29-07-2016

Mr. K Hari-The Manager Listing Department National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	Corporate Services Department Bombay Stock Exchange Limited P.J Towers Dalal Street Mumbai – 400001

Dear Sir,

Sub:- Disclosure of the Impact of Audit Qualifications under Regulation 33/52 of SEBI (LODR), (Amendment) Regulations, 2016

Ref:- NSE Circular Ref No:- NSE/CML/2016/09 and BSE Circular Ref No:- DCS/COMP/04/2016-17

In terms of applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, read with SEBI Circular bearing reference number CIR/CFD/CMD/56/2016 dated May 27. 2016 and NSE Circular Ref No:- NSE/CML/2016/09 and BSE Circular Ref No:- DCS/COMP/04/2016-17, please find enclosed herewith (as Annexure I) the "Statement on Impact of Audit Qualification" for the financial year ended March 31, 2016.

You are requested to please take the same on records.

Thanking You,

For Educomp Solutions Limited

EDUCOMP SOLUTIONS LIMITED NEW DELHI

Yogesh Saluja
(Company Secretary)
MemberShip No:- A21916
Address:-3/206, Subhash Nagar, New Delhi-110027

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) **(Rupees in lacs)**	Adjusted Figures (audited figures after adjusting for qualifications) **(Rupees in lacs)**
	1	Total income	58,735.05	NA
	2	Total Expenditure (including exceptional items/prior period items and tax expense)	105,579.46	
	3	(Loss) from ordinary activities after tax	(46,844.41)	
	4	Earnings Per Share	(36.52)	
	5	Total Assets	467,891.35	
	6	Total Liabilities	440,285.51	
	7	Net Worth	27,605.84	
	8	Any other financial item(s) (as felt appropriate by the management)	-	

II. Audit Qualification:

a. Details of Audit Qualification:

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 Rs. 32,075.33 lacs as at March 31, 2016 (as at March 31, 2015 Rs. 32,075.33 lacs) 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.

Our audit opinion on the consolidated financial statements for the year ended March 31, 2015 and our limited review reports for the quarters ended December 31, 2015, September 30, 2015 and June 30, 2015 were also qualified in respect of aforesaid matter.

b. Type of Audit Qualification:

Qualified Opinion

c. Frequency of qualification:

Continue from March 31, 2015

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: NA

(ii) If management is unable to estimate the impact, reasons for the same:

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

Based on recent firm offers and 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.

(iii) **Auditors' Comments on (i) or (ii) above:**

In the absence of any evaluation of possible impairment as per the Accounting Standard - 28 "Impairment of Assets", we are unable to determine whether any adjustments to these amounts are necessary.

III. **Signatories:**

- Managing Director — (Mr. Shantanu Prakash)
- CFO — (Mr. Ashish Mittal)
- Audit Committee Chairman — (Mr. Vijay Kumar Choudhary)
- Statutory Auditor

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

Pranav Jain
Partner
Membership No. 098308

HARIBHAKTI & CO. LLP * NEW DELHI * CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 29/07/2016