wizlearn Technologies Pte Ltd (earlier known as AsknLearn Pte Ltd)	-	74.18

Educomp Professional Education limited	38.79	38.79
Savicca Inc	122.93	122.93
Educomp Online Supplemental Services Limited	206.98	206.98
Vidya Mandir Classes Limited	337.96	337.96
Total Goodwill	10,715.93	10,790.11
Less: Provision for impairment of goodwill related to Wheatstone Productions Private Limited	3.43	3.43
Less: Provision for impairment of goodwill goodwill related to Savicca Inc	122.93	122.93
Net Goodwill	10,589.57	10,663.75

Capital Reserve

(₹ in million)

Capital Reserve on consolidation of companies	As at	As at
	March 31, 2016	March 31, 2015
Educomp Infrastructure & School Management Limited	39.62	39.62
Educomp Child Care Private Limited	62.94	62.94
Total Capital Reserve	102.56	102.56

32. Joint venture information

Joint Venture, as required by AS-27 "Financial Reporting of Interest in Joint Venture". Details of Joint Venture Interest is given below:

Name	Description of interest	Country of incorporation	%age of interest as on March 31, 2016	%age of interest as on March 31, 2015
Educomp-Raffles Higher Education Limited*	Equity Shareholding	India	41.82%	41.82%

*The group has power to govern the financial and operating policies of Joint Venture.

Joint venture entities

The table represents the Group's share of assets and liabilities, and income and results in joint venture, Educomp - Raffles Higher Education limited, to the extent of its proportionate share which are included in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss respectively.

(₹ in million)

Particulars	As at June 30, 2015*	As at March 31, 2015
Reserves and surplus	518.24	(532.54)
Liabilities		
Non-current liabilities	0.81	0.95
Current liabilities	48.82	57.82
Non -Current assets		
Fixed assets (net)	49.58	57.95
Goodwill	38.79	38.79
Deferred tax Assets (Net)	-	-
Long Term Loans and advances	273.95	275.64
Current assets		
Trade receivables	254.14	267.82
Cash and bank balances	2.04	1.87
Short Term Loans and advances	3.84	2.48
Other current assets	0.08	1.33

(₹ in million)

Particulars	As at June 30, 2015*	As at March 31, 2015
Profit and loss account		
Sales & Service income	17.65	83.29
Other income	-	1.50
Total Revenue	17.65	84.79
Expenditure		
Purchase of stock-in-trade	0.31	3.75
Employee benefits expense	7.11	41.35
Other expenses	15.40	62.06
Finance cost	0.68	2.56
Depreciation and amortization expense	8.45	27.28
Exceptional Items	-	0.04
Total Expenditure	31.94	137.06
Net Loss	(14.30)	(52.26)

* The consolidated financial statements of JV of the Company i.e. Educomp Raffles Higher Education Limited as at March 31, 2016 are not available with the Company. The consolidated financial statements of the Company reflects total revenue of ₹17.65 million and total loss after taxes of ₹14.30 million for the year ended March 31, 2016 which are based on unaudited consolidated financial statements of the JV for the quarter ended June 30, 2015.

33. Contingent liabilities

- In respect of Joint Venture : Claims not acknowledged as debt ₹Nil (previous year ₹Nil)
- In respect of subsidiaries;

(₹ in million)

S. No.	Particulars	As at March 31, 2016	As at March 31, 2015
a.	Claims against the Group not acknowledged as debt	102.45	102.45
b.	Corporate guarantee given to bank for secured loan to third parties (Edu Smart Services Pvt. Ltd.)	2,250.00	3,000.00
c.	Other money for which the Group is contingently liable	25.46	25.46
	i. Taxes under adjudication/appeal		
	ii. Premium on redemption of Zero Coupon Foreign Currency Convertible Bonds (net of provision)	57.80	96.13

Notes:

- The loan outstanding to banks against the corporate guarantee in point no. (b) above as on March 31, 2016 is ₹930.28 million (previous year ₹1,487.01 million).
- Future outflows in respect of (b) will arise on crystallization and demand made by bank, and in respect of (c)(ii) on redemption of the bonds on the maturity date, if not converted before the maturity date as per the terms of issue of FCCB.
- Taxes under adjudication/appeal represents ₹25.46 million (Previous year ₹25.46 million) under appeal under service tax. The Group has paid ₹16.98 million (previous year ₹16.98 million) under protest against demands raised by tax authorities.
- The Group does not expect any cash outflows in respect of (a), (b), (c) (i).

34. Commitments

Estimated amount of contracts remaining to be executed on capital account and other commitments and not provided for (net of advances):

Capital commitments (net of advances)

In respect of Joint Ventures to the extent of Group's share

Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of tangible assets ₹Nil (previous year ₹1.63 million) The consolidated financial results of Educomp Raffles Higher Education Limited subsequent to June 30, 2015 are not available with the Company, hence there is no update available on above status.

In respect of others

Estimated amount of contracts remaining to be executed on capital account and not provided for - ₹895.48 million (previous year ₹941.53 million).

Other material commitments

In respect of Joint Venture to the extent of Group's share

Commitment for service contract - ₹Nil (previous year ₹Nil)

In respect of others

Uncalled liability on shares and other investments partly paid up - ₹502.62 million (previous year ₹502.62 million)

Commitment for advertisement contract - ₹492.97 million (previous year ₹494.32 million)

35. Foreign Currency Convertible Bond (FCCB)

The Company had issued 10, Zero coupon foreign currency convertible bonds of \$ 1,000,000 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 ₹188.62 for each equity shares at the applicable exchange rate at the date of conversion. As on March 31, 2016 USD 10 million (previous year USD 10 million) FCCB are outstanding for conversion into equity shares of ₹2 each. Due date for redemption is July 24, 2017 and redemption price at maturity is 133.15% of par value.

Further, based on the current market scenario, the management is of the view that the FCCB holder may opt for redemption, consequently the proportionate premium on redemption amounting ₹162.09 million (previous year ₹111.36 million) has been provided against the securities premium and classified under 'Other long term liabilities'.

36. Share warrants

Educomp Infrastructure & School Management Limited (EISML)

- (i) Pursuant to shareholders resolution dated July 20, 2010, EISML had issued, on July 26, 2010, 800,000 share warrants of ₹10 each on preferential basis to be converted into 800,000 equity shares of ₹10 each

at a premium of ₹676 per share at the option of the holder after a period of one year from the date of issue, subject to maximum period of ten year from the date of issuance and payment of the issue price (including premium) of the equity shares. After period of ten years, the unissued share warrants shall stand forfeited.

- (ii) Pursuant to resolution passed in the meeting of Board of Directors held on March 31, 2012, EISML had issued 5 warrants of ₹133.33 million each aggregating ₹666.67 million against which ₹66.67 million had been received. Warrants issued carries an option/entitlement to subscribe to such number of equity shares at such price as determined in terms of the share cum warrant subscription agreement dated March 29, 2012. The warrants may be exercised at any time within a period of five years from the closing date, March 31, 2012 at the sole discretion of the party. In the event of non exercising of the option, the warrant subscription amount shall stand forfeited.

37. Employee Stock Options Schemes (ESOS)

(i) Educomp Solutions Limited

A. Brief description of schemes

The Company has seven stock option schemes which provides equity shares to employees and directors (excluding promoter director) of the Company and its subsidiaries. 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 1 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.

Employees 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, 2016 and March 31, 2015, the Company had 1,050,000 and 1,053,562 number of shares reserved for issue under the scheme respectively.

Employees 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, 2016 and March 31, 2015, the Company had 805,550 and 905,550 number of shares reserved for issue under the scheme respectively.

Employees 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, 2016 and March 31, 2015 the Company had 1,082,800 and 1,209,800 number of shares reserved for issue under the scheme respectively.

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, 2016 and March 31, 2015 the Company had 988,125 and 998,125 number of shares reserved for issue under the scheme respectively.

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, 2016 and March 31, 2015 the Company had 745,000 and 995,000 number of shares reserved for issue under the scheme respectively.

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, 2016 and March 31, 2015 the Company had 3,371,625 and 3,496,625 number of shares reserved for issue under the scheme respectively.

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, 2016 and March 31, 2015 the Company had 4,898,650 and 4,968,650 number of shares reserved for issue under the scheme respectively.

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

(₹ in million)

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of stock options	Weighted average price (₹)	No. of stock options	Weighted average price (₹)
Employee Stock Option Scheme 2006				
No. of shares under option				
Outstanding at the beginning of the year	10,53,562	43.20	7,97,692	58.80
Granted	6,62,000	13.50	3,57,000	28.98
Exercised	-	-	26,100	25.00
Forfeited during the year	6,65,562	24.92	75,030	147.75
Outstanding at the end of year	10,50,000	36.06	10,53,562	43.20
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable	
Weighted average remaining contractual life (in years)	3.45 yrs		2.69 yrs	
Payment received against share allotted during the year	Nil		0.65 million	

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of stock options	Weighted average price (₹)	No. of stock options	Weighted average price (₹)
Employee Stock Option Scheme 2007				
No. of shares under option				
Outstanding at the beginning of the year	9,05,550	35.74	6,64,760	239.96
Granted	68,000	13.50	5,75,250	24.68
Exercised	-	-	-	-
Forfeited during the year	1,68,000	20.40	3,34,460	422.62
Outstanding at the end of year	8,05,550	37.06	9,05,550	35.74
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable	
Weighted average remaining contractual life (in years)	3.69 yrs		4.69 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	12,09,800	111.77	9,84,763	215.62
Granted	2,40,000	13.50	4,30,000	23.77
Exercised	-	-	-	-
Forfeited during the year	3,67,000	51.37	2,04,963	426.15
Outstanding at the end of year	10,82,800	110.46	12,09,800	111.77
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable	
Weighted average remaining contractual life (in years)	3.31 yrs		4.45 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	9,98,125	75.44	8,60,625	222.63
Granted	2,80,000	13.49	5,85,000	22.55
Exercised	-	-	-	-
Forfeited during the year	2,90,000	44.28	4,47,500	289.36
Outstanding at the end of year	9,88,125	67.03	9,98,125	75.44
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable	
Weighted average remaining contractual life (in years)	3.46 yrs		4.45 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	9,95,000	21.95	8,63,000	93.91
Granted	-	-	4,90,000	19.07
Exercised	-	-	-	-
Forfeited during the year	2,50,000	20.45	3,58,000	191.47
Outstanding at the end of year	7,45,000	22.46	9,95,000	21.95
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable	
Weighted average remaining contractual life (in years)	3.52 yrs		4.50 yrs	
Payment received against share allotted during the year	Nil		Nil	
Employee Stock Option Scheme 2012				
No. of shares under option				
Outstanding at the beginning of the year	34,96,625	32.37	32,04,625	61.56
Granted	-	0	10,40,000	15.84
Exercised	-	-	-	-

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of stock options	Weighted average price (₹)	No. of stock options	Weighted average price (₹)
Forfeited during the year	1,25,000	102.51	7,48,000	134.46
Outstanding at the end of year	33,71,625	29.77	34,96,625	32.37
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable	
Weighted average remaining contractual life (in years)	3.18 yrs		4.22 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	49,68,650.00	14.86	-	-
Granted	1,30,000	13.50	49,68,650.00	14.86
Exercised	-	-	-	-
Forfeited during the year	2,00,000	14.00	-	-
Outstanding at the end of year	48,98,650	14.86	49,68,650.00	14.86
Weighted average grant date fair value per option for options granted during the year at less than market value*	Not applicable		Not applicable	
Weighted average remaining contractual life (in years)	3.16 yrs		4.15 yrs	
Payment received against share allotted during the year	Nil		Nil	

(ii) **Educomp Infrastructure & School Management Limited (EISML):**

Pursuant to shareholder resolution dated March 13, 2010, the Company introduced "Employee Stock Option Plan 2010 (EISML ESOP -2010)" which provided for the issue of 200,000 stock options to employees of the Group and holding company. The option vesting period shall not be more than 10 years from date of grant of options at an exercise price approved by the compensation committee. 200,000 equity shares had been increased to 1,400,000 stock options by special resolution passed on June 15, 2010. The exercise price of all the options is ₹686 per share.

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

(₹ in million)

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of stock Options	Weighted average price (₹)	No. of stock Options	Weighted average price (₹)
Employees Stock Option Plan 2010				
No. of shares under option				
Outstanding at the beginning of the year	29,160	686	36,450	686
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Outstanding at the end of year	36,450	686	36,450	686
Exercisable at the end of the year	36,450	686	29,160	686
Weighted average grant date fair value per option for option granted during the year at less than fair value	N.A		N.A	
Weighted average remaining contractual life	-		0.69 years	
Payment received against share allotted during the year	-		-	

(iii) **Educomp Online Supplemental Service Limited (EOSSL):**

Pursuant to shareholder resolution dated 21st November 2011, the Company introduced "EOSSL Employees Stock Option Scheme 2011" which provides for the issue of 3,50,000 equity shares to employees of the company and its holding/ subsidiaries. The maximum option vesting period is not more than Ten Years from the date of award of option to employees at an exercise price approved by the compensation committee. Till date 49,350 stock options have been granted.

All the above options are planned to be settled in equity at the time of exercise and have maximum period of 10 years from the date of respective grants.

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

(₹ in million)

Particulars	As on March 31, 2016		As on March 31, 2015	
	No. of stock options	Weighted average price (₹)	No. of stock options	Weighted average price (₹)
Employee stock option scheme 2011				
No. of shares under option				
Outstanding at the beginning of the year	49,350	230	49,350	230
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding at the end of year	49,350	230	49,350	230
Weighted average grant date fair value per option for options granted during the year at less than market value	NA		NA	
Weighted average remaining contractual life (in Years)	2.14		3.14	
Payment received against share allotted during the year	Nil		Nil	

(iv) Learning Internet Inc (L.com):

The Company has an Incentive Stock Option Plan (the "Plan"), which provides for the grant of options to purchase stocks of the Company's common stock to employees, directors and consultants within the meaning of Section 422 of the Internal Revenue Code. The Plan also provides for the direct award of non-statutory stock options and warrants (collectively "non-statutory options") to purchase stocks of the Company's common stock or direct grant of stocks of common stock.

The Company's Board of Directors determines participation in the Plan. The options generally are exercisable pursuant to any vesting requirements imposed by the Board of Directors upon the grant of the options; however, the term of an option granted under the Plan cannot exceed ten years and may be further limited by the specific restrictions as detailed in the individual option agreement between the Company and participant. In addition, the Board of Directors may, at its sole discretion, subsequently modify the vesting requirements.

As of March 31, 2016, the Company has reserved a total of 4,150,000 stocks of its common stock for issuance under the Plan. The information concerning stock options granted, exercised, forfeited and outstanding at the year end is as follows:

(₹ in million)

Particulars	As on 31st March 2016		As on 31st March 2015	
	No. of stock options	Weighted average price (₹)	No. of stock options	Weighted average price (₹)
No. of shares under option				
Outstanding at the beginning of the year	10,73,500	43.32	1,073,500	42.57
Granted During the Year	1,40,000	23.57	-	-
Exercised During the Year	1,000	16.37	-	-
Expired or cancelled	1,36,500	34.04	-	-
Outstanding at the end of year	10,76,000	39.28	1,073,500	43.32
Weighted average grant date fair value per option for options granted during the year at less than market value	NA		NA	
Weighted average remaining contractual life (in Years)	8.4		7.3	
Payment received against share allotted during the year	Nil			

Grants by the Company are made at the estimated fair value of the Company's common stock. Using intrinsic value method of ESOP stock compensation expenses, there is no amount to be expensed off for income statement for these grants.

(v) Edumatics Corporation Inc (Edumatics):

The Company has an Incentive Stock Option Plan (the "Plan"), which provides for the grant of options to purchase stocks of the Company's common stock to employees, directors and consultants within the meaning of Section 422 of the Internal Revenue Code. The Plan also provides for the direct award of non-statutory stock options and warrants (collectively "non-statutory options") to purchase stocks of the Company's common stock or direct grant of stocks of common stock.

As of March 31, 2016, Edumatics has reserved a total of 357,143 stocks of its common stock for issuance under the plan which were granted as on April 01, 2008 to two directors of Edumatics.

The Company's Board of Directors determines participation in the Plan. The options generally are exercisable pursuant to any vesting requirements imposed by the Board of Directors upon the grant of the options; however, the term of an option granted under the Plan cannot exceed ten years and may be further limited by the specific restrictions as detailed in the individual option agreement between the Company and participant. In addition, the Board of Directors may, at its sole discretion, subsequently modify the vesting requirements.

The following tables summarize information about options issued, outstanding and exercisable under the Plan as of March 31, 2016:

(₹ in million)

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of stock options	Weighted average price (₹)	No. of stock options	Weighted average price (₹)
Outstanding at the beginning of the year	357,143	0.61	357,143	0.45
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding at the end of year	357,143	0.65	357,143	0.61
Weighted average grant date fair value per option for options granted during the year at less than market value	N.A		N.A	
Weighted average remaining contractual life	3.0 years		4.0 years	
Payment received against share allotted during the year	N.A		N.A	

The Company uses intrinsic value method of ESOP stock compensation expenses of the organization over the vesting period.

***Note:** Fair value related disclosures for the group as required by guidance note on "Accounting for Employee Share-based Payments" have not been furnished because of the voluminous nature of disclosures due to different grant dates and vesting conditions.

38. Foreign Currency Monetary Items Translation Difference Account (FCMITDA)

The Group has adopted Companies (Accounting Standards) Second Amendment Rules 2011 on Accounting Standard 11 as notified by the Central Government vide Notification dated December 29, 2011. Accordingly, the effect of exchange difference on foreign currency loan (including on FCCB) has been 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 as provided in the aforesaid notification. Further, as per the decision of the council of the Institute of Chartered Accountants of India (ICAI) in its meeting dated March 31, 2013, FCMITDA has been shown as a part of Reserves and Surplus.

39. Employee benefits

- Defined contribution plans**

During the year, the Group has recognized the following amounts in the Consolidated Statement of Profit and Loss:

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Employer's contribution to provident fund and other funds	132.08	134.86
Employer's contribution to employee state insurance	0.71	0.42
Employer's contribution to defined contribution plan-401K saving plan (foreign subsidiary)	-	4.74
Labour welfare fund	-	-
Other funds	1.52	1.64
Total	134.31	141.66

- Defined benefit plan – Gratuity**

During the year, the Group has recognized the following amounts in the Consolidated Statement of Profit and Loss:

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	16.71	16.63
Interest cost	6.01	5.95
Actuarial gain/(loss)	0.59	1.67
Total	23.31	24.25

Reconciliation of opening and closing balance of benefit obligation - Gratuity:

(₹ in million)

Particulars	Gratuity - partially funded	
	Year ended March 31, 2016	Year ended March 31, 2015
Present value of obligation as at the beginning of the year	75.47	73.66
Impact of Transfer of holding	-	(2.77)
Current service cost	6.01	16.10
Interest cost	16.11	5.95
Benefit paid	(20.72)	(19.14)
Actuarial loss/ (gain)	0.47	1.67
Present value of obligation as at the end of the year	77.34	75.47

Classification of obligation:

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Amount classified as:		
Short term provision	2.64	2.88
Long term provision	74.70	72.59

Benefit Assets/Liability:

(₹ in million)

Particulars	Year ended March 31, 2016 *	Year ended March 31, 2015
Present value of defined benefit obligation	77.34	75.60
Fair value of plan assets	0.13	0.13
Net liability	77.21	75.47

Present benefit obligation, plan assets and experience adjustments for current year and last 4 years

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Gratuity					
Present value of obligation as at the end of the year	77.34	75.60	73.78	95.53	76.76
Plan assets	0.13*	0.13	0.12	0.45	0.50
Surplus/(deficit)	77.34	75.47	(73.66)	(95.08)	(76.26)
Experience adjustment (loss)/gain on plan liabilities – Gratuity	(0.70)	2.24	(14.39)	(2.73)	(4.33)
Experience gain/(loss) on plan assets	-*	-	0.01	0.03	-

Fair value of plan assets:

(₹ in million)

Particulars	Year ended March 31, 2016*	Year ended March 31, 2015
Fair value of plan assets at the beginning of the year	0.12	0.45
Expected return on plan assets	0.01	0.01
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets at the end of the year	0.13	0.13

*The consolidated financial results of Educomp Raffles Higher Education Limited subsequent to June 30, 2015 are not available with the Company, hence there is no update available on above status.

Principal actuarial assumptions at the Balance Sheet date:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Discounting rate	8.00% - 8.80%	8.00% - 8.80%
Expected rate of increase in salary	5.50% - 10.00%	5.50% - 10.00%
Expected rate of return on plan assets	8.50%	8.50%

Note: The discount rate has been determined by reference to market yield at the Balance Sheet date on Government securities over a period which matches with remaining working, life of employees. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market on long term basis.

40. Operating lease**(1) Assets taken on lease**

- (a) General description of lease terms:
 - i) Assets are taken on lease over a period of 1 to 5 years.
 - ii) Lease rentals are charged on the basis of agreed terms.
 - iii) There are no restrictions imposed by the lessor.
- (b) The Group has taken on leases office space, building and technology equipments under cancelable/non-cancelable operating leases. The lease rental expense recognized in the Consolidated Statement of Profit and Loss for the year in respect of such leases is ₹143.09 million (previous year ₹161.94 million). The future minimum lease payments towards non-cancelable operating leases are as follows:

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Not later than 1 year	89.17	105.00
Later than 1 year but not later than 5 years	189.36	266.61
Later than 5 years	2.48	11.60
Total	281.01	383.21

(2) Assets given on lease

- (a) General description of lease terms:
- Assets are given on lease/license over a period of 30 years, non-assignable, non-transferable and non-revocable basis to educational institutions.
 - Lease rentals are charged on the basis of agreed terms.
 - The leases are renewable after expiry of agreement period.
 - There are no escalations as per the lease agreement.
- (b) The Group has given land and building on non cancelable operating lease to the educational institutions whose cost and accumulated depreciation is as follows:

(₹ in million)

Operating lease to educational institution	As at March 31, 2016	As at March 31, 2015
Cost of land	1,006.36	1,018.00
Cost of building	5,771.33	5,926.27
Accumulated depreciation	611.13	532.10

(₹ in million)

Operating lease to educational institution	For the year ended March 31, 2016	For the year ended March 31, 2015
Depreciation	94.77	95.58
Lease rental charged	316.76	403.54
Contingent rent	-	47.90

The future minimum lease income expected to be received for non-cancellable operating leases is as under:

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Not later than 1 year	280.41	403.54
Later than 1 year but not later than 5 years	1,121.65	1,614.16
Later than 5 years	5,197.08	7,758.12
Total	6,599.14	9,775.82

- (c) The Group has given office space on sub lease. Other income includes income from operating lease of ₹1.17 million (previous year ₹1.54 million). The future minimum sublease payment expected to be received are as below.

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Not later than 1 year	1.03	0.84
Later than 1 year but not later than 5 years	1.73	-
Later than 5 years	-	-
Total	2.76	0.84

41. Finance lease**Assets taken on lease**

- (a) General description of lease terms:
- Assets are taken on lease over a period of 3 to 5 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.

Finance leases obligation of the Group is as follows:

(₹ in million)

Particulars	As at March 31, 2016			As at March 31, 2015		
	Future minimum lease payments*	Interest	Present value	Future minimum lease payments	Interest	Present value
Not later than 1 year	-	-	-	14.89	2.65	12.24
Later than 1 year but not later than 5 years	-	-	-	9.86	0.94	8.92
Later than 5 years	-	-	-	-	-	-
Total	-	-	-	24.75	3.59	21.16

* During the current year, the Company has 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 is required to pay one time settlement amount of ₹12.12 million along with due rental for the month of February and March 2015 amounting to ₹0.84 million for each month to the lessor.

42. Particulars of un-hedged foreign currency exposure of the Group as on the Balance Sheet Date:

(₹ in million)

Particulars	Foreign currency	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
		(Foreign currency)	(Foreign currency)	(In Rupees)	(In Rupees)
Trade payable	US\$	6.87	6.87	455.50	429.75
	Euro	0.01	0.01	0.75	0.71
	GBP	-	-	-	0.17
Advance to suppliers	US\$	0.06	0.11	3.94	7.17
	GBP	0.01	-	0.52	-
	HKD	0.09	-	0.81	-
	SGD	0.09	-	4.38	-
Trade receivable	US\$	0.35	0.35	22.89	21.60
	C\$	0.11	0.11	5.57	5.40
Advance from customer	US\$	0.91	0.91	60.68	57.25
	SGD	-	3.14	-	142.74
Loans payable	US\$	80.00	80.00	5,306.63	5,007.26
Interest accrued and due	US\$	9.35	5.21	620.47	326.27
Interest accrued but not due	US\$	0.80	0.71	52.93	44.35
Premium on Foreign Currency Convertible Bonds	US\$	2.44	1.78	162.09	111.36

43. Due to inadequacy of the profits, managerial remuneration paid/provided, 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 Section 198 read with Schedule V to the Companies Act, 2013.

Further, due to inadequacy of the profits in the previous financial year, managerial remuneration paid/provided, by the Company to one of its whole time director and by one of its subsidiary EISML to its Managing Directors during financial year ended March 31, 2014, was in excess of limits prescribed under Section 198, Section 269, Section 309 read with Schedule XIII of the Companies Act, 1956.

EISML has submitted an application to the Central Government for waiver/approval of managerial remuneration pertaining to year ended March 31, 2014.

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/recorded in year ended March 31, 2014, March 31, 2015 and quarter ended June 30, 2015 in due course.

44. Due to longer than expected gestation period of schools, recoverability of trade receivables amounting to ₹1,863.46 million from trusts due to subsidiary company Educomp Infrastructure and School Management Limited has been slow. The management

of EISML is regularly monitoring the growth in schools and their future projections, based on which, the management believes that the trade receivables from the trusts are fully recoverable.

45. The Group has assessed the business projections of its six of its subsidiary companies, namely, Educomp Infrastructure and School Management Limited, Educomp Online Supplemental Service Limited, Educomp Child Care Private Limited, Educomp Professional Education Limited, Vidya Mandir Classes Limited, Educomp Intelliprop Ventures Pte Ltd. (formerly known as Educomp Intelprop Ventures Pte Ltd.) and its associate, Greycells18 Media Limited., for evaluating the recoverability of Group's share of net assets and has concluded that their business is sustainable on a going concern basis. The Group evaluated the recoverability of its share of net assets held through these Companies, using business valuations performed by independent experts, according to which the decline in value of these long term investments is considered to be temporary. The said evaluation is based on the long term business plans of its subsidiaries/associate as on March 31, 2016 and concluded that no adjustments to the carrying value of its share in net assets is required to be recorded in the consolidated financial statements of the Group for the year ended March 31, 2016.

46 Exceptional item

- a) The Company as part of its regular recoverability evaluation process, has evaluated its Outstanding trade receivables including dues from Government Companies/ agencies amounting to ₹ Nil (previous year ₹6,502.34 million) as doubtful of recovery. Consequently, the management has provided the said amount as doubtful debts, out of which ₹Nil (previous year ₹6,502.34 million) has been disclosed as an exceptional item. The overall provision for doubtful trade receivables as at March 31, 2016 stands at ₹7,156.64 million (previous year ₹7,743.46 million). The Management is continuously monitoring the recoverability of its trade receivables, which have been classified as good for recovery and is regularly following up with them.
- b) Pursuant to approved CDR scheme, trade receivables were acquired from Edu Smart Services Pvt. Ltd. along with obligations and rights associated, both present and future, with these trade receivables and customers. As per the trade receivables purchase agreement, all repairs and maintenance cost of hardware sold under these contracts during the remaining contract period is to be borne by the Group. Based on experience of actual cost incurred in servicing such hardware during the current financial year, the Group has estimated that the servicing costs under the remaining contract period is expected to be ₹1,511.03 million, which has been recorded as provision for warranty during the year ended March 31, 2015 as an exceptional item. The Group has shown this warranty provision along with expense of ₹164.62 million incurred during the year ended March 31, 2015 as an exceptional item.

The Group has recorded expense of ₹436.22 million as down time/pre-closure discount under contractual obligation during the year ended March 31, 2015 and disclosed as an exceptional item.

- c) During earlier years, EISML, a subsidiary of Company had given capital advances amounting ₹2,513.09 million to various parties for acquisition of fixed assets. As at March 31, 2016, management of the Company as part of its regular recoverability evaluation process has identified certain portions of capital advances which were doubtful of recovery or did not have recoverable value equivalent to the book value. Accordingly, on a prudent basis, the management has recorded a provision of ₹2,017.55 million (Previous year ₹2,017.55 million) in the books of account towards such capital advances or portions thereof, which were doubtful of recovery, out of which ₹ Nil (Previous year ₹662.88 million) has been provided for in the year ended March 31, 2016. The provision so recorded had been disclosed as an exceptional item.

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

- d) Pursuant to approved CDR scheme, certain land parcels of the EISML, a subsidiary of Company are identified for monetization and to execute the same, some of the respective companies have carried out valuation by an independent valuer. Based on available offers from prospective buyers, the EISML has recorded a provision for impairment of assets of ₹Nil (Previous year ₹286.45 million). The consolidated financial statements include this provision against Group's tangible fixed assets and the same has been disclosed under exceptional items.

During the previous year, EISML has entered into an agreement to sell one of its land at Dasna, Ghaziabad which was held for sale. The book value of the land parcel is ₹458.08 million and the price under agreement to sell is ₹133.00 million. Accordingly, on a prudent basis, the expected loss on the sale of the said land parcel amounting ₹Nil (Previous year ₹325.08 million) has been recorded and disclosed as an exceptional item.

- e) The Group has evaluated the recoverability of intangible assets in the form of Brand "Universal" in one of its subsidiary, by using valuations performed by an independent valuation expert. The said evaluation is based on long term business plans and underlying assumptions used for the purpose of valuation, which in view of the management are realistic and achievable by the subsidiary. Based on revised business plans which entailed scaling down the operation of 'Universal' brand

of schools, the management had recorded an impairment of ₹452.70 million to this asset till March 31, 2016.

- f) During earlier years, Educomp Professional Education Limited (EPEL), a subsidiary of Company had given capital advances amounting ₹2,237.80 million to various parties for acquisition of fixed assets. The Management of EPEL as part of its regular recoverability evaluation process had identified capital advances which were doubtful of recovery or did not have recoverable value equivalent to the book value. The Company had provided/written off for some part of these advances during year ended March 31, 2015, on a prudent basis, the management has recorded a provision of ₹2,187.80 million and write off of ₹50.00 million in the books of account of such doubtful capital advances, which has been shown as exceptional item.
 - g) The Company has received an amount of ₹150.00 million from redemption of all its units held in India Education Fund, against total carrying value of ₹425.00 million. Accordingly, during the year the Company has recorded a loss on redemption of units amounting ₹275.00 million and it has been shown as exceptional item.
 - h) During the year, the Group has sold one of its step down subsidiary i.e. Wizlearn Technologies Pte. Ltd. In respect of the said subsidiary, the Company had received ₹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.
 - i) ESIML, a subsidiary of Company as part of its regular recoverability evaluation process, has evaluated its outstanding trade receivables and loans. Accordingly, the Company has write off as bad debts ₹376.22 million and ₹281.81 million for doubtful trade receivables and loans respectively during the year ended March 31, 2016, which has been shown as exceptional item. The overall provision for doubtful trade receivables and loans as at March 31, 2016 stand at ₹103.36 million and ₹27.23 million respectively.
- 47.** During the earlier year, the Educomp Raffles Higher Education Limited (joint venture of the group) had foreign currency receivables of ₹16.47 million which were outstanding for a period greater than one year. As per the Reserve Bank of India's (RBI) Master Circular on Export of Goods and Services, foreign currency receivables should have been realized, except with prior approval of RBI, within a period of one year. Further, as at year end the joint venture had netted off foreign currency payables of ₹12.25 million against its foreign currency receivables. As per the Reserve Bank of India's (RBI) Master Circular on Export of Goods and Services, foreign currency receivables cannot be set off against foreign currency payables except with prior approval of RBI. Being a procedural matter, the joint venture's management did not expect any penalties/ fines to be levied on account of the above. The consolidated financial results of Educomp Raffles Higher Education Limited subsequent to June 30, 2015 are not available with the Company, hence there is not update available on above status.
- 48.** During the earlier years, the Group had reviewed business plan of its joint venture, Educomp Raffles Higher Education Limited which has advanced loans amounting ₹514.70 million (previous year ₹514.70 million) to Jai Radha Raman Education Society (Society) and its subsidiary Millennium Infra Developers Limited which had trade receivables of ₹602.15 million (previous year ₹637.90 million) from the same society under contractual obligations. The Group has also considered the business plan of the society and estimated market value of its net assets based on which no adjustment is required in carrying value of its share of net assets in such joint venture. The Group's holding in the joint venture is 41.82%. The consolidated financial results of Educomp Raffles Higher Education Limited subsequent to June 30, 2015 are not available with the Company, hence there is not update available on above status.
- 49.** As per the terms of Master Restructuring Agreement and approved Corporate Debt Restructuring Scheme (CDR) of Educomp Infrastructure and School Management Limited (EISML), a subsidiary Company, there are certain assets amounting ₹3,207.53 million (at cost) which have been identified for sale in a time bound manner. The lead bank carried out a valuation of these assets which are indicative in nature. Market valuations have not been carried out by EISML and its step down subsidiaries, as some of these assets are not ready for sale due to pending regulatory approvals/ permissions.
- Based on recent firm offers and latest valuation reports, the Management believes that the market value of these investments is higher than as considered under the indicative valuation reports and differences, if any, are temporary only. Therefore, no adjustment is required to the carrying value of these assets.

50. Particulars of securities, Interest and terms of repayment of Loans taken by the Group are as follows:

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Bonds, Debentures & External Commercial Borrowings						
Non Convertible Debentures (NCD)*	450.00	350.00	NCD aggregating ₹350 million and ₹100 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 ₹350 million and ₹100 million were issued on May 24, 2012 and July 20, 2012 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 date of issue.	- Pari-passu charge with the CDR lenders, without any preference or priority to one over the other or others.	- Pari-passu charge with the CDR lenders, without any preference or priority to one over the other or others.
Foreign Currency Convertible Bonds (FCCB)	663.33	625.91	Repayable at 133.15% of principal par value (USD 13.315 million) on July 24, 2017 after 5 year and 1 day from July 23, 2012, date of disbursement, if not converted in equity shares.	Repayable at 133.15% of principal par value (USD 13.315 million) on July 24, 2017 after 5 year and 1 day from July 23, 2012, date of disbursement if not converted in equity shares.	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)	4,643.30	4,381.36	Repayable in 11 half yearly equal installments of USD 6.36 million starting from 15th January, 2016 and ending January 15, 2021.	Repayable in 11 half yearly equal installments of USD 6.36 million starting from 15th January, 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.
Sub Total (a)	5,756.63	5,457.27				
Secured Loan from Others						
Deferred payment liabilities (Leasehold land) (Loan taken by EISML) (a)	-	39.26	Not applicable	- Carries interest of 11%. -Repayable in equated half yearly installments of ₹4.07 million till December 2019	Not applicable	Secured by leasehold right over the land
Sub Total (b)	-	39.26				

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Term Loans & Working Capital Loan from Banks – CDR (Secured)						
Term loan (a)	102.40	102.46	Repayment in 10 quarterly equal installments of ₹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 ₹10.25 million commencing from quarter ending December 31, 2015 and ending in quarter ending March 31, 2018	-First pari passu charge on all fixed assets (movable and immovable) of the company, both present and future. - First pari passu charge on all the, intangible assets including without limitation computer software and knowledge based contents, current assets, other non current assets and other receivables and unencumbered receivables of ESSPL, both present and future.	-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 contents, current assets, other non current assets and other receivables and unencumbered receivables of ESSPL, both present and future.
Term loan (b)	216.39	216.39	Repayment in 30 quarterly structured installments after moratorium of 30 months from the cut-off date i.e. April 01, 2013 commencing from quarter ended December 31, 2015 and ending in quarter ending March 31, 2023.	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.	- First charge on the borrower's bank accounts, including but not limited to Trust & Retention Account. - Pledge of all unencumbered shares held by the Promoters Group in company. - Pledge of all unencumbered shares held by company in various companies. - Pledge of all unencumbered shares of subsidiaries of the borrower held by Mr. Shantanu Prakash in the share capital of such subsidiaries. - Unconditional & irrevocable Personal Guarantees from Mr.Shantanu Prakash & Mr. Jagdish Prakash and Corporate Guarantee of ESSPL.	- First charge on the borrower's bank accounts, including but not limited to Trust & Retention Account. - Pledge of all unencumbered shares held by the Promoters Group in company. - Pledge of all unencumbered shares held by company in various companies. - Pledge of all unencumbered shares of subsidiaries of the borrower held by Mr. Shantanu Prakash in the share capital of such subsidiaries. - Unconditional & irrevocable Personal Guarantees from Mr.Shantanu Prakash & Mr. Jagdish Prakash and Corporate Guarantee of ESSPL.
Term loan (c)	309.85	300.00				
Term loan (d)	223.37	250.00				
Term loan (e)	62.72	64.00				
Working capital term loan	2,882.22	2,348.67	Installments Amount per Inst.	Installments Amount		
Funded interest term loan - FITL (a)	919.62	886.60	1-2 93.29 3-14 139.94 15-30 174.92	1-2 81.31 3-14 121.97 15-30 152.46	- First pari-passu charge by way of mortgage of personal property of Mr. Shantanu Prakash situated at Residential Plot No. P-63, Sector 56, Gurgaon, Haryana.	- First pari-passu charge by way of mortgage of personal property of Mr. Shantanu Prakash situated at Residential Plot No. P-63, Sector 56, Gurgaon, Haryana.
Term loan (f)	2,813.00	2,783.28	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.	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.		
Term loan (g)	4,550.00	4,550.00				
Term loan (h)	397.65	359.98				
Term loan (i)	1,960.00	1,960.00				
Term loan (j)	1,171.16	1,172.80				
Term loan (k)	947.83	896.86	Installments Amount per Inst.	Installments Amount		
			1-2 357.85 3-14 536.77 15-30 298.21	1-2 351.69 3-14 527.53 15-30 293.07		
Working capital facility (a)#	959.51	1,028.27	Payable on demand	Payable on demand		

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Term loan from CDR lenders [Loan taken by Educomp Infrastructure & School Management Ltd. (EISML)] (I) \$	7,269.06	7,269.06	<ul style="list-style-type: none"> - Carries interest linked to respective banks BPLR. The same is fixed at 11% for FY 2013-14 and 2014-15 and 2015-16. - ₹1,162.81 million is repayable on 15th January 2016 - Balance repayable in unequal pre - scheduled 40 quarterly installments starting April 2016 till March 2026 	<ul style="list-style-type: none"> - Carries interest linked to respective banks BPLR. The same is fixed at 11% for FY 2013-14 and 2014-15. - ₹1,162.81 million is repayable on 15th January 2016 - Balance repayable in unequal pre - scheduled 40 quarterly installments starting April 2016 till March 2026 	<ul style="list-style-type: none"> - A first pari passu charge on all the fixed assets except Mumbai office, brands and intangible assets and other non-current assets, present and future - A first pari passu charge over all bank accounts of EISML, subsidiaries and trusts, and all the receivables, book debts, and in all funds from time to time deposited therein and in all permitted investments or other securities representing all amounts credited to bank accounts of EISML, subsidiaries and trust. - A first charge on all intangible assets of EISML, assignment of agreements, rights, titles, clearances, insurance contract/insurance proceeds, uncalled capital and interest of EISML by way of first charge of the project documents, guarantees, other performance warranties, indemnities and securities - all rights, titles, interest, benefits, claim and demand of EISML in any letter of credit, guarantee, performance, or bond provided by any party to the project document - First pari passu charge on all the fixed assets, brands and intangible assets, current assets and other non-current assets, present and future of the subsidiaries(excluding all assets of Knowledge Vistas Limited) and Third Party as may be agreed/ acceptable to the Trustee. - Unconditional and irrevocable Corporate Guarantee of Educomp Solutions Limited (Holding Company) - Corporate Guarantee of 21 land owing subsidiaries -Pledge of 45.5% fully paid-up unencumbered share (14,584,541 shares) held by Educomp Solutions Limited (Holding company), Educomp School Management Limited, Shantanu Prakash (director of the company and Mrs. Anjilee Prakash - Encumbered shares held by Educomp Solutions Limited(Holding Company) after released from IFC and Proparco -Pledge of shares of land owing subsidiaries held by company - Unconditional and irrevocable Personal Guarantee by Mr. Shantanu Prakash and Mr. Jagdish Prakash. 	<ul style="list-style-type: none"> - A first pari passu charge on all the fixed assets except Mumbai office, brands and intangible assets and other non-current assets, present and future - A first pari passu charge over all bank accounts of EISML, subsidiaries and trusts, and all the receivables, book debts, and in all funds from time to time deposited therein and in all permitted investments or other securities representing all amounts credited to bank accounts of EISML, subsidiaries and trust. - A first charge on all intangible assets of EISML, assignment of agreements, rights, titles, clearances, insurance contract/ insurance proceeds, uncalled capital and interest of EISML by way of first charge of the project documents, guarantees, other performance warranties, indemnities and securities - all rights, titles, interest, benefits, claim and demand of EISML in any letter of credit, guarantee, performance, or bond provided by any party to the project document - First pari passu charge on all the fixed assets, brands and intangible assets, current assets and other non-current assets, present and future of the subsidiaries(excluding all assets of Knowledge Vistas Limited) and Third Party as may be agreed/ acceptable to the Trustee. - Unconditional and irrevocable Corporate Guarantee of Educomp Solutions Limited (Holding Company) - Corporate Guarantee of 21 land owing subsidiaries -Pledge of 45.5% fully paid-up unencumbered share (14,584,541 shares) held by Educomp Solutions Limited (Holding company), Educomp School Management Limited, Shantanu Prakash (director of the company and Mrs. Anjilee Prakash - Encumbered shares held by Educomp Solutions Limited(Holding Company) after released from IFC and Proparco -Pledge of shares of land owing subsidiaries held by company - Unconditional and irrevocable Personal Guarantee by Mr. Shantanu Prakash and Mr. Jagdish Prakash.

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Corporate loan (Loan taken by EISML) (m)	1,031.76	1,156.69	- Carries interest linked to respective banks BPLR. The same is fixed at 11% for FY 2013-14 and 2014-15. - ₹21.76 million is repayable on 15th January 2016 respectively - Balance repayable in unequal pre - scheduled 40 quarterly installments starting April 2016 till March 2026	- Carries interest linked to respective banks BPLR. The same is fixed at 11% for FY 2013-14 and 2014-15. - ₹124.93 million and ₹21.76 million is repayable on 1st April 2015 and 15th January 2016 respectively - Balance repayable in unequal pre - scheduled 40 quarterly installments starting April 2016 till March 2026	- Second charge on all the fixed assets except Mumbai office, brands and intangible assets and other non-current assets, present and future - Second charge over all current assets (present and future) of EISML. - Second pari passu charge on all the fixed assets (movable and immovable), brands and intangible assets, present and future of the subsidiaries (excluding all assets of Knowledge Vistas Limited) and Third Party as may be agreed/ acceptable to the Trustee. - Unconditional and irrevocable Corporate Guarantee of Educomp Solutions Limited (Holding Company) - Unconditional and irrevocable Personal Guarantee by Mr. Shantanu Prakash and Mr. Jagdish Prakash.	- Second charge on all the fixed assets except Mumbai office, brands and intangible assets and other non-current assets, present and future - Second charge over all current assets (present and future) of EISML. - Second pari passu charge on all the fixed assets (movable and immovable), brands and intangible assets, present and future of the subsidiaries (excluding all assets of Knowledge Vistas Limited) and Third Party as may be agreed/ acceptable to the Trustee. - Unconditional and irrevocable Corporate Guarantee of Educomp Solutions Limited (Holding Company) - Unconditional and irrevocable Personal Guarantee by Mr. Shantanu Prakash and Mr. Jagdish Prakash.
Funded interest term loans (Loan taken by EISML) (b)	-	1,574.68	Not applicable	Re-payable on April 1, 2015 carries interest @11%	Not applicable	
Sub Total (c)	26,919.74	19,666.67				
Term Loans & Working Capital Loan from Banks other than CDR (Secured)						
Term loan (n) \$	74.70	103.40	Repayable on December 31, 2014	December 31, 2014	-First pari-passu charge over all the current assets of the company including receivables from ESSPL and receivables brought 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 brought 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.

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Funded interest term loan FITL (c)	-	115.70	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 2.31 3-14 3.47 15-30 4.34	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 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.
Term loan (o)	400.00	464.66	Balance repayable in 6 equal quarterly installments of ₹46.47 million starting quarter ended December 31, 2013 and quarter ending September 30, 2017 and ₹121.18 million has been shown as continuing default of loan.	Balance 10 equal quarterly installments of ₹46.47 million starting December 31, 2013 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
Term loan (p)	609.80	-	Repayable in 14 unequal quarterly installments commencing from quarter ended December 31, 2015 and ending in quarter ending March 31, 2019.	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.	Not applicable
Working capital facility (b)#	-	499.80	Not applicable	Payable on demand	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.

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Working capital facility (c) # \$	-	556.94	Not applicable	Payable on demand	Not applicable	<ul style="list-style-type: none"> -First pari-passu charge over all the current assets of the company including receivables from ESSPL and receivables brought 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.
Vehicle loan (Loan taken by EISML) (a)	-	0.07	Not applicable	<ul style="list-style-type: none"> - The loans carries interest ranging from 10% to 14%. - Repayable on equated monthly installments over different periods till December 2014 	Not applicable	Secured by hypothecation of respective vehicles
Loan from Banks [Loan taken by Educomp Asia Pacific Pte Ltd. (EAPL)] (q)	976.09	921.02	Carries interest rate at LIBOR Rate + 3.5%. Term Loan is repayable in 4 equal yearly installments, after a moratorium of 3 years effective from May 2012	Carries interest rate at LIBOR Rate + 3.5%. Term Loan is repayable in 4 equal yearly installments, after a moratorium of 3 years effective from May 2012	<ul style="list-style-type: none"> - Corporate Guarantee of Educomp Solutions Limited. - Bank's lien over the entire cash flow of EAPL including dividend receivables from the acquired Company. - Pledge of the shares of the subsidiaries. 	<ul style="list-style-type: none"> - Corporate Guarantee of Educomp Solutions Limited. - Bank's lien over the entire cash flow of EAPL including dividend receivables from the acquired Company. - Pledge of the shares of the subsidiaries.
Working Capital facilities from bank (Taken by Educomp Software Ltd.) (d) #	62.71	-	Repayable on demand	Not applicable	<ul style="list-style-type: none"> - Exclusive charge on ALL present and future receivables of ICT PROJECT from AMTRON/ Assam Government and designated receivables of ESSPL. - Exclusive charge on ALL present and future current assets of the borrower company. - Subservient charge on ALL present and future movable fixed assets and Exclusive charge on entire intangible assets of the company. - Unconditional and irrevocable personal guarantee of promoter Mr. Shantanu Prakash 	Not applicable

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Term Loan - From Bank [Loan Taken by Educomp Intelliprop. Venture Pte. Ltd. (Formerly known as Educomp Intelprop Venture Pte Ltd.)] (r)	137.02	1,153.25	Term loan was repayable on or before November 24, 2015 and Rate of Interest is percentage rate per annum which is aggregate of 6 month LIBOR plus 650 bps p.a.	Term Loan is repayable in 1 year 20 days from July 25, 2014, date of disbursement. Rate of Interest is percentage rate per annum which is aggregate of 6 month LIBOR plus 650 bps p.a.	- First charge on entire assets, brand including intangible assets of the borrower - Unconditional and irrevocable Personal guarantee of Mr. Shantanu Prakash - Unconditional and irrevocable Corporate guarantee of EISML and ESPL.	- First charge on entire assets, brand including intangible assets of the borrower and obligors - Escrow and charge on the escrow of all cash flows of borrower and obligors - Pledge of 100% shareholding of Educomp Intelliprop. Venture Pte. Ltd - Secured by pledge on the share capital on the subsidiary companies. - Unconditional and irrevocable Personal guarantee of Mr. Shantanu Prakash - Unconditional and irrevocable Corporate guarantee of EISML and ESPL.
Term Loan - From Bank [Loan Taken by Educomp Learning Hour Pvt. Ltd. (ELHPL)] (s)	466.62	599.97	12 quarterly installments of ₹666.33 lacs each starting from 28th August 2014 carries interest rate @ 13.50%	12 quarterly installments of ₹666.33 lacs each starting from 28th August 2014 carries interest rate @ 13.50%	The Facility shall be secured by following : From ESL - Pledge over 30% of Shares of VMCL From EOSSL - Pledge over 29.88% of Shares of ELHPL From ESPL - Exclusive Charge over Escrow Account receivables of ESPL under contracts/ agreements with certain schools From ELHPL	The Facility shall be secured by following : From ESL - Pledge over 30% of Shares of VMCL From EOSSL - Pledge over 29.88% of Shares of ELHPL From ESPL - Exclusive Charge over Escrow Account receivables of ESPL under contracts/ agreements with certain schools From ELHPL
Term Loan - From Bank [Loan Taken by Educomp Learning Hour Pvt. Ltd. (ELHPL)] (t)	400.00	334.11	8 quarterly installments of ₹417.63 lacs each starting from 30th June 2017 carries interest rate @ 11.50%	8 quarterly installments of ₹417.63 lacs each starting from 30th June 2017 carries interest rate @ 11.50%	- First charge over ELHPL Escrow Account - First charge, by way of hypothecation, on ALL present and future fixed assets and current assets of ELHPL - Assignment of rights under agreement dated October 1, 2010 and subsequent addendum agreement to be entered into between ELHPL and VMCL - Corporate guarantee of ESL, EOSSL and ESPL. - Corporate guarantee of Vidya Mandir Classes Ltd to the extent of 67% of profits. - Personal guarantee of Mr. Shantanu Prakash.	- First charge over ELHPL Escrow Account - First charge, by way of hypothecation, on ALL present and future fixed assets and current assets of ELHPL - Assignment of rights under agreement dated October 1, 2010 and subsequent addendum agreement to be entered into between ELHPL and VMCL - Corporate guarantee of ESL, EOSSL and ESPL. - Corporate guarantee of Vidya Mandir Classes Ltd to the extent of 67% of profits. - Personal guarantee of Mr. Shantanu Prakash.

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Term Loan - From Bank [Loan Taken by Knowledge Vistas Ltd. (KVL) (u)]	140.00	140.00	14 balooning semi annual installments starting from 29th September 2018 -ABBR+3% i.e. Currently 13% p.a	14 balooning semi annual installments starting from 29th September 2018 -ABBR+3% i.e. Currently 13% p.a	-Primary security- exclusive first charge on moveable and immovable property of KVL. -Secondary security- exclusive first charge on all current assets of the company and DSCRA equal to on quarter of interest to be started latest by 30th September 2016. -KVL has to maintain a debt service reserve account as a fixed deposit with the bank amounting to trailing one quarter's interest. The DSCR will be built-up over a period of 90 days from start of operations and not later than 30th September 2016. -Fresh valuation of mortgaged property needs to be carried out at least once in every 2 year by Banks approved valuer. Cost need to be borne by KVL. -Irrevocable and unconditional corporate guarantees of Educomp Infrastructure & School Management Limited and Lavasa Corporation Limited inproportion to their share holding.	-Primary security- exclusive first charge on moveable and immovable property of KVL. -Secondary security- exclusive first charge on all current assets of the company and DSCRA equal to on quarter of interest to be started latest by 30th September 2016. -KVL has to maintain a debt service reserve account as a fixed deposit with the bank amounting to trailing one quarter's interest. The DSCR will be built-up over a period of 90 days from start of operations and not later than 30th September 2016. -Fresh valuation of mortgaged property needs to be carried out at least once in every 2 year by Banks approved valuer. Cost need to be borne by KVL. -Irrevocable and unconditional corporate guarantees of Educomp Infrastructure & School Management Limited and Lavasa Corporation Limited inproportion to their share holding.
Loan From Bank (Loan Taken by Educomp Software Ltd.) (v)#	39.50	-	Repayment in four equal quarterly installments starting from December, 2016,	Not applicable	- First exclusive charge by way of assignment of specific ESSPL receivables (including arbitration awards) with a minimum receivable cover of 1.5x. - DSRA in the form of subsequent quarter's Principal + Interest obligation to keep upfront. - Personal guarantee of Shantanu Prakash.	Not applicable
Sub total (d)	3,306.44	4,888.92				

Terms of borrowings from financial institutions and others taken by the Group - Unsecured are as follows:

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
From others - unsecured (a)	412.20	624.93	There are two loans to repayable 26 & 45 unequal monthly instalments as per their repayment schedule.	There are two loans to repayable 26 & 45 unequal monthly instalments as per their repayment schedule.	Not applicable	Not applicable
From others - unsecured (b)#	22.00	22.00	Of ₹22 million, ₹10 million is repayable on February 29, 2016. and ₹12 million is over due as on Balance Sheet date.	Of ₹22 million, ₹10 million is repayable on February 29, 2016. and ₹12 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.
Finance lease	-	24.54	Not applicable	Balance to be repayable in 18 monthly installments	Not applicable	Not applicable

Particulars	Amount Outstanding as at March 31,		Terms of repayment		Security	
	2016	2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
From others - unsecured (c)	584.65	354.65	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
From others - unsecured (d)# (SAVVICA Inc.)	5.89	5.71	Repayable on demand	Repayable on demand	Not applicable	Not applicable
From others - unsecured (e)#	3.65	38.68	Not applicable	Not applicable	Not applicable	Not applicable
Deferred payment liabilities towards expenses (EISML)	5.19	3.87	Interest free, repayable after 6 years of agreement i.e March 2018	Interest free, repayable after 6 years of agreement i.e March 2018	Not applicable	Not applicable
Sub Total (e)	1,033.58	1,074.38				
Grand Total (a+b+c+d+e)	35,913.19	38,379.57				

* In respect of 450, 13.25% to 13.50% Secured Redeemable Non Convertible Debentures of ₹1 million each aggregating ₹450.00 million, 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.

Working capital facility (a) to (d), Term loan (v) and loan from others unsecured (b), (d) & (e) constitute short term borrowings. \$ Charge is pending to register in respect of certain securities

Note:

1. Term loan (a) to (l), corporate loan (m), working capital term loan, funded interest term loan (a) & (b), working capital facility (a) are at interest rate of ranging from 10.25% to 11% p.a (Previous year 11% p.a.) constitutes CDR Loans.
2. Term loan (n) to (p), funded interest term loan (c) and working capital facility (b) & (c) are at varying rate of interest ranging from 11% to 13.45%. (Previous year 11% to 13.45%)
3. Term loan (s) to (u) are at varying rate of interest ranging from 11.50% to 13.50%.
4. Term loans (q) & (r) were at interest rate of LIBOR + 3.5% to 6.00% .
5. Loans from other (a) to (b) are at varying rate of interest ranging from 12.50% to 18%.
6. Vehicle loan (a) are at interest rate ranging from 10% to 14%
7. Deferred payment liabilities (Leasehold Land (a)) carried interest of 11%
8. FCCB are zero coupon bonds and do not carry interest.
9. ECB are at interest rate of 4.5% +LIBOR
10. Non Convertible Debentures are at interest rate ranging from 13.25% to 13.50%
11. Aggregate of loan amount guaranteed by directors ₹27,157.86 million (previous year ₹29,594.32 million)
12. Aggregate of loan amount guaranteed by Edu Smart Services Pvt. Ltd. ₹17,590.42 million (previous year ₹17,695.35 million) & by Lavasa Corporation Ltd. ₹68.60 million (previous year ₹68.60 million).

Corporate debt restructuring scheme (ESL)

Educomp Solutions Limited has executed the Master Restructuring Agreement (MRA)/other definitive documents on March 26, 2014 with the majority of its lenders banks, consequent to approval from Corporate Debt Restructuring Empowered Group (CDR-EG) to re-structure Company's existing debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme").

As a part of the CDR Scheme, the promoters were required to contribute funds in accordance with letter of approval. As a consequence, the Company has received a contribution from its promoter amounting to ₹584.65 million (previous year ₹354.65 million) as at March 31, 2016 and March 31, 2015. The same has been received as interest free unsecured loan. Refer above loan from others - unsecured (c).

The MRA has been signed by all the lender banks and the Company has complied with all necessary conditions precedent. From April 01, 2013 (the "cut-off date"), the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the CDR scheme on the balances as appearing in the books of account pending confirmations from various lenders. Accordingly, the interest payable to these banks has been recalculated in accordance with the CDR scheme. Considering

the MRA have been signed by all the lender banks, the Company has accounted for CDR scheme (reclassifications and interest calculations) in the books for the year ended March 31, 2016 and March 31, 2015 as follows:

- (i) The rate of interest has been changed and reduced to 11% with effect from April 1, 2013. The interest due with effect from April 01, 2013 till March 31, 2016 at revised rates amounting to ₹919.62 million (up to previous year ₹886.60 million) has been 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 revised charge in favor of lenders as per the terms of MRA, is pending registration.

Pursuant to approved CDR scheme and in terms of Master Restructuring Agreement, the Company has acquired trade receivable of Edu Smart Services Private Limited (ESSPL) amounting to ₹Nil (previous year ₹1,498.68 million). To acquire these receivables the Company has been granted loan of ₹Nil (previous year ₹3,846.23 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 ₹Nil (previous year ₹2,347.55 million). The Company has taken over these receivables to improve the recoverability and to provide uninterrupted services to these schools in future.

Pursuant to implementation of approved Corporate Debt Restructuring Scheme (CDR scheme), certain lenders have disbursed fresh corporate loans to the Company and corresponding trade receivables were bought from Edu Smart Services Private Limited (ESSPL) together with future business relating to this customers, as explained above. Due to this restructuring, the remaining receivables in ESSPL may not yield adequate surplus to discharge its liability towards the Company for trade receivables and redemption of redeemable non convertible preference shares. However, the approved CDR scheme has mandated merger of ESSPL with the Company and accordingly, the Company has initiated the process and has taken the approval of Board of Directors in the board meeting held on 13th January 2015. The Board of Directors in their meeting held on 26th May 2016 has suggested certain changes in the scheme with respect to above said merger and revised scheme shall be placed in next board meeting. 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, in case the Company commits a default in payment or repayment of instalments of principal amounts of the Restructured Loans, Corporate loans and/or the Additional Rupee Loan or interest thereon or any combination thereof, then the CDR Lenders, Corporate loan lenders and/or the Additional Rupee Lenders, at their discretion, shall 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. The number of shares and the share issue price shall be determined as per the guidelines of the CDR cell.

Corporate debt restructuring scheme (EISML)

The Company had executed the Master Restructuring Agreement (MRA) / other definitive documents on December 28, 2013 with the lenders banks, consequent to approval from Corporate Debt Restructuring Empowered Group (CDR-EG) to re-structure Company's existing debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme").

From April 1, 2013 (the "cut- off date"), the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the approved CDR scheme on the balances as appearing in the books of account.

Out of the existing term loans of ₹7,269.06 million (Previous year ₹7,269.06 million), ₹6,045.60 million (Previous year ₹6,106.25 million) has been classified as long term borrowing and ₹1,123.46 million (Previous year ₹1,162.81 million) as current maturities, which is as per revised terms. Pursuant to revised terms term loans are repayable in pre - scheduled quarterly installments starting 15th January 2016 till March 2026.

The interest due amounting to ₹Nil (Previous year ₹787.23 million) has been converted into Funded Interest Term Loan (FITL).

51. Details of continuing default in repayment of loan or interest as at March 31, 2016 is given below:

(₹ in million)

As at 31st March, 2016	Delay upto 3 month	Delay of 3 to 6 month	Delay of 6 to 12 month	More than 12 Months
Repayment of principle	1,043.01	1,685.21	65.98	86.70
Interest	629.89	399.01	170.85	333.02
Total	1,672.90	2,084.22	236.83	419.73
As at 31st March, 2015				
Repayment of principle	16.90	103.48	-	12.00
Interest	274.95	25.48	168.57	123.46
Total	291.85	128.96	168.57	135.64

52. Contract disclosures as required by AS-7 ("construction contracts")

Contract disclosures related to subsidiary of joint venture of the Group, Millennium Infra Developers Limited to the extent of joint venture holding.

(₹ in million)

Particulars	For the Year Ended June 30, 2015 *	For the Year Ended March 31, 2015
Contract revenue recognized	0.32	3.90
Contract expenses recognized	0.31	3.75
Recognized profits less recognized losses	0.01	0.15
Unbilled contract revenue for the year	-	-
Amount billed during the year	0.32	3.90
Trade receivable	251.82	266.79
Gross amount due to customer	-	-

*The consolidated financial results of Educomp Raffles Higher Education Limited subsequent to June 30, 2015 are not available with the Company, hence there is no update available on above status.

53. Related party disclosures

The disclosures of transactions with related parties as defined in Accounting Standard 18, issued by the Institute of Chartered Accountants of India are given as below:

i) List of related parties and relationships with them:

S. No.	Name of Related Party	Relationship
1	Mr. Shantanu Prakash, Managing Director	Key Managerial Personnel (KMP)
2	Mr. V.K. Dandona, Whole Time Director	
1	Greycells18 Media Ltd.	Associate
1	Learning Leadership Foundation	
2	Learning Links Foundation	Directors being trustees in the related trusts/ Directors being directors in related companies
3	Richmond Education Society	
4	Lakshya Digital Private Limited*	
5	Education Quality Foundation of India	
6	Mussoorie International School Society	
7	Shri Krishna Hare Educational Trust	
8	Shri Radha Raman Educational Trust	
9	Maurya Educational Trust	
10	Bal Shiksha Educational Trust	
11	Shri Radhe Educational Trust	
12	Surya Prabhat Trust	
13	Shri Radha Krishna Educational Trust	
14	Vidya Prabhat School Trust	
15	Unnati Educational Trust	
16	Surya Kiran Educational Trust	
17	Sri Satya Sai Educational Trust	
18	Sri Laxmi Ganesh Educational Trust	
19	Sri Vasudev Educational Trust	
20	Siya Ram Educational Trust	
21	Shyam Sunder Educational Trust	
22	Shri Hare Educational Trust	
23	Shiksha Bharti Educational Trust	
24	Radhey Shyam Educational Trust	
25	Gyan Kunj Educational Trust	

26	Bhakti Sagar School Trust	Directors being trustees in the related trusts/ Directors being directors in related companies
27	Vidhya Sarovar Educational Trust	
28	Sukh Sagar School Trust	
29	Shri Ambey Educational Trust	
30	Sanskriti Educational Trust	
31	Samvridi Educational Trust	
32	Shri Laxmi Narain Educational Trust	
33	Sankalp Educational Trust	
34	Shiv Shakti Educational Trust	
35	Vigyan Educational Trust	
36	Sushikshit Educational Trust	
37	Navnirmit Educational Trust	
38	Naveen Shiksha Educational Trust	
39	Shri Nath Education Society	
40	Bharat Shakti Educational Trust	
41	Gyan Jyoti Educational Trust	
42	Guru Narayan Educational Trust	
43	Guru Shishya Educational Trust	
44	Shreshtha Educational Trust	
45	Vidhyarthi Educational Trust	
46	Nav Jyoti Educational Trust	
47	Nav Jiwan Educational Trust	
48	Shakshar Educational Trust	
49	Shiksha Jyoti Educational Trust	
50	DSK Legal**	
51	League India Education Foundation***	
52	Millennium InfraDevelopers Limited	
53	Shiksha Solution Trustee Pvt. Ltd.	
54	Jai Durge Educational Trust	
55	A P Eduvision Private Limited	
1	Educomp Raffles Higher Education Ltd	Joint Venture of direct subsidiary (JV)
1	Mr. Jagdish Prakash#	Relative of Mr. Shantanu Prakash (Key Managerial Person)

*ceased to be others w.e.f. 15th October, 2014

**Others w.e.f. September 29, 2014

***Others w.e.f. September 1, 2014

relative of KMP w.e.f. November 14, 2013

ii) Transactions during the year with related parties:

a) Details of related party transactions for the year ended March 31, 2016

(₹ in million)

Particulars	Key Management Personnel	Joint Venture of Subsidiary	Others	Total
Revenues	-	-	494.03	494.03
(note i)	(-)	(18.79)	(592.10)	(610.89)
Other Income	-	-	110.07	110.07
(note ii)	(-)	(-)	(91.42)	(91.42)
Loans and advances given	-	-	761.40	761.40
(note iii)	(-)	(-)	(1,353.75)	(1,353.75)

Loans and advances given - repayment	-	-	898.06	898.06
(note iv)	(-)	(-)	(901.51)	(901.51)
Purchase of investments	-	-	-	-
(note v)	(-)	(-)	(-)	(-)
Reimbursement of expenses	-	-	0.91	0.91
(note vi)	(-)	(-)	(0.91)	(0.91)
Expense	2.25	-	35.43	37.68
(note vii)	(-)	(-)	(67.92)	(67.92)
Remuneration	(5.55)	-	-	(5.55)
(note viii)	(7.35)	-	-	(7.35)
Rent paid	0.83	-	-	0.83
(note ix)	(0.83)	(-)	(-)	(0.83)
Loans and advances received	230.00	-	-	230.00
(note x)	(128.60)	(-)	(-)	(128.60)
Provision for doubtful debts	-	-	-	-
(note xi)	(-)	(-)	(11.65)	(11.65)
Provision for Loans and advances	-	-	-	-
(note xii)	(-)	(-)	(22.52)	(22.52)
Doubtful debts written off	-	-	376.21	376.21
(note xiii)	(-)	(-)	(-)	-
Loans and advances written off	-	-	281.81	281.81
(note xiv)	(-)	(-)	(-)	-

1. All transactions with related parties have been entered into in the normal course of business. Previous year figures are given in parenthesis.
2. The remuneration to the key management personnel does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

b) Disclosure of material transactions with related parties*

(₹ in million)

Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
(i) Includes sales and services to:		
Joint Venture of direct subsidiary		
Educomp Raffles Higher Education Ltd	18.79	18.38
Others		
Learning Leadership Foundation	232.75	319.58
Mussorie International School Society	88.23	87.53
(ii) Includes other income from:		
Others		
Learning Leadership Foundation	14.15	8.39
Richmond Education Society	35.27	30.59
(iii) Loans and advances (includes share application money) given relates to:		
Others		
Learning Leadership Foundation	244.05	439.94
Richmond Education Society	220.34	151.22
Mussorie International School Society	64.53	264.37
(iv) Loans and advances repayment relates to:		
Others		
Mussorie International School Society	48.66	254.92
Learning Leadership Foundation	432.12	363.33

Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
Richmond Education Society	216.64	123.05
(v) <u>Purchase of investments relates to:</u>		
Associates		
Investment in Greycells18 Media Private Limited	Nil	Nil
(vi) <u>Reimbursement of expenses</u>		
Joint Venture		
Educomp Raffles Higher Education Private Limited	0.91	0.91
Others		
Richmond Educational Society	Nil	Nil
(vii) <u>Expenses relates to:</u>		
Others		
Unnati Educational Trust	28.94	65.81
KMP		
Mr. V.K. Dandona	2.25	Nil
(viii) <u>Remuneration Includes transaction for the year mainly with:</u>		
KMP		
Mr. V.K. Dandona	0.45	2.47
Relative of KMP		
Mr. Jagdish Prakash		
- Paid or Payable	-	4.88
- Reversal	6.00	-
(ix) <u>Includes rent paid to:</u>		
KMP		
Mr. Shantanu Prakash	0.83	0.83
(x) <u>Loans & Advances received</u>		
KMP		
Mr. Shantanu Prakash	230.00	128.60
(xi) Provision for doubtful debts		
Others		
Shri Radha Krishna Educational Trust	-	11.65
(xii) Provision for Loans and advances		
Others		
Radhey Shyam Educational Trust	-	11.01
Naveen Shiksha Educational Trust	-	11.51
(xiii) Doubtful debts written off		
Others		
Shri Radha Krishna Educational Trust	22.21	-
Shyam Sunder Educational Trust	49.54	-
Mussoorie International School Society	248.23	-
Laxmi Narain Educational Trust	9.31	-
Vigyan Educational Trust	2.95	-
Samvridi Educational Trust	0.67	-
Sri Laxmi Ganesh Educational Trust	43.29	-
(xiv) Loans and advances written off		
Others		
Naveen Shiksha Educational Trust	0.13	-
Shri Radha Krishna Educational Trust	67.91	-

Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
Shyam Sunder Educational Trust	62.69	-
Laxmi Narain Educational Trust	12.65	-
Vigyan Educational Trust	38.63	-
Samvridi Educational Trust	26.25	-
Sri Laxmi Ganesh Educational Trust	73.55	-

Note: Here transactions, the amount of which is in excess of 10% of the total related party transactions of the same type is considered material.

ii) Balances with related parties

a) Details of balances with related parties as at March 31, 2016:

(₹ in million)

Particulars	Key Management Personnel	Associates	Joint Venture of subsidiary	Others	Total
Investment	-	88.65	-	-	88.65
	(-)	(104.56)	(-)	(-)	(104.56)
Share application money	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Trade receivables	-	-	-	1,935.98	1,935.98
	(-)	(-)	(-)	(2,402.19)	(2,402.19)
Provision against trade receivables	-	-	-	16.56	16.56
	(-)	(-)	(-)	(16.56)	(16.56)
Loans and advances including interest receivable	-	-	-	1,298.93	1,298.33
	(-)	(-)	(-)	(1,634.25)	(1,634.25)
Provision against loans and advances	-	-	-	27.23	27.23
	(-)	(-)	(-)	(27.23)	(27.23)
Trade and other payables	0.20	-	61.07	38.33	99.61
	(3.47)	(-)	(61.07)	(22.88)	(87.42)
Unsecured loan	584.65	-	-	-	584.65
	(354.65)	(-)	(-)	(-)	(354.65)

Note: Previous year figures are given in parenthesis.

* Disclosure in respect to loans and advances given to related parties for the purpose of operational expenses and are as required under section 186(4) of the Companies Act, 2013

Name of the party	Closing Balance as at 31st March 2016	Closing Balance as at 31st March 2015
Bal Shiksha Educational Trust	47.25	43.74
Bhakti Sagar School Trust	19.30	16.31
Bharat Shakti Educational Trust	0.07	0.07
Guru Jyoti Educational Trust	0.08	0.07
Guru Narayan Educational Trust	0.07	0.06
Guru Shishya Educational Trust	0.07	0.06
Gyan Kunj Educational Trust	3.23	3.22
Jai Durge Education Trust	0.02	0.01
Jyoti Kiran Educational Trust*	-	0.06
Learning Leadership Foundation	63.97	238.31
Maurya Educational Trust	69.96	57.28
Mussoorie International School Society	33.57	14.29
Nav Jiwan Educational Trust	0.07	0.06
Nav Jyoti Educational Trust	0.07	0.07

Naveen Shiksha Educational Trust	-	11.55
Navnirmat Educational Trust	0.03	0.02
Radhey Shyam Educational Trust	-	15.72
Richmond Education Society	584.44	546.18
Samvridi Educational Trust	-	25.03
Sankalp Educational Trust	0.03	0.02
Sankalp Educational Trust	0.03	0.02
Sanskriti Educational Trust	0.07	0.07
Shakshar Educational Trust	0.07	0.06
Shiksha Educational Trust	0.08	0.07
Shiksha Bharti Educational Trust	60.06	45.43
Shiv Shakti Educational Trust	0.22	0.22
Shreshta Educational Trust	0.07	0.06
Shri Ambey Educational Trust	0.08	0.08
Shri Hare Educational Trust	0.24	7.73
Shri Krishna Hare Educational Trust	49.91	48.93
Shri Laxmi Narain Educational Trust	-	12.24
Shri Radha Krishna Educational Trust	-	64.75
Shri Radha Raman Educational Trust	51.93	51.02
Shri Radhe Educational Trust	27.05	22.89
Shrinath Education Society	7.34	3.74
Shyam Sunder Educational Trust	-	61.38
Siya Ram Educational Trust	33.02	25.81
Sri Laxmi Ganesh Educational Trust	-	60.21
Sri Satya Sai Educational Trust	44.91	34.27
Sri Vasudev Educational Trust	34.77	26.35
Sukh Sagar School Trust	20.27	15.83
Surya Kiran Educational Trust	58.94	58.84
Surya Prabhat Trust	35.37	40.64
Sushikshit Educational Trust	0.14	0.14
Unnati Educational Trust	9.26	6.98
Vidhya Sarovar Educational Trust	0.08	0.07
Vidhyarthi Educational Trust	0.07	0.06
Vidya Sarover Education Trust	0.01	0.01
Vigyan Educational Trust	-	37.53
Jai Radha Raman Educational Society-Other advances	-	0.48
Total	1,298.93	1,634.25

54. Segment reporting

The Group has identified its Product Segment as the Primary Segment in accordance with Accounting Standard 17 – Segment Reporting. The Product Segment consists of 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).

The Group has only one geographical segment as its Secondary Segment, having 10 per cent or more of enterprise revenue from sales to external customers based on the geographical location of its customers.

Revenue and expenses directly attributable to individual segments are reported under each reportable segment. All other expenses, which are not attributable or allocable to segments, have been disclosed as un-allocable expenses.

Assets and liabilities that are directly attributable to individual segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

Previous year's figures are given in parenthesis.

A. Primary Segment Information: - Business Segments

(₹ in million)

Particulars	HLS (Higher Learning Solutions)	SLS (School Learning Solutions)	K – 12 (Schools)	Online, Supplemental & Global	Total
Segment assets	1,497.48	12,477.05	26,697.45	3,549.69	44,221.67
	(883.91)	(14,984.97)	(27,714.62)	(4,640.11)	(48,223.61)
Unallocated corporate assets					2,567.47
					(3,046.19)
Total assets					46,789.14
					(51,269.80)
Segment liabilities	111.36	1,969.79	8,938.94	3,640.45	14,660.54
	(62.70)	(2,467.14)	(10,338.89)	(4,437.88)	(17,306.61)
Unallocated corporate liabilities					27,424.87
					(26,293.45)
Total liabilities					42,085.41
					(43,600.06)
Capital expenditure	0.09	166.44	161.49	163.47	491.49
	(5.69)	(269.28)	(131.65)	(166.16)	(572.79)
Unallocated corporate capital expenditure					5.10
					(2.75)
Total capital expenditure					496.59
					(575.53)
Depreciation and amortization	4.16	391.51	208.49	164.77	768.93
	(3.69)	(460.78)	(247.69)	(218.97)	(931.13)
Unallocated corporate depreciation and amortization					9.42
					(18.00)
Total depreciation and amortization					778.35
					(949.14)
Non cash expenditure other than depreciation	0.08	8.16	658.94	1.08	668.26
	(2,239.06)	(8,196.70)	(1,768.34)	(73.73)	(12,277.83)
Unallocated corporate expenditure					318.70
					(80.22)
Total non cash expenditure other than depreciation					986.96
					(12,358.05)
Revenue	37.37	2,002.48	620.19	2,334.92	4,994.96
	(117.48)	(1,932.34)	(758.18)	(2,374.02)	(5,182.02)
Expenses	36.13	2,535.32	1,126.65	2,395.61	6,093.71
	(2,347.77)	(10,983.25)	(2,355.01)	(2,845.03)	(18,531.06)
Segment results	1.24	(532.84)	(506.46)	(60.69)	(1,098.75)
	(-2,230.29)	(-9,050.91)	(-1,596.83)	(-471.01)	(-13,349.04)
Un-allocable expenditure					696.33
					(679.39)
Finance cost					3,733.31
					(3,670.41)
Operating loss					(5,528.40)
					(-17,698.84)
Other Income					878.55
					(759.95)
Prior period & exceptional items					174.13
					(59.16)
Loss before tax and after prior period items					(4,823.98)
					(-16,998.05)

Particulars	HLS (Higher Learning Solutions)	SLS (School Learning Solutions)	K – 12 (Schools)	Online, Supplemental & Global	Total
Less: Tax expense					
- Current					50.50
					(36.26)
- Deferred tax					0.54
					(-47.45)
- Excess Provision written Back					(190.58)
Loss after tax but before minority interest and share of loss of associate					(4,684.44)
					(-16,986.86)
Minorities interest					(227.65)
					(-575.34)
Share of loss in associates					(15.91)
					(10.03)
Loss after tax, minority interest and share of loss of associate					(4,472.70)
					(-16,421.55)

B. Secondary Segment Information – Geographical

(₹ in million)

	Revenue	Segment assets	Capital expenditure
India	3,560.42	43,212.61	340.58
	(3,592.50)	(46,014.46)	(575.53)
Outside India	1,434.54	3,576.53	156.01
	(1,589.52)	(5,255.34)	(-)
Total	4,994.96	46,789.14	496.59
	(5,182.02)	(51,269.80)	(575.53)

Note: Previous year figures are given in parenthesis.

55. Foreign exchange fluctuation (net) under the head other expenses/other Income comprises of:

(₹ in million)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Foreign exchange loss	315.68	578.70
Foreign exchange gain	(99.86)	(122.27)
Net foreign exchange loss	215.82	456.43

- 56.** During the previous year, block assessment of the Company for Assessment Year 2007-08 to 2012-13 was completed by the Income Tax authorities and additional demand of ₹190.91 Million was raised on account of certain disallowances. Consequently, during the current year the company has received favorable final order of appeal filed with ITAT during the previous year and accordingly the company has written back the excess provision of ₹190.91 million.

During the previous year, the Company had received a favourable order from the ITAT with respect to the AY 2007-08. On the basis of such favourable order, the Company had received a refund of ₹45.70 million (including interest) during the previous year and ₹193.31 million during the current year.

- 57.** The Group has appointed firms of Chartered Accountants for conducting a transfer pricing study, wherever applicable, to determine whether the international transactions with associate enterprises were undertaken at "arms 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 ending March 31, 2015 has been obtained and there are no adverse comments requiring adjustments in these Consolidated Financial Statements.
- 58.** The Group 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 arms' 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 ending March 31, 2015 has been obtained and there are no adverse comments requiring adjustments in these Financial Statements.

59. Edu Smart Services Pvt. Ltd. falls under the definition of "subsidiary" as per the Companies Act, 2013 by virtue of the subsidiary's investment in the convertible preference shares of that Company. However, in conformity with definition of 'Subsidiary' in Accounting Standard – 21 on "Consolidated Financial Statements", the financial statements of the same has not been included in the consolidated financial statements for the year ended March 31, 2016.

60. The Company has incurred substantial losses and its net worth has been significantly eroded. Based on Company's projected cash flows, it shall have sufficient funds to run its operations in foreseeable future. As regards availability of requisite funds to meet its debt related obligations including those falling due in year 2016-17 as per its CDR package executed with Company's lenders, the Company intends to monetize its identified investments, receivables and assets to meet the necessary obligations. The Company is also taking several measures to improve operational efficiencies and other avenues of raising funds.

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

61. A subsidiary in the Group, Knowledge Vistas Limited (KVL) has taken land from Lavasa Corporation Limited on lease vide lease agreement dated June 30, 2009 for a period of 999 years to construct an international residential school. Further KVL, has entered into a sub-lease agreement with Gyan Kunj Educational Trust (GKET) to sub lease the school building. As per the sub lease agreement, GKET shall be liable to pay lease rental to KVL from the year in which it has cash surplus. GKET has started its operation in Academic Session 2011-12 but due to environment matters, GKET has decided to suspend its operation and waiting for favourable business opportunities.

On the basis of the valuation report from an independent valuer, the carrying cost of the Group's assets is not less than its net realisable value. Hence, the management doesn't anticipate any asset impairment. These consolidated 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.

62. Educomp Infrastructure and School Management Limited (EISML), a subsidiary Company has incurred losses and its debt related obligation in form of Funded Interest Term Loan has been converted into 0.1% Cumulative Compulsory Convertible Preference Shares during the year. Based on projected cash flows, it shall have sufficient funds to run its operations in foreseeable future. As regards availability of requisite funds to meet its debt related obligations overdue and including those falling due in year 2016-17 as per the CDR package executed with lenders, it intends to monetize its assets identified for sale to meet the necessary obligations. The subsidiary is also taking several measures to improve operational efficiencies and other avenues of raising funds.

Educomp Infrastructure and School Management Limited (EISML) is confident that with the above measures and continuous efforts to improve the business, it would be able to generate sustainable cash flow to discharge its short-term and long term liabilities and recover & recoup the erosion in its net worth through profitable operations and continue as a going concern. Accordingly, these consolidated financial results have been prepared considering its financial statement 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 Company is unable to continue as a going concern.

63. The Group has the following provision for warranty liability in the books of accounts.

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Opening balance	1195.93	5.00
Additions during the year	-	1,511.03
Utilised during the year	618.71	320.10
Closing balance	577.22	1,195.93

64. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 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 liabilities		
Principal amount due to micro, small and medium enterprises	2.58	0.95
Interest due on above	-	-
Principal amount due Others	67.48	46.53
Total	70.06	47.48
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.	-	-

65. The Group has initiated proceedings for recovery of outstanding amount from certain trade receivables amounting to ₹3,601.17 million (previous year ₹2826.55 million), in respect of which the Company has created a provision of ₹3,596.57 million (previous year ₹1910.02 million), which in the opinion of the Group is adequate to mitigate the risk of any possible non recovery from such receivables. Further, the Group has filed a legal case against one former employee for recovery of certain damages amounting to ₹15 million arising from stealing of Group's intellectual property right. The Group 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 Group does not expect any adverse impact on the financial position as a consequence of these proceedings/case. The Group has recorded all expenses pertaining to legal & professional charges in respect of all such proceedings/case.

66. 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, 2016. 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.

67. Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the Group's Financial Statements.

68. Previous year figures have been regrouped/ recast wherever necessary to make them comparable with those of the current year.

As per our report of even date.

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

Sd/-
Pranav Jain
Partner
Membership No.: 098308

Place: Gurgaon
Date: May 26, 2016

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

Sd/-
Shantanu Prakash
Chairman and Managing Director
(DIN: 00983057)

Sd/-
Ashish Mittal
Chief Financial Officer

Sd/-
V. K. Dandona
Whole Time Director
(DIN: 06730804)

Sd/-
Yogesh Saluja
Company secretary



Educomp Solutions Limited

CIN: L74999DL1994PLC061353

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