

June 28, 2021

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

Scrip Code: EDUCOMP

Sub: Clarification for Financial Results for FY 2017-18

Ref: Your e-mail dated April 19th, 2021

Dear Sir / Madam,

With reference to your original email dated April 19th, 2021 and the various reminder emails regarding clarification on Financial Results for FY 2017-18 submitted by the Company to the exchange dated April 01, 2021 filed by the Company in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR) Regulations, 2015”]. We have already submitted our response earlier on June 05th, 2021. However with respect to financial results submitted, you have raised following queries:

- a. Financial results not submitted within 30 minutes from end of board meeting.
- b. Board meeting notice not submitted.
- c. Financial results submitted is not as per format prescribed by SEBI

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-

Educomp Solutions Limited

(CIN: L74999DL1994PLC061353)

Corporate office: 514, Udyog Vihar, Phase III, Gurgaon – 122001, Haryana (INDIA).

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Registered Office: 1211, Padma Tower I, 5, Rajendra Place, New Delhi-110008.

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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 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.

Update on CIRP:

Please note that the RP has been directed by the Hon'ble NCLT vide its Order dated 28th February, 2018 (the Copy enclosed as Annexure A) to continue as the RP and discharge all the functions as provided under the IBC till any further orders of the NCLT.

Also, please note that pursuant to the provisions of the IBC, the Corporate Debtor has submitted the resolution plan for final approval with Hon'ble NCLT under Section 30(6) of IBC vide application dated March 03, 2018 ("Resolution Plan") and the matter is currently under consideration before the NCLT. Subsequently, the Resolution Applicant i.e. Ebix Singapore Pte. Ltd. ("Resolution Applicant") filed an application under Section 60(5) of the IBC seeking withdrawal of its Resolution Plan. Vide NCLT's Order dated January 02, 2020, the withdrawal application of Ebix was allowed, to the extent of granting leave to the said Resolution Applicant to withdraw the Resolution Plan pending approval u/s 30(6) before NCLT by payment of cost of Rs. 1 lakh by the Resolution Applicant into the corpus of the Corporate Debtor. Further, Hon'ble NCLT vide the same order also granted 90 days-time commencing from November 16, 2019 to the Resolution Professional and the Committee of Creditors ("CoC") to seek/expedite the possibility of achieving resolution of the stressed assets of the Corporate Debtor within such time of 90 days. Thereafter, NCLT vide its Order dated January 03, 2020, dismissed the approval application as infructuous as a consequence of its order dated January 02, 2020 which allowed the withdrawal of the Resolution Plan by Ebix. Thereafter, an appeal under Section 61 of the IBC against the NCLT Order dated January 02, 2020 (allowing withdrawal of Resolution Plan) and Order dated January 03, 2020 was filed with Hon'ble NCLAT by the CoC's legal Counsel. On July 29, 2020, the Hon'ble NCLAT has allowed the appeal and has set aside the Hon'ble NCLT order dated 02.01.2020 in CA No. 1816(PB)/2019 in C.P.(IB)No. 101 (PB) 2017. The copy of NCLAT Order, dated July 29, 2020, is enclosed as Annexure B for your reference. Thereafter, Ebix has challenged the final order and judgment dated 29 July 2020 before the Hon'ble Supreme Court of India by way of a civil appeal. The matter is presently pending before the Supreme Court.

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Financial Results:

This is to apprise your good office about the challenges/ issues being faced by the undersigned and his 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 information. 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.

As regards the submission of financial results of the Company, we hereby submit that the Annual General Meeting ("AGM") for the adoption of accounts pertaining to the financial year ended 31st March, 2017 was held on Monday, 29th June, 2020 AT 4:00 P.M. (IST) through Video Conference ("VC") / other audio visual means ("OAVM") in accordance with the procedure prescribed by the Ministry of Corporate Affairs vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020. An intimation to convene the said AGM was shared with your good office as per the SEBI(LODR) Regulations.

Subsequent to the adoption of accounts for year ended 31st March, 2017, despite the challenges being faced during the CIRP period, the Standalone annual accounts for the financial year ended 31st March 2018 have been audited and have been submitted with your good office.

Submission:

With regard to your observations, please note that there is only one director on Board of the Company due to which various procedural compliances can't be made by the Company. W.r.t format of financial results, we would like to inform you that consolidated financial results are still under preparation due to the reasons mentioned above. Hence, the Company is not able to file the results in prescribed format. The Company has submitted only standalone financial results.



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.

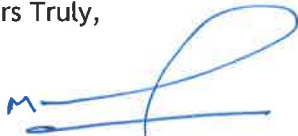
We wish to draw your kind attention to the fact that owing to the corporate insolvency resolution process the Company is already distressed. Therefore, we further request you to not penalise the Company by imposing monetary penalty for the delay in compliance with the said regulation as it will affect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

In view of the above, 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,



Mahender Kumar Khandelwal

Resolution Professional in the matter of Educomp Solutions Limited

Email: mkipeducomp@bdo.in

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

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