

Educomp Solutions Ltd

Company Profile

November 2017



Time to let go of the old system. Time to embrace the smart way of learning!

#ThereIsAnotherWay



Educomp Solutions Ltd caters to the entire education ecosystem and is one of the oldest education technology companies in India

Company Description

- Incorporated in 1994, Educomp Solutions Limited (“ESL” or the “Company”) is one of India’s oldest education technology companies having a diversified portfolio of solutions within the education space.
- The Company, headquartered in Gurgaon, has presence in 23 states in India and internationally in USA and Singapore.
- ESL directly and through its subsidiaries/investments operates in:
 - **School learning solutions (SLS):** It offers smart class products and ICT solutions to schools.
 - **Higher learning solutions (HLS):** It provides employment linked vocational courses (Modular employability skill courses), and placement assistance.
 - **K-12:** It has a network of pre-schools & schools spread across metros, Tier 1, Tier 2 & Tier 3 cities.
 - **Online, supplementary & global (OSG):** It provides internet based learning and coaching classes for entrance exams.

Revenue from operations (by Segments)¹

(Figures In INR mn)

While ESL focuses on the SLS segment, its subsidiaries focus on OSG and K-12 segments.

Segment	ESL (Standalone)	ESL (Subsidiaries) ³
SLS	1,966	37
HLS	20	18
K-12	-	620
OSG	24	2,310

Note:

¹ As on 31st March 2016

² As per claims admitted in the corporate insolvency resolution process

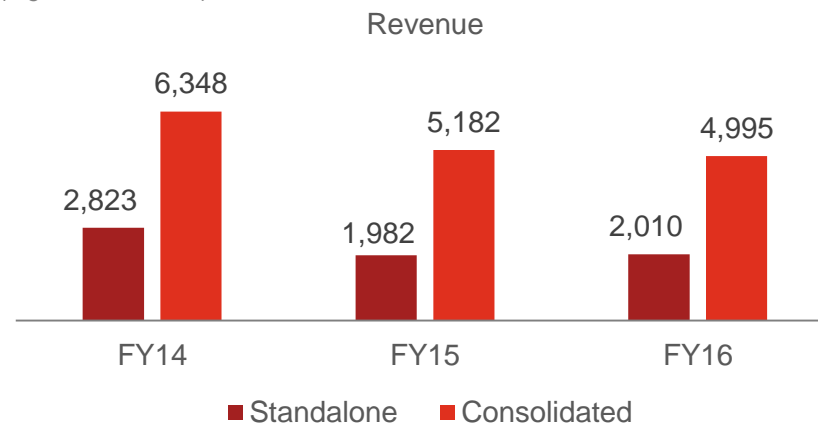
³ Refers to all entities (other than ESL) that formed a part of the FY16 consolidated financial results.

Includes State Bank of India (New Delhi) and State Bank of India (Singapore)

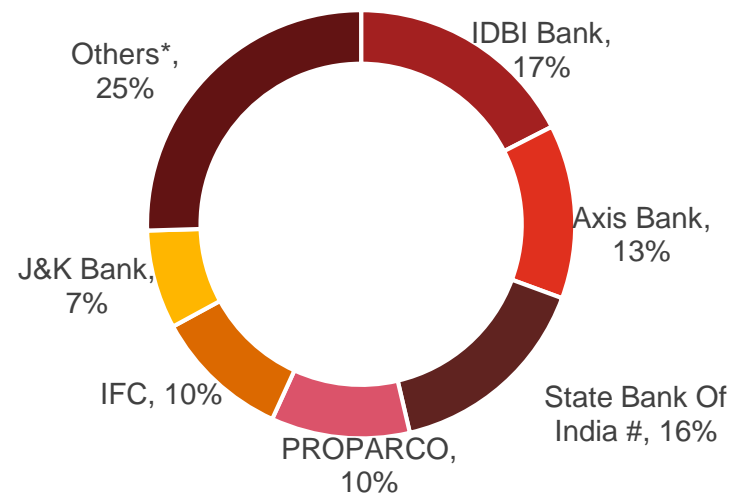
* Others include Union Bank, State Bank of Singapore, Central bank of India, ICICI Bank Ltd, Standard Chartered Bank, Canara Bank, KB Educational Services, Syndicate Bank, Assets Care & Reconstruction Company, Yes Bank, Chhattisgarh State Electricity Board Gratuity & Pension Fund Trust, Punjab National Bank, HP Financial Services, APSRTC Employees Provident Fund Trust, Pegasus Asset Reconstruction, Chhattisgarh State Electricity Board Provident Fund Trust, Reliance Capital, Jalgaon Peoples Co-op Bank, Arvind Sahakari Bank, Youth Development Co-op Bank

Financial Performance

(Figures In INR mn)







Key Financial Creditors²



Source: Public documents (including annual reports & website)

ESL has a presence in 4 key segments through various entities

Segment	Brands related to the business ¹	Key entities (by revenue from operations) engaged in the business ¹
SLS		<ol style="list-style-type: none"> 1. Educomp Solutions Ltd [98%] 2. Educomp Learning Pvt Ltd (51.00%) [2%]
HLS		<ol style="list-style-type: none"> 1. Educomp Solutions Ltd [53%] 2. Educomp Asia Pacific Pte. Ltd (100.00%)² [46%] 3. Educomp Professional Education Ltd (100.00%) [1%]
K-12		<ol style="list-style-type: none"> 1. Educomp Infrastructure & School Management Pvt Ltd - (83.00%) [76%] 2. Little Millennium Education Pvt Ltd (60.66%)³ [24%]
OSG		<ol style="list-style-type: none"> 1. Educomp Solutions Ltd [1%] 2. Educomp Online Supplemental Services Ltd - (95.90%)⁴ [0%]⁵ 3. Educomp Intelliprop Ventures Pte Ltd (100.00%)⁶ [11%] 4. Vidya Mandir Classes Ltd. (67.00%)⁷ [39%] 5. Educomp Asia Pacific Pte Ltd (100.00%)⁸ [49%]

Source: Company, Public documents (including FY16 Annual report & website)

Note:

¹ Legend: () – Shareholding as on 31st March 2016; [] – Share of segment revenue in FY16 consolidated financials

² EAPPL holds 41.18% stake in Educomp Raffles Higher Education Ltd (FY16 revenue from operations INR 17mn), a key entity in this segment.

³ ESL has divested 12.37% stake in LMEPL during FY17*

⁴ As of 31 March 2016, EOSSL holds 51.00% stake in Educomp Learning Hour Pvt Ltd (FY16 revenue from operations INR 278mn), a key entity in this segment

⁵ This is after elimination for consolidation

⁶ EIVPL sold its stake in Wizlearn Technology Pte Ltd & related entities (FY16 revenue from operations INR 260mn) in FY16*

⁷ ESL has divested 13.00% stake in VMC in FY17* reducing its shareholding at the end of FY17 to 54.00%

⁸ As of 31 March 2016, EAPPL owns 58.32% stake in The Learning Internet Inc. (FY16 revenue from operations INR 1,138mn). Liquidation proceedings are currently underway for EAPPL.

* This statement is based on the limited information available and the accuracy of the statement / information may be independently verified by the recipient.

ESL Standalone Financial Statements

INR mn	FY14	FY15	FY16	9MFY17
Total revenue	3,172	2,322	2,231	1,577
Revenue from operations	2,823	1,982	2,010	1,294
Other income	349	340	221	283
Total expenses	5,786	5,303	5,591	4,049
Purchase of traded goods	1,077	190	356	296
Changes in inventories of stock-in-trade	100	44	32	47
Employee benefit expenses	1,424	1,289	1,150	778
Finance costs	1,382	2,295	2,471	1,982
Depreciation and amortization	541	478	401	218
Other expenses	1,263	1,007	1,182	728
Loss before prior period items, exceptional items and tax	(2,614)	(2,981)	(3,360)	(2,472)
Prior period items	5	59	135	(220)
Exceptional items	700	8,614	129	-
Loss before tax	(3,319)	(11,654)	(3,624)	(2,252)
Tax expenses	(197)	-	(191)	-
Loss after tax	(3,122)	(11,654)	(3,433)	(2,252)

INR mn	31Mar14	31Mar15	31Mar16	31Sep16
Equity and liabilities	39,887	33,976	30,975	30,467
Shareholders' funds	16,765	4,893	1,304	817
Share capital	245	245	245	245
Reserves and Surplus	16,520	4,648	1,059	572
-	-	-	-	-
Non-current liabilities	17,516	22,443	19,261	15,862
Long-term borrowings	17,316	21,533	18,847	15,733
Trade Payables	24	0	0	0
Other long term liabilities	105	184	235	73
Long-term provisions	72	725	179	56
Current liabilities	5,605	6,640	10,411	13,788
Short-term borrowings	1,966	2,107	982	1220
Trade payables	1,565	892	851	882
Other current liabilities	2,061	3,099	8,110	11,340
Short-term provisions	13	542	469	346
Assets	39,887	33,976	30,975	30,468
Non-current assets	18,838	18,185	18,160	18,560
Fixed Assets	1,141	877	647	518
Non-current investments	16,938	16,938	17,132	17,455
Deferred tax assets (net)	-	-	-	0
Long-term loans and advances	741	356	356	371
Other non-current assets	18	14	25	216
Current assets	21,049	15,791	12,816	11,908
Inventories	566	254	120	99
Trade receivables	18,468	13,569	11,662	10,910
Cash and bank balances	189	570	344	157
Short-term loans and advances	1,802	1,390	465	679
Other current assets	24	9	224	63

Source: Annual Reports and quarterly statements

ESL Consolidated Financial Statements

INR mn	FY14	FY15	FY16	INR mn	31Mar14	31Mar15	31Mar16
Total revenue	7,247	5,942	5,874	Equity and liabilities	61,381	51,270	46,789
Revenue from operations	6,348	5,182	4,995	Shareholders' funds	22,252	5,777	2,761
Other income	899	760	879	Share capital	245	245	245
				Reserves and surplus	22,007	5,532	2,516
				Minority interest	2,462	1,893	1,943
Total expenses	10,261	10,290	9,773	Non-current liabilities	29,779	31,466	27,769
Purchase of traded goods	1,125	312	405	Long-term borrowings	29,494	30,413	27,181
Changes in inventories of stock-in-trade	95	10	55	Deferred tax liabilities (net)	53	0	1
Employee benefit expenses	2,718	2,499	2,218	Other long term liabilities	145	311	396
Finance costs	2,524	3,670	3,733	Long-term provisions	87	742	192
Depreciation and amortization	1,084	949	778	Current liabilities	6,888	12,134	14,316
Other expenses	2,691	2,846	2,584	Short-term borrowings	1,931	2,151	1,087
				Trade payables	1,627	984	951
				Other current liabilities	3,311	8,449	11,801
				Short-term provisions	19	550	476
Loss before prior period items, exceptional items and tax	(3,013)	(4,348)	(3,901)	Assets	61,381	51,270	46,789
Prior period items	5	71	136	Non-current assets	35,991	30,843	28,744
Exceptional items	1,599	12,579	787	Fixed assets	16,278	14,394	13,305
				Goodwill on consolidation	10,806	10,664	10,590
				Non-current investments	1,079	1,779	1,338
Loss before tax	(4,617)	(16,998)	(4,824)	Deferred tax assets (net)	2	1	1
Tax expenses	(758)	(11)	(140)	Long-term loans and advances	7,805	3,539	2,999
				Other non-current assets	20	466	512
Loss after tax	(3,859)	(16,987)	(4,684)	Current assets	25,390	20,427	18,045
				Inventories	657	360	203
				Trade receivables	21,890	16,430	14,729
				Cash and bank balances	1,047	1,600	1,062
				Short-term loans and advances	1,606	1,771	854
				Other current assets	190	265	1,197

Source: Annual Reports