



Date: 18-03-2025



To,
National Stock Exchange of India
Exchange Plaza,
Bandra Kurla Complex,
Mumbai 400 051

Scrip Code: EDUCOMP

Sub: Clarification on Unaudited Financial Results submitted on January 23, 2024

Ref: Your latest e-mail dated March 12, 2025, and other earlier communications on the captioned subject

Dear Sir / Madam,

We refer to your latest email dated March 12, 2025 and earlier communications regarding clarification on Unaudited Financial Results submitted to the exchange on January 23, 2024 in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR) Regulations, 2015”]. You have raised following queries:

- a. Consolidated Financial Results not submitted.
- b. Financial Results not submitted within 30 minutes

In this regard, please note the following:

Background:

At the outset, we would like to draw your attention to the intimation submitted to your good office vide previous correspondences, wherein, we have informed that, the Hon’ble National Company Law Tribunal, Principal Bench (“NCLT”) passed an order on May 30, 2017 for the initiation of Corporate Insolvency Resolution Process (“CIRP”) of Educomp Solutions Limited (“Company”/“Corporate Debtor”) as per the provisions of the Insolvency and Bankruptcy Code, 2016 (“IBC”/“Code”) and Dr. Sanjeev Agarwal, having IP Registration no. IBBI/IPA-001/IP-00445/2016-17/1339, was appointed as the Interim Resolution Professional (“IRP”). Further, NCLT vide its order dated September 12, 2017 appointed Mr. Mahender Khandelwal having IP Registration no. IBBI/IPA-001/IP-P00033/2016-17/10086 as the Resolution Professional (“RP”) of the Corporate Debtor. As per the provisions of the Section 17 and 18 of the IBC, the powers of the board of directors and the management of the Corporate Debtor shall stand suspended from the date of initiation of the CIRP and shall vest with the RP. Therefore, the present letter and submissions are being made by the undersigned in his capacity as the Caretaker RP of the Corporate Debtor.

As per the directions of the NCLT, the undersigned had taken over the control of the management of the Corporate Debtor since the initiation of the CIRP but had faced various challenges in the transition process which are explained herein below.



Educomp Solutions Limited
(CIN:-L74999DL1994PLC061353)

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

Registered Office: L-314 (Ground & First Floor), Gali No. 7, Mahipalpur, New Delhi - 11037

Website: www.educomp.com, **Email:** investor.services@educomp.com

Update on CIRP:

After protracted proceeding before NCLT, NCLAT & Supreme Court over a period of 6 years from September 2017 to Oct 2023, the Hon'ble National Company Law Tribunal, New Delhi Bench-II (NCLT) vide its order dated 09th October, 2023 approved the resolution plan submitted by the Resolution Applicant. The Successful Resolution Applicant (SRA) did not carry out the order dated 09 October, 2023 issued by the National Company Law Tribunal, New Delhi Bench-II (NCLT) for the implementation of approved resolution plan and filed an appeal before the Hon'ble NCLAT against the order passed by the Hon'ble NCLT. Therefore, in these circumstances, the Hon'ble NCLT vide its order dated 23rd November, 2023 directed RP to act as caretaker qua the CD and in such capacity, he would discharge all those functions' as are required to be discharged by an IP as RP. Later, the Hon'ble NCLAT had dismissed the appeal filed by SRA. The contempt proceeding against SRA is being initiated.

a. Consolidated Financial Results:

This is to apprise your good office about the challenges/ issues being faced by the undersigned and the team in the preparation of financial accounts and the consolidation of accounts with the accounts of the subsidiaries including the foreign subsidiaries, subsequent to March 2017 till date and audit thereon. Since the Corporate Debtor is undergoing CIRP, most of its employees have resigned fearing an uncertain future which has posed several hindrances at various junctures. Some of the subsidiary companies of the Corporate Debtor are also undergoing insolvency proceedings under the Code and hence, there is a challenge in collating the requisite financial data for consolidation. Also, in case of foreign subsidiaries, there are challenges faced in getting their accounts audited due to various reasons which again poses a hurdle in consolidation such as non-availability of their bank statements etc. Additionally, my jurisdiction was limited to Educomp Solutions Limited, and its subsidiaries/associate companies (being separate legal entities) were not under my direct control. Many of these subsidiaries and associates had either ceased operations or had been struck off from official records.

For the financial year 2017-18, the statutory auditor took nearly three years to complete the audit and issue the signed statements. Consequently, the delay in finalizing these statements further impeded the timely preparation and submission of subsequent financial statements.

Considering the aforementioned circumstances and the unique challenges faced during the CIRP, it is practically impossible to prepare the consolidated accounts on a quarterly basis. The delays were beyond the control of the Resolution Professional and arose due to factors inherent in the insolvency process and the absence of requisite financial data from the subsidiaries and associate entities.

Despite the challenges being faced during the CIRP period, we are able to finalise and submit the Standalone Quarterly Results which have been reviewed by the Statutory Auditor and have been submitted with your good office.



Educomp Solutions Limited
(CIN:-L74999DL1994PLC061353)

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

Registered Office: L-314 (Ground & First Floor), Gali No. 7, Mahipalpur, New Delhi - 11037

Website: www.educomp.com, **Email:** investor.services@educomp.com

b. Financial Results not submitted within 30 minutes

Since the Company is in CIRP since May 2017, as per the provisions of the Section 17 and 18 of the IBC, the powers of the board of directors and the management of the Corporate Debtor shall stand suspended from the date of initiation of the CIRP and shall vest with the RP, the regulation pertaining to calling and holding meeting of the Board of Directors are not applicable to the Company. Moreover, no meeting was called, accordingly the company has not given any prior intimation for approval of accounts. Also, for the purpose of filing, we have taken the date of signing and approval by the RP as dated of board meeting. No Board meeting was ever convened as the Board did not exist.

As submitted above, due to the ongoing CIRP and continuing litigations, the Company is facing various technical, practical, and peculiar difficulties in conducting its operations and making requisite compliances, despite the Resolution Professional taking all best possible actions and doing compliances to the extent same can be done.

We wish to draw your kind attention to the fact the owing to the corporate insolvency resolution process the Company is already distressed. Therefore, we further request you to not penalise the Company by imposing monetary penalty for the delay in compliance with the said regulation as it will affect the interest of the shareholders and become an additional burden on the Company during this corporate insolvency process.

In view of the above facts, circumstances and peculiar situation, we request you to not penalise the Company for non-compliance of with Reg. 33 of the SEBI (LODR) Regulations, 2015.

Should you require any further clarifications/information, please feel free to contact the undersigned mkipeducomp@bdo.in.

Thanking You.

Yours Truly,

For Educomp Solutions Limited


Mahender Kumar Khandelwal

Caretaker Resolution Professional in the matter of Educomp Solutions Limited

Registration no. IBBI/IPA-001/IP-P00033/2016-17/10086

