Limited Review Report

Anupam Bansal & Co.
Chartered Accountants
D-29 /32, Connaught Place
New Delhi - 110 001

Haribhakti & Co
Chartered Accountants
52-B, 3rd Floor
Okhla Industrial Estate
New Delhi - 110 020

Review Report to
The Board of Directors
Educomp Solutions Limited

1. We have reviewed the accompanying statement of unaudited financial results of Educomp Solutions Limited ('the Company') for the quarter ended June 30, 2012 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibil.ty of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with accounting standards notified pursuant to Companies (Accounting Standards) Rules, 2006 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Anupam Bansal & Co.
Chartered Accountants
Firm Registration No. 009864N

[Anupam Bansal]
Proprietor
Membership No.: 087699

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

[Raj Kumar Agarwal]
Partner
Membership No.: 074715

Place: Gurgaon
Date: August 13, 2012

EDUCOMP SOLUTIONS LIMITED

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

(Rupees in lacs)

PART 1

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2012

S.NO	Particulars	Quarter ended 30.06.2012 Unaudited	Quarter ended 31.03.2012 Unaudited	Quarter ended 30.06.2011 Unaudited	Year Ended 31.03.2012 Audited
1	**Income from operations**				
	(a) Net Sales/Income from operations	20,768.34	40,817.10	18,567.85	107,651.20
	(b) Other Operating Income	-	-	-	-
	Total Income from operations (net)	**20,768.34**	**40,817.10**	**18,567.85**	**107,651.20**
2	**Expenses**				
	(a) Purchases of stock-in-trade	6,775.16	22,147.90	7,031.65	42,733.00
	(b) Changes in inventories of finished goods,wip & stock-in-trade	1,636.41	(4,100.38)	(2,458.38)	(4,100.38)
	(c) Employee benefit expenses	4,313.48	4,639.63	3,787.80	17,692.05
	(d) Depreciation & amortisation expenses	1,281.53	1,242.17	1,183.57	4,735.01
	(e) Other expenses	1,818.84	3,579.36	1,887.40	10,460.83
	(f) Foreign Exchange Fluctuation (Net)	1,635.86	878.44	53.82	4,531.20
	Total Expenses	**17,461.28**	**28,387.12**	**11,485.86**	**76,051.71**
3	**Profit/ (Loss) from Operations before other income , finance costs & exceptional items (1-2)**	**3,307.07**	**12,429.98**	**7,081.99**	**31,599.49**
4	Other Income	345.62	303.24	743.96	1,872.27
5	**Profit/ (loss) from ordinary activities before finance costs & exceptional items (3+4)**	**3,652.69**	**12,733.22**	**7,825.95**	**33,471.76**
6	Finance costs	2,672.70	2,715.52	2,152.80	9,023.78
7	**Profit/ (loss) from ordinary activities after finance costs but before exceptional items (5-6)**	**979.99**	**10,017.70**	**5,673.15**	**24,447.98**
8	Exceptional Items	-	-	-	-
9	**Profit / (Loss) from ordinary Activities before tax (7+8)**	**979.99**	**10,017.70**	**5,673.15**	**24,447.98**
10	Tax Expense				
	- Current tax including for earlier years (net)	227.62	2,497.82	1,326.36	6,045.90
	- MAT Credit Entitlement / Reversal	(227.62)	-	-	-
	- Deferred tax	(167.72)	(305.26)	(7.62)	(488.21)
11	**Net Profit / (Loss) from Ordinary activities after tax (9-10)**	**1,147.71**	**7,825.14**	**4,354.41**	**18,890.29**
12	Extraordinary Item (net of tax expense)	-	-	-	-
13	**Net Profit / (Loss) for the period (11-12)**	**1,147.71**	**7,825.14**	**4,354.41**	**18,890.29**
14	Paid up Equity share capital (Face Value Rs.2/- each)	1,931.96	1,921.28	1,919.36	1,921.28
15	Reserve excluding revaluation reserves	-	-	-	180,425.30
16	**Earning Per Share (EPS) (not to be annualized)**				
	(a) Basic	1.19	8.15	4.54	19.68
	(b) Diluted	1.19	8.11	4.28	19.59

PART II

SELECT INFORMATION FOR THE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2012

A	**PARTICULAR OF SHAREHOLDING**				
1	**Public Shareholding:**				
	. - Numbers of Shares (Nos.)	49,044,179	48,510,285	48,414,335	48,510,285
	. - Percentage of shareholding	50.77%	50.50%	50.45%	50.50%
2	**Promoters and Promoter Group Shareholding**				
	a) Pledged / Encumbered				
	- Number of shares	-	-	-	-
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
	b) Non – encumbered				
	- Number of shares	47,553,645	47,553,645	47,553,645	47,553,645
	-Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100%	100%	100%	100%
	Percentage of shares (as a % of the total share capital of the company)	49.23%	49.50%	49.55%	49.50%

	PARTICULARS	3 MONTHS ENDED 30 JUNE 2012
B	INVESTORS COMPLAINTS	
	Pending at the beginning of the quarter	1
	Received during the quarter	11
	Disposed of during the quarter	12
	Remaining unresolved at the end of the Quarter	0

NEW DELHI

Standalone Segment wise Revenue, Results and Capital Employed

(Rupees in lacs)

Particulars	Quarter ended			Year Ended
	Unaudited			Audited
	30.06.2012	31.03.2012	30.06.2011	31.03.2012
Segment Revenue				
Higher Learning Solutions	232.06	301.56	418.23	1,357.42
School Learning Solutions	17,792.42	40,474.72	17,996.48	104,763.84
K-12 Schools	41.16	2.38	68.69	141.11
Online Supplemental & Global	2,702.70	38.44	84.45	1,388.83
Total Net Sales/ Income from Operations	**20,768.34**	**40,817.10**	**18,567.85**	**107,651.20**
Segment Results (Profit before Interest & tax from each segments)				
Higher Learning Solutions	45.18	62.43	197.18	434.83
School Learning Solutions	6,220.18	15,082.61	8,427.08	42,753.82
K-12 Schools	30.48	2.37	68.63	138.08
Online Supplemental & Global	56.53	(58.42)	(75.29)	(190.11)
	6,352.37	**15,088.99**	**8,617.60**	**43,136.62**
Less: Interest (Net)	2,672.70	2,715.52	2,152.80	9,023.78
: Other un-allocable expenses	3,045.30	2,659.01	1,535.61	11,537.13
: Un-allocable Income	345.62	303.24	743.96	1,872.27
Total Profit before Tax	**979.99**	**10,017.70**	**5,673.15**	**24,447.98**
Capital Employed				
(Segment Assets- Segment Liabilities)				
Higher Learning Solutions	(1,382.71)	(1,576.44)	(1,481.22)	(1,576.44)
School Learning Solutions	99,518.21	92,721.19	71,837.95	92,721.19
K-12 Schools	103.68	62.51	230.94	62.51
Online Supplemental & Global	22.78	430.76	312.89	430.76
Unallocated	85,467.61	90,708.56	96,515.52	90,708.56
Total	**183,729.57**	**182,346.58**	**167,416.08**	**182,346.58**

ANUPAM BANSAL & CO * CHARTERED ACCOUNTANTS * NEW DELHI

EDUCOMP SOLUTIONS LIMITED NEW DELHI

HARI BHAKTI & CO * CHARTERED ACCOUNTANTS * NEW DELHI

Limited Review Report

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Chartered Accountants
D-29 /32, Connaught Place
New Delhi – 110 001

Haribhakti & Co
Chartered Accountants
52-B, 3rd Floor
Okhla Industrial Estate
New Delhi – 110 020

Review Report to
The Board of Directors of
Educomp Solutions Limited

We have reviewed the accompanying statement of unaudited consolidated financial results of Educomp Solutions Limited ("the Company"), its subsidiaries, Joint Ventures and Associates, together referred to as 'the Group' for the quarter ended 30th June, 2012 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We did not review the financial results of 26 entities included in the consolidated quarterly financial results, whose consolidated financial results reflect total revenues (net sales/ income from operations) of ₹ 7,326.28 Lakhs for the quarter ended on June 30, 2012. These financial results have been reviewed by other auditors whose reports have been furnished to us and our report on the quarterly financial results, to the extent they have been derived from such financial results, is based solely on the report of such other auditors.

The consolidated financial results include the financial results of 24 entities reflecting total revenues (net sales/ income from operations) of ₹ 919.95 Lakhs for the quarter ended on June 30, 2012. These financial results have been confirmed by the management and not been subjected to any review by any other auditor.

The consolidated financial results also include 7 entities reflecting total revenues (net sales/ income from operations) of ₹ 3,587.86 Lakhs for the quarter ended on June 30, 2012, which have been reviewed by either of the joint auditors.

The consolidated financial results also includes 1 entity reflecting share in loss of associate of ₹ 22.04 Lakhs for the quarter ended on June 30, 2012, which have been confirmed by the management and not been subjected to any review by any other auditor.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.





Limited Review Report

Anupam Bansal & Co.
Chartered Accountants
D-29 /32, Connaught Place
New Delhi – 110 001

Haribhakti & Co
Chartered Accountants
52-B, 3rd Floor
Okhla Industrial Estate
New Delhi – 110 020

Based on our review conducted as above and on consideration of the reports of other auditors referred to in paragraph above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Anupam Bansal & Co.**
Chartered Accountants
Firm Registration No.:009864N

[Anupam Bansal]
Proprietor
Membership No.: 087699

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

[Rajkumar Agarwal]
Partner
Membership No.: 074715

Place: Gurgaon
Date: August 13, 2012

EDUCOMP SOLUTIONS LIMITED

PART 1 (Rupees in lacs)

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2012

S.No.	Particulars	Quarter ended 30.06.2012 Unaudited	Quarter ended 31.03.2012 Unaudited	Quarter ended 30.06.2011 Unaudited	Year Ended 31.03.2012 Audited
1	**Income from operations**				
	(a) Net Sales/Income from operations	32,529.37	51,361.48	29,242.12	149,127.89
	(b) Other Operating Income	-	-	-	-
	Total Income from operations (net)	**32,529.37**	**51,361.48**	**29,242.12**	**149,127.89**
2	**Expenses**				
	(a) Purchases of stock-in-trade	8,276.26	23,814.25	8,363.25	48,483.60
	(b) Changes in inventories of finished goods,wip & stock-in-trade	1,414.11	(4,374.92)	(2,530.64)	(4,374.92)
	(c) Employee benefit expenses	8,205.15	8,617.42	7,292.47	32,808.72
	(d) Depreciation & amortisation expenses	3,018.21	2,748.64	2,515.42	10,696.67
	(e) Other expenses	5,940.32	8,546.30	5,394.66	26,359.31
	(f) Foreign Exchange Fluctuation (Net)	1,621.01	945.01	58.03	4,534.27
	Total Expenses	**28,475.06**	**40,296.70**	**21,093.19**	**118,507.65**
3	**Profit/ (Loss) from Operations before other income , finance costs & exceptional items (1-2)**	**4,054.31**	**11,064.78**	**8,148.93**	**30,620.24**
4	Other Income	1,298.87	1,024.55	673.17	3,158.08
5	**Profit/ (loss) from ordinary activities before finance costs & exceptional items (3+4)**	**5,353.18**	**12,089.33**	**8,822.10**	**33,778.32**
6	Finance costs	4,729.19	4,093.33	3,411.00	14,325.30
7	**Profit/ (loss) from ordinary activities after finance costs but before exceptional items (5-6)**	**623.99**	**7,996.00**	**5,411.10**	**19,453.02**
8	Exceptional Items	-	-	-	-
9	**Profit / (Loss) from ordinary Activities before tax (7+8)**	**623.99**	**7,996.00**	**5,411.10**	**19,453.02**
10	Tax Expense				
	- Current tax including for earlier years (net)	598.43	3,199.40	1,921.68	7,616.50
	- MAT Credit Entitlement / Reversal	(287.12)	(236.53)	(84.69)	(423.37)
	- Deferred tax	(156.04)	(728.04)	(431.37)	(1,445.67)
11	**Net Profit / (Loss) from Ordinary activities after tax (9-10)**	**468.72**	**5,761.17**	**4,005.48**	**13,705.56**
12	Extraordinary Item (net of tax expense)	-	-	-	-
13	**Net Profit / (Loss) for the period (11-12)**	**468.72**	**5,761.17**	**4,005.48**	**13,705.56**
14	Share of Loss / (profit) of Associates	22.04	(57.38)	49.64	160.31
15	Minority Share in (Loss)/profit	(42.00)	(171.20)	291.88	155.66
16	Pre-Acquisition Loss/(profits)	-	(163.98)	-	(163.98)
17	**Net Profit/ (Loss) after taxes, minority Interest and share of profit/ (loss) of associates (13-14-15-16)**	**488.68**	**6,153.73**	**3,663.96**	**13,553.57**
18	Paid up Equity share capital (Face Value Rs.2/- each)	1,931.96	1,921.28	1,919.36	1,921.28
19	Reserve excluding revaluation reserves (As per Balance Sheet of previous accounting year)	-	-	-	248,532.72
20	**Earning Per Share (EPS) (not to be annualized)**				
	(a) Basic	0.51	6.41	3.82	14.12
	(b) Diluted	0.51	6.38	3.60	14.06

PART II

SELECT INFORMATION FOR THE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2012

A	PARTICULAR OF SHAREHOLDING				
1	**Public Shareholding:**				
	. - Numbers of Shares (Nos.)	49,044,179	48,510,285	48,414,335	48,510,285
	. - Percentage of shareholding	50.77%	50.50%	50.45%	50.50%
2	**Promoters and Promoter Group Shareholding**				
	a) Pledged / Encumbered				
	- Number of shares	-	-	-	-
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
	b) Non – encumbered				
	- Number of shares	47,553,645	47,553,645	47,553,645	47,553,645
	-Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100%	100%	100%	100%
	Percentage of shares (as a % of the total share capital of the company)	49.23%	49.50%	49.55%	49.50%

Consolidated Segment wise Revenue, Results and Capital Employed

(Rupees in lacs)

Particulars	Quarter ended			Year Ended
	Unaudited			Audited
	30.06.2012	31.03.2012	30.06.2011	31.03.2012
Segment Revenue				
Higher Learning Solutions	1,414.17	1,510.66	1,483.46	6,269.25
School Learning Solutions	17,960.17	40,785.81	18,066.99	105,696.54
K-12 Schools	5,104.53	4,465.13	4,395.69	17,556.54
Online Supplemental & Global	8,050.50	4,599.88	5,295.98	19,605.56
Total Net Sales/ Income from Operations	**32,529.37**	**51,361.48**	**29,242.12**	**149,127.89**
Segment Results (Profit before Interest & tax from each segments)				
Higher Learning Solutions	(906.26)	(938.62)	(760.93)	(3,747.59)
School Learning Solutions	6,193.57	15,292.90	8,454.16	42,985.63
K-12 Schools	2,007.83	899.77	1,622.38	5,381.48
Online Supplemental & Global	(172.37)	(1,262.35)	368.94	(2,471.02)
	7,122.77	**13,991.70**	**9,684.55**	**42,148.50**
Less: Interest (Net)	4,729.19	4,093.33	3,411.00	14,325.30
: Other un-allocable expenses	3,068.46	2,926.92	1,535.62	11,528.25
: Un-allocable Income	1,298.87	1,024.55	673.17	3,158.07
Total Profit before Tax	**623.99**	**7,996.00**	**5,411.10**	**19,453.02**
Capital Employed				
(Segment Assets- Segment Liabilities)				
Higher Learning Solutions	41,052.22	40,792.35	42,206.53	40,792.35
School Learning Solutions	101,446.72	94,629.83	73,521.39	94,629.83
K-12 Schools	208,246.96	200,824.56	169,895.68	200,824.56
Online Supplemental & Global	20,444.37	18,642.05	21,124.44	18,642.05
Unallocated	(91,465.47)	(76,815.28)	(60,555.59)	(76,815.28)
Total	**279,724.80**	**278,073.51**	**246,192.45**	**278,073.51**

ANUPAM BANSAL & CO. CHARTERED ACCOUNTANTS NEW DELHI

EDUCOMP SOLUTIONS LIMITED NEW DELHI

HARI BHAKTI & CO. CHARTERED ACCOUNTANTS NEW DELHI

Notes:

1. The Un-audited standalone and consolidated Financial Results for the Quarter ended on 30th June 2012 have been reviewed by the Audit Committee and adopted and approved by the Board of Directors at their meeting held on 13th August 2012 and these have been subjected to Limited Review by the Joint Statutory Auditors.

2. During the quarter ended 30th June 2012, Company has allotted 5,33,894 equity shares of face value of Rs.2/- each pursuant to exercise of Stock options by eligible employees of the Company/ its subsidiaries under ESOP Scheme 2006.

   After 30th June 2012, the Company has allotted following Equity Shares and Warrants as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009;

   (a) 43,04,661 Equity Shares of the face value of Rs.2/- each at premium of Rs.191.74 to Promoter Group Entity.

   (b) 1,85,03,419 Equity Shares of the face value of Rs.2/- each at premium of Rs.147.16 to Non Promoter Group.

   (c) 1,14,79,096 Warrants at Issue price of Rs.193.74 convertible in to equal number of Equity Shares of the Face Value of Rs.2/- each to Promoter Group Entity. 25% of the Warrant price have been received and the balance 75% of the Warrant Price will be payable within a period of 18 months from the date of allotment.

   Paid up capital of company as on 13th August 2012 is Rs.23,88,11,808/-.

3. During the Quarter ended 30th June 2012, Company has issued 350, 13.5% Secured Redeemable Non Convertible Debentures of the face value of Rs.10,00,000 each. After 30th June 2012 Company has issued 100, 13.25% Secured Redeemable Non Convertible Debentures of the face value of Rs.10,00,000 each.

4. On due date, the Company has redeemed its outstanding US$ 78.5 Million FCCB along with redemption premium of US$ 32.25 million.

   After 30th June 2012, the Company has raised US$ 10 million, Zero Coupon Foreign Currency Convertible Bonds for redemption of outstanding FCCB. The Bond holders, as per the agreement, have the option to convert these bonds into equity shares, at a price of Rs.188.62 per share with in 5 years from the date of disbursement. The FCCB is redeemable at a premium of 34.07 % on principal after 5 year.

   For redemption of the outstanding FCCB, 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%

5. After 30th June 2012, the Promoter of the Company has pledged 96,16,000 Equity Shares representing 8.05% of the total paid up capital of the Company and 18.54% of the total shareholding of the Promoter Group as on 13th August 2012.

6. The Segment Result is prepared in accordance with the Accounting Standard-17 "Segment Reporting" as notified in the Companies (Accounting Standards) Rules 2006.

7. The Basic and Diluted Earning per Share has been calculated in accordance with the Accounting Standard -20 "Earning per Share" as notified in the Companies (Accounting Standards) Rules 2006.

8. Consolidation of Accounts has been done in accordance with the Accounting Standard -21 "Consolidation of Financial Statements", Accounting Standard -23 "Accounting for Investments in Associates in Consolidated Financial statements" and Accounting Standard -27 "Financial Reporting of Interests in Joint Ventures" as notified in the Companies (Accounting Standards) Rules 2006.

9. Previous year/period figures have been regrouped and rearranged, wherever considered necessary for comparison purposes.

10. The Standalone and Consolidated Financial results of the Company for the the Quarter ended on 30th June 2012 are also available on website of the Company (www.educomp.com), National Stock Exchange of India Limited(www.nseindia.com) and Bombay Stock Exchange Limited(www.bseindia.com).

By order of the Board of Directors

For Educomp Solutions Ltd

EDUCOMP SOLUTIONS LIMITED * NEW DELHI *

Shantanu Prakash
Chairman & Managing Director

Place: Gurgaon
Date: August 13, 2012

ANUPAM BANSAL & CO * CHARTERED ACCOUNTANTS * NEW DELHI

HARI BHAKTI & CO * CHARTERED ACCOUNTANTS * NEW DELHI