

VIP REPORT

EDUCOMP SOLUTIONS LIMITED

D&B D-U-N-S[®] Number: 86-218-2677



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D&B VIP Report

Educomp Solutions Limited

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Date: 30th October 2010



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Scope of the Report

- History and legal background
- Existing operations
- Management background
- Bankers
- Financial statements and analysis

Information Sources

- Annual reports
- Corporate communiqués
- Management discussion
- Company website
- Media articles

Methodology

Financial information from the audited annual reports of the Company was studied and analyzed for a five year period. Also additional clarifications were sought from Ms. Sangeeta Gulati – Group CFO on 29th October 2010.

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Company Background

INTRODUCTION

Educomp Solutions Limited (hereinafter referred to as “Educomp” or “the Company”) was incorporated on 7th September 1994 as a private limited company under the name Educomp Datamatics Private Limited to acquire and takeover the going concern business of “Educomp Datamatics”, a proprietorship concern. Later on 18th September 2000 the Company was converted to a public limited company, consequent to which the name was changed to Educomp Datamatics Limited. On 22nd August 2005 the Company name was changed to its present name.

The Company came out with an IPO in FY 2006. The shares of the Company are listed on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.

The Company is an education technology company offering services and solutions addressing the needs of private schools, government schools, educational content, teacher training, supplemental education services, pre-schools, professional and higher education as well as online learning. The services of the Company cater to students starting from as young as an age of 2 years to over 25 years.

The Company has 27 offices worldwide including an office in Canada, twenty in India, two in Singapore, one in Sri Lanka and three in United States. In addition, the Company operates through its subsidiaries which are spread across the world.

The Company has 15 direct subsidiaries and 24 indirect subsidiaries present in India and other countries. During FY 2010, the Company incorporated one wholly owned subsidiary named “Educomp Investment Management Limited”, entered into a joint venture with Pearson LLC for its vocational business and acquired strategic business of Zaptive Internet Services Private Limited to acquire the domain “studyplaces.com”.

The Company is accredited with ISO 9001:2008 quality certification.

TRADESTYLE

Educomp

CHIEF EXECUTIVE

Shantanu Prakash
Chairman, Managing Director and Chief Executive Officer

HEAD OFFICE

Educomp Towers
514, Udyog Vihar Phase III
Gurgaon - 122001
Haryana
India

TELEPHONE

91 - 124 - 4529000

FACSIMILE

91- 124 – 4529039

E MAIL

info@educomp.com

WEB ADDRESSES

www.educomp.com

INCORPORATION DETAILS

Incorporation Date	: 7 th September 1994
Control Date	: 18 th September 2000
Registration Number	: 061353
Registered Office	: 1211 Padma Tower I, 5 Rajendra Place New Delhi – 110008 Delhi India
Last Annual General Meeting Date	: 27 th September 2010
Last Annual Return Date	: 26 th September 2009
Last Financial Statement Date	: 31 st March 2010

CHANGES IN LEGAL NAME

Original Name	: Educomp Datamatics
Changed to Date of Change	: Educomp Datamatics Private Limited : 7 th September 1994
Changed to Date of Change	: Educomp Datamatics Limited : 18 th September 2000
Changed To Date of Change	: Educomp Solutions Limited : 22 nd August 2005

CHANGES IN LEGAL STRUCTURE

DATE	: 18 th September 2000
CHANGE	: Conversion from private limited company to public limited company
FORMER NAME	: Educomp Datamatics Private Limited
FORMER LEGAL STRUCTURE	: Private Limited Company
DATE	: 7 th September 1994
CHANGE	: Conversion from proprietorship concern to private limited company
FORMER NAME	: Educomp Datamatics
FORMER LEGAL STRUCTURE	: Proprietorship Concern

LINE OF BUSINESS - STANDARD INDUSTRIAL CLASSIFICATION (SIC)

Retails education aids, devices and supplies	5999-1701
Engaged in schools and educational services	8299-0000
Provides educational services	8299-0200
Provides schools and educational services	8299-9900

EMPLOYEES

Year	Standalone
FY 2010	12,101
FY 2009	8,864
FY 2008	3,955
FY 2007	1,422
FY 2006	1,190

CAPITAL STRUCTURE

Authorized Capital	: INR 250,000,000 as on 31 st August 2010
Issued Capital	: INR 190,910,706 as on 31 st August 2010
Paid Up Capital	: INR 190,910,706 as on 31 st August 2010
Equity Shares	: 95,455,353 equity shares at par value of INR 2/- each

STOCK EXCHANGES

The Company's shares are listed on the following Stock Exchanges:

- Bombay Stock Exchange Limited
- The National Stock Exchange of India Limited

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited

A-40, 2nd Floor, Naraina Industrial Area
Phase II
New Delhi - 110028
India

AUDITORS

Anupam Bansal & Co.,

D-29/32, Cannaught Place
New Delhi – 110001
India

Haribhakti & Co.

42, Free Press House
4th Floor, 215
Nariman Point
Mumbai – 400021
Maharashtra, India

COMPANY SECRETARY

Mohit Maheshwari

D&B Rating

D&B Rating : 5A1

Condition : Strong

D&B Indicative Risk Rating consists of two parts, the Financial Strength and the Composite Appraisal/ Condition. Financial Strength is an indication of the tangible net worth (that is, the shareholder's funds less any intangible assets). The Composite Appraisal / Condition is linked to the level of risk and is an overall evaluation of credit worthiness. It takes into account the financial condition and several factors such as trade reference history, legal structure, management experience and any adverse listings.

D&B Indicative Risk Rating of 5A1 implies that the subject has a tangible network of INR 645,950,000 and above as per latest available audited financial statements. Composite appraisal 1 indicates that the overall condition of the subject is strong.

Risk Indicator	Level of Risk	Guide to Interpretation
1	Minimal risk	May proceed with transaction - offer extended terms if required
2	Low risk	May proceed with transaction
3	Slightly greater than average risk	May proceed with transaction but monitor closely
4	Significant level of risk	May take suitable assurance before extending credit - e.g. personal guarantees
-	Insufficient information to assign a Rating	No public information or D&B proprietary information available to indicate trading activity

Key Financials

Amount in INR Thousand						
Year	2006	2007	2008	2009	2010	CAGR (%)
No of Months	12	12	12	12	12	
Revenue	523,045	1,065,740	2,620,950	5,011,700	8,322,210	51.85
Net Profit after Tax	139,231	286,510	700,580	1,329,760	2,246,600	37.10
Tangible Network	803,197	952,490	2,491,380	3,612,730	11,752,850	56.52
Capital Employed	902,362	2,199,350	6,160,260	8,839,840	17,670,480	62.99
Investments	14,513	280,470	709,750	2,067,140	7,866,480	51.94

- ✓ Revenue increased during the period under study on account of new products launched by the Company and increase in its customer base. The Company restructured its revenue segments in FY 2010. Revenue increased in FY 2010 on account of sharp increase in revenue from school learning solutions segment.
- ✓ Net profit showed an increasing trend during the period under review mainly due to increase in operating profit and other non operating income of the Company.
- ✓ Tangible network increased in FY 2007 on account of increase in general reserve and retained earnings of the Company. It further increased in FY 2008 and FY 2009 chiefly on account of issue of share capital, Employee Stock Options (ESOP) and profits being retained in the business. Tangible network increased sharply in FY 2010 mainly due to issue of share capital, profits being retained in the business and increase in securities premium account.
- ✓ Capital employed increased sharply in FY 2007 mainly on account of sharp increase in the total loans availed by the Company. It further increased in FY 2008 and FY 2009 on account of increase in both tangible network and total debt of the Company.
- ✓ The investments of the Company increased sharply throughout the period under study. Investments increased in FY 2007 mainly on account of increase in investment in Edumatics Corporation, United States and investment in Educomp Infrastructure Private Limited and Educomp School Management Limited. It then increased in FY 2008 due to additional investments in Educomp Infrastructure Private Limited and in FY 2009 due to additional investment in Educomp Asia Pacific Pte Ltd. Investments of the Company increased sharply in FY 2010 due to multifold increase in the Company's investment in Educomp Infrastructure and School Management Limited.



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KEY FINANCIAL RATIOS

Key Financial Ratios	2006	2007	2008	2009	2010
GROWTH RATIOS					
Revenue Growth (%)	-	103.76	145.93	91.22	66.06
Net Profit Growth (%)	-	105.78	144.52	89.81	68.95
Operating Profit Growth (%)	-	98.26	126.96	114.00	85.79
PROFITABILITY RATIOS					
Gross Profit Margin (%)	68.16	62.29	57.08	67.43	70.68
Operating Profit Margin (%)	39.25	38.19	35.24	39.44	44.13
Return on Revenue (%)	26.62	26.88	26.73	26.53	27.00
Return on Tangible Networth (%)	17.33	30.08	28.12	36.81	19.12
Return on Average Tangible Networth (%)	-	32.64	40.69	43.57	29.24
Return on Capital Employed (%)	24.38	21.05	17.40	24.21	22.05
Return on Average Capital Employed (%)	-	29.85	25.64	28.54	29.39
Return on Fixed Assets (%)	103.29	47.75	36.15	37.23	267.31
Return on Total Assets (%)	13.04	11.53	10.07	12.24	10.76
LIQUIDITY RATIOS					
Quick Ratio (Times)	3.66	4.74	4.98	2.01	2.67
Current Ratio (Times)	3.73	4.84	4.99	2.14	2.74
TURNOVER RATIOS					
Inventory Turnover Ratio (Times)	30.10	32.75	185.88	17.38	28.58
Fixed Asset Turnover Ratio (Times)	3.88	1.78	1.35	1.40	9.90
SOLVENCY RATIOS					
Long Term Debt Equity Ratio (Times)	0.03	1.23	1.40	1.35	0.45
Total Debt Equity Ratio (Times)	0.12	1.31	1.47	1.45	0.50
Total Liabilities to Tangible Networth (%)	32.95	160.85	179.20	200.73	77.69
Interest Coverage Ratio (Times)	43.69	34.84	25.59	17.58	11.76
EFFICIENCY RATIOS					
Payment Period (Days)	77	155	199	244	245
Average Payment Period (Days)	-	90	131	222	209
Collection Period (Days)	176	169	159	242	220
Average Collection Period (Days)	-	128	114	201	168
WORKING CAPITAL RATIOS					
Current Liabilities to Tangible Networth (%)	30.65	34.83	34.63	64.31	37.84
Working Capital Turnover Ratio (Times)	0.78	0.84	0.76	1.90	1.08



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STANDALONE INTERIM RESULTS (UNAUDITED)

Particulars	Amount in INR Thousand	
	30-Jun-10	30-Jun-09
Number of Months	3	3
Net Revenue	1,657,897	1,479,903
Expenditure	(1,179,176)	(1,000,082)
(Increase)/Decrease in stock in trade	56,528	(233,583)
Purchases	(667,350)	(134,393)
Personnel Expenses	(267,031)	(176,522)
Depreciation	(97,214)	(266,072)
Foreign Exchange Fluctuation	(28,704)	(31,341)
Administration & Other Expenses	(175,405)	(158,171)
Profit from Operations before Other Income, Interest and Exceptional items	478,721	479,821
Other Income	73,889	123,518
Profit before Interest and Exceptional Items	552,610	603,339
Interest	(75,000)	(53,564)
Profit from ordinary activities before Tax	477,610	549,775
Tax	(95,256)	(205,083)
Mat Credit Entitlement/Reversal	55,219	-
Deferred Tax	4,599	18,011
Net Profit after Tax	442,172	362,703
Operating Profit Margin (%)	28.88	32.42
Net Profit Margin (%)	26.67	24.51



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CONSOLIDATED INTERIM RESULTS (UNAUDITED)

Particulars	Amount in INR Thousand	
	30-Jun-10	30-Jun-09
Number of Months	3	3
Net Revenue	2,278,776	1,938,393
Expenditure	(1,812,805)	(1,410,855)
Increase in stock in trade	53,510	(239,183)
Purchases	(715,312)	(181,516)
Personnel Expenses	(514,838)	(351,560)
Depreciation	(198,011)	(293,027)
Foreign Exchange Fluctuation	(28,764)	(36,930)
Administration & Other Expenses	(409,390)	(308,639)
Profit from Operations before Other Income, Interest and Exceptional items	465,971	527,538
Other Income	100,005	153,341
Profit before Interest and Exceptional Items	565,976	680,879
Interest	(161,162)	(101,924)
Profit from ordinary activities before Tax	404,814	578,954
Tax	(116,500)	(207,034)
Mat Credit Entitlement/Reversal	60,313	-
Deferred Tax	17,157	(18,230)
Net Profit after Tax	365,784	353,690
Operating Profit Margin (%)	20.45	27.22
Net Profit Margin (%)	16.05	18.25

Source: BSE Website



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SHAREHOLDING PATTERN**Shareholding Pattern as on 30th June 2010**

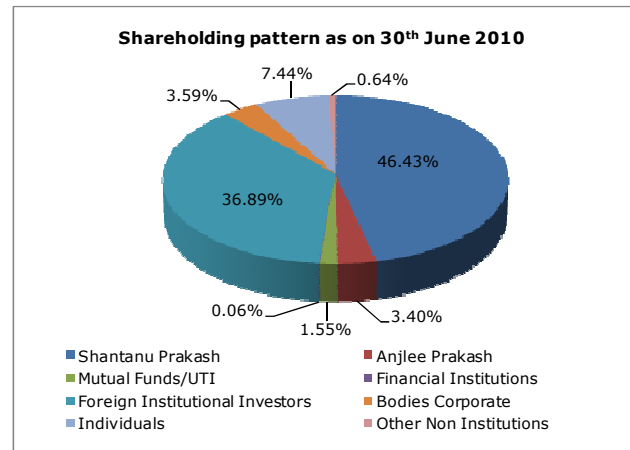
Particulars		Number of Shares	% Holdings
(A)	<u>Shareholding of Promoters</u>		
	Shantanu Prakash	44,315,205	46.43
	Anjlee Prakash	3,238,440	3.40
	Sub Total (A)	47,553,645	49.83
(B)	<u>Public Shareholding</u>		
	<u>(i) Institutions</u>		
	Foreign Institutional Investors	35,210,463	36.89
	Mutual Funds / UTI	1,478,113	1.55
	Financial Institutions / Banks	57,593	0.06
	<u>(ii) Non-Institutions</u>		
	Bodies Corporate	3,424,773	3.59
	Individual Shareholders holding nominal share Capital up to INR 1 Lakh	6,786,465	7.11
	Individual Shareholders holding nominal share Capital in excess of INR 1 Lakh	315,645	0.33
	Others		
	Non Resident Indians	247,493	0.26
	Clearing Members	196,097	0.21
	Hindu Undivided Family	169,480	0.17
	Trusts	756	0.00
	Foreign Nationals	180	0.00
	Sub Total(B)	47,887,058	50.17
	Total (A+B)	95,440,703	100.00

Total No of shareholders : 114,702

Date of shareholding : 30th June 2010



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Source: BSE Website



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Educomp Solutions Limited

Board of Directors

Shantanu Prakash

Jagdish Prakash

Rajiv Krishan Luthra

Gopal Jain

Sankalp Srivastava

Shonu Chandra

Shayama Chona

Operations

The Company is an education technology company offering services and solutions addressing the needs of private schools, government schools, educational content, teacher training, supplemental education services, pre-schools, professional and higher education as well as online learning. The services of the Company cater to students from age 2 years to over 25 years.

The Company operates about 775 preschools, has enabled 43 high schools, 7 colleges and 250 vocational training centers. It has trained over 2 million teachers, installed Smart Class content in around 4,000 schools and set up 15,500 Information and Communication Technology ICT labs in government schools. The Company has 2.5 million students enrolled through its eLearning websites.

Business Segments

The Company operates under four business segments viz. School Learning Solutions, Higher Learning Solutions, K-12 Schools and Online Supplementary & Global:

Business	Segment	Brand
Educational Content Licensing to Private-sector-run schools	School Learning Solutions	Smart Class
Educational Content Licensing to Government run schools		Edureach
Higher Education	Higher Learning Solutions	Raffles Millenium International Colleges
Vocational		ETEN, Language Edge and other programmes
High Schools	K-12 Schools	The Millenium Schools and cobranded schools, Takshila Schools and Vidya
Pre Schools		Roots to wings and EuroKids
Offline Initiatives	Online Supplementary and Global	Tutoring – Learning Hour
Online Initiatives		Mathguru.com Viziq.com Authorstream.com LearnHub.com EasyTech/ Tech Literacy Assessment (Learning.com) Aha! Math/ Aha! Science (Learning.com) www.smartclassonline.com Retail Sale

The Company operates in following four business segments including;

- **School Learning Solutions:** The Company has two brands under this segment namely **Smart Class** and **Edureach** (formerly ICT) which mainly caters to private and government schools.
 - ❖ *Smart Class* is a comprehensive solution designed to assist teachers to enhance classroom experience with the help of technology. It also enables the teachers to instantly access and to evaluate the learning achieved by students. It comprises of a digital content library of over 16,000

modules of curriculum-mapped, multimedia and 3D content and covers all subjects across kindergarten to grade XII.

- ❖ *Edureach* provide turnkey solutions for computer aided learning in government schools in 11 regional languages across the country.
- **Higher Learning Solutions:** In this segment the Company caters to Vocational Training, Higher Education and Professional Development.
 - ❖ Vocational Training: The Company provides vocational training programs in English Language as well as a wide range of vocations. The Company has joint ventured with Pearson offering programs like ETEN, Language edge and other programmes.
 - ❖ Educomp Tele Education Network (ETEN) provides training in accounting, soft skills, English language and CA coaching through its VSAT enabled learning centers across the country.
 - ❖ Higher Education: The Company has entered into joint venture with Raffles Education Corp. and has set up Raffles Millenium International Centers to provide higher education and courses similar to that of Raffles in India. It offers professional development programs in Fashion Design, Hospitality, Management, Commerce etc.
 - ❖ Professional Development includes training for teachers to integrate technology into the school curriculum in both Government run and Private sector run organizations.
- **K-12 Schools:** The Company offers educational programmes with chain of high schools and pre schools which are as below:
 - ❖ High Schools: The High schools are owned and run by independent trusts. Under this segment the Company has 3 brands which includes,
 - ✓ Millennium Schools targets to Tier I and Tier II cities.
 - ✓ Takshila Schools targets to Tier II and Tier III cities.
 - ✓ Vidya Prabhat Schools targets to Tier IV and semi urban towns.
 - ❖ Pre schools: It has two brands under this segment which includes *Root to Wings* and *Euro Kids* for students of 2 years to 5 years. Root to Wing is the owned brand of the Company while in EuroKids, the Company has 50% stake in Eurokids. The Company develops these schools through its subsidiaries and joint ventures by providing all in one package of educational infrastructure.
- **Online Supplementary and Global:** The Company engages in distribution and integration of web based education solutions (offline initiative and online initiatives) which are as given below:
 - ✓ Offline Initiative includes tutoring services given to students from grades 8 to 12 through its subsidiary company Educomp Learning Hour Private Limited using developed content, multimedia content, technological aids and proven testing and assessment programs.
 - ✓ Online Initiatives includes online tutoring and interactions with users. This gives the users access to 3D multimedia content through web enabled services like mathguru.com, wiziq.com, authorstream.com, learnhub.com, learning.com, smartclassonline.com. Some of the Company's online initiatives like WiZiQ also enable users to interact with teachers and co-students across the web.

- ✓ Distribution is the retail sale comprising of distribution and sale of educational aid, CD ROMS and learning content.

Products

The Company offers various web based solutions for Teachers, Students, Parents, and Governments through various products and services. Some of them are as follows:

Smart Class - The concept of Educomp Smart Class revolves around transforming the way teachers teach and students learn in a school. It is a digital initiative wherein a teacher makes use of animations, colors, music, sounds and voice to make the learning experience more enjoyable for the students. In FY 2010, the Company has changed its business model for the product from BOOT (Build, Own, Operate and Transfer) model to selling of Smart Class content on an upfront basis to private schools while EduSmart, a third party entity would provide maintenance services.

QuEST - Under QuEST (Quality Education for Students and Teachers), Company provides multifold services and solutions for all the stakeholders in the educational set up namely teachers, students and parents. The various training programmes and the school development project aims at empowering the teachers, parents and providing opportunities to students for personal growth and development.

Mathguru - Mathguru is a website designed to help students in solving all the mathematical problems. It contains all math problems and their solutions, from the NCERT Math textbooks, for Classes VI to XII.

WiZiQ - WiZiQ is a free online learning platform which connects the teachers and students all over the world by providing facilities like live audio, video, whiteboard and text chat elements.

Learning Hour - Learning Hour provides complete assistance to students around the world by providing tutoring services through a chain of Tutoring Centres and learninghour.com. It provides one to one online tutoring in all curriculums from grade 8 to 12 in India and Middle East. The students and tutors communicate with each other using voice, video and digital whiteboards.

Educomp Leap – Leap provides opportunities to students to get advanced, scientific and personalized live coaching from acclaimed faculty, in their home town through a national network of VSAT-enabled Leap Learning Centres (LLCs).

LearnHub - LearnHub is a social networking website for community building, online tutoring, and web based learning and digital content.

Singapore Learning - Singaporelearning.com is a subsidiary of AsknLearn. It serves as an online learning portal for parents and students and also as an e-shop for educational products.

Magikeys - Magikeys is a software application that allows many of the Government school students to surf the web, email, chat and write documents in 11 Indian languages.

Educomp O3 - It offers one on one learning opportunities to the next generation learners using cutting edge technology. All teachers and students are equipped with laptops.

Pave – It is a programme designed to help students learn English language through the use of songs, games and hands-on activities.



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EduLearn - EduLearn is designed specifically for the Primary and Secondary Schools in Singapore. It comes with reusable learning objects and pre-packaged content for students.

Wizlearn - It's an advanced learning platform which integrates two systems namely, a learning management system for the students and instructors, and an Administrative Management system to address all the administrative issues.

Aha!Math - Aha!Math is a web delivered supplemental math curriculum for grades K-5. It is designed to help improve students' foundational math skills. Students have access to it at their homes also.

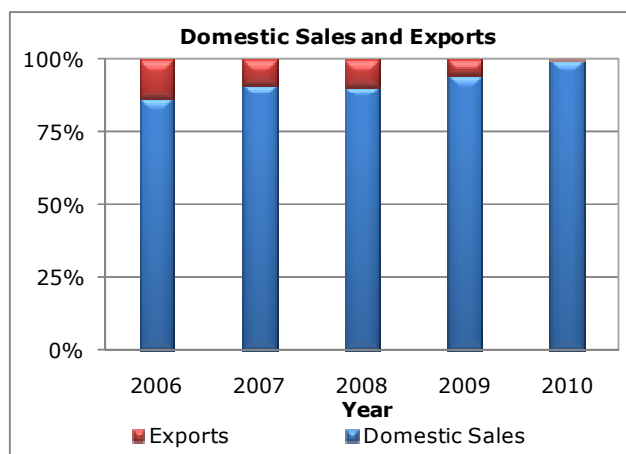
EasyTech - It provides a web delivered curriculum for various subjects like Math, Science, Language Arts and Social Studies.

Aha!Science - Aha!Science is designed to improve the scientific mind of students. It makes learning fun with the use of various games and simulations.

TechLiteracy Assessment – It is used in assessing the technical skills and knowledge of students for Spreadsheets, Word processing, Database, Multimedia and presentations, Telecommunication and Internet, Systems and fundamentals, and Social and ethical issues.

Revenue

Geographical bifurcation of revenue



Amount in INR Thousand

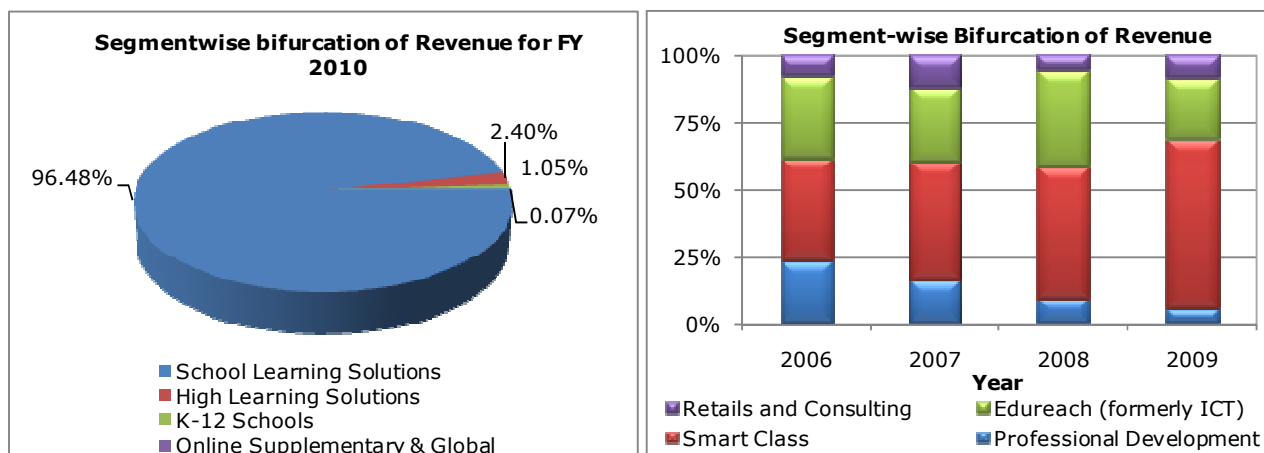
Particulars	2006		2007		2008		2009		2010	
	% of total revenue	Amount in INR Thousand	% of total revenue	Amount in INR Thousand	% of total revenue	Amount in INR Thousand	% of total revenue	Amount in INR Thousand	% of total revenue	Amount in INR Thousand
India	86.14	450,563	91.14	971,310	90.58	2,374,060	94.43	4,732,390	99.57	8,286,060
Rest of the World	13.86	72,482	8.86	94,430	9.42	246,890	5.57	279,310	0.43	36,150
Total	100.00	523,045	100.00	1,065,740	100.00	2,620,950	100.00	5,011,700	100.00	8,322,210

The Company derived major portion of its revenue from the domestic market during the period under study. In FY 2010, domestic revenue contributed 99.57% to total revenue. The Company exports to countries like United States, Singapore, Canada, Sri Lanka, Philippines, Indonesia, Brunei, Thailand and Vietnam.



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Segment and product wise bifurcation of revenue



The Company has regrouped its business segments in FY 2010. As a result the segments in FY 2010 are not comparable to those during the rest of the period under study.

In FY 2010, the Company regrouped its business segment into four segments which includes School Learning Solutions (Smart Class and Edureach (ICT) business), K-12 Schools (preschools and high schools), Higher Learning Solutions (vocational, higher education and professional development) and Online, Supplementary & Global business.

The Company derived major portion of its total revenue from its School Learning Solutions segment during the period under study. School Learning Solutions contributed to 96.48% of total revenue in FY 2010. Smart class has been the major contributor to revenue during the rest of the period under study.

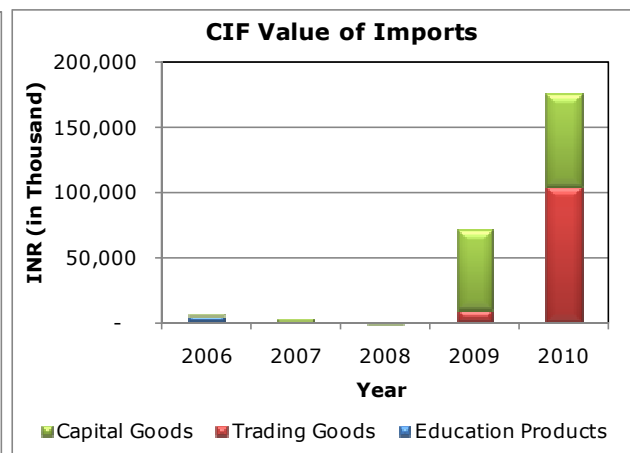
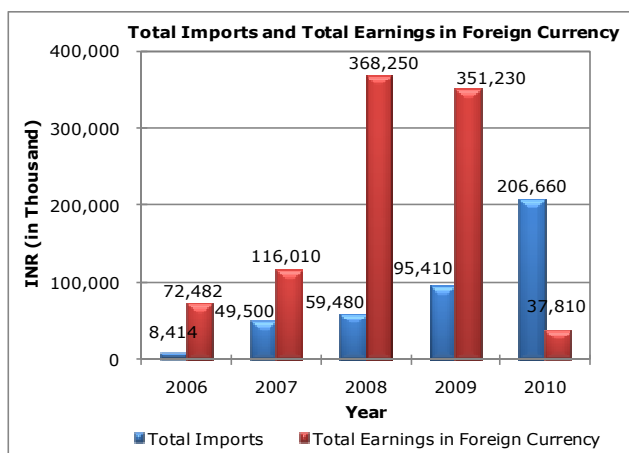
Marketing Strategy

Educomp has presence of more than 300 marketing personnel spread in various parts of India.

Competition

The Company faces stiff competition from existing entities and new entrants in the industry. The Company obtains majority of its revenue from the Indian markets which is dominated by the public sector with around 92.5% participation with regards to schools and by the private sector with around 74% participation with regards to colleges. This leaves out ample market to capture especially in case of schools for the private sector. Also, many foreign institutions are setting up in the country in collaboration with Indian institutions thereby increasing competition for the Company.

Imports and Exports



Amount in INR Thousand					
Particulars	2006	2007	2008	2009	2010
Expenditure in Foreign Currency					
CIF Value of Imports					
Education Products	6,539	-	-	-	-
Trading Goods	-	-	-	10,460	103,620
Capital Goods	72	3,350	640	61,080	71,960
Traveling and conveyance	383	6,350	1,990	7,030	6,160
Licence fees	-	-	620	1,710	1,700
Overseas Business Expenses	-	-	430	4,060	5,950
Business Promotion	1,420	410	-	-	-
Expenditure on issue of foreign currency convertible bonds	-	37,380	55,050	-	-
Bank Charges and Commissions	-	-	-	360	-
Legal & professional expenses	-	2,010	750	10,710	17,270
Total Expenditure in Foreign Currency	8,414	49,500	59,480	95,410	206,660
Earnings in Foreign Currency					
Revenue from Content Licensing	72,482	93,220	246,260	279,310	30,900
Revenue from Services	-	1,200	640	-	3,200
Interest	-	21,590	86,350	71,920	1,660
Dividend	-	-	35,000	-	-
Sponsorship	-	-	-	-	2,050
Total Earnings in Foreign Currency	72,482	116,010	368,250	351,230	37,810

PARTNERSHIPS

The Company has partnerships and joint venture with leading companies and trusts which are as given below:

- ✓ *Gaja Capital Partners* The Company has partnered with the India focused, mid-market, private equity firm for business development of its new and existing businesses, fund raising, investor relations, M&A and corporate finance.

- ✓ *Learning Leadership Foundation (LLF)*: The Company partnered with the non-profit organization for providing quality education and training teachers to be better and effective teachers.
- ✓ *Microsoft-XBOX*: The Entertainment and Devices Division of Microsoft® has entered into *partnership* with the Company for encouraging interactive learning amongst students on the Xbox 360 platform™.
- ✓ *Intel Classmate PC Pilots - One on one computing*: The Company has partnered with the Intel Corporation for school students to propagate *Smart Class O3* and Intel's Classmate PCs.
- ✓ *Raffles Exchange Programs*: The Company has partnered with Raffles Institution for establishing exchange programmes with some of the top schools in Delhi, Chennai and Bangalore.
- ✓ *Siboney*: The Company has partnered with Siboney Learning Group to launch and market Practice Planet, an easy to use tool to prepare Unites States' students for high-stake tests.
- ✓ *Greycells18 Media Private Limited*: The entity has been set up in association with Network 18 and the Company for providing comprehensive interactive learning services such as Interactive TV, e-learning and mobile learning.
- ✓ *FTK Technologies Limited*: The Company has partnered with this company to launch a software application called Magikeys which allows Government schools, students and teachers to communicate on the web in their mother tongue through e-mail, chat and several other internet based applications.
- ✓ *Learning Links Foundation*: The Company has partnered with the foundation to provide its expertise for educational projects managed by the foundation.
- ✓ *Raffles Education Corp*: The Company has formed joint venture with Raffles Education Corporation Limited for Professional Education in India.
- ✓ *Pearson*: The Company has joint ventured with Pearson to support vocational learning in India.

REVENUE DETAILS

Local	: 99.57%
International	: 0.43%

CLIENTELE

Major Customer Types

- ✓ Government Bodies
- ✓ Individuals
- ✓ Schools



Decide with Confidence

D&B VIP Report

Educomp Solutions Limited

SUPPLIERS

Major Supplier Names

L G Electronics India Private Limited

HCL Technologies Limited

Dell India Private Limited

Acer India Private Limited

Human Resource

The Company has taken several initiatives including management training programmes to ensure that the employees of the Company are well trained and motivated. The Company has also created incentive driven remuneration policies which includes employee benefit schemes like leave encashment, gratuity and employee stock option scheme.

The Company has been rated as the number 1 company in India in Education and Training Sector by the Great Places to Work Institute in 2009. The Company employs over 12,000 employees across 40 offices in India and abroad.

Corporate Social Responsibility (CSR)

Following are the initiatives taken by the Company on the CSR front:

- ✓ India Can (ICan), a 50:50 joint venture with Pearson; was formed to bridge the gap between employment opportunities and the skill and knowledge base of the unemployed youth in the country. It developed 17 Industrial Training Institutes (ITIs) across the states of Punjab, Haryana, Rajasthan and Uttar Pradesh under Public Private Partnership (PPP) schemes and trained over 11,000 students.
- ✓ Conducted training programs for the Common Service Centers (CSC) Kiosk owners and Government School Teachers of rural and urban areas, training them with IT skills.
- ✓ In Association with India Can and Microsoft, the Company conducted training programs for the Indian Army, training soldiers with English Communication and IT skills to facilitate better employability post retirement.
- ✓ Conducted Workshop in association with Microsoft and the Indira Gandhi National Open University (IGNOU) for the teachers of North East.
- ✓ The Company's implementation team joined hands with other partners for empowering the Government school teachers with IT skills to make teaching and learning more interactive and effective in classrooms.

Industry Overview

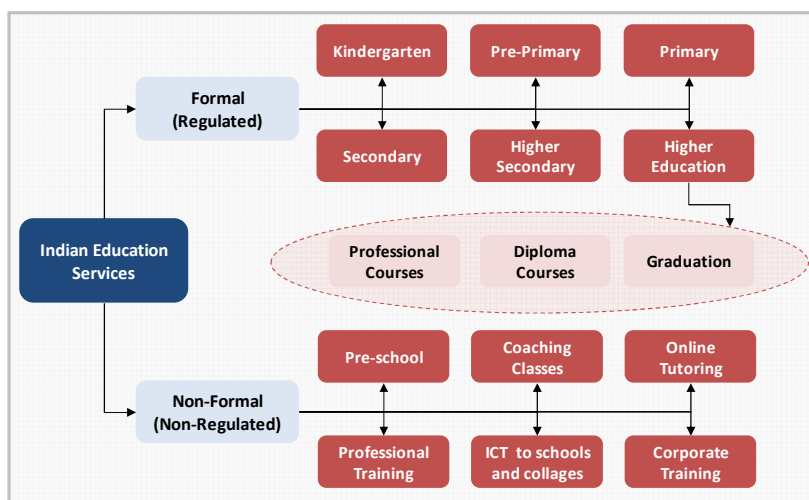
EDUCATION SECTOR

EXECUTIVE SUMMARY

- The Indian education services sector can be broadly categorized into formal (schooling and higher education) and non-formal education (coaching classes, pre-schools etc.) services.
- The formal education segment is regulated by the respective apex bodies whereas non-formal education is not subject to any regulations.
- The education sector market is estimated at ~INR 2.35 Tn in FY 2010, and is estimated to grow at a CAGR of ~6.3% over the period FY 2010-2013 to reach ~INR 3.70 Tn by FY 2013.
- K-12 segment (Kindergarten to class 12th) is the largest market for education in India.
- The industry is going through transformations from its traditional way by integrating IT as an integral part of teaching. Also, many foreign institutions are setting up in the country in collaboration with Indian institutions thereby bringing international standards of teaching into the country.

PRODUCT PROFILE

- Education can be broadly defined as the process of transferring accumulated knowledge, skills and values from one generation to another. Institutions like schools, colleges, training centers etc. have evolved to facilitate this transfer.
- In modern times, education has become a necessity so that people may become capable enough to contribute towards today's highly skilled labour requirements.
- The Indian education services sector can be broadly categorized into formal and non-formal education services.



Source: D&B Research,

Note: Indicative chart, not all education services listed

ICT: Information and Communication Technology

- School education system, popularly known as K12 (i.e. Kindergarten to class 12th) is governed by State /ICSE /CBSE /International Boards. The higher education is recognized and approved by the apex regulatory bodies such as University Grants Commission (UGC) or All India Council for Technical Education (AICTE).
- However, higher education institute unlike the K-12 system are not subject to mandatory recognition from these bodies if the quality of institute is acceptable by the industry.
- Non-formal segment include pre-schools, coaching classes, multimedia /Information and Communication Technology (ICT) to schools and colleges, professional training etc. This segment is not subject to any regulations.
- The multimedia teaching facilities provide teachers the technology support inside the classrooms such as digital content modules using graphics and 3D animation. ICT is concerned with providing IT infrastructure and computer training in order to improve computer literacy.
- The International Standard Classification of Education (ISCED), designed by UNESCO and approved by the International Conference on Education (Geneva, 1975), has defined seven levels of education on the basis of educational content.



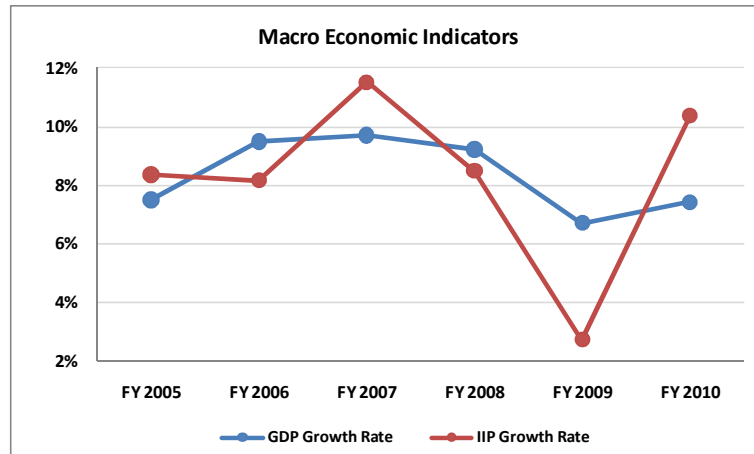
Level 0	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Pre-Primary	Primary	Lower Secondary Or Second Stage	(Upper) Secondary	Post-Secondary Non-Tertiary	First Stage of Tertiary	Second Stage of Tertiary
Nurseries and Kindergartens	Grades 1 to 6	Up-to Grade 10	Up-to Grade 12 or 3 years duration after grade 10 at Polytechnics in India	Preparatory courses designed to provide access to tertiary education; Post-secondary Trade or Vocational courses	Bachelors, Masters, Vocational diploma programmes	Doctor of Philosophy (Ph. D.)

Source: Industry Sources; D&B Research

- The ISCED level was formed to serve as an instrument suitable for assembling, compiling and presenting statistics of education both within individual countries and internationally, and to ensure international comparability in the classification of educational programs by level and field of education.

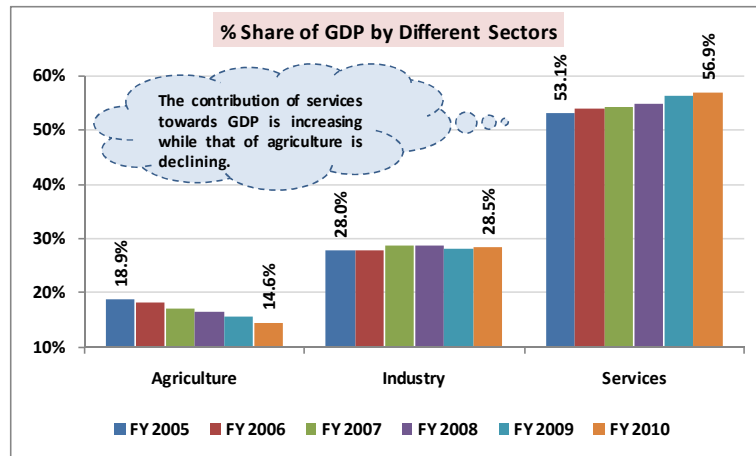
MACRO ECONOMIC ANALYSIS

Macro Economic Growth



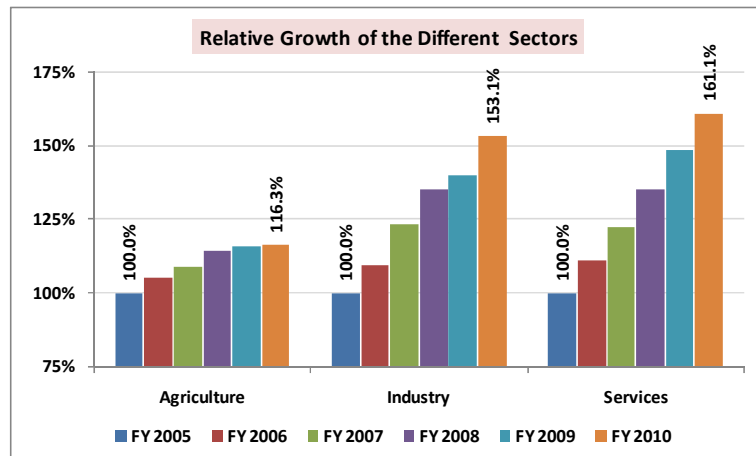
Source: RBI, D&B Research

- India's GDP has grown at an average rate of ~8.35% over a period FY 2005-10. The growth rate in FY 2010 is pegged at 7.44%.
- The Index of Industrial Production (IIP) grew at an average rate of ~8.28% during FY 2005-10. IIP grew at a rate of 10.40% Y-o-Y in FY 2010.
- In FY 2011, D&B estimates the GDP growth to be 8.3% and the IIP is estimated to grow by 10.3%.



Source: RBI, D&B Research

- The share of services in the GDP of the country is observed to be increasing while that of agriculture is seen declining over the period FY 2005-10.



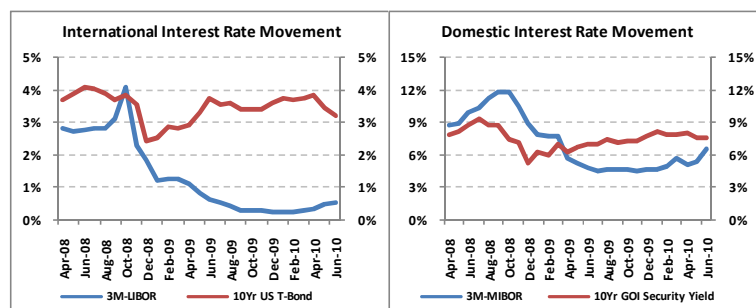
Source: RBI, D&B Research

- Also, the services sector has registered the maximum growth over the period FY 2005-10 followed by the industry sector, while growth in the agriculture lags far behind.
- Growth in the service sector indicates importance of education in the country.



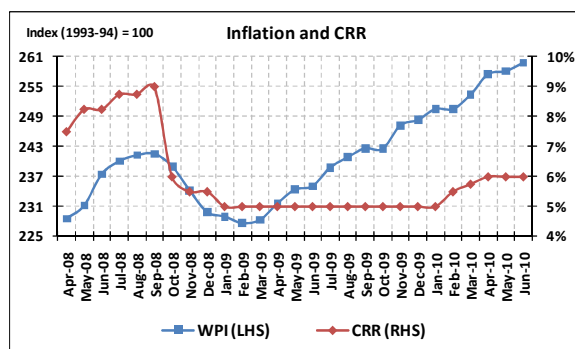
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Interest Rate Risk



Source: RBI, US Treasury, D&B Research

- Interest rates have started going up in 2010 amid prospects of economic revival after facing sharp decline in the previous one and half year. However, the emerging sovereign debt crisis in the Eurozone has the potential to halt the northward trajectory of the global interest rates.
- The fiscal year 2009 was quite eventful for the RBI as it shifted its approach from a tight monetary policy stance in the beginning of the year to easing it in the latter half for the revival of economic growth. In the first half of FY 2010, even though inflation started increasing, government maintained its monetary policy to keep the growth momentum continued. However, burgeoning inflation coupled with increase in industrial production forced the government to tighten the monetary policy in the second half. This resulted in hike in CRR from 5% to 6% in between February and April 2010.

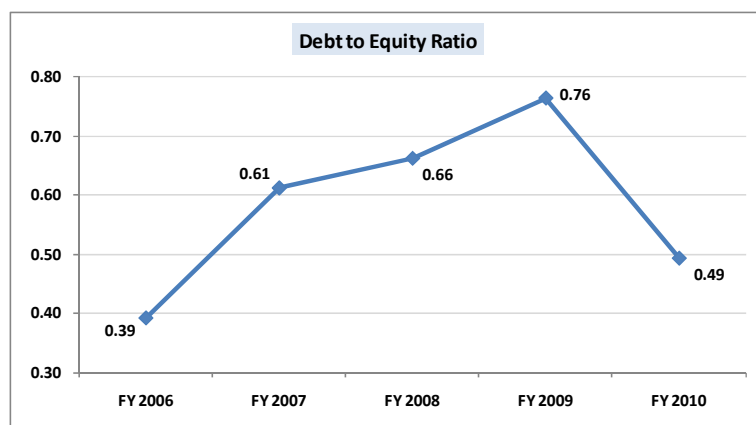


Source: RBI, D&B Research



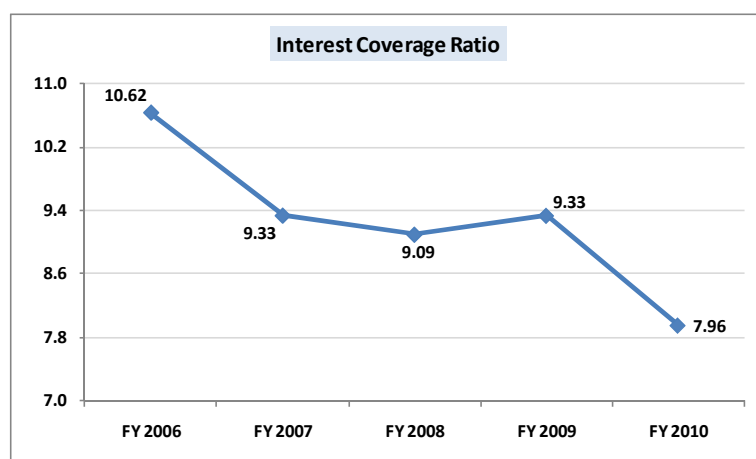
Debt-Equity Ratio

- The debt-equity ratio has increased over the period FY 2006-09, as debt has increased more than net worth over the period. In FY 2010, the increase in net worth was more than increase in debt that led to decline in the ratio.



Source: CMIE Prowess

- Interest expenses has increased over the period FY 2006-10, in line with rising debt. PBDIT also increased over the FY 2006-10 period, however, the rate of increase in PBDIT was more than that of interest expense that resulted in decline in the interest coverage ratio over the period FY 2006-10, except for FY 2009 where it increased marginally.

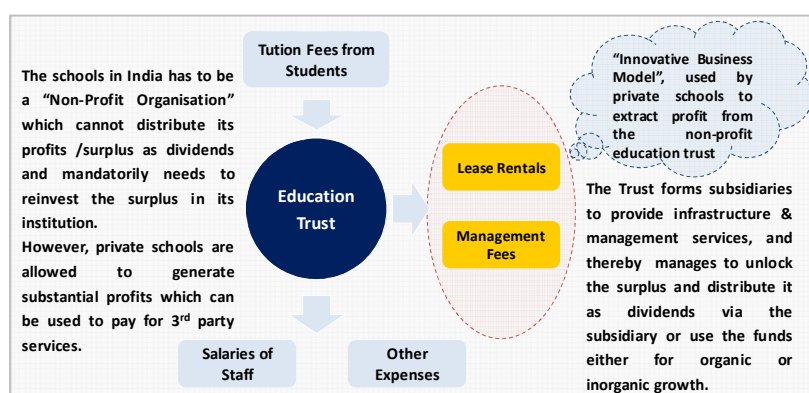


Source: CMIE Prowess

GOVERNMENT REGULATIONS

Government Regulations

- Schools /K12 institutes have to be registered as societies or trusts and are governed by ‘School Education Acts’ prevalent within each state or union.
- Higher education institutions are governed by the UGC Act, 1956 (the act was modified in 1985). They can also be set up companies under Section 25 of the Company Law; however, dividends cannot be distributed to shareholders.
- The government regulations in India allow only not-for profit trusts to operate private schools. This in turn restricted the scope for private players in the school business.



Source: Industry Sources

- The government regulations force any surplus to be ploughed back into the running of the same school.
- However, services being provided to schools remain out of the purview of government regulations with no cap of charges or profitability. Hence, a structure has evolved where private players charge schools for services provided like infrastructure (land, building etc) and management services.

Government Initiatives

- The government has allocated INR 310.36 Bn to Department of School Education and Literacy and INR 110 Bn to Department of Higher Education in Union budget for FY 2011. Moreover, the states were granted an amount of INR 36.75 Bn for elementary education under the “13th Finance Commission Grants” for FY 2011.
- **Sarva Shiksha Abhiyan (SSA):** It is an effort in partnership between central and state governments towards universalizing elementary education. The program has been provided an outlay of around INR 150 Bn for FY 2011 with an aim of providing better quality elementary education with special focus on girl’s education.
- **Midday Meal Scheme:** It was started in 2002 in all government schools with an objective of improving the nutritional status of children and encouraging poor children to attend school more regularly. The scheme covers children of primary and upper primary level and has been provided with a budgetary outlay of INR 94.40 Bn for FY 2011.
- **Right of Children to Free and Compulsory Education Act, 2009:** This act has been enacted to provide free and compulsory 8 years of elementary education to every child in the age group of 6 to 14 years and has come into force from 1st April 2010.
- **Rastriya Madhyamic Shiksha Abhiyan (RMSA):** This initiative of the government was launched in March 2009 to facilitate Universal Access and Quality Secondary Education. The HRD ministry planned total outlay of INR 201.2 Bn to implement this scheme during the 11th five year plan.
- **National Literacy Mission:** In order to further promote the education, the government planned to open around 20,000 village adult centres with an aim to educate ~73 million people under ‘National Literacy Mission’ of the central government.
- **National Policy on Information and Communication Technology (ICT) In School Education (Draft, 2009):**
 - ✓ The policy envisages three stages of ICT implementations at the school level; ICT literacy and Competency Enhancement, ICT related Elective Courses at the Higher Secondary level, and ICT enabled teaching.
 - ✓ Each school to be equipped with at least one computer laboratory with at least 10 networked computers to begin with. Each laboratory to have a maximum of 20 computers, accommodating 40 students at a time.

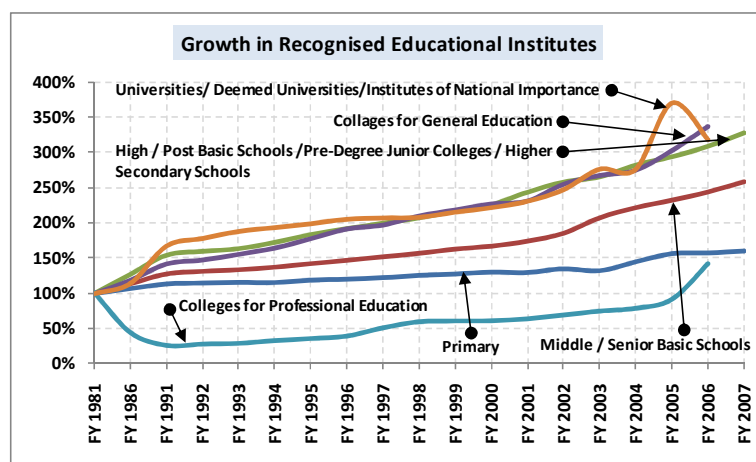


Decide with Confidence

- ✓ At least one classroom to be equipped with appropriate audio visual facilities to support an ICT enabled teaching-learning.
- ✓ All computers in the school to be part of a single local area network to enable optimum sharing of resources and each school to be serviced with broadband connectivity of at least 2 MBPS capacity.
- ✓ A judicious mix of software to be introduced that have the potential of increasing the range of skills and conceptual knowledge of the students and teachers (like, graphics and animation, desktop publishing, web designing, databases, and programming tools etc.).

DEMAND SUPPLY DYNAMICS

Demand Growth



Source: Ministry of HRD; D&B Research



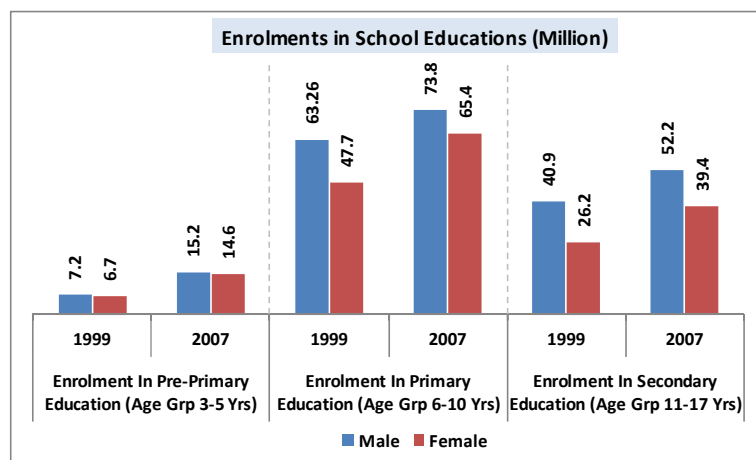
Decide with Confidence

- The number of educational institutes has shown good growth indicating growth in the education sector. Schooling is the largest segment in education.

Number of Recognized Educational Institutes in India	
Primary	784,852*
Middle / Senior Basic Schools	305,584*
High / Post Basic Schools /Pre-Degree Junior Colleges / Higher Secondary Schools	169,568*
Collages for General Education	11,549#
Colleges for Professional Education	4,991#
Universities/ Deemed Universities/Institutes of National Importance	350#

Source: Ministry of HRD; D&B Research

Note: * = FY 2007; # = FY 2006 (Latest available, as per MHRD)

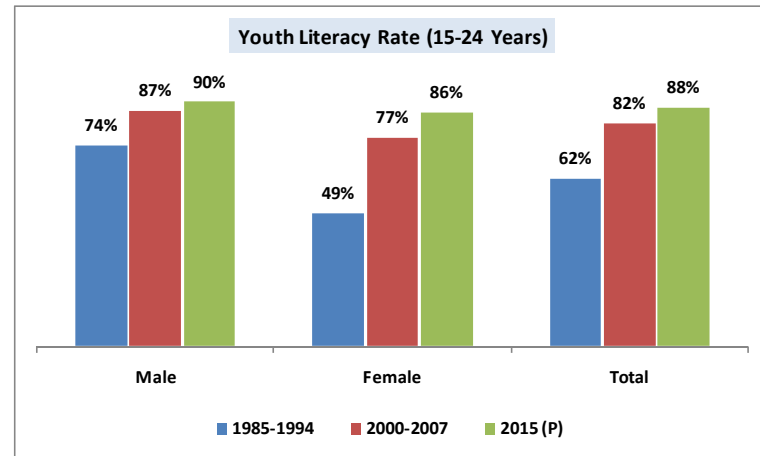
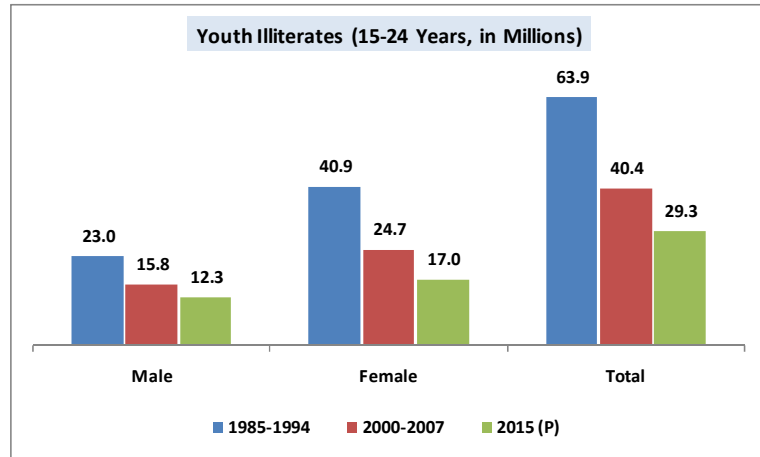


Source: EFA Global Monitoring Report 2010 (UNESCO)

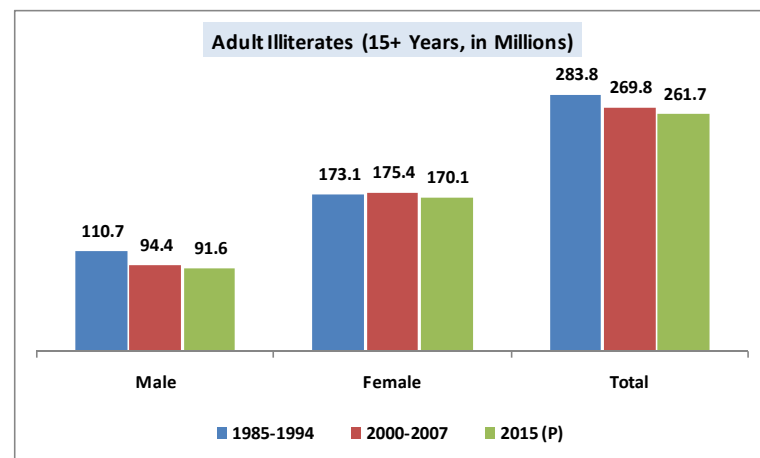


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- As per UNESCO report, the enrolment across various age groups for school education has increased in 2007 from 1999.



Source: EFA Global Monitoring Report 2010)



Source: EFA Global Monitoring Report 2010)

- The literacy rate is increasing whereas number of illiterates is going down for adults as well as for youths indicating developments in higher education also.

Capital Expenditure

- In April 2010, Educomp Solutions Ltd. announced ~INR 4.50 Bn higher education university project which is expected to be completed by April 2015.
- In January 2010, Reliance Industries Ltd. announced plans to invest ~INR 5.00 Bn to set up world class university.
- In September 2009, Everonn Education Ltd. announced ~INR 2.50 Bn business school project to be set up at multiple locations in India.
- Apart from private players, many government projects are also ongoing in the education sector.

Private Equity:

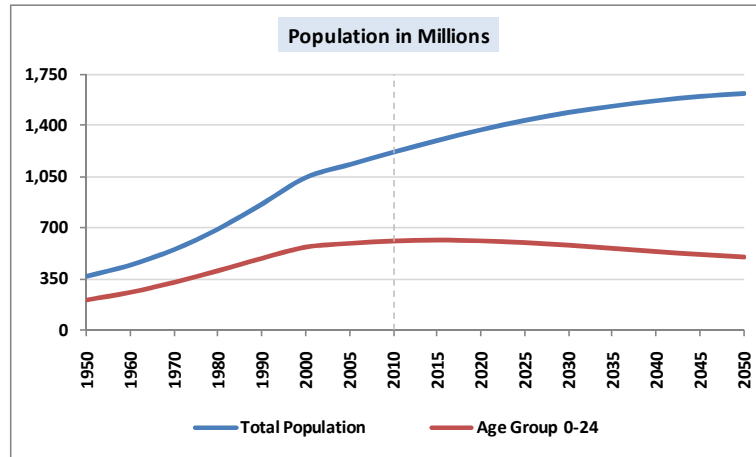
- The lack of structure in the public education system and the propensity of consumers to spend have created large opportunities for the private sector in the Indian Education System (IES), leading to attracting capital and investors.
- By far the private equity firms have targeted companies belonging to the Non-formal segment mainly which have organized chains in test preparations, coaching classes, e-learning, pre-schools and vocational training.
- As per press releases, total venture capital /private equity in education sector is expected to be in excess of USD 300 Mn during FY 2010.
- In May 2010, Foundation Capital, a US-based venture capital firm, invested ~INR 310 Mn in Tree House Education (operates in the preschool and K-12) and ~INR 200 Mn in Aspire Human Capital Management (employability enhancing firm).
- Matrix Partners India has invested ~INR 590 Mn in Tree House and ~INR 1,000 Mn in FIITJEE (a coaching institute).



Decide with Confidence

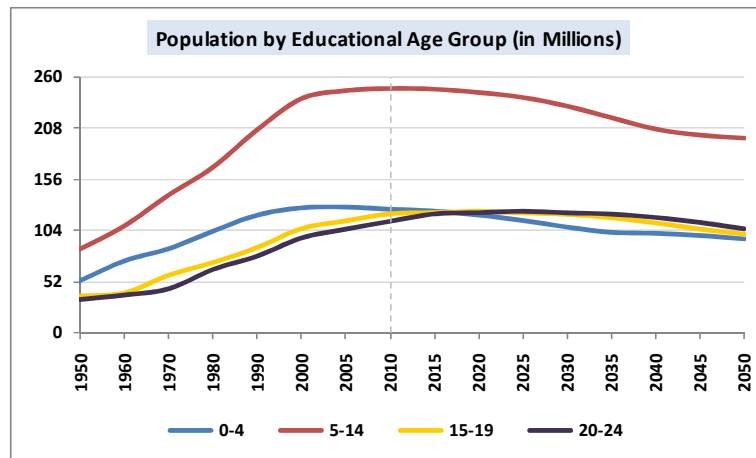
Demand Drivers

- Increasing population coupled with growth in income and government initiatives acts as demand drivers of the education industry and generally results in higher enrollments in school and colleges.



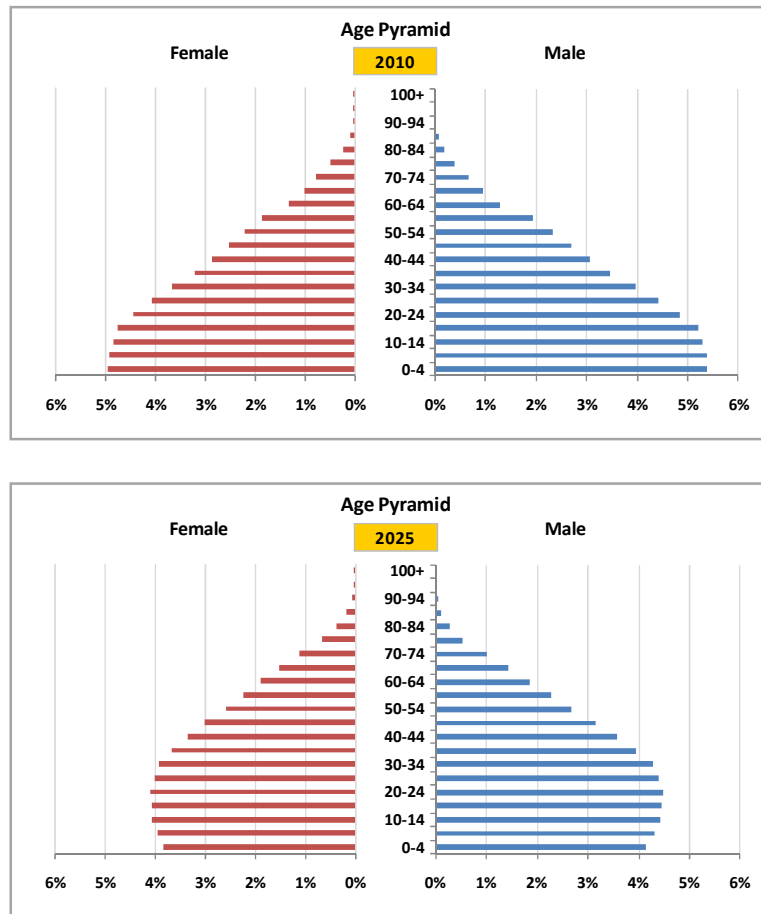
Source: UN Population Division; D&B Research

- The population of India is expected to rise, with the population of age group 0-24 years (general age group for upto higher education) expected to hold at the similar level for quite some time before its numbers start declining.



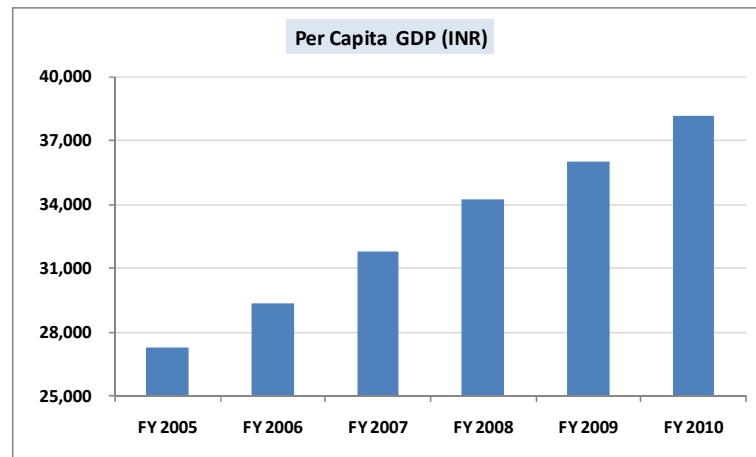
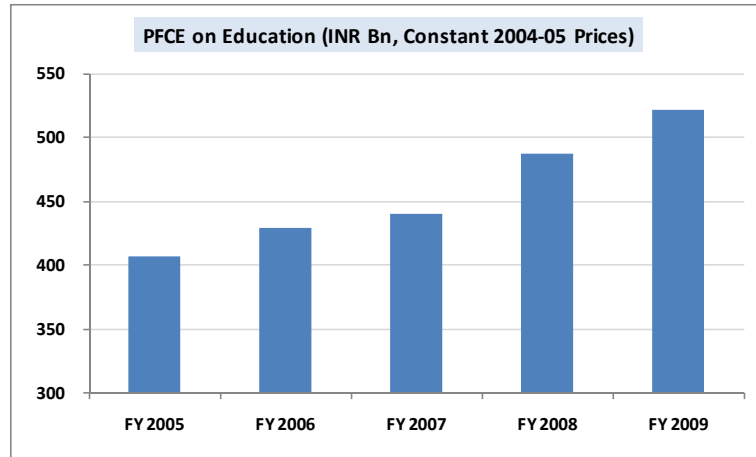
Source: UN Population Division; D&B Research

- The age group of 5-14 years is expected to have maximum number, while other age groups (as in chart above) are expected to be within the similar range.



Source: UN Population Division; D&B Research

- As observed from the age pyramid of India for 2010, the country is having the maximum population in the educational age group.
- Even for the year 2025, the educational age group population is expected to be favourable in the country. However, the shift would be observed from the 0-14 years to 15-24 years.
- Opportunity lies in the schooling sector as of now, however, future is also bright for the higher education sector due to expected shift in demographics.



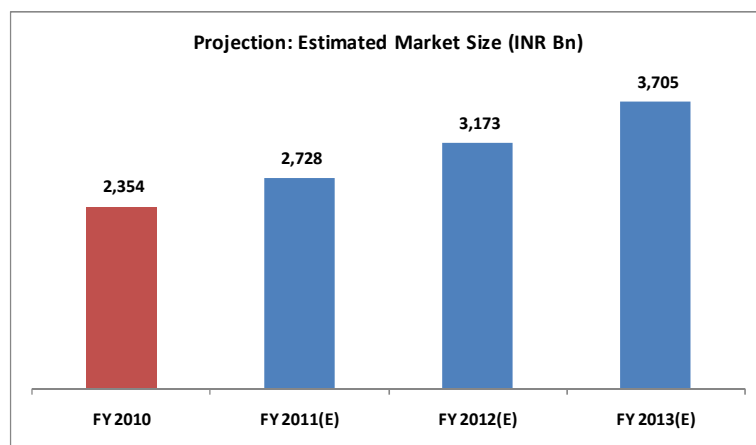
Source: Business Beacon; D&B Research

- Increasing per capita income augurs well for the education industry which has seen increasing PFCE on education over the years as increasing income increases ability of the person to send his kids for education.
- Government is increasingly engaging activities with private sector for services like ICT, multimedia etc. Private-public Partnership (PPP) could expand the addressable market for private service providers (like Educomp, Everonn, NIIT etc.).



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Projections



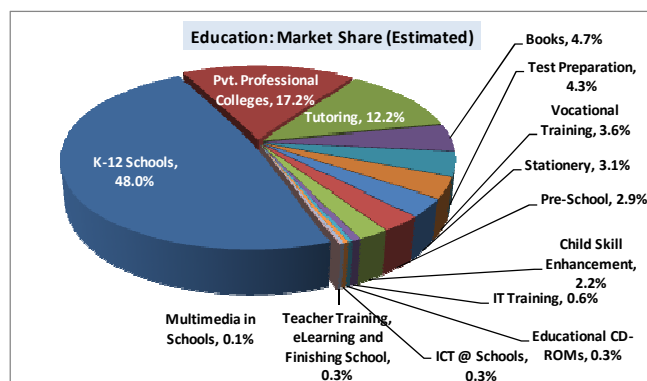
Source: D&B Research

- The education sector market is estimated at ~INR 2.35 Tn in FY 2010, and is estimated to grow at a CAGR of ~6.3% over the period FY 2010-2013 to reach ~INR 3.70 Tn by FY 2013.
- Strong growth is expected in the Information Technology related segment like ICT@School, Multimedia, CD-ROMs etc.
- Also, pre-schools is gaining popularity and is expected to exhibit strong growth.
- Going ahead, in long term, the demographics is expected to shift towards higher education sector from schooling sector at present.

COMPETITIVE SCENARIO

Nature of Industry

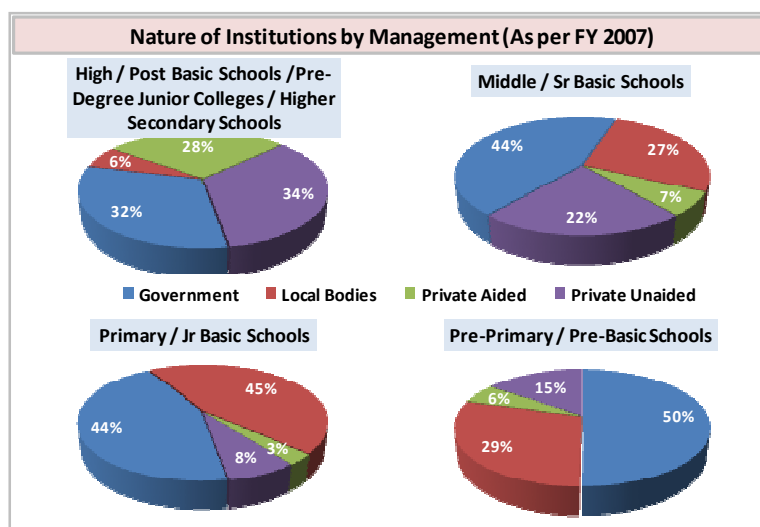
- The education services sector is highly fragmented with numerous institutions offering many courses and electives. The estimated market share by different segments of the industry exhibits that K-12 (schooling segment) is the largest segment cornering almost half of the market.



Source: D&B Research

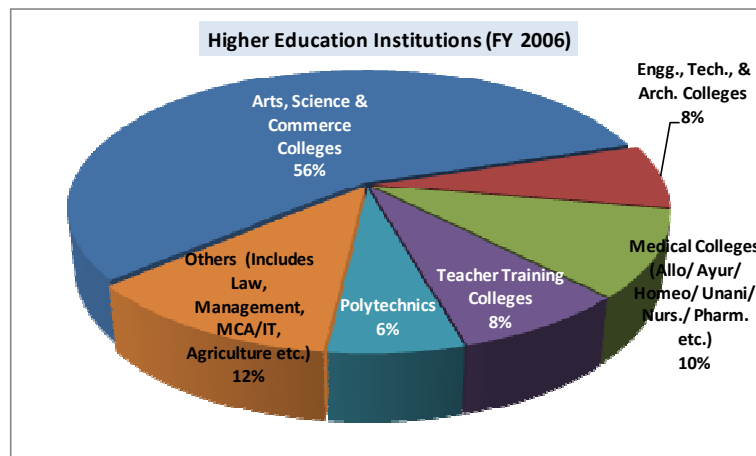


- For the schooling segment, government has the maximum number of institutes in all categories as shown in chart below (except for primary / jr. basic school).



Source: Ministry of HRD; D&B Research

- Arts, science and commerce holds about 56% share of the number of recognised colleges available for higher education.

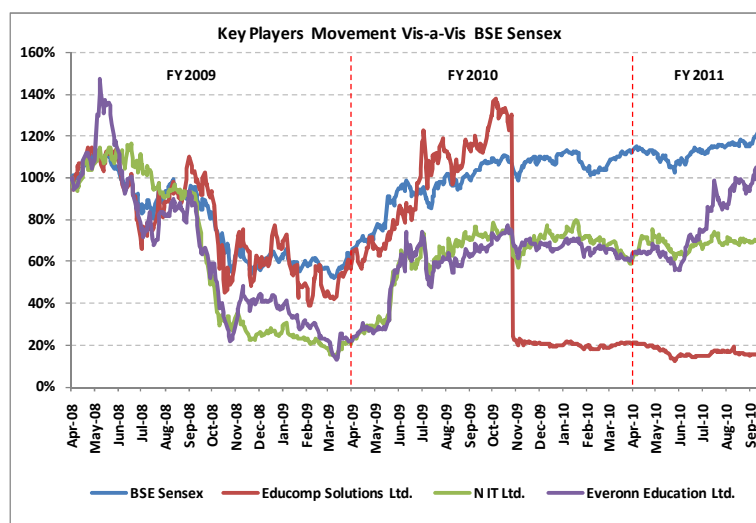


Source: SEBI; D&B Research



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Stock Market Performance



Source: CMIE Prowess

- The BSE Sensex has outperformed the key players' movement in the stock market performance.
- Educomp Solution Ltd. has stock split of 5:1 in October 2009 that explains for its sudden fall in price.
- The Company has been bagging government contracts from state governments for introduction of computer education in schools (under the ICT@School Project of the central government on Build Own Operate & Transfer (BOOT) basis).
- Stock price of Everonn Education Ltd. started its northward trajectory in June 2010 amid news that Company expects ~50%-60% revenue growth for FY 2011.
- Also, the Company forayed into K-12 schooling segment in the month of July 2010 and plans to open about 300 schools over the period of 5 years.



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FINANCIAL RISK**Profitability**

Year	Raw Material %	Power & Fuel %	Salaries & Wages %	SGA Expenses %	Interest Expense %	PBDIT Margin %	Net Margin %
FY 2006	6.6%	1.9%	24.0%	13.0%	2.2%	23.7%	10.6%
FY 2007	7.0%	2.0%	23.0%	14.1%	2.9%	27.0%	11.9%
FY 2008	11.9%	1.3%	19.8%	11.2%	3.4%	30.6%	13.4%
FY 2009	12.1%	1.0%	17.9%	9.6%	4.1%	37.9%	16.6%
FY 2010	13.3%	0.7%	14.7%	8.1%	5.3%	42.3%	17.5%

Source: CMIE Prowess

- Employee cost is the largest expense item for the education service industry, which has continuously declined over the period FY 2006-10. However, raw material expenses have increased continuously over the same period.
- Net margin of the industry has increased continuously over the period FY 2006-10, in line with continuous decline in operational expenses.

Incremental Cash Flow

This analysis undertakes to crystallize incremental cash availability / (requirement) for an entity due to the change in its working capital cycle for a time horizon of three years. If the entity is able to bring about a substantial improvement in its working capital cycle, then it would be able to effectively release additional cash into its operations that would help it to bring about a reduction in the working capital loans and also enable it to save on the interest payments and add on to the bottom line.

At the same time any worsening of the working capital cycle either on account of an increase in the Receivable days and/or the Inventory days or a decline in the Payable days would lead to additional requirement of cash through working capital loans etc. to finance the deficit, which consequentially would lead to an increase in the interest cost and a drop in profitability.

Working Capital Days	2007	2008	2009
Inventory Days	6	102	72
Receivable Days	159	194	220
Payable Days	199	196	245
Working Capital Cycle (Days)	-33	100	47

Based on the study of comparable players in the Industry and that of STL, two Scenarios have been arrived at:

- Optimistic Working Capital Cycle
- Pessimistic Working Capital Cycle

Particulars	Historical Working Capital Cycle	Optimistic Working Capital Cycle	Pessimistic Working Capital Cycle
Inventory Days	57	50	90
Receivable Days	184	120	220
Account Payable Days	174	200	130
Working Capital Cycle (Days)	66	(30)	180
Sales Growth (%)	100	100	100

Historical working capital cycle is calculated based on the average of the Inventory Days, Receivable days and Payable Days for the period under study. The working capital cycle for the Optimistic and Pessimistic scenario is compared with the Historical working capital cycle of the Company and then based on the amount locked per day in the debtors, creditors and inventory, the calculation of the incremental availability/ (requirement) of cash is determined. This study has been done for three years.

✓ Cash blocked in Inventory has been determined as follows:

- Cost of direct materials has been calculated as average of direct material cost as a percentage of sales for the period under study
- This cost per day has then been multiplied by the number of inventory days to arrive at the cash blocked in inventory.



- ✓ Cash payable to Creditors has been determined as follows:
 - Value of purchases has been calculated as average of the purchase cost as a percentage of sales for the period under study
 - The cost per day has then been multiplied by the number of payable days to arrive at the amount payable to creditors.
- ✓ Future revenues have been calculated based on the CAGR for the period under study.
- ✓ The Receivable/Payable/Inventory days as mentioned under each scenario are applicable for all three years.

Note: The data along with the different scenarios is only estimation.

Cash Availability / (Requirement) Under Optimistic Working Capital Cycle

Figures in INR Thousand

Impact on Cash Flows	FY 2011	FY 2012	FY 2013
Incremental availability / (Requirement) of Cash due to change in Inventory days	74,936	149,664	298,911
Incremental availability / (Requirement) of Cash due to change in Receivable days	2,895,784	5,783,505	11,550,905
Incremental availability / (Requirement) of Cash due to change in Payable days	289,474	578,143	1,154,675
Total	3,260,195	6,511,311	13,004,490
Total Estimated Incremental Cash Available/ (Requirement) for three years			22,775,996

Under the scenario of Optimistic Working Capital Cycle, the Company would be able to reduce the requirement for working capital loans in the coming years. The present value of the incremental cash availability for three years discounted at a rate of 7.63% (considering the yield on May 07, 2010 for 10 year Government Bond) would be INR 22,775,996 thousand.



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Cash Availability / (Requirement) Under Pessimistic Working Capital Cycle

Figures in INR Thousand

Impact on Cash Flows	FY 2011	FY 2012	FY 2013
Incremental availability / (Requirement) of Cash due to change in Inventory days	(346,299)	(691,634)	(1,381,341)
Incremental availability / (Requirement) of Cash due to change in Receivable days	(1,657,982)	(3,311,347)	(6,613,473)
Incremental availability / (Requirement) of Cash due to change in Payable days	(496,310)	(991,237)	(1,979,714)
Total	(2,500,590)	(4,994,218)	(9,974,528)

Total Estimated Incremental Cash Available/ (Requirement) for three years	(17,469,336)
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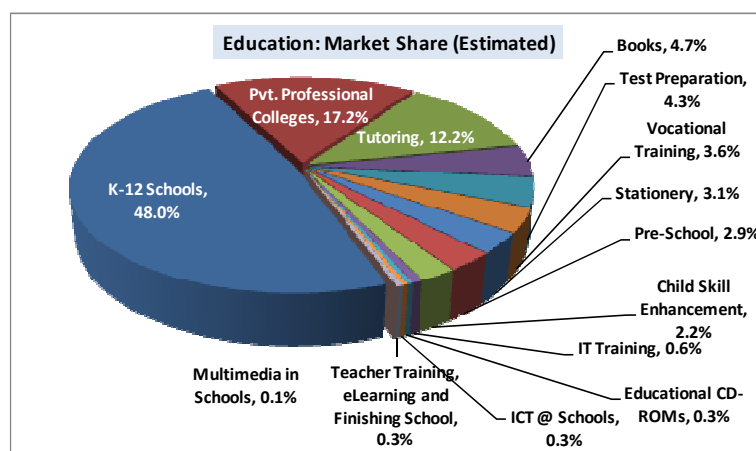
Any worsening of the working capital cycle would lead to increased working capital loan requirement or additional burden on available resources causing a hike in the interest costs and adversely hitting the bottom line.

SWOT Analysis

STRENGTHS

➤ Diversified product and service base

Educomp operates under four business segments - School Learning Solutions, Higher Learning Solutions, K-12 Schools and Online Supplementary & Global. These business segments together comprise more than 70% of education sector as a whole indicating diversified product and service base of the Company. The Company has a large number of products catering to students between the age group of 2 to 25.



Source: D&B Research

➤ Wide presence reducing customer concentration risk

Educomp operates 775 preschools, has enabled 43 high schools, 7 colleges, 250 vocational training centers, trained over 2 million teachers, installed Smart Class content in around 4,000 schools, set up 15,500 ICT labs in government schools and has 2.5 million students enrolled in its eLearning websites. The Company also has a library of proprietary content in various languages. This reduces the customer concentration risk of the Company.

➤ Robust y-o-y growth in performance

Financial performance of the Company has shown a robust growth during the period under study. Revenue and net profit of the Company increased during the 5 year period at a CAGR of 51.85% and 37.10 % respectively on account of increase in demand of Company's products primarily under revenue segment – School Learning Solutions. Also the Company has been able to increase its customer base resulting into further increase in its top line.

➤ High profit margins and ability to generate adequate returns on funds invested

Operating profit margin and net profit margin of the company was high during the period under study and the same was 44.13% and 27% respectively in FY 2010. Also Company's return on capital employed and return on tangible networth was high during the period under study indicating ability of the Company to generate adequate returns on funds invested.

➤ **Less reliance on external sources to fund its business activities**

Total debt equity ratio of the Company in FY 2010 was 0.50 times. Also, its interest coverage ratio was 11.76 times indicating less reliance on external sources to fund its business activities.

➤ **Qualified and experienced management**

The Company is managed and led by qualified and experienced management having an average experience of more than 25 years in the related business. Mr. Shantanu Prakash, Chairman, Managing Director and Chief Executive Officer and Mr. Jagdish Prakash, Whole-time Director of the Company have related industry experiences of around 16 years and 49 years respectively.

➤ **Partnerships and joint ventures with leading companies and trusts**

Some of the major partners of the Company include LLF, Microsoft-XBOX, Intel Classmate PC Pilots - One on one computing, Raffles Exchange Programs, Siboney, Raffles Education Corp, Pearson, etc. This enables the Company to provide effective and efficient solutions.

WEAKNESSES

➤ **Need to improve working capital management**

Current ratio and quick ratio of the Company was high during the period under study primarily on account of high accounts receivables from its customers. Accounts receivables constituted more than 41% of total current assets in FY 2010. Also, receivable days of the Company were 220 days in FY 2010 indicating need to improve working capital management.

As informed by the management, in FY 2010, the Company has changed its business model from BOOT model to selling of Smart Class content on an upfront basis. Also, the Company intends to defocus from government companies as its customers. This may improve its working capital cycle.

OPPORTUNITIES

➤ **Growing opportunities in India and overseas market**

With a student base of around 232 million in schools and 15.5 million in colleges the Company has ample opportunities to grow in the domestic market. Also the Indian government spends around USD 30 billion annually in the sector. Other countries like Malaysia, Singapore, People's Republic of China and United States of America have also been increasing impetus on the educational sector providing the Company with opportunities for thriving in the respective markets.



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D&B VIP Report

Educomp Solutions Limited

➤ **Government initiatives**

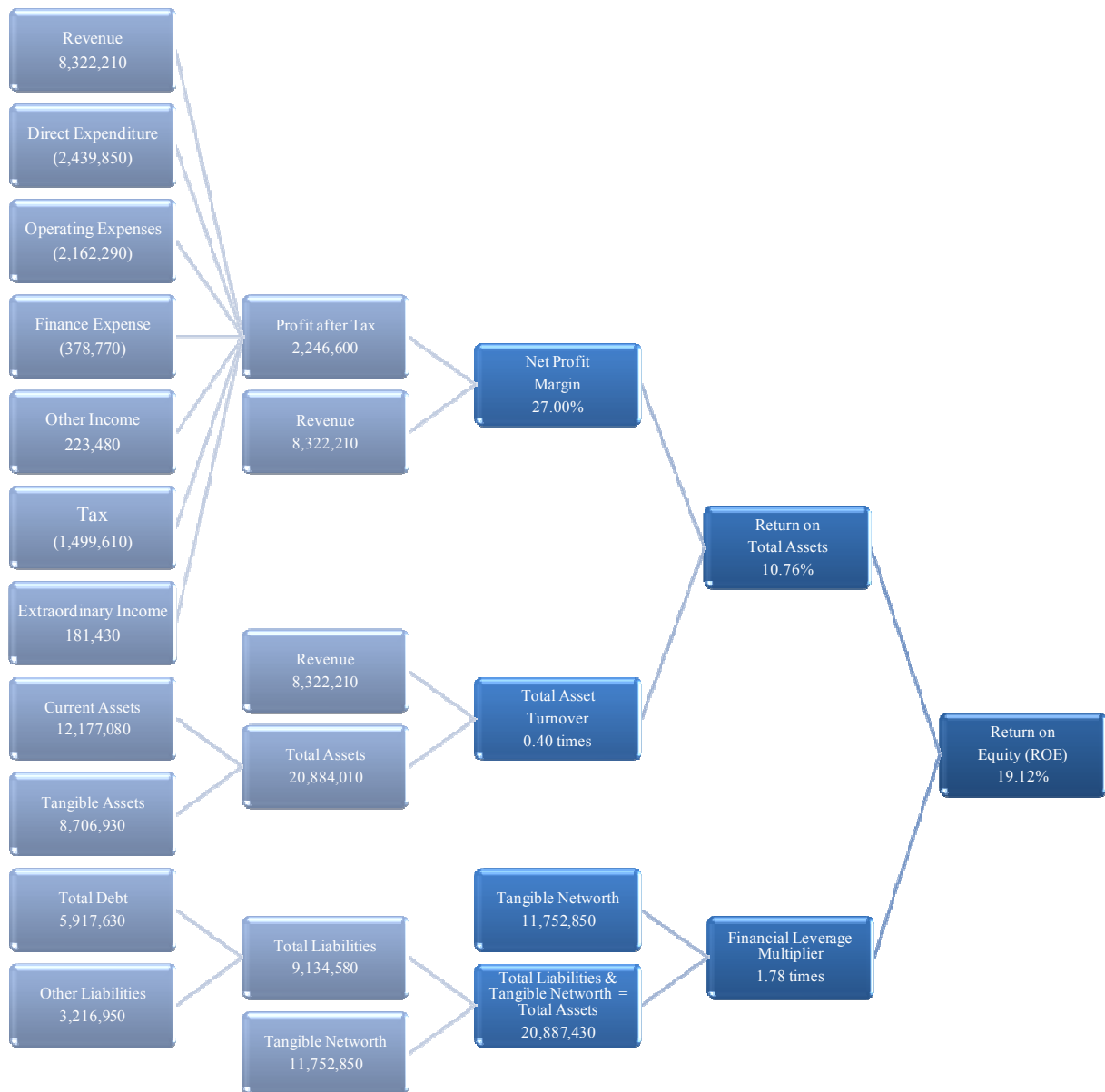
Government of India has allocated INR 310.36 Bn to Department of School Education and Literacy and INR 110 Bn to Department of Higher Education in Union budget for FY 2011. Moreover, the states were granted an amount of INR 36.75 Bn for elementary education under the “13th Finance Commission Grants” for FY 2011. This may increase demand of Company’s products resulting into increase in top line and bottom line of the Company.

THREATS

➤ **Stiff Competition**

The Company faces stiff competition from existing entities and new entrants in the industry. The Company obtains majority of its revenue from the Indian markets which is dominated by the public sector with around 92.5% participation with regards to schools and by the private sector with around 74% participation with regards to colleges. This leaves out ample market to capture especially in case of schools for the private sector. Also, many foreign institutions are setting up in the country in collaboration with Indian institutions thereby increasing competition for the Company.

Financial Analysis of Standalone performance



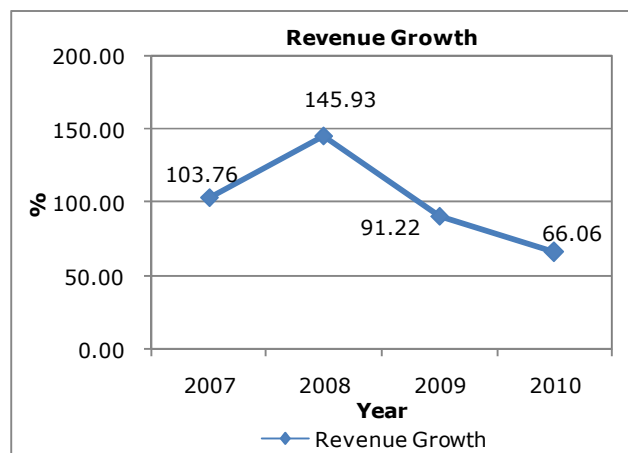
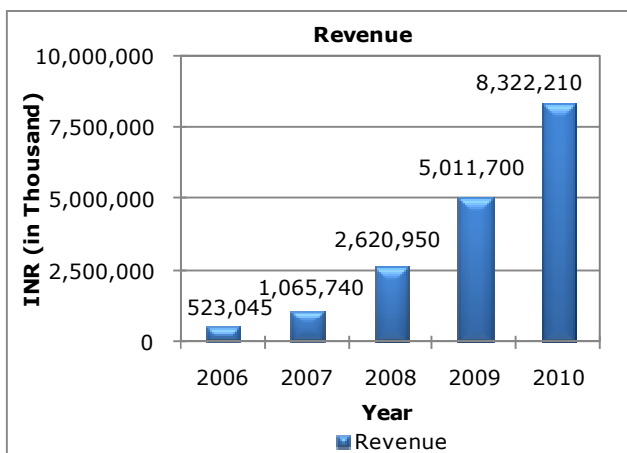
*Amounts are in INR thousand except where otherwise expressly stated
Total assets exclude intangible assets*



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Revenue

The Company is an education technology company offering services and solutions addressing the needs of private schools, government schools, educational content, teacher training, supplemental education services, pre-schools, professional and higher education as well as online learning.



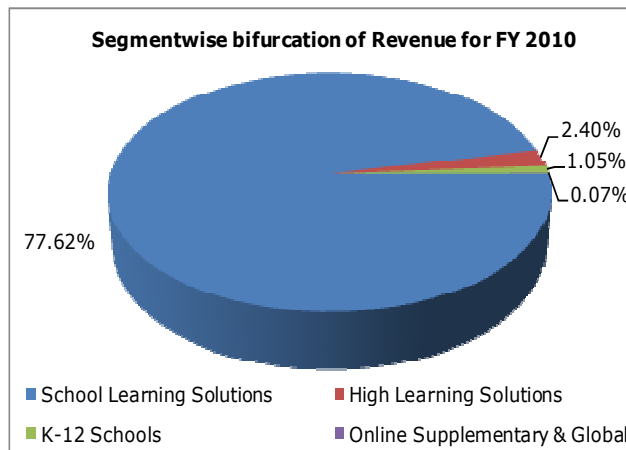
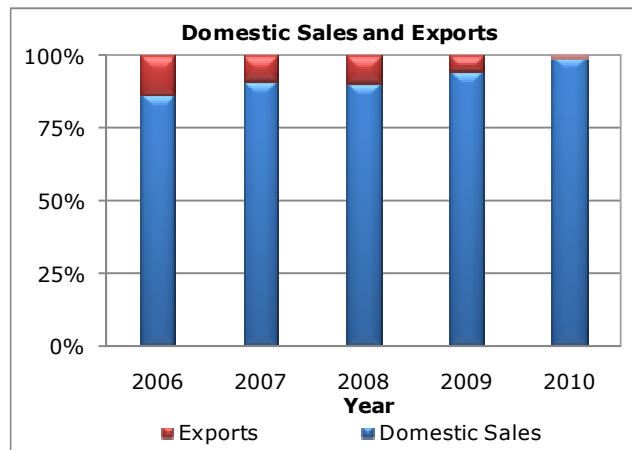
Revenue recognition

- ✓ The Company recognizes revenue on accrual basis in accordance with Accounting Standard 9 as prescribed by the Institute of Chartered Accountants of India. The Company derives its revenue from either supply or on installation of educational products and provision of educational services.
- ✓ The revenue from sale of educational products and technology equipment is recognized on transfer of property in goods which generally coincides with dispatch/ delivery to the customer.
- ✓ Revenue from Edureach (ICT) under BOOT contract is recognized ratably over the period of the contract/contractual obligations. Revenue from professional development is recognized after the professional development services have been rendered to the customer. Revenue from online educational services (if charged) is recognized upon receipt of subscription fee in case of the fee being non-refundable otherwise ratably over the subscription period.
- ✓ Revenue from franchisee constituting one time franchisee fee (non-refundable) is recognized upon receipt of fee from the franchisee. The recurring revenue from franchisee is recognized on accrual basis. The revenue from tuition fee is recorded equally over the period of instruction.
- ✓ Revenue for smart class projects is recognized under various heads, namely; BOOT contracts/ Out right sale basis contracts/ BOOT business “transferred under BOOT contracts”/ Exports. Revenue from smart class BOOT contracts is recognized ratably over the period of the Contract/ contractual obligations. Revenue from “Out right sale basis” contracts consisting of both hardware and knowledge based content, wherein knowledge based content is recognized on licensing/ delivery/ grant of the same for the contract period and technology equipments on delivery/ dispatch basis. Revenue from “transfer of existing BOOT Contracts is” recognized on grant of “right to use” of knowledge based content.
- ✓ However, a portion of the revenue earned on right to use/ licensing of educational content/ knowledge based content under “Out right sale basis” contracts and “BOOT Business “ transferred under BOOT Contracts is treated as unearned towards future cost of updates due to economic obligation of the

Company to provide the same. The unearned revenue will be recognized in subsequent period matching with the cost of future updates incurred in those periods.

- ✓ Revenue from overseas agreements/ exports is recognized when the Educational knowledge based content licenses is delivered and accepted. However, in case where knowledge base content is licensed for a long term period, and is dependent on percent of revenue earned by the license, the revenue is recognized on establishment of right to receive.

Segment wise bifurcation of revenue



The Company derived most of its revenue from domestic market throughout the period under study. In FY 2010, domestic revenue formed 99.57% of the total revenue.

(INR in Thousand)

Particulars	2006	2007	2008	2009
Professional Development	122,953	175,400	256,270	286,680
Smart Class	200,792	465,830	1,277,820	3,171,980
Instructional & Computing Technology (ICT)	158,616	301,710	933,250	1,137,390
Retail and Consulting	40,684	122,800	153,610	415,650
Total	523,045	1,065,740	2,620,950	5,011,700

In FY 2010, segment wise bifurcation of revenue was restructured into following business segments viz; school learning solutions, high learning solutions, K-12 schools and online, supplementary and global. The Company derived majority of its revenue from the Smart Class segment during the period under study till FY 2009. In FY 2010, the Company derived majority of its revenue from the school learning solutions segment.

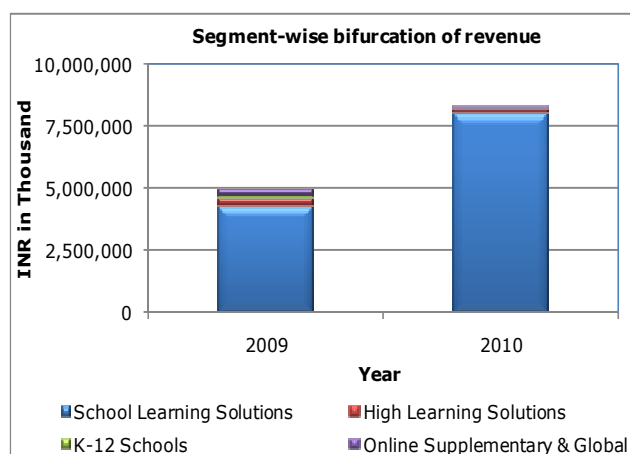
Revenue showed an increasing trend during the period under study.

- ✓ Revenue of the Company increased sharply by 103.76% in FY 2007 mainly on account of sharp increase in smart class and retails and consulting segments by 132% and 201.83% respectively. Also revenue from professional development and ICT segment increased by 42.66% and 90.22% respectively. The Company in FY 2007 launched a number of initiatives including pre-school product by the name of “Roots to Wings”, learning leadership system, smart assessment system, the Company’s brick and mortar schools initiatives etc.

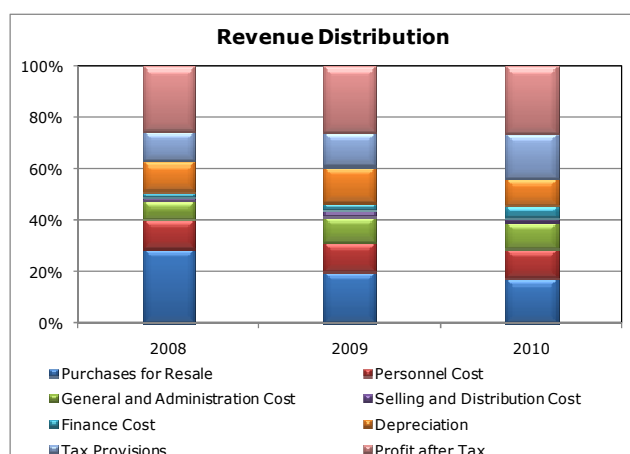


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- ✓ Revenue of the Company further increased sharply by 145.93% in FY 2008 mainly on account of sharp increase in smart class and ICT by 174.31% and 209.32% respectively. During the year, the Company concentrated towards increasing the penetration levels at schools. Also revenue from professional development and retail and consulting segments increased by 46.11% and 25.09% respectively.
- ✓ Revenue of the Company increased by 91.22% in FY 2009 mainly on account of sharp increase in revenue from smart class and retail and consulting by 148.23% and 170.59%. During the year the Company added 6,008 schools in the smart class segment. Revenue from professional development and ICT increased by 11.87% and 21.87% respectively.
- ✓ In FY 2010, revenue of the Company increased by 66.06% on account of increase in revenue from school learning solutions by 86.32%. The Company designed disruptive technology based distribution models like ETEN business and initiated new products like Universal Academy Schools targeting first generation learners in small towns.



Revenue Distribution

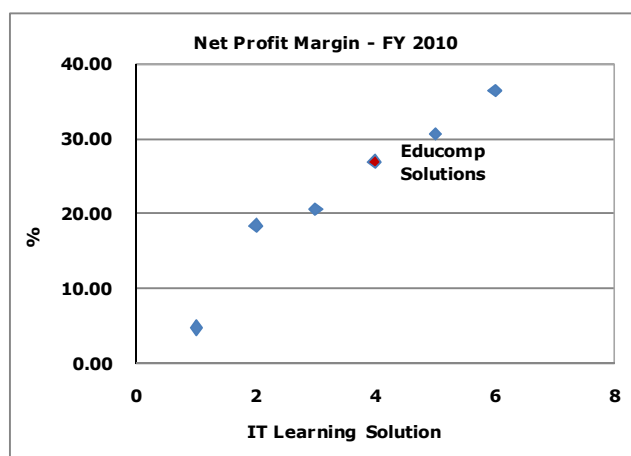
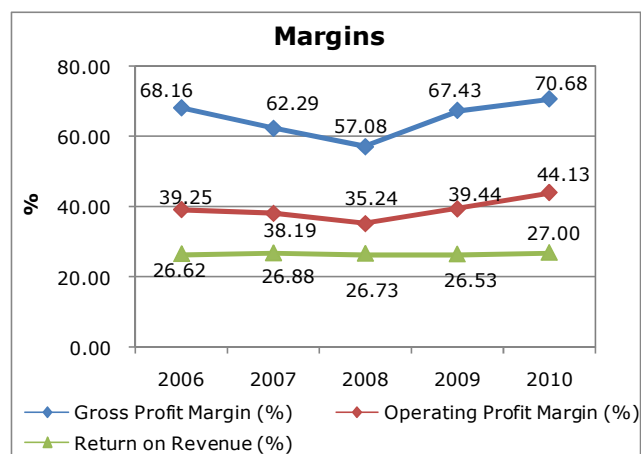
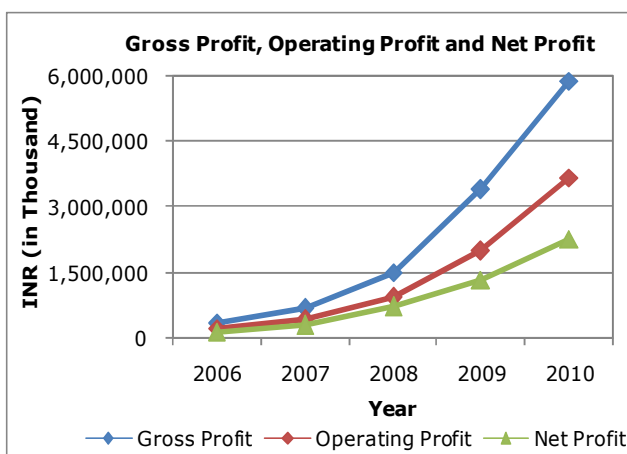
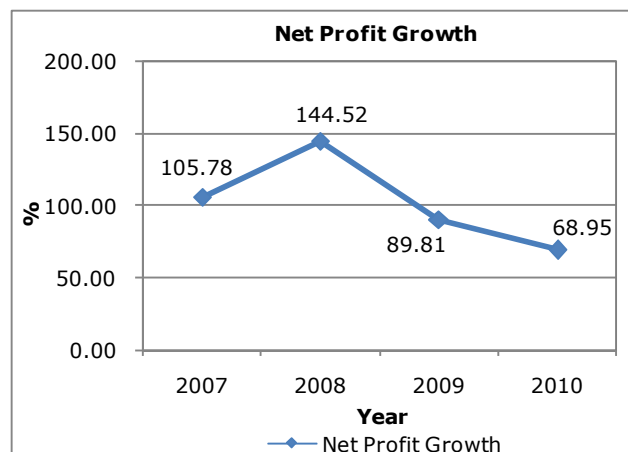
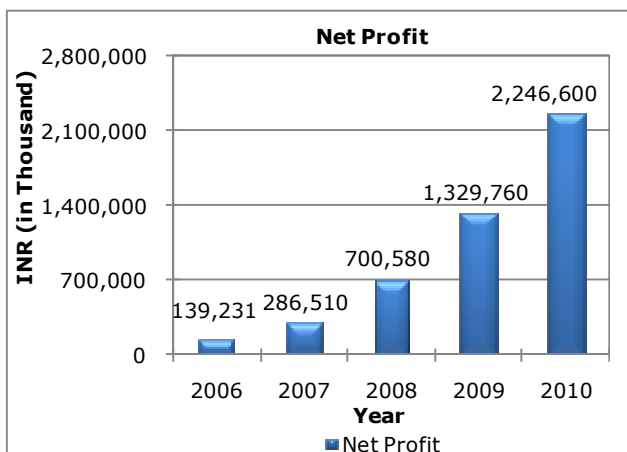


Purchase for resale constituted the maximum portion of Company's revenue distribution in FY 2008. The Company maintained its net profit margin between 25% and 26% during FY 2008, FY 2009 and FY 2010. The same formed maximum portion of the revenue distribution in FY 2009 and FY 2010.



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Profit



Both operating and net profit showed an increasing trend during the period under study.

FY 2007

- ✓ The gross profit of the Company increased by 86.24% mainly on account of sharp increase in revenue of the Company. However the gross profit margin of the Company declined from 68.16% in FY 2006 to 62.29% in FY 2007 mainly on account of increase in cost of goods sold as a percentage of revenue from 18.24% in FY 2006 to 28.54% in FY 2007 due to execution of contracts with outright sale of infrastructure in ICT and smart class segments.

- ✓ Despite increase in depreciation, general administration expense and bank charges, operating profit of the Company increased by 98.26% in FY 2007 mainly on account of the following reasons:

- Increase in gross profit of the Company
- Decline in selling and distribution expenses as a percentage of revenue from 6.56% in FY 2006 to 2.34% in FY 2007 mainly on account of decline in advertisement, publicity and business promotion expenses

However, operating profit margin of the Company declined marginally from 39.25% in FY 2006 to 38.19% in FY 2007 on account of decline in gross profit margin of the Company.

- ✓ Despite of an increase in interest expenses due to issue of additional FCCBs, net profit of the Company increased sharply by 105.78% while net profit margin of the Company remained almost the same in FY 2007 as compared to FY 2006. Net profit increased in absolute terms mainly on account of the following reasons:

- Increase in operating profit of the Company
- Sharp increase in other non operating income of the Company from INR 14,681 thousand in FY 2006 to INR 55,980 thousand in FY 2007 on account of increase in interest income from banks and others and miscellaneous income.

FY 2008

- ✓ Gross profit of the Company increased sharply by 125.34% in FY 2008 due to increase in revenue. However gross profit margin of the Company declined from 62.29% in FY 2007 to 57.08% in FY 2008 mainly on account of increase in cost of goods sold as a percentage of revenue from 28.54% in FY 2007 to 30.42% in FY 2008 and increase in salaries and wages as a percentage of revenue from 9.16% in FY 2007 to 12.50% in FY 2008. The increase in cost of goods sold was a result of execution of contracts with outright sale of infrastructure in ICT and smart class segments, which was a deviation from the normal BOOT model.

- ✓ Despite sharp increase in bank charges and depreciation, operating profit of the Company increased sharply by 126.96% mainly on account of the following reasons:

- Increase in gross profit in absolute terms
- Decline in general and administrative expenses as a percentage of revenue from 11.72% in FY 2007 to 7.38% in FY 2008 chiefly due to decline in travelling and conveyance expenses and professional and legal expenses as a percentage of revenue.
- Decline in selling and distribution expenses as a percentage of revenue from 2.34% in FY 2007 to 1.47% in FY 2008.

- ✓ Despite sharp increase in interest expenses due to borrowing of additional term loan and increase in working capital facilities, net profit of the Company increased sharply by 144.52% while net profit margin of the Company remained almost the same in FY 2008. Net profit increased on account of the following reasons:
 - Increase in operating profit
 - Sharp increase in other non operating income mainly in the form of dividend income and interest income received by the Company. The Company also made a profit on foreign exchange transactions of INR 23,270 thousand this year.

FY 2009

- ✓ Gross profit of the Company increased sharply by 125.88% while gross profit margin of the Company increased from 57.08% in FY 2008 to 67.43% in FY 2009 mainly on account of increase in revenue and decline in cost of goods sold from 30.42% in FY 2008 to 20.62% in FY 2009 due to change in the revenue mix of the Company.
- ✓ Despite increase in general and administrative expenses and selling and distribution expenses both in absolute terms and as a percentage of revenue, operating profit of the Company increased sharply by 114% and operating profit margin of the Company increased from 35.24% in FY 2008 to 39.44% in FY 2009 mainly on account of sharp increase in gross profit and gross profit margin.
- ✓ Despite sharp increase in interest expenses due to borrowing of additional term loan and increase in working capital facilities, net profit of the Company increased by 89.81% while net profit margin of the Company remained almost the same as a result of the following reasons:
 - Increase in operating profit and operating profit margin
 - Increase in other non operating income by 10.48% mainly on account of sharp increase in profit on foreign exchange transaction by 262.14%

FY 2010

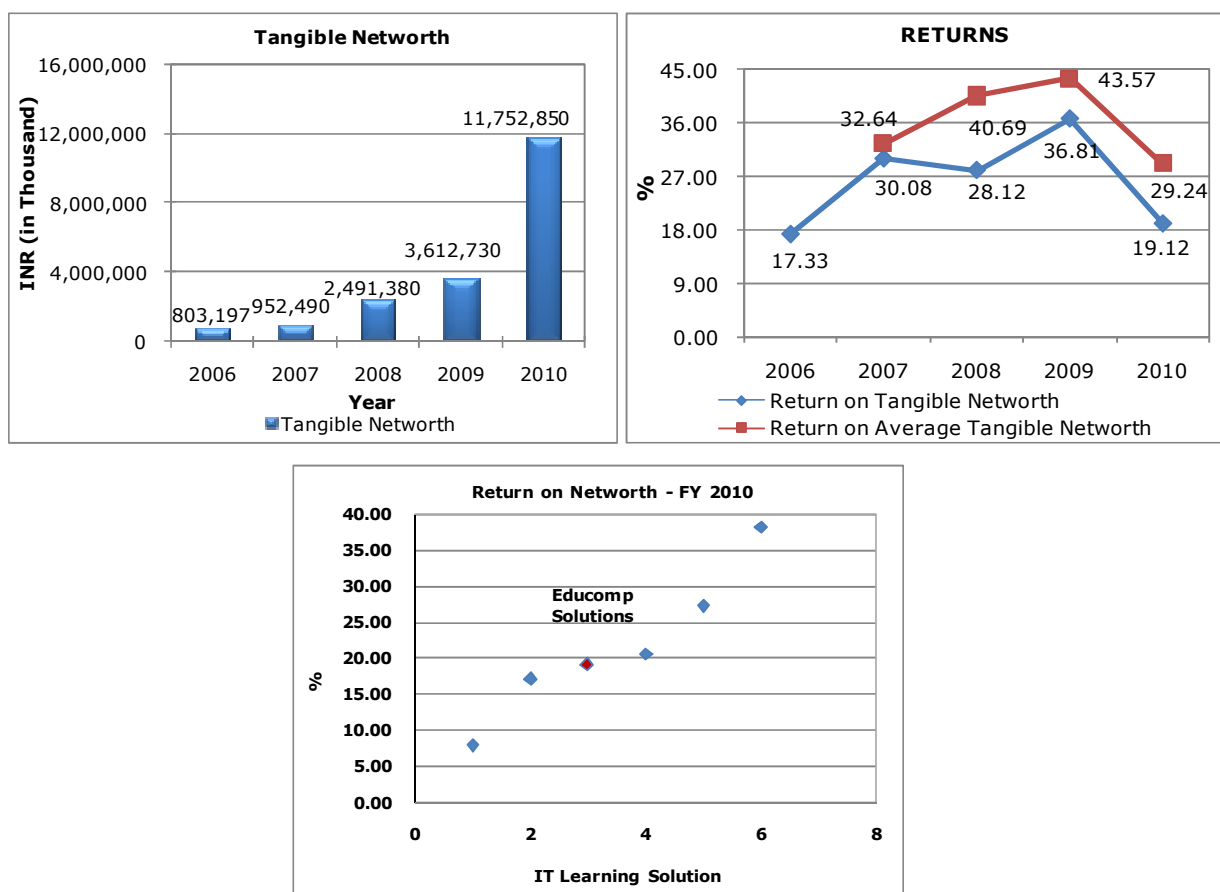
- ✓ Gross profit of the Company increased by 74.07% while gross profit margin of the Company increased from 67.43% in FY 2009 to 70.68% in FY 2010 mainly on account of increase in revenue of the Company accompanied by decline in cost of goods sold as a percentage of revenue from 20.62% in FY 2009 to 17.80% in FY 2010.
- ✓ Despite increase in depreciation expenses and general and administration expenses along with loss on foreign exchange transactions of INR 72,910 thousand, operating profit of the Company increased by 85.79%. The operating profit margin of the Company increased from 39.44% in FY 2009 to 44.13% in FY 2010 mainly on account of increase in gross profit and gross profit margin of the Company.
- ✓ Despite sharp increase in interest expenses and tax provision, net profit of the Company increased by 68.95% while net profit margin of the Company remained almost the same. Net profit increased in absolute terms mainly on account of the following reasons:
 - Increase in operating profit and operating profit margin



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- Increase in non operating income and profit on sale of fixed asset resulting due to change in the Company's business model as the Company transferred its existing smart class BOOT contracts to another vendor. In FY 2010, the Company also transferred its "Roots to Wings" division to its wholly owned subsidiary. Also the Company's 'Vocational Education' division was transferred to the subsidiary of a joint venture of the Company in FY 2010.

Tangible Network



Tangible network includes equity capital, reserves and surplus less intangible assets, miscellaneous expenditure and accumulated losses, if any. Tangible network showed an increasing trend during the period under study.

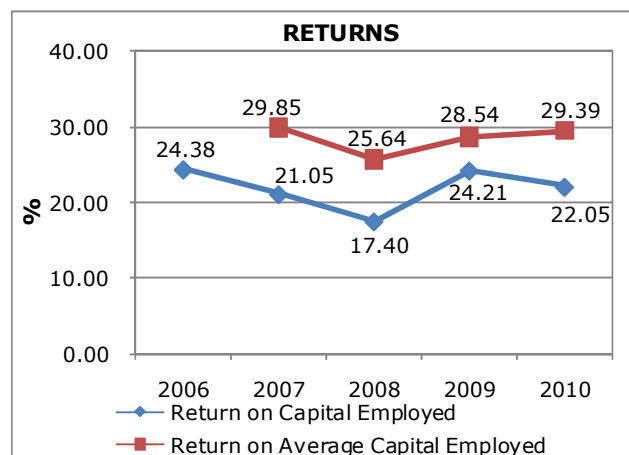
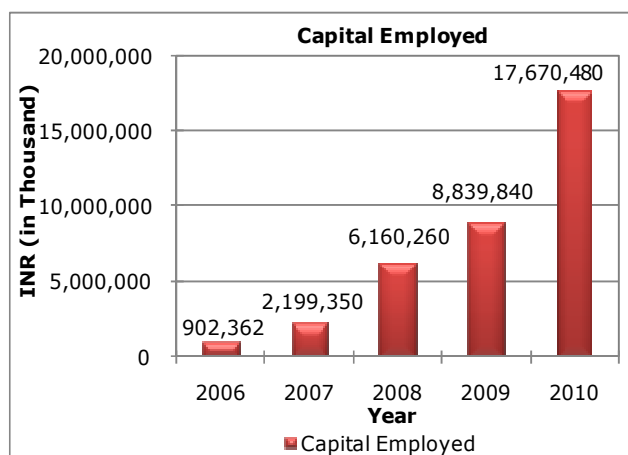
- Tangible network increased in FY 2007 mainly on account of increase in general reserve and retained earnings of the Company.
- It further increased in FY 2008 on account of issue of share capital, Employee Stock Options (ESOP), general reserve and retained earnings. The Company in FY 2008 issued 1,240,750 equity shares on conversion of USD 24,500 thousand 1% Foreign Currency Convertible Bonds. Also the Company issued 20,710 Equity shares on conversion of USD 1,500 thousand Zero coupon Foreign Currency Convertible Bonds (FCCB). Also the securities premium account of the Company increased due to receipt of premium on allotment of equity shares.

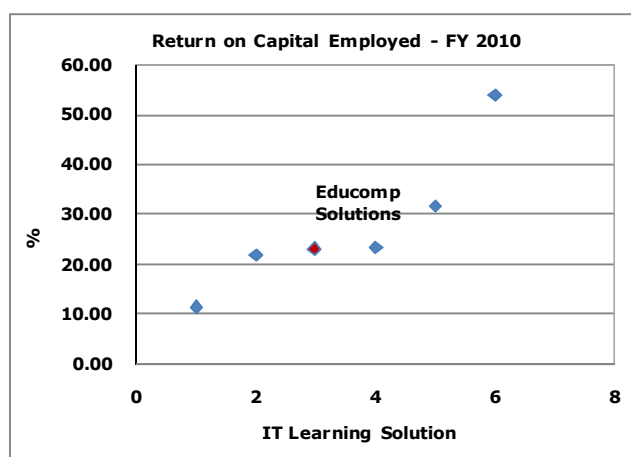
- It increased in FY 2009 mainly on account of increase in ESOP and securities premium account and sharp increase in general reserve and retained earnings.
- Tangible network further increased sharply in FY 2010 due to issue of share capital, increase in retained earnings and sharp increase in general reserve and securities premium account. The Company in FY 2010 allotted 430,610 equity shares of INR 2 each upon exercise of stock options by the eligible employees/ directors of the Company/ subsidiaries under ESOP scheme 2006 and 2007. Also in FY 2010 the Company allotted 1,620,000 equity shares of INR 10 each at a premium of INR 3,735 per share on private placement to qualified institutional buyers. The Company also allotted 52,616 equity shares to Zaptive Internet Services Private Limited on preferential basis as a part of acquisition of the company's domain, "studypalaces.com" and its business contracts.

Return on Tangible Network (RONW) depicted an uneven trend during the period under study.

- RONW increased sharply in FY 2007 mainly due to sharp increase in net profit of the Company.
- RONW then declined in FY 2008 principally due to sharp increase in tangible network of the Company.
- RONW then increased in FY 2009 due to increase in net profit being more than the increase in tangible network of the Company.
- RONW then declined sharply in FY 2010 mainly due to sharp increase in tangible network of the Company.

Capital Employed





- ✓ Capital employed comprises of tangible network and total debt. It showed an increasing trend during the period under study.
 - Capital employed increased sharply in FY 2007 mainly on account of sharp increase in the total loans availed by the Company. The Company in FY 2007 availed secured loans by issuing 5-year, 1% Foreign Currency Convertible Bonds (FCCB) aggregating to USD 25 million (INR 1,135,250 thousand as on the date of issue) for financing overseas acquisitions, capital expenditure and other expenditure as per RBI regulations.
 - Capital employed further increased sharply in FY 2008 on account of sharp increase in both tangible network and total borrowings. Total debt increased sharply in FY 2008 mainly on account of increase in secured term loans from banks for purchase of fixed assets and issue of Zero Coupon FCCB. The Company issued Zero Coupon FCCB, worth USD 80,000 thousand, increasing the unsecured loans from 1,071,390 thousand to 3,149,420 thousand. The Zero Coupon Bonds were raised for financing overseas acquisition, capital expenditure and other expenditure as per RBI regulations.
 - It further increased in FY 2009 on account of increase in both tangible network and total debt of the Company. The Company in FY 2009 availed additional secured term loans and working capital loan.
 - Capital employed then increased sharply in FY 2010 mainly on account of sharp increase in tangible network of the Company.
- ✓ Return on Capital Employed (ROCE) and Return on Average Capital Employed (ROACE) showed an uneven trend during the period under study.
 - ROCE declined in FY 2007 and FY 2008 mainly on account of sharp increase in capital employed of the Company.
 - ROCE and ROACE increased in FY 2009 mainly on account of increase in Earnings before Interest and Tax (EBIT) being greater than the increase in capital employed of the Company.
 - ROCE then declined in FY 2010 due to sharp increase in capital employed of the Company. However ROACE increased in FY 2010.

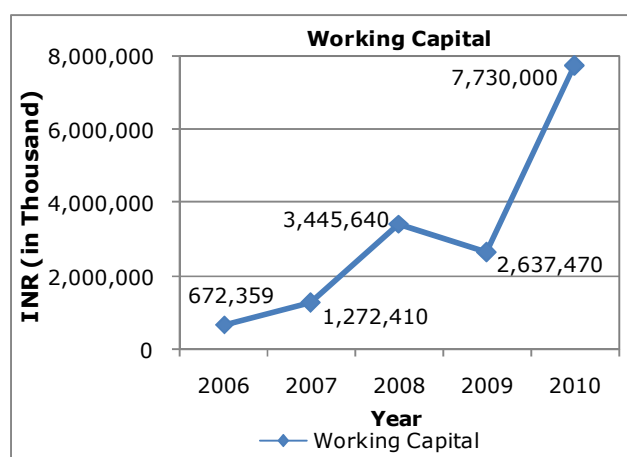


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Particulars	2006	2007	2008	2009	2010
Interest Expenses (INR in Thousand)	5,035	13,290	41,890	121,780	331,400
Average Total Debt (INR in Thousand)	-	673,013	2,457,870	4,447,995	5,572,370
Average Cost of Borrowed Funds (%)	-	1.97	1.70	2.74	5.95
Return on Capital Employed (%)	24.38	21.05	17.40	24.21	22.05
Return on Average Capital Employed (%)	-	29.85	25.64	28.54	29.39

Average cost of borrowed funds was less than the return on capital employed and return on average capital employed throughout the period under study.

Working Capital



Current Assets

Particulars	2006	2007	2008	2009	In % 2010
Accounts Receivable	27.40	30.77	26.57	53.65	41.21
Fixed Deposit Account	24.55	0.77	0.01	0.07	24.92
Cash and Bank	31.14	52.16	63.85	13.24	24.69
Other Loans and Advances	3.76	6.09	4.67	6.16	3.91
Inventory	1.89	2.03	0.33	5.81	2.39
Margin Deposit Account	9.26	6.26	0.90	1.37	1.30
Due from Subsidiaries	1.52	0.86	2.32	18.80	0.12
Other Current Assets	0.48	1.07	1.35	0.89	1.46
Total Current Assets	100.00	100.00	100.00	100.00	100.00

✓ Other current assets mainly include interest receivable and current investments.



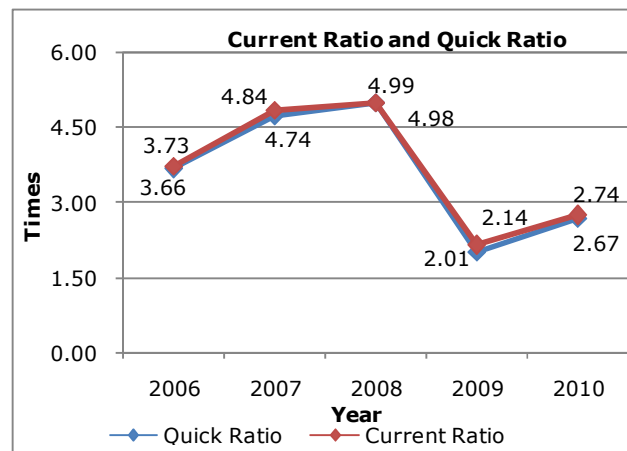
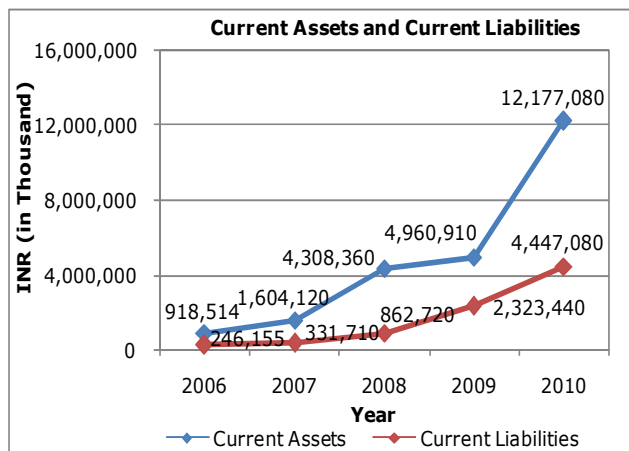
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Current Liabilities

In %

Particulars	2006	2007	2008	2009	2010
Provision for Income Tax	27.55	2.29	3.90	6.95	29.75
Accounts Payable	8.75	21.61	46.40	11.46	15.72
Current Portion of Long Term Debt	7.92	7.63	11.08	17.74	15.08
Bank Loans	-	23.57	21.34	14.46	12.89
Due to Customers	1.39	1.53	1.74	15.71	8.07
Acceptances	-	19.26	2.72	18.78	6.67
Provision for Dividends	11.09	11.67	5.86	2.18	4.38
Other Payables / Accruals	3.37	4.21	3.43	3.61	0.95
Bank Overdraft	30.48	-	-	-	-
Other Current Liabilities	9.45	8.23	3.53	9.11	6.49
Total Current Liabilities and Provisions	100.00	100.00	100.00	100.00	100.00

- ✓ Other current liabilities comprise of provision for retirement benefit and fringe benefit tax and interest accrued.

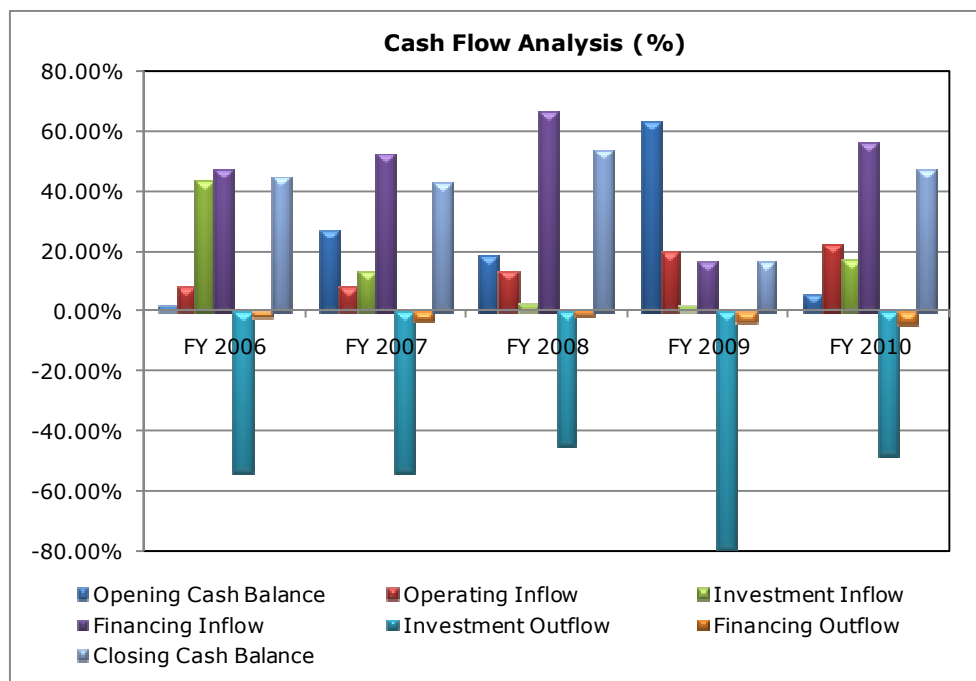


- ✓ Current ratio depicted an uneven trend during the period under study
- ✓ Quick ratio showed a similar trend to current ratio during the period under study
- ✓ Current ratio increased in FY 2007 mainly on account of increase in current assets being more than the increase in current liabilities. Current assets increased in FY 2007 mainly on account of sharp increase in cash and bank, accounts receivable and other loans and advances
- ✓ It further increased in FY 2008 mainly on account of sharp increase in current assets in the form of cash and bank, accounts receivable and other loans and advances
- ✓ Current ratio declined sharply in FY 2009 due to sharp increase in current liabilities principally in the form of acceptances, due to customers, current portion of long term loans and bank loans
- ✓ Current ratio then increased in FY 2010 on account of multifold increase in current assets in the form of cash and bank, fixed deposits and accounts receivables of the Company



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Cash flow analysis



(INR in Thousand)

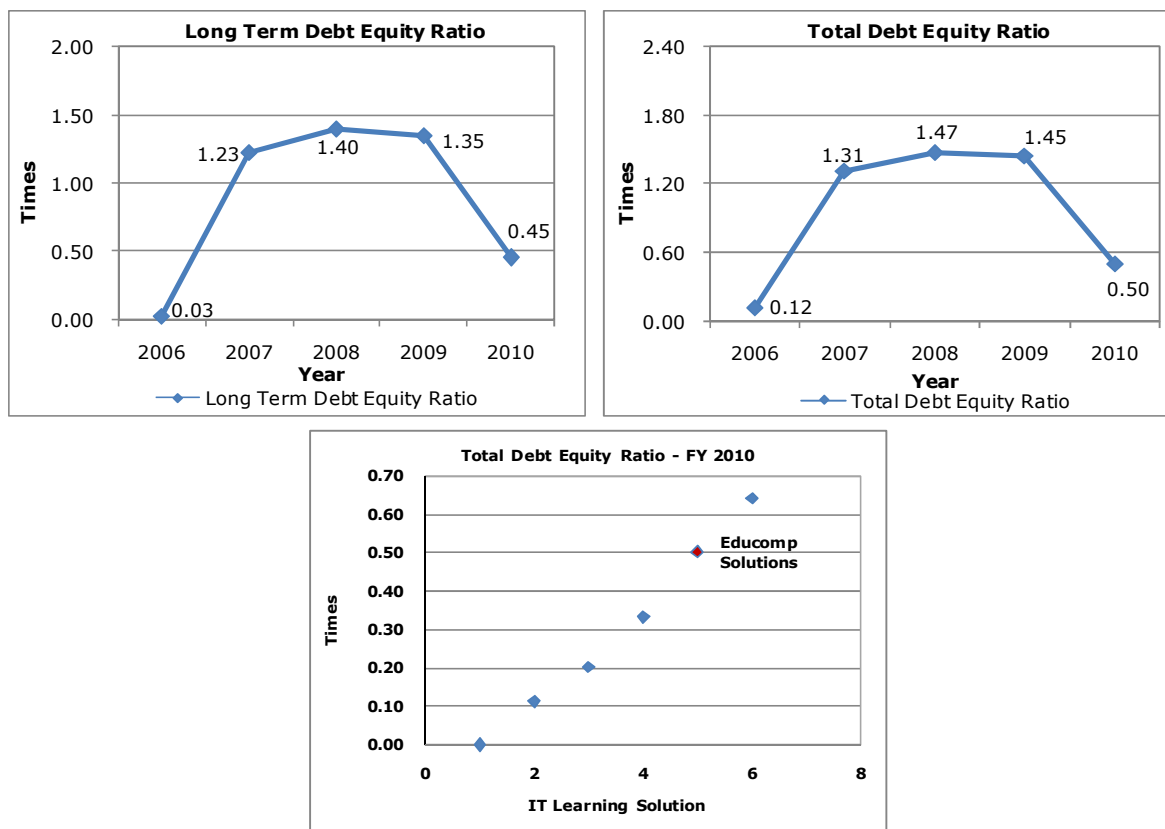
Particulars	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
A) Opening Balance of Cash & Cash Equivalents	22,324	596,590	949,590	2,790,310	728,440
B) Cash inflows from Operating activities	112,372	180,420	680,980	849,650	2,884,120
C) Cash Inflows from Investment activities	576,468	291,700	120,660	67,120	2,219,940
D) Cash Inflows from Financing activities	632,448	1,170,480	3,467,330	712,440	7,328,110
E) Total Cash available (A+B+C+D)	1,343,612	2,239,190	5,218,560	4,419,520	13,160,610
F) Cash Outflows from Investment activities	722,530	1,215,530	2,346,080	3,523,900	6,375,050
G) Cash Outflows from Financing activities	24,492	74,070	82,170	167,180	586,480
H) Total Disbursement (F + G)	747,022	1,289,600	2,428,250	3,691,080	6,961,530
Closing Balance of Cash & Cash Equivalents (E-H)	596,590	949,590	2,790,310	728,440	6,199,080

- ✓ Closing balance of cash and cash equivalent increased substantially in FY 2008 and FY 2010.
- ✓ Net cash flow from operating activities increased throughout the period under study mainly on account of increase in net profit.
- ✓ There was increasing net cash outflow from investing activities throughout the period under study mainly due to purchase of fixed assets and investments in subsidiaries.



- ✓ Cash inflow from financing activities was high during the period under study. It increased in FY 2007 and FY 2008 mainly due to proceeds from issue of FCCB. Cash inflow then declined in FY 2009 and then increased sharply in FY 2010. The Company made public offering in FY 2006, FY 2009 and FY 2010 which resulted in cash inflow from financing activities during those years.

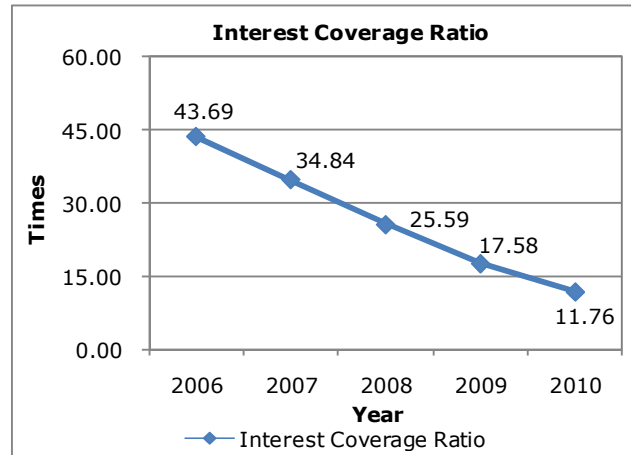
Debt Equity Ratio



- ✓ Both long term debt equity ratio and total debt equity ratio showed similar uneven trends during the period under study.
- ✓ Total debt equity ratio increased sharply in FY 2007 on account of sharp increase in total debt of the Company. Total debt increased sharply in FY 2007 mainly on account of sharp increase in long term debt. Long term debt increased in FY 2007 as the Company availed secured loans by issuing 5-year, 1% Foreign Currency Convertible Bonds (FCCB) aggregating to USD 25 million (INR 1,135,250 thousand as on the date of issue) for financing overseas acquisitions, capital expenditure and other expenditure as per RBI regulations.
- ✓ It further increased in FY 2008 due to increase in total debt being greater than the increase in tangible network. Total debt increased in FY 2008 mainly on account of increase in secured term loans from banks for purchase of fixed assets and issue of Zero Coupon FCCB.
- ✓ Total debt equity ratio declined marginally in FY 2009 mainly on account of increase in tangible network being greater than the increase in total debt.
- ✓ Total debt equity ratio further declined sharply in FY 2010 mainly on account of sharp increase in tangible network of the Company.



Interest Coverage Ratio



- ✓ Interest coverage ratio of the Company is high, however the same declined throughout the period under study mainly due to increase in interest expenses being greater than the increase in EBIT.
- ✓ Interest expenses of the Company increased during the period under study as the Company availed additional term and working capital loans and also issued FCCBs during the period under study.

Bank and Insurance Details

BANKERS

- ✓ State Bank of Patiala
- ✓ Standard Chartered Bank
- ✓ ICICI Bank Limited
- ✓ Canara Bank
- ✓ State Bank of India
- ✓ State Bank of Bikaner & Jaipur

Independent confirmation was not made available.

INSURANCE

The Company has taken insurance cover on its assets from The New India Assurance Company Limited, Bajaj Allianz General Insurance Company Limited, Tata AIG General Insurance Company Limited, ICICI Lombard General Insurance Company Limited and IFFCO TOKIO General Insurance Company Limited.



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D&B VIP Report

Educomp Solutions Limited

Financial Statements of Standalone Accounts**STANDALONE BALANCE SHEET**

Amount in INR Thousand

LIABILITIES AS ON	2006	2007	2008	2009	2010
Shareholders Fund					
Equity Share Capital	159,598	159,850	172,470	172,860	190,030
Employee Stock Option	-	-	82,720	144,560	147,280
General Reserve	6,951	28,390	98,450	210,110	431,970
Securities Premium Account	507,666	504,160	1,482,170	1,546,410	7,618,860
Retained Earnings	228,881	454,570	1,032,390	2,166,030	3,852,300
Total Shareholders Fund	903,096	1,146,970	2,868,200	4,239,970	12,240,440
Non-Current Liabilities					
Long Term Loans : Hire Purchase	1,337	-	-	-	-
Long Term Borrowings from Financial Institutions (Secured)	-	-	-	-	150,000
Long Term Bank Loans	22,789	97,290	335,370	891,570	1,647,380
Deferred Tax Liability	13,833	56,990	212,690	449,340	10,290
Foreign Currency Convertible Bonds	-	1,071,390	3,149,420	3,999,580	3,543,490
Other Non Current Liabilities	-	-	-	-	3,420
Less : Current Portion of Long Term Debt	(19,489)	(25,320)	(95,620)	(412,110)	(670,500)
Total Non-Current Liabilities	18,470	1,200,350	3,601,860	4,928,380	4,684,080
Current Liabilities and Provisions					
Accounts Payable	21,540	71,690	400,310	266,170	699,190
Acceptances	-	63,890	23,440	436,360	296,690
Other Payables / Accruals	8,287	13,960	29,620	83,900	42,100
Bank Overdraft	75,039	-	-	-	-
Bank Loans	-	78,180	184,090	335,960	573,340
Current Portion of Long Term Debt	19,489	25,320	95,620	412,110	670,500
Interest Accrued	-	5,000	3,550	28,200	2,240
Due to Customers	3,431	5,070	15,010	364,970	359,000
Unclaimed / Unpaid Dividends	-	30	60	90	590
Provision for Income Tax	67,812	7,590	33,660	161,450	1,323,210
Provision for Fringe Benefit Tax	3,186	860	1,070	13,950	-
Provision for Retirement Benefits	3,065	4,370	10,760	18,010	29,590
Provision for Dividends	27,298	38,700	50,540	50,640	194,770
Other Current Liabilities	17,008	17,050	14,990	151,630	255,860
Total Current Liabilities and Provisions	246,155	331,710	862,720	2,323,440	4,447,080
TOTAL LIABILITIES AND EQUITY	1,167,721	2,679,030	7,332,780	11,491,790	21,371,600



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D&B VIP Report

Educomp Solutions Limited

Amount in INR Thousand

ASSETS AS ON	2006	2007	2008	2009	2010
Fixed Assets					
Land and Buildings	8,234	8,230	72,120	78,550	74,060
Leasehold Improvements	3,704	2,830	6,040	11,240	2,790
Transportation Vehicles	1,872	2,340	5,310	3,910	4,820
Furniture, Fixtures and Fitting	2,517	43,280	204,400	499,880	85,050
Office Equipment	5,258	6,580	10,870	137,060	269,040
Computers / Servers / Printers and other IT Equipment	46,683	460,790	1,438,350	2,596,320	329,580
Capital Work in Progress	66,527	75,910	200,760	244,960	75,110
Total Fixed Assets	134,795	599,960	1,937,850	3,571,920	840,450
Intangible Assets					
Miscellaneous Expenditure not written off	780	580	390	-	-
Software	29,214	16,910	24,260	47,720	33,330
Other Intangibles	69,905	176,990	352,170	579,520	454,260
Total Intangible Assets	99,899	194,480	376,820	627,240	487,590
Investments					
Investment in Subsidiaries	11,613	283,820	713,100	2,066,510	7,537,640
Investment in Group Companies / Affiliates	-	-	-	-	118,210
Investment in Shares	-	-	-	3,980	203,980
Other Investments	6,250	-	-	-	10,000
Less: Provision for Diminution in Value of Investments	(3,350)	(3,350)	(3,350)	(3,350)	(3,350)
Total Investments	14,513	280,470	709,750	2,067,140	7,866,480
Other Assets					
Other Assets	-	-	-	264,580	-
Total Other Assets	-	-	-	264,580	-
Current Assets					
Cash and Bank	286,025	836,760	2,750,980	656,760	3,006,220
Fixed Deposit Account	225,536	12,390	570	3,510	3,034,650
Margin Deposit Account	85,029	100,440	38,760	68,170	158,210
Accounts Receivable	251,649	493,520	1,144,550	2,661,630	5,018,030
Inventory : Trade Goods	17,379	32,540	14,100	288,380	291,200
Other Loans and Advances	34,526	97,620	201,260	305,380	476,080
Due from Subsidiaries	13,930	13,730	99,890	932,860	14,860
Inter Company Loans / Advances	-	-	-	15,700	-
Current Investments	976	630	-	-	-
Interest Receivable	3,110	16,280	48,410	6,040	133,510
Other Current Assets	354	210	9,840	22,480	44,320
Total Current Assets	918,514	1,604,120	4,308,360	4,960,910	12,177,080
TOTAL ASSETS	1,167,721	2,679,030	7,332,780	11,491,790	21,371,600



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D&B VIP Report

Educomp Solutions Limited

STANDALONE PROFIT AND LOSS ACCOUNT

Amount in INR Thousand

For the Period Ended	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10
Number of Months	12	12	12	12	12
Revenue	523,045	1,065,740	2,620,950	5,011,700	8,322,210
Less: Direct Expenditure	(166,562)	(401,840)	(1,124,900)	(1,632,420)	(2,439,850)
Purchases for Resale	(95,428)	(304,210)	(797,290)	(1,033,420)	(1,481,270)
Salaries and Wages	(71,134)	(97,630)	(327,610)	(599,000)	(958,580)
Gross Profit	356,483	663,900	1,496,050	3,379,280	5,882,360
Less General and Administration Expenses	(55,333)	(124,900)	(193,470)	(509,290)	(1,003,780)
Staff Welfare Expenses	(695)	(900)	(1,710)	(3,030)	(3,660)
Insurance	(944)	(800)	(710)	(2,170)	(1,730)
Communication Expenses	(6,595)	(9,050)	(12,980)	(29,800)	(48,500)
Professional and Legal Fees	(9,240)	(30,720)	(30,830)	(102,060)	(128,110)
Technical Fees / Charges	-	-	-	(3,510)	(146,360)
Repairs and Maintenance	(3,214)	(7,670)	(17,150)	(68,430)	(117,180)
Travelling and Conveyance Expenses	(14,951)	(27,930)	(46,370)	(98,190)	(116,050)
Staff Recruitment Expenses	(1,115)	(6,560)	(10,400)	(7,330)	(7,000)
Directors' Remuneration and Fees	(3,200)	(6,600)	(9,220)	(9,280)	(37,010)
Lease / Rent Charges	(6,594)	(10,840)	(18,280)	(113,970)	(197,670)
Other General Expenses	(8,785)	(23,830)	(45,820)	(71,520)	(200,510)
Less: Selling and Distribution Expenses	(34,318)	(24,940)	(38,460)	(104,790)	(173,520)
Advertising & Marketing Expenses	(31,948)	(22,040)	(33,010)	(85,460)	(144,610)
Brokerage, Discount and Commission	(10)	(1,000)	-	-	-
Freight Expenses	(2,360)	(1,900)	(5,450)	(19,330)	(28,910)
Less: Loss on Sale of Fixed Assets	-	(20)	(70)	-	-
Less: Loss on Foreign Exchange Transactions	(590)	(4,990)	-	-	(72,910)
Less: Provision for Diminution in Value of Investments	(3,350)	-	-	-	-
Less: Bank and Finance Charges	(2,091)	(6,590)	(16,350)	(19,840)	(47,370)
Less: Bad Debts written off	(1,634)	(1,210)	(810)	(2,310)	(1,310)
Less: Provision for Bad Debts	(625)	(110)	-	(13,690)	(3,380)
Less: Other Expenses written off	(195)	(200)	(200)	(390)	-
Less: Depreciation / Amortization and Depletion	(53,052)	(93,930)	(322,950)	(752,170)	(907,390)
Operating Profit	205,295	407,010	923,740	1,976,800	3,672,700
Add: Other Non Operating Income	14,681	55,980	148,080	163,600	223,480
Dividend Income	1,767	1,790	35,000	-	2,700
Lease Rent and Hire Charges	3,091	6,740	7,140	6,570	6,110
Interest Income	4,701	33,140	79,940	67,080	159,040
Liabilities and Provisions Written Back	46	90	-	-	18,710
Profit on Sale of Fixed Assets	-	-	-	-	2,440
Profit on Foreign Exchange Transactions	-	-	23,270	84,270	-
Advances and Doubtful Debts written back	-	180	-	-	-
Miscellaneous Income	5,076	14,040	2,730	5,680	34,480
Earnings Before Interest and Tax (EBIT)	219,976	462,990	1,071,820	2,140,400	3,896,180
Less: Interest Expenditure	(5,035)	(13,290)	(41,890)	(121,780)	(331,400)
Interest on Long Term Loans	(3,268)	(8,800)	(27,040)	(90,620)	(204,260)
Other Interest	(1,767)	(4,490)	(14,850)	(31,160)	(127,140)
Profit before Tax and Extraordinary Items	214,941	449,700	1,029,930	2,018,620	3,564,780
Add / Less Extraordinary Items Before Tax	-	-	-	-	181,430
Net Profit before Taxation and after Extraordinary Items	214,941	449,700	1,029,930	2,018,620	3,746,210
Less: Total Tax Provision	(75,710)	(163,190)	(329,350)	(688,860)	(1,499,610)
Tax Provision	(75,970)	(116,930)	(167,560)	(440,680)	(1,938,650)
Fringe Benefit Tax	(3,202)	(3,110)	(5,790)	(11,530)	-
Less: Current Year Deferred Tax	3,462	(43,150)	(156,000)	(236,650)	439,040
Profit after Tax	139,231	286,510	700,580	1,329,760	2,246,600
Extraordinary Items : Others	-	-	(590)	-	-
Profit after Tax and Extraordinary Items	139,231	286,510	699,990	1,329,760	2,246,600
Prior Year Adjustment	(201)	(681)	30	(13,880)	(27,950)
Less: Dividends	(27,298)	(38,700)	(52,140)	(50,650)	(310,510)
Transfer to Reserves	(6,951)	(21,440)	(70,060)	(131,590)	(221,870)
Plus Retained Earnings b/f	124,100	228,881	454,570	1,032,390	2,166,030
Retained Earnings c/f	228,881	454,570	1,032,390	2,166,030	3,852,300



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D&B VIP Report

Educomp Solutions Limited

STANDALONE CASH FLOW STATEMENT

(INR in Thousand)

For the Year Ended on	31-Mar-2006	31-Mar-2007	31-Mar-2008	31-Mar-2009	31-Mar-2010
Months	12	12	12	12	12
Cash Flow From Operating Activities					
Net profit before taxation and after prior period	214,740	449,030	1,029,960	2,008,160	3,718,270
Adjustments for:					
Miscellaneous Expenses Written Off	(780)	200	200	390	-
Net prior period adjustments	201	670	(30)	12,440	27,940
Provision for doubtful debts/ advances	625	110	-	13,690	3,380
Provisions / Credit Balance Written Back	-	-	-	-	(18,710)
Investment Written off/provided	3,350	-	-	-	-
Depreciation / Amortisation	53,052	93,930	322,950	752,170	907,390
Unrealized Foreign exchange effects	300	35,880	13,470	95,080	70,430
Dividend income	(1,767)	(1,790)	(35,000)	-	(2,700)
Interest / other income	(4,701)	(33,140)	(79,940)	(67,080)	(159,040)
Interest expense	4,877	13,210	41,890	116,670	370,590
Loss / (Profit) on Sale of Fixed Assets	-	20	70	-	(65,840)
ESOP Amortisation Cost	-	-	82,720	99,830	90,310
Operating Profit before Working Capital Changes	269,897	558,120	1,376,290	3,031,350	4,942,020
Adjustment for:					
Trade & other receivables	(65,754)	(244,250)	(648,260)	(1,530,760)	(1,425,610)
Inventory	(7,328)	(15,160)	18,440	(274,290)	(18,410)
Loans & Advances	(23,740)	(75,940)	(231,560)	(923,050)	(156,900)
Trade & Other Payables	(21,111)	127,700	313,110	855,110	361,800
Cash Generated from Operations	151,964	350,470	828,020	1,158,360	3,702,900
Net prior period adjustments	(201)	(670)	30	(12,440)	(27,940)
Taxes Paid	(39,391)	(169,380)	(147,070)	(296,270)	(790,840)
Net Cash From Operating Activities (A)	112,372	180,420	680,980	849,650	2,884,120
Cash Flow From Investing Activities					
Purchase of fixed assets (including capital work-in-progress)	(151,113)	(654,040)	(1,848,540)	(2,166,520)	(1,363,180)
Proceeds from Sale of fixed assets	-	150	5,080	40	2,128,170
Investment in subsidiaries	(442)	(272,210)	(429,280)	(1,353,400)	(4,550,790)
Investment in Associates	-	-	-	-	(118,210)
Investment in Other Companies	-	-	-	-	(200,000)
Redemption of 5% cumulative preference shares	-	6,250	-	-	-
Purchase of Investments (Un-quoted, Non trade)	(570,975)	(250,030)	-	(3,980)	(10,000)
Sale of Investments (Un-quoted, Non trade)	570,000	250,370	640	-	57,500
Dividend income	1,767	1,790	35,000	-	2,700
Interest income	4,701	33,140	79,940	67,080	31,570
Net Cash Used in Investing Activities (B)	(146,062)	(884,580)	(2,157,160)	(3,456,780)	(4,022,240)
Cash Flow From Financing Activities					
Net Proceeds from fresh issue of capital through Initial Public Offering	557,409	-	-	7,930	6,134,910
Proceeds from issue of Foreign Currency Convertible Bonds (FCCB)	-	1,094,180	3,109,450	-	-
FCCB / QIP issue expenses	-	(39,250)	(68,260)	-	(132,870)
Proceeds / (Repayment) of long-term borrowings	(3,465)	73,160	241,640	352,640	955,810
Proceeds / (Repayment) of short-term borrowings	-	-	-	200,000	(50,000)
Financing against stocks / book debts (working capital)	(16,150)	-	-	151,870	237,390
Temporary Overdraft facility against fixed deposits	75,039	3,140	105,910	-	-
Payment of Dividend	-	(27,270)	(40,280)	(50,510)	(165,890)
Interest on borrowings	(4,877)	(13,210)	(41,890)	(116,670)	(370,590)
Net Cash Used in Financing Activities (C)	607,956	1,090,750	3,306,570	545,260	6,608,760
Net Increase in Cash and Cash Equivalents (A+B+C)	574,266	386,590	1,830,390	(2,061,870)	5,470,640
Exchange difference on translation of foreign currency cash and cash equivalents	-	(33,590)	10,330	-	-
Cash and Cash Equivalents (Opening Balance)	22,324	596,590	949,590	2,790,310	728,440
Cash and Cash Equivalents (Closing Balance)	596,590	949,590	2,790,310	728,440	6,199,080



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D&B VIP Report

Educomp Solutions Limited

COMPARATIVE GROWTH BALANCE SHEET

Figures in %

LIABILITIES AS ON	2007	2008	2009	2010
Shareholders Fund				
Equity Share Capital	0.16	7.89	0.23	9.93
Employee Stock Option	-	-	74.76	1.88
General Reserve	308.43	246.78	113.42	105.59
Securities Premium Account	(0.69)	193.99	4.33	392.68
Retained Earnings	98.61	127.11	109.81	77.85
Total Shareholders Fund	27.00	150.07	47.83	188.69
Non-Current Liabilities				
Long Term Loans : Hire Purchase	(100.00)	-	-	-
Long Term Bank Loans	326.92	244.71	165.85	84.77
Deferred Tax Liability	311.99	273.21	111.27	(97.71)
Foreign Currency Convertible Bonds	-	193.96	26.99	(11.40)
Less : Current Portion of Long Term Debt	29.92	277.65	330.99	62.70
Total Non-Current Liabilities	6,398.92	200.07	36.83	(4.96)
Current Liabilities and Provisions				
Accounts Payable	232.82	458.39	(33.51)	162.69
Acceptances	-	(63.31)	1,761.60	(32.01)
Other Payables / Accruals	68.46	112.18	183.25	(49.82)
Bank Overdraft	(100.00)	-	-	-
Bank Loans	-	135.47	82.50	70.66
Current Portion of Long Term Debt	29.92	277.65	330.99	62.70
Interest Accrued	-	(29.00)	694.37	(92.06)
Due to Customers	47.77	196.06	2,331.51	(1.64)
Unclaimed / Unpaid Dividends	-	100.00	50.00	555.56
Provision for Income Tax	(88.81)	343.48	379.65	719.58
Provision for Fringe Benefit Tax	(73.01)	24.42	1,203.74	(100.00)
Provision for Retirement Benefits	42.58	146.22	67.38	64.30
Provision for Dividends	41.77	30.59	0.20	284.62
Other Current Liabilities	0.25	(12.08)	911.54	68.74
Total Current Liabilities and Provisions	34.76	160.08	169.32	91.40
TOTAL LIABILITIES AND EQUITY	129.42	173.71	56.72	85.97



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D&B VIP Report

Educomp Solutions Limited

Figures in %

ASSETS AS ON	2007	2008	2009	2010
Fixed Assets				
Land and Buildings	(0.05)	776.31	8.92	(5.72)
Leasehold Improvements	(23.60)	113.43	86.09	(75.18)
Transportation Vehicles	25.00	126.92	(26.37)	23.27
Furniture, Fixtures and Fitting	1,619.51	372.27	144.56	(82.99)
Office Equipment	25.14	65.20	1,160.90	96.29
Computers / Servers / Printers and other IT Equipment	887.06	212.15	80.51	(87.31)
Capital Work in Progress	14.10	164.47	22.02	(69.34)
Total Fixed Assets	345.09	223.00	84.32	(76.47)
Intangible Assets				
Miscellaneous Expenditure not written off	(25.64)	(32.76)	(100.00)	-
Software	(42.12)	43.47	96.70	(30.16)
Other Intangibles	153.19	98.98	64.56	(21.61)
Total Intangible Assets	94.68	93.76	66.46	(22.26)
Investments				
Investment in Subsidiaries	2,343.99	151.25	189.79	264.75
Investment in Shares	-	-	-	5,025.13
Other Investments	(100.00)	-	-	-
Less: Provision for Diminution in Value of Investments	-	-	-	-
Total Investments	1,832.54	153.06	191.25	280.55
Other Assets				
Other Assets	-	-	-	(100.00)
Total Other Assets	-	-	-	(100.00)
Current Assets				
Cash and Bank	192.55	228.77	(76.13)	357.73
Fixed Deposit Account	(94.51)	(95.40)	515.79	86,357.26
Margin Deposit Account	18.12	(61.41)	75.88	132.08
Accounts Receivable	96.11	131.92	132.55	88.53
Inventory : Trade Goods	87.24	(56.67)	1,945.25	0.98
Other Loans and Advances	182.74	106.17	51.73	55.90
Due from Subsidiaries	(1.44)	627.53	833.89	(98.41)
Inter Company Loans / Advances	-	-	-	(100.00)
Current Investments	(35.45)	(100.00)	-	-
Interest Receivable	423.47	197.36	(87.52)	2,110.43
Other Current Assets	(40.68)	4,585.71	128.46	97.15
Total Current Assets	74.64	168.58	15.15	145.46
TOTAL ASSETS	129.42	173.71	56.72	85.97



Decide with Confidence

D&B VIP Report

Educomp Solutions Limited

COMPARATIVE GROWTH PROFIT AND LOSS ACCOUNT

Figures in %

For the Period Ended	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10
Number of Months	12	12	12	12
Revenue	103.76	145.93	91.22	66.06
Less: Direct Expenditure	141.26	179.94	45.12	49.46
Purchases for Resale	218.78	162.09	29.62	43.34
Salaries and Wages	37.25	235.56	82.84	60.03
Gross Profit	86.24	125.34	125.88	74.07
Less General and Administration Expenses	125.72	54.90	163.24	97.09
Staff Welfare Expenses	29.50	90.00	77.19	20.79
Insurance	(15.25)	(11.25)	205.63	(20.28)
Communication Expenses	37.23	43.43	129.58	62.75
Professional and Legal Fees	232.47	0.36	231.04	25.52
Technical Fees / Charges	-	-	-	4,069.80
Repairs and Maintenance	138.64	123.60	299.01	71.24
Travelling and Conveyance Expenses	86.81	66.02	111.75	18.19
Staff Recruitment Expenses	488.34	58.54	(29.52)	(4.50)
Directors' Remuneration and Fees	106.25	39.70	0.65	298.81
Lease / Rent Charges	64.39	68.63	523.47	73.44
Other General Expenses	171.26	92.28	56.09	180.36
Less: Selling and Distribution Expenses	(27.33)	54.21	172.46	65.59
Advertising & Marketing Expenses	(31.01)	49.77	158.89	69.21
Brokerage, Discount and Commission	9,900.00	(100.00)	-	-
Freight Expenses	(19.49)	186.84	254.68	49.56
Less: Loss on Sale of Fixed Assets	-	250.00	(100.00)	-
Less: Loss on Foreign Exchange Transactions	745.76	(100.00)	-	-
Less: Provision for Diminution in Value of Investments	(100.00)	-	-	-
Less: Bank and Finance Charges	215.16	148.10	21.35	138.76
Less: Bad Debts written off	(25.95)	(33.06)	185.19	(43.29)
Less: Provision for Bad Debts	(82.40)	(100.00)	-	(75.31)
Less: Other Expenses written off	2.56	-	95.00	(100.00)
Less: Depreciation / Amortization and Depletion	77.05	243.82	132.91	20.64
Operating Profit	98.26	126.96	114.00	85.79
Add: Other Non Operating Income	281.31	164.52	10.48	147.50
Dividend Income	1.30	1,855.31	(100.00)	-
Lease Rent and Hire Charges	118.05	5.93	(7.98)	(7.00)
Interest Income	604.96	141.22	(16.09)	137.09
Liabilities and Provisions Written Back	95.65	(100.00)	-	-
Profit on Foreign Exchange Transactions	-	-	262.14	(100.00)
Advances and Doubtful Debts written back	-	(100.00)	-	-
Miscellaneous Income	176.60	(80.56)	108.06	507.04
Earnings Before Interest and Tax (EBIT)	110.47	131.50	99.70	90.51
Less: Interest Expenditure	163.95	215.20	190.71	172.13
Interest on Long Term Loans	169.28	207.27	235.13	125.40
Other Interest	154.10	230.73	109.83	308.02
Net Profit before Taxation and after Extraordinary Items	109.22	129.03	96.00	85.58
Less: Total Tax Provision	115.55	101.82	109.16	117.69
Tax Provision	53.92	43.30	163.00	339.92
Fringe Benefit Tax	(2.87)	86.17	99.14	(100.00)
Less: Current Year Deferred Tax	(1,346.39)	261.53	51.70	(285.52)
Profit after Tax	105.78	144.52	89.81	68.95
Extraordinary Items : Others	-	-	(100.00)	-
Profit after Tax and Extraordinary Items	105.78	144.32	89.97	68.95
Prior Year Adjustment	238.81	(104.41)	(46,366.67)	101.37
Less: Dividends	41.77	34.73	(2.86)	513.05
Transfer to Reserves	208.44	226.77	87.82	68.61
Plus Retained Earnings b/f	84.43	98.61	127.11	109.81
Retained Earnings c/f	98.61	127.11	109.81	77.85



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D&B VIP Report

Educomp Solutions Limited

COMMON SIZE BALANCE SHEET

Figures in %

LIABILITIES AS ON	2006	2007	2008	2009	2010
Shareholders Fund					
Equity Share Capital	13.67	5.97	2.35	1.50	0.89
Employee Stock Option	-	-	1.13	1.26	0.69
General Reserve	0.60	1.06	1.34	1.83	2.02
Securities Premium Account	43.47	18.82	20.21	13.46	35.65
Retained Earnings	19.60	16.97	14.08	18.85	18.03
Total Shareholders Fund	77.34	42.81	39.11	36.90	57.27
Non-Current Liabilities					
Long Term Loans : Hire Purchase	0.11	-	-	-	-
Long Term Borrowings from Financial Institutions (Secured)	-	-	-	-	0.70
Long Term Bank Loans	1.95	3.63	4.57	7.76	7.71
Deferred Tax Liability	1.18	2.13	2.90	3.91	0.05
Foreign Currency Convertible Bonds	-	39.99	42.95	34.80	16.58
Other Non Current Liabilities	-	-	-	-	0.02
Less : Current Portion of Long Term Debt	(1.67)	(0.95)	(1.30)	(3.59)	(3.14)
Total Non-Current Liabilities	1.58	44.81	49.12	42.89	21.92
Current Liabilities and Provisions					
Accounts Payable	1.84	2.68	5.46	2.32	3.27
Acceptances	-	2.38	0.32	3.80	1.39
Other Payables / Accruals	0.71	0.52	0.40	0.73	0.20
Bank Overdraft	6.43	-	-	-	-
Bank Loans	-	2.92	2.51	2.92	2.68
Current Portion of Long Term Debt	1.67	0.95	1.30	3.59	3.14
Interest Accrued	-	0.19	0.05	0.25	0.01
Due to Customers	0.29	0.19	0.20	3.18	1.68
Unclaimed / Unpaid Dividends	-	0.00	0.00	0.00	0.00
Provision for Income Tax	5.81	0.28	0.46	1.40	6.19
Provision for Fringe Benefit Tax	0.27	0.03	0.01	0.12	-
Provision for Retirement Benefits	0.26	0.16	0.15	0.16	0.14
Provision for Dividends	2.34	1.44	0.69	0.44	0.91
Other Current Liabilities	1.46	0.64	0.20	1.32	1.20
Total Current Liabilities and Provisions	21.08	12.38	11.77	20.22	20.81
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00	100.00



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D&B VIP Report

Educomp Solutions Limited

Figures in %

ASSETS AS ON	2006	2007	2008	2009	2010
Fixed Assets					
Land and Buildings	0.71	0.31	0.98	0.68	0.35
Leasehold Improvements	0.32	0.11	0.08	0.10	0.01
Transportation Vehicles	0.16	0.09	0.07	0.03	0.02
Furniture, Fixtures and Fitting	0.22	1.62	2.79	4.35	0.40
Office Equipment	0.45	0.25	0.15	1.19	1.26
Computers / Servers / Printers and other IT Equipment	4.00	17.20	19.62	22.59	1.54
Capital Work in Progress	5.70	2.83	2.74	2.13	0.35
Total Fixed Assets	11.54	22.39	26.43	31.08	3.93
Intangible Assets					
Miscellaneous Expenditure not written off	0.07	0.02	0.01	-	-
Software	2.50	0.63	0.33	0.42	0.16
Other Intangibles	5.99	6.61	4.80	5.04	2.13
Total Intangible Assets	8.56	7.26	5.14	5.46	2.28
Investments					
Investment in Subsidiaries	0.99	10.59	9.72	17.98	35.27
Investment in Group Companies / Affiliates	-	-	-	-	0.55
Investment in Shares	-	-	-	0.03	0.95
Other Investments	0.54	-	-	-	0.05
Less: Provision for Diminution in Value of Investments	(0.29)	(0.13)	(0.05)	(0.03)	(0.02)
Total Investments	1.24	10.47	9.68	17.99	36.81
Other Assets					
Other Assets	-	-	-	2.30	-
Total Other Assets	-	-	-	2.30	-
Current Assets					
Cash and Bank	24.49	31.23	37.52	5.72	14.07
Fixed Deposit Account	19.31	0.46	0.01	0.03	14.20
Margin Deposit Account	7.28	3.75	0.53	0.59	0.74
Accounts Receivable	21.55	18.42	15.61	23.16	23.48
Inventory : Trade Goods	1.49	1.21	0.19	2.51	1.36
Other Loans and Advances	2.96	3.64	2.74	2.66	2.23
Due from Subsidiaries	1.19	0.51	1.36	8.12	0.07
Inter Company Loans / Advances	-	-	-	0.14	-
Current Investments	0.08	0.02	-	-	-
Interest Receivable	0.27	0.61	0.66	0.05	0.62
Other Current Assets	0.03	0.01	0.13	0.20	0.21
Total Current Assets	78.66	59.88	58.75	43.17	56.98
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00



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D&B VIP Report

Educomp Solutions Limited

COMMON SIZE PROFIT & LOSS ACCOUNT

Figures in %

For the Period Ended	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10
Number of Months	12	12	12	12
Revenue	103.76	145.93	91.22	66.06
Less: Direct Expenditure	141.26	179.94	45.12	49.46
Purchases for Resale	218.78	162.09	29.62	43.34
Salaries and Wages	37.25	235.56	82.84	60.03
Gross Profit	86.24	125.34	125.88	74.07
Add: Other Operating Income	-	-	-	-
Less: Total Expenditure	-	-	-	-
Less General and Administration Expenses	125.72	54.90	163.24	97.09
Staff Welfare Expenses	29.50	90.00	77.19	20.79
Insurance	(15.25)	(11.25)	205.63	(20.28)
Communication Expenses	37.23	43.43	129.58	62.75
Professional and Legal Fees	232.47	0.36	231.04	25.52
Technical Fees / Charges	-	-	-	4,069.80
Repairs and Maintenance	138.64	123.60	299.01	71.24
Travelling and Conveyance Expenses	86.81	66.02	111.75	18.19
Staff Recruitment Expenses	488.34	58.54	(29.52)	(4.50)
Directors' Remuneration and Fees	106.25	39.70	0.65	298.81
Lease / Rent Charges	64.39	68.63	523.47	73.44
Other General Expenses	171.26	92.28	56.09	180.36
Less: Selling and Distribution Expenses	(27.33)	54.21	172.46	65.59
Advertising & Marketing Expenses	(31.01)	49.77	158.89	69.21
Brokerage, Discount and Commission	9,900.00	(100.00)	-	-
Freight Expenses	(19.49)	186.84	254.68	49.56
Less: Loss on Sale of Fixed Assets	-	250.00	(100.00)	-
Less: Loss on Foreign Exchange Transactions	745.76	(100.00)	-	-
Less: Provision for Diminution in Value of Investments	(100.00)	-	-	-
Less: Bank and Finance Charges	215.16	148.10	21.35	138.76
Less: Bad Debts written off	(25.95)	(33.06)	185.19	(43.29)
Less: Provision for Bad Debts	(82.40)	(100.00)	-	(75.31)
Less: Other Expenses written off	2.56	-	95.00	(100.00)
Less: Depreciation / Amortization and Depletion	77.05	243.82	132.91	20.64
Operating Profit	98.26	126.96	114.00	85.79
Add: Other Non Operating Income	281.31	164.52	10.48	36.60
Dividend Income	1.30	1,855.31	(100.00)	-
Lease Rent and Hire Charges	118.05	5.93	(7.98)	(7.00)
Interest Income	604.96	141.22	(16.09)	137.09
Liabilities and Provisions Written Back	95.65	(100.00)	-	-
Profit on Foreign Exchange Transactions	-	-	262.14	(100.00)
Advances and Doubtful Debts written back	-	(100.00)	-	-
Miscellaneous Income	176.60	(80.56)	108.06	507.04
Earnings Before Interest and Tax (EBIT)	110.47	131.50	99.70	82.03
Less: Interest Expenditure	163.95	215.20	190.71	172.13
Interest on Long Term Loans	169.28	207.27	235.13	125.40
Other Interest	154.10	230.73	109.83	308.02
Profit before Tax and Extraordinary Items	109.22	129.03	96.00	76.59
Net Profit before Taxation and after Extraordinary Items	109.22	129.03	96.00	85.58
Less: Total Tax Provision	115.55	101.82	109.16	117.69
Tax Provision	53.92	43.30	163.00	339.92
Fringe Benefit Tax	(2.87)	86.17	99.14	(100.00)
Less: Current Year Deferred Tax	(1,346.39)	261.53	51.70	(285.52)
Profit after Tax	105.78	144.52	89.81	68.95
Extraordinary Items : Others	-	-	(100.00)	-
Profit after Tax and Extraordinary Items	105.78	144.32	89.97	68.95
Prior Year Adjustment	238.81	(104.41)	(46,366.67)	101.37
Less: Dividends	41.77	34.73	(2.86)	513.05
Transfer to Reserves	208.44	226.77	87.82	68.61
Plus Retained Earnings b/f	84.43	98.61	127.11	109.81
Retained Earnings c/f	98.61	127.11	109.81	77.85



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D&B VIP Report

Educomp Solutions Limited

Financial Statements of Consolidated Accounts**CONSOLIDATED BALANCE SHEET**

Amount in INR Thousand

LIABILITIES AS ON	2006	2007	2008	2009	2010
Shareholders Fund					
Equity Share Capital	159,598	159,850	172,470	172,860	190,030
Employee Stock Option	-	-	82,720	144,560	147,290
General Reserve	6,951	28,390	98,450	202,720	442,200
Debt Redemption Reserve	-	-	-	83,760	-
Securities Premium Account	508,936	505,430	1,483,440	1,518,780	12,162,610
Foreign Exchange Adjustments	542	-	-	(23,870)	(52,750)
Retained Earnings	219,436	454,240	1,047,140	2,104,330	3,585,800
Minority Interest (Capital)	1,687	128,400	193,630	804,300	1,914,800
Total Shareholders Fund	897,150	1,276,310	3,077,850	5,007,440	18,389,980
Non-Current Liabilities					
Long Term Loans : Unsecured	358	570	1,630	6,680	6,970
Long Term Loans : Hire Purchase	1,337	-	-	-	-
Long Term Borrowings from Financial Institutions (Secured)	-	-	-	-	150,000
Long Term Bank Loans	32,972	105,290	438,140	4,514,920	6,136,750
Deferred Tax Liability	16,321	58,710	209,720	439,360	22,330
Foreign Currency Convertible Bonds	-	1,071,390	3,149,420	3,999,580	3,543,490
Other Non Current Liabilities	-	-	-	-	3,420
Less : Current Portion of Long Term Debt	(21,755)	(27,590)	(97,890)	(442,210)	(983,030)
Total Non-Current Liabilities	29,233	1,208,370	3,701,020	8,518,330	8,879,930
Current Liabilities and Provisions					
Accounts Payable	47,173	76,050	414,810	599,990	947,600
Acceptances	-	63,880	23,440	436,360	296,690
Other Payables / Accruals	6,379	15,530	35,780	95,550	90,050
Bank Overdraft	75,039	78,180	-	-	-
Bank Loans	-	-	184,090	373,970	641,050
Current Portion of Long Term Debt	21,755	27,590	97,890	442,210	983,030
Interest Accrued	-	5,000	-	36,040	6,350
Due to Customers	3,946	5,920	15,850	632,060	556,810
Unclaimed / Unpaid Dividends	-	30	60	90	590
Provision for Income Tax	69,669	12,230	28,810	162,900	1,320,310
Provision for Fringe Benefit Tax	3,186	880	1,110	14,810	50
Provision for Retirement Benefits	-	5,110	12,030	24,440	42,670
Provision for Redemption of Debentures and Bonds	6,182	-	-	-	-
Provision for Dividends	27,298	38,710	50,540	53,390	309,670
Other Current Liabilities	18,146	18,630	27,290	194,910	391,880
Total Current Liabilities and Provisions	278,773	347,740	891,700	3,066,720	5,586,750
TOTAL LIABILITIES AND EQUITY	1,205,156	2,832,420	7,670,570	16,592,490	32,856,660



Decide with Confidence

D&B VIP Report

Educomp Solutions Limited

Amount in INR Thousand

ASSETS AS ON	2006	2007	2008	2009	2010
Fixed Assets					
Land and Buildings	26,169	25,030	269,470	806,020	4,668,680
Leasehold Improvements	3,704	2,840	6,050	24,990	55,270
Transportation Vehicles	1,872	2,340	5,310	22,150	19,430
Furniture, Fixtures and Fitting	2,566	43,550	208,390	518,010	130,840
Office Equipment	5,918	7,150	12,930	162,470	315,080
Computers / Servers / Printers and other IT Equipment	47,658	462,380	1,447,820	2,618,120	377,030
Capital Work in Progress	66,527	108,080	372,260	2,962,080	2,739,330
Total Fixed Assets	154,414	651,370	2,322,230	7,113,840	8,305,660
Intangible Assets					
Deferred Revenue Expenditure	582	-	-	-	-
Goodwill	655	136,870	280,270	1,224,820	6,159,980
Trademark / Copyright / Patent	-	-	-	-	898,580
Preliminary Expenses	22	470	560	380	-
Software	33,415	18,920	47,440	214,930	233,730
Other Intangibles	64,577	161,320	344,790	809,870	1,088,990
Total Intangible Assets	99,251	317,580	673,060	2,250,000	8,381,280
Investments					
Investment in Group Companies / Affiliates	-	-	18,400	-	118,140
Investment in Unquoted Shares	-	-	-	329,300	203,980
Investment in Shares	20,113	-	-	-	-
Investment in Debentures / Bonds	-	-	-	1,030	1,030
Other Investments	-	-	580	349,420	10,000
Total Investments	20,113	-	18,980	679,750	333,150
Other Assets					
Other Assets	-	-	-	346,390	-
Total Other Assets	-	-	-	346,390	-
Current Assets					
Cash and Bank	295,148	992,900	638,270	928,500	3,614,840
Fixed Deposit Account	225,536	12,390	2,234,730	904,360	4,113,480
Margin Deposit Account	85,029	100,440	38,760	69,170	158,360
Accounts Receivable	255,146	496,300	1,156,910	2,765,100	5,529,750
Inventory : Work-in-Progress	-	-	2,920	-	23,200
Inventory : Trade Goods	17,379	32,940	15,270	316,120	344,580
Other Loans and Advances	48,700	109,730	489,910	1,138,230	1,810,460
Current Investments	976	102,280	17,430	49,090	20,920
Interest Receivable	3,110	16,280	52,260	9,460	176,660
Other Current Assets	354	210	9,840	22,480	44,320
Total Current Assets	931,378	1,863,470	4,656,300	6,202,510	15,836,570
TOTAL ASSETS	1,205,156	2,832,420	7,670,570	16,592,490	32,856,660



Decide with Confidence

D&B VIP Report

Educomp Solutions Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Amount in INR Thousand

For the Period Ended	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10
Number of Months	12	12	12	15	12
Revenue	555,184	1,100,830	2,860,840	6,370,630	10,394,900
Less: Direct Expenditure	(185,838)	(429,260)	(1,283,550)	(2,257,880)	(3,363,360)
Purchases for Resale	(95,428)	(303,810)	(797,620)	(1,110,280)	(1,603,480)
Salaries and Wages	(90,410)	(125,450)	(485,930)	(1,147,600)	(1,759,880)
Gross Profit	369,346	671,570	1,577,290	4,112,750	7,031,540
Less General and Administration Expenses	(62,252)	(126,600)	(232,950)	(806,980)	(1,505,560)
Staff Welfare Expenses	(711)	(930)	(1,960)	(7,430)	(33,000)
Insurance	(1,985)	(1,870)	(1,880)	(5,230)	(8,440)
Communication Expenses	(6,750)	(9,380)	(17,610)	(47,690)	(73,840)
Professional and Legal Fees	(11,052)	(31,990)	(46,670)	(227,110)	(321,690)
Repairs and Maintenance	(3,830)	(9,090)	(21,910)	(88,850)	(148,600)
Travelling and Conveyance Expenses	(15,069)	(29,000)	(52,170)	(148,670)	(205,640)
Staff Recruitment Expenses	(1,115)	(6,560)	(10,510)	(13,730)	(12,510)
Lease / Rent Charges	(6,801)	(11,220)	(24,160)	(165,660)	(283,400)
Other General Expenses	(14,939)	(26,560)	(56,080)	(102,610)	(418,440)
Less: Selling and Distribution Expenses	(34,328)	(24,940)	(53,440)	(213,510)	(566,050)
Advertising & Marketing Expenses	(31,958)	(22,040)	(46,400)	(173,820)	(311,230)
Brokerage, Discount and Commission	(10)	(1,000)	-	(9,020)	(42,730)
Freight Expenses	(2,360)	(1,900)	(5,450)	(19,420)	(30,410)
Technical Service Fees and Royalty	-	-	(1,590)	(11,250)	(181,680)
Less: Loss on Sale of Fixed Assets	-	(20)	(70)	(440)	(1,820)
Less: Loss on Foreign Exchange Transactions	(590)	(5,430)	-	-	(33,870)
Less: Bank and Finance Charges	(2,139)	(6,610)	(16,550)	(13,110)	(93,750)
Less: Bad Debts written off	(1,634)	(1,210)	(810)	(2,340)	(4,730)
Less: Provision for Bad Debts	(625)	(110)	(90)	(13,310)	(7,730)
Less: Other Expenses written off	(369)	(790)	(7,550)	(590)	(13,940)
Less: Depreciation / Amortization and Depletion	(56,295)	(96,060)	(331,320)	(814,410)	(1,142,280)
Operating Profit	211,114	409,800	934,510	2,248,060	3,661,810
Add: Other Non Operating Income	14,561	58,960	177,550	227,370	1,255,250
Dividend Income	1,767	3,640	40,580	1,290	2,870
Lease Rent and Hire Charges	2,971	6,620	7,400	7,000	5,940
Interest Income	4,701	33,390	95,700	126,720	268,610
Liabilities and Provisions Written Back	46	90	-	1,510	13,760
Profit on Sale of Investments	-	-	-	-	906,960
Profit on Foreign Exchange Transactions	-	-	30,460	79,290	-
Advances and Doubtful Debts written back	-	180	100	-	7,490
Miscellaneous Income	5,076	15,040	3,310	11,560	49,620
Earnings Before Interest and Tax (EBIT)	225,675	468,760	1,112,060	2,475,430	4,917,060
Less: Interest Expenditure	(5,947)	(14,390)	(48,060)	(288,680)	(496,030)
Interest on Long Term Loans	(4,172)	(9,900)	(33,200)	(240,930)	(364,900)
Other Interest	(1,775)	(4,490)	(14,860)	(47,750)	(131,130)
Net Profit before Taxation and after Extraordinary Items	219,728	454,370	1,064,000	2,186,750	4,421,030
Less: Total Tax Provision	(80,562)	(169,630)	(351,130)	(769,510)	(1,584,190)
Tax Provision	(81,223)	(124,110)	(194,470)	(495,180)	(2,009,610)
Fringe Benefit Tax	(3,202)	(3,130)	(6,100)	(13,700)	-
Less: Current Year Deferred Tax	3,863	(42,390)	(150,560)	(277,860)	-
Other Tax	-	-	-	17,230	425,420
Profit after Tax	139,166	284,740	712,870	1,417,240	2,836,840
Extraordinary Items : Others	527	10,960	5,190	(1,580)	(801,360)
Profit after Tax and Extraordinary Items	139,693	295,700	718,060	1,415,660	2,035,480
Prior Year Adjustment	825	(510)	20	(13,870)	(29,300)
Less: Minority Interests	(880)	(1,200)	(2,980)	(68,490)	(57,520)
Less: Dividends	(27,298)	(38,700)	(52,140)	(60,760)	(337,490)
Transfer to Reserves	(6,951)	(21,440)	(70,060)	(215,350)	(248,120)
Plus Retained Earnings b/f	114,047	219,436	454,240	1,047,140	2,104,330
Transfer from Reserves	-	954	-	-	83,760
Retained Earnings c/f	219,436	454,240	1,047,140	2,104,330	3,551,140



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D&B VIP Report

Educomp Solutions Limited

CONSOLIDATED – KEY RATIOS

Key Financial Ratios	2005	2006	2007	2008	2009
GROWTH RATIOS					
Revenue Growth (%)	-	98.28	159.88	122.68	63.17
Net Profit Growth (%)	-	104.60	150.36	98.81	100.17
Operating Profit Growth (%)	-	94.11	128.04	140.56	62.89
PROFITABILITY RATIOS					
Gross Profit Margin (%)	66.53	61.01	55.13	64.56	67.64
Operating Profit Margin (%)	38.03	37.23	32.67	35.29	35.23
Return on Revenue (%)	25.07	25.87	24.92	22.25	27.29
Return on Tangible Networkth (%)	17.44	29.70	29.64	51.40	28.34
Return on Average Tangible Networkth (%)	-	32.42	42.39	54.91	44.44
Return on Capital Employed (%)	24.86	21.17	18.00	21.24	24.00
Return on Average Capital Employed (%)	-	30.03	26.50	27.77	30.59
Return on Fixed Assets (%)	90.13	43.71	30.70	19.92	34.16
Return on Total Assets (%)	12.58	11.32	10.19	9.88	11.59
LIQUIDITY RATIOS					
Quick Ratio (Times)	3.28	5.26	5.20	1.92	2.77
Current Ratio (Times)	3.34	5.36	5.22	2.02	2.83
TURNOVER RATIOS					
Inventory Turnover Ratio (Times)	31.95	33.42	157.28	20.15	28.26
Fixed Asset Turnover Ratio (Times)	3.60	1.69	1.23	0.90	1.25
SOLVENCY RATIOS					
Long Term Debt Equity Ratio (Times)	0.04	1.23	1.49	3.09	0.98
Total Debt Equity Ratio (Times)	0.14	1.31	1.57	3.23	1.05
Total Liabilities to Tangible Networkth (%)	38.60	162.31	190.98	420.14	144.54
Interest Coverage Ratio (Times)	37.95	32.58	23.14	8.57	9.91
EFFICIENCY RATIOS					
Payment Period (Days)	168	160	204	336	277
Average Payment Period (Days)	-	107	135	270	254
Collection Period (Days)	168	165	148	197	194
Average Collection Period (Days)	-	125	105	173	146
WORKING CAPITAL RATIOS					
Current Liabilities to Tangible Networkth (%)	34.94	36.27	37.08	111.22	55.82
Working Capital Turnover Ratio (Times)	0.85	0.73	0.76	2.03	1.01



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Educomp Solutions Limited

COMPARATIVE GROWTH BALANCE SHEET

Figures in %

LIABILITIES AS ON	2007	2008	2009	2010
Shareholders Fund				
Equity Share Capital	0.16	7.89	0.23	9.93
Employee Stock Option	-	-	74.76	1.89
General Reserve	308.43	246.78	105.91	118.13
Debt Redemption Reserve	-	-	-	(100.00)
Securities Premium Account	(0.69)	193.50	2.38	700.81
Foreign Exchange Adjustments	(100.00)	-	-	120.99
Retained Earnings	107.00	130.53	100.96	70.40
Minority Interest (Capital)	7,511.14	50.80	315.38	138.07
Total Shareholders Fund	42.26	141.15	62.69	267.25
Non-Current Liabilities				
Long Term Loans : Unsecured	59.22	185.96	309.82	4.34
Long Term Loans : Hire Purchase	(100.00)	-	-	-
Long Term Bank Loans	219.33	316.13	930.47	35.92
Deferred Tax Liability	259.72	257.21	109.50	(94.92)
Foreign Currency Convertible Bonds	-	193.96	26.99	(11.40)
Less : Current Portion of Long Term Debt	26.82	254.80	351.74	122.30
Total Non-Current Liabilities	4,033.58	206.28	130.16	4.24
Current Liabilities and Provisions				
Accounts Payable	61.22	445.44	44.64	57.94
Acceptances	-	(63.31)	1,761.60	(32.01)
Other Payables / Accruals	143.46	130.39	167.05	(5.76)
Bank Overdraft	4.19	(100.00)	-	-
Bank Loans	-	-	103.15	71.42
Current Portion of Long Term Debt	26.82	254.80	351.74	122.30
Interest Accrued	-	(100.00)	-	(82.38)
Due to Customers	50.03	167.74	3,887.76	(11.91)
Unclaimed / Unpaid Dividends	-	100.00	50.00	555.56
Provision for Income Tax	(82.45)	135.57	465.43	710.50
Provision for Fringe Benefit Tax	(72.38)	26.14	1,234.23	(99.66)
Provision for Retirement Benefits	-	135.42	103.16	74.59
Provision for Redemption of Debentures and Bonds	(100.00)	-	-	-
Provision for Dividends	41.81	30.56	5.64	480.01
Other Current Liabilities	2.67	46.48	614.22	101.06
Total Current Liabilities and Provisions	24.74	156.43	243.92	82.17
TOTAL LIABILITIES AND EQUITY	135.03	170.81	116.31	98.02



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D&B VIP Report

Educomp Solutions Limited

Figures in %

ASSETS AS ON	2007	2008	2009	2010
Fixed Assets				
Land and Buildings	(4.35)	976.59	199.11	479.23
Leasehold Improvements	(23.33)	113.03	313.06	121.17
Transportation Vehicles	25.00	126.92	317.14	(12.28)
Furniture, Fixtures and Fitting	1,597.19	378.51	148.58	(74.74)
Office Equipment	20.82	80.84	1,156.54	93.93
Computers / Servers / Printers and other IT Equipment	870.20	213.12	80.83	(85.60)
Capital Work in Progress	62.46	244.43	695.70	(7.52)
Total Fixed Assets	321.83	256.51	206.34	16.75
Intangible Assets				
Deferred Revenue Expenditure	(100.00)	-	-	-
Goodwill	20,796.18	104.77	337.01	402.93
Preliminary Expenses	2,036.36	19.15	(32.14)	(100.00)
Software	(43.38)	150.74	353.06	8.75
Other Intangibles	149.81	113.73	134.89	34.46
Total Intangible Assets	219.98	111.93	234.29	272.50
Investments				
Investment in Group Companies / Affiliates	-	-	(100.00)	-
Investment in Unquoted Shares	-	-	-	(38.06)
Investment in Shares	(100.00)	-	-	-
Other Investments	-	-	60,144.83	(97.14)
Total Investments	(100.00)	-	3,481.40	(50.99)
Other Assets				
Other Assets	-	-	-	(100.00)
Total Other Assets	-	-	-	(100.00)
Current Assets				
Cash and Bank	236.41	(35.72)	45.47	289.32
Fixed Deposit Account	(94.51)	17,936.56	(59.53)	354.85
Margin Deposit Account	18.12	(61.41)	78.46	128.94
Accounts Receivable	94.52	133.11	139.01	99.98
Inventory : Work-in-Progress	-	-	(100.00)	-
Inventory : Trade Goods	89.54	(53.64)	1,970.20	9.00
Other Loans and Advances	125.32	346.47	132.33	59.06
Current Investments	10,379.51	(82.96)	181.64	(57.38)
Interest Receivable	423.47	221.01	(81.90)	1,767.44
Other Current Assets	(40.68)	4,585.71	128.46	97.15
Total Current Assets	100.08	149.87	33.21	155.33
TOTAL ASSETS	135.03	170.81	116.31	98.02



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D&B VIP Report

Educomp Solutions Limited

COMPARATIVE GROWTH PROFIT AND LOSS ACCOUNT

Figures in %

For the Period Ended	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10
Number of Months	12	12	15	12
Revenue	98.28	159.88	122.68	63.17
Less: Direct Expenditure	130.99	199.01	75.91	48.96
Purchases for Resale	218.37	162.54	39.20	44.42
Salaries and Wages	38.76	287.35	136.17	53.35
Gross Profit	81.83	134.87	160.75	70.97
Less General and Administration Expenses	103.37	84.00	246.42	86.57
Staff Welfare Expenses	30.80	110.75	279.08	344.15
Insurance	(5.79)	0.53	178.19	61.38
Communication Expenses	38.96	87.74	170.81	54.83
Professional and Legal Fees	189.45	45.89	386.63	41.65
Repairs and Maintenance	137.34	141.03	305.52	67.25
Travelling and Conveyance Expenses	92.45	79.90	184.97	38.32
Staff Recruitment Expenses	488.34	60.21	30.64	(8.89)
Lease / Rent Charges	64.98	115.33	585.68	71.07
Other General Expenses	77.79	111.14	82.97	307.80
Less: Selling and Distribution Expenses	(27.35)	114.27	299.53	165.12
Advertising & Marketing Expenses	(31.03)	110.53	274.61	79.05
Brokerage, Discount and Commission	9,900.00	(100.00)	-	373.73
Freight Expenses	(19.49)	186.84	256.33	56.59
Technical Service Fees and Royalty	-	-	607.55	1,514.93
Less: Loss on Sale of Fixed Assets	-	250.00	528.57	313.64
Less: Loss on Foreign Exchange Transactions	820.34	(100.00)	-	-
Less: Bank and Finance Charges	209.02	150.38	(20.79)	615.10
Less: Bad Debts written off	(25.95)	(33.06)	188.89	102.14
Less: Provision for Bad Debts	(82.40)	(18.18)	14,688.89	(41.92)
Less: Other Expenses written off	114.09	855.70	(92.19)	2,262.71
Less: Depreciation / Amortization and Depletion	70.64	244.91	145.81	40.26
Operating Profit	94.11	128.04	140.56	62.89
Add: Other Non Operating Income	304.92	201.14	28.06	452.07
Dividend Income	106.00	1,014.84	(96.82)	122.48
Lease Rent and Hire Charges	122.82	11.78	(5.41)	(15.14)
Interest Income	610.27	186.61	32.41	111.97
Liabilities and Provisions Written Back	95.65	(100.00)	-	811.26
Profit on Foreign Exchange Transactions	-	-	160.31	(100.00)
Advances and Doubtful Debts written back	-	(44.44)	(100.00)	-
Miscellaneous Income	196.30	(77.99)	249.24	329.24
Earnings Before Interest and Tax (EBIT)	107.71	137.23	122.60	98.63
Less: Interest Expenditure	141.97	233.98	500.67	71.83
Interest on Long Term Loans	137.30	235.35	625.69	51.45
Other Interest	152.96	230.96	221.33	174.62
Net Profit before Taxation and after Extraordinary Items	106.79	134.17	105.52	102.17
Less: Total Tax Provision	110.56	107.00	119.15	105.87
Tax Provision	52.80	56.69	154.63	305.83
Fringe Benefit Tax	(2.25)	94.89	124.59	(100.00)
Less: Current Year Deferred Tax	(1,197.33)	255.18	84.55	(100.00)
Other Tax	-	-	-	2,369.07
Profit after Tax	104.60	150.36	98.81	100.17
Extraordinary Items : Others	1,979.70	(52.65)	(130.44)	50,618.99
Profit after Tax and Extraordinary Items	111.68	142.83	97.15	43.78
Prior Year Adjustment	(161.82)	(103.92)	(69,450.00)	111.25
Less: Minority Interests	36.36	148.33	2,198.32	(16.02)
Less: Dividends	41.77	34.73	16.53	455.45
Transfer to Reserves	208.44	226.77	207.38	15.22
Plus Retained Earnings b/f	92.41	107.00	130.53	100.96
Transfer from Reserves	-	(100.00)	-	-
Retained Earnings c/f	107.00	130.53	100.96	68.75



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D&B VIP Report

Educomp Solutions Limited

COMMON SIZE BALANCE SHEET

Figures in %

LIABILITIES AS ON	2006	2007	2008	2009	2010
Shareholders Fund					
Equity Share Capital	13.24	5.64	2.25	1.04	0.58
Employee Stock Option	-	-	1.08	0.87	0.45
General Reserve	0.58	1.00	1.28	1.22	1.35
Debt Redemption Reserve	-	-	-	0.50	-
Securities Premium Account	42.23	17.84	19.34	9.15	37.02
Foreign Exchange Adjustments	0.04	-	-	(0.14)	(0.16)
Retained Earnings	18.21	16.04	13.65	12.68	10.91
Minority Interest (Capital)	0.14	4.53	2.52	4.85	5.83
Total Shareholders Fund	74.44	45.06	40.13	30.18	55.97
Non-Current Liabilities					
Long Term Loans : Unsecured	0.03	0.02	0.02	0.04	0.02
Long Term Loans : Hire Purchase	0.11	-	-	-	-
Long Term Borrowings from Financial Institutions (Secured)	-	-	-	-	0.46
Long Term Bank Loans	2.74	3.72	5.71	27.21	18.68
Deferred Tax Liability	1.35	2.07	2.73	2.65	0.07
Foreign Currency Convertible Bonds	-	37.83	41.06	24.10	10.78
Other Non Current Liabilities	-	-	-	-	0.01
Less : Current Portion of Long Term Debt	(1.81)	(0.97)	(1.28)	(2.67)	(2.99)
Total Non-Current Liabilities	2.43	42.66	48.25	51.34	27.03
Current Liabilities and Provisions					
Accounts Payable	3.91	2.68	5.41	3.62	2.88
Acceptances	-	2.26	0.31	2.63	0.90
Other Payables / Accruals	0.53	0.55	0.47	0.58	0.27
Bank Overdraft	6.23	2.76	-	-	-
Bank Loans	-	-	2.40	2.25	1.95
Current Portion of Long Term Debt	1.81	0.97	1.28	2.67	2.99
Interest Accrued	-	0.18	-	0.22	0.02
Due to Customers	0.33	0.21	0.21	3.81	1.69
Unclaimed / Unpaid Dividends	-	0.00	0.00	0.00	0.00
Provision for Income Tax	5.78	0.43	0.38	0.98	4.02
Provision for Fringe Benefit Tax	0.26	0.03	0.01	0.09	0.00
Provision for Retirement Benefits	-	0.18	0.16	0.15	0.13
Provision for Redemption of Debentures and Bonds	0.51	-	-	-	-
Provision for Dividends	2.27	1.37	0.66	0.32	0.94
Other Current Liabilities	1.51	0.66	0.36	1.17	1.19
Total Current Liabilities and Provisions	23.13	12.28	11.62	18.48	17.00
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00	100.00



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D&B VIP Report

Educomp Solutions Limited

Figures in %

ASSETS AS ON	2006	2007	2008	2009	2010
Fixed Assets					
Land and Buildings	2.17	0.88	3.51	4.86	14.21
Leasehold Improvements	0.31	0.10	0.08	0.15	0.17
Transportation Vehicles	0.16	0.08	0.07	0.13	0.06
Furniture, Fixtures and Fitting	0.21	1.54	2.72	3.12	0.40
Office Equipment	0.49	0.25	0.17	0.98	0.96
Computers / Servers / Printers and other IT Equipment	3.95	16.32	18.87	15.78	1.15
Capital Work in Progress	5.52	3.82	4.85	17.85	8.34
Total Fixed Assets	12.81	23.00	30.27	42.87	25.28
Intangible Assets					
Deferred Revenue Expenditure	0.05	-	-	-	-
Goodwill	0.05	4.83	3.65	7.38	18.75
Trademark / Copyright / Patent	-	-	-	-	2.73
Preliminary Expenses	0.00	0.02	0.01	0.00	-
Software	2.77	0.67	0.62	1.30	0.71
Other Intangibles	5.36	5.70	4.49	4.88	3.31
Total Intangible Assets	8.24	11.21	8.77	13.56	25.51
Investments					
Investment in Group Companies / Affiliates	-	-	0.24	-	0.36
Investment in Unquoted Shares	-	-	-	1.98	0.62
Investment in Shares	1.67	-	-	-	-
Investment in Debentures / Bonds	-	-	-	0.01	0.00
Other Investments	-	-	0.01	2.11	0.03
Total Investments	1.67	-	0.25	4.10	1.01
Other Assets					
Other Assets	-	-	-	2.09	-
Total Other Assets	-	-	-	2.09	-
Current Assets					
Cash and Bank	24.49	35.05	8.32	5.60	11.00
Fixed Deposit Account	18.71	0.44	29.13	5.45	12.52
Margin Deposit Account	7.06	3.55	0.51	0.42	0.48
Accounts Receivable	21.17	17.52	15.08	16.66	16.83
Inventory : Work-in-Progress	-	-	0.04	-	0.07
Inventory : Trade Goods	1.44	1.16	0.20	1.91	1.05
Other Loans and Advances	4.04	3.87	6.39	6.86	5.51
Current Investments	0.08	3.61	0.23	0.30	0.06
Interest Receivable	0.26	0.57	0.68	0.06	0.54
Other Current Assets	0.03	0.01	0.13	0.14	0.13
Total Current Assets	77.28	65.79	60.70	37.38	48.20
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00



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D&B VIP Report

Educomp Solutions Limited

COMMON SIZE PROFIT AND LOSS ACCOUNT

Figures in %

For the Period Ended	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10
Number of Months	12	12	12	15	12
Revenue	100.00	100.00	100.00	100.00	100.00
Less: Direct Expenditure	33.47	38.99	44.87	35.44	32.36
Purchases for Resale	17.19	27.60	27.88	17.43	15.43
Salaries and Wages	16.28	11.40	16.99	18.01	16.93
Gross Profit	66.53	61.01	55.13	64.56	67.64
Less General and Administration Expenses	11.21	11.50	8.14	12.67	14.48
Staff Welfare Expenses	0.13	0.08	0.07	0.12	0.32
Insurance	0.36	0.17	0.07	0.08	0.08
Communication Expenses	1.22	0.85	0.62	0.75	0.71
Professional and Legal Fees	1.99	2.91	1.63	3.56	3.09
Repairs and Maintenance	0.69	0.83	0.77	1.39	1.43
Travelling and Conveyance Expenses	2.71	2.63	1.82	2.33	1.98
Staff Recruitment Expenses	0.20	0.60	0.37	0.22	0.12
Lease / Rent Charges	1.22	1.02	0.84	2.60	2.73
Other General Expenses	2.69	2.41	1.96	1.61	4.03
Less: Selling and Distribution Expenses	6.18	2.27	1.87	3.35	5.45
Advertising & Marketing Expenses	5.76	2.00	1.62	2.73	2.99
Brokerage, Discount and Commission	0.00	0.09	-	0.14	0.41
Freight Expenses	0.43	0.17	0.19	0.30	0.29
Technical Service Fees and Royalty	-	-	0.06	0.18	1.75
Less: Loss on Sale of Fixed Assets	-	0.00	0.00	0.01	0.02
Less: Loss on Foreign Exchange Transactions	0.11	0.49	-	-	0.33
Less: Bank and Finance Charges	0.39	0.60	0.58	0.21	0.90
Less: Bad Debts written off	0.29	0.11	0.03	0.04	0.05
Less: Provision for Bad Debts	0.11	0.01	0.00	0.21	0.07
Less: Other Expenses written off	0.07	0.07	0.26	0.01	0.13
Less: Depreciation / Amortization and Depletion	10.14	8.73	11.58	12.78	10.99
Operating Profit	38.03	37.23	32.67	35.29	35.23
Add: Other Non Operating Income	2.62	5.36	6.21	3.57	12.08
Dividend Income	0.32	0.33	1.42	0.02	0.03
Lease Rent and Hire Charges	0.54	0.60	0.26	0.11	0.06
Interest Income	0.85	3.03	3.35	1.99	2.58
Liabilities and Provisions Written Back	0.01	0.01	-	0.02	0.13
Profit on Sale of Investments	-	-	-	-	8.73
Profit on Foreign Exchange Transactions	-	-	1.06	1.24	-
Advances and Doubtful Debts written back	-	0.02	0.00	-	0.07
Miscellaneous Income	0.91	1.37	0.12	0.18	0.48
Earnings Before Interest and Tax (EBIT)	40.65	42.58	38.87	38.86	47.30
Less: Interest Expenditure	1.07	1.31	1.68	4.53	4.77
Interest on Long Term Loans	0.75	0.90	1.16	3.78	3.51
Other Interest	0.32	0.41	0.52	0.75	1.26
Net Profit before Taxation and after Extraordinary Items	39.58	41.28	37.19	34.33	42.53
Less: Total Tax Provision	14.51	15.41	12.27	12.08	15.24
Tax Provision	14.63	11.27	6.80	7.77	19.33
Fringe Benefit Tax	0.58	0.28	0.21	0.22	-
Less: Current Year Deferred Tax	(0.70)	3.85	5.26	4.36	-
Other Tax	-	-	-	(0.27)	(4.09)
Profit after Tax	25.07	25.87	24.92	22.25	27.29
Extraordinary Items : Others	0.09	1.00	0.18	(0.02)	(7.71)
Profit after Tax and Extraordinary Items	25.16	26.86	25.10	22.22	19.58
Prior Year Adjustment	0.15	(0.05)	0.00	(0.22)	(0.28)
Less: Minority Interests	0.16	0.11	0.10	1.08	0.55
Less: Dividends	4.92	3.52	1.82	0.95	3.25
Transfer to Reserves	1.25	1.95	2.45	3.38	2.39
Plus Retained Earnings b/f	20.54	19.93	15.88	16.44	20.24
Transfer from Reserves	-	0.09	-	-	0.81
Retained Earnings c/f	39.52	41.26	36.60	33.03	34.16



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D&B VIP Report

Educomp Solutions Limited

Subsidiaries

Direct Subsidiaries

D&B D-U-N-S® Number	Name of the Subsidiary	Address 1	Address 2	City	Pincode	Country	% Held
65-029-4015	Educomp Learning Private Limited	A-5,	Gulmohar Park	New Delhi		India	51
91-668-2011	Wheatstone Productions Private Limited	No.71/5	IV Main Road	Chennai	600004	India	51
02-007-1835	Edumatics Corporation Inc.	1655 Mesa Verde Ave,	Suite 120, Ventura	California	93003	United States	100
67-742-6429	Educomp Infrastructure and School Management Limited	1211, Padma Tower 1	5, Rajendra Place	New Delhi	110008	India	78.21
65-052-1516	Educomp School Management Limited	802 Padma Tower 1	5, Rajendra Place	New Delhi	110008	India	68
65-052-2712	Educomp Professional Education Limited	514,Udyog Vihar	Phase-III	Gurgaon	122001	India	100
65-052-2720	Educomp Software Limited	1210, Padma Tower 1	5, Rajendra Place	New Delhi	110008	India	100
93-733-4899	Educomp Asia Pacific Pte Limited	80, Raffles Place	26-05 UOB Plaza 1		48624	Singapore	100
65-052-2738	Educomp Learning Hour Private Limited	A-5,	Gulmohar Park	New Delhi	Delhi	India	76.27
65-032-1347	AuthorGen Technologies Limited	SCO 167-168,	Sector 8-C	Chandigarh	160018	India	71.99
24-522-1051	Savvica Inc.	116, Spadina Ave.	#701	Toronto	ON M5V 2K6	Canada	72.63
91-843-3058	EuroKids International Limited	Dani Corporate Park	158 Vidyanagari Marg, Kalina (East)	Mumbai		India	50
59-528-3419	Educomp IntelProp Ventures Pte Ltd	80, Raffles Place	25-01 UOB Plaza 1		48624	Singapore	100
65-052-2746	Educomp Child Care Private Limited	1211, Padma Tower-1	5, Rajendra Place	New Delhi	110008	India	100
65-052-2761	Educomp Online Supplemental Service Limited	1211, Padma Tower-1	5, Rajendra Place	New Delhi	110008	India	100
65-052-2787	Educomp Investment Management Limited	1211, Padma Tower-1	5, Rajendra Place	New Delhi	110008	India	100



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D&B VIP Report

Educomp Solutions Limited

Key Figures of direct subsidiaries as on 31st March 2010

INR in Thousand

Name of the Subsidiary	Currency Type	Revenue	Profit/(Loss) after tax	Networth	Return on Networth (%)
Educomp Learning Private Limited	INR	61,910	7,550	80,350	9.40
Wheatstone Productions Private Limited	INR	-	40	(1,870)	-
Edumatics Corporation Inc.	USD	48,410	(10,870)	10,680	(101.78)
Educomp Infrastructure and School Management Limited	INR	563,990	176,130	5,648,970	3.12
Educomp School Management Limited	INR	5,140	(160)	108,440	(0.15)
Educomp Professional Education Limited	INR	-	(12,250)	576,040	(2.13)
Educomp Software Limited	INR	2,580	50	(390)	-
Educomp Asia Pacific Pte Limited	USD	-	696,730	1,155,600	60.29
Educomp Learning Hour Private Limited	INR	11,610	(32,980)	41,540	(79.39)
AuthorGen Technologies Limited	INR	4,520	(25,280)	39,560	(63.90)
Savvica Inc.	CAD	10,150	(49,540)	(5,580)	-
Educomp IntelProp Ventures Pte Ltd	EUR	-	(570)	40,140	(1.42)
Educomp Child Care Private Limited	INR	29,770	(15,790)	79,010	(19.98)
Educomp Online Supplemental Service Limited	INR	-	(570)	(70)	-



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D&B VIP Report**Educomp Solutions Limited****Indirect Subsidiaries**

D&B D-U-N-S® Number	Name of the Subsidiary	Address 1	Address 2	City	Pincode	Country	% Held
65-052-2944	EuroKids India Limited	Dani Wooltex Compound 158 Vidyannagari Marg Kalina	Santacruz (E)	Mumbai	400098	India	50
65-052-2951	Educomp Infrastructure Services Private Limited	1211, Padma Tower-1	5, Rajendra Place	New Delhi	110008	India	78.21
62-846-0888	Educomp APAC Services Limited	-	-	-	-	British Virgin Island	78.21
12-754-0099	Sikhya Solutions LLC	9220 Fairbanks	Suite 205, North Carolina	Raleigh	27613	United States	71.99
15-191-2610	Learning Internet Inc. (DBA Learning.com)	1620, SW Taylor St	Suite 100	Portland	OR 97205	United States	54.74
65-052-2969	Falcate Builders Private Limited	316, Vardhman Western Plaza, Plot No.	F-Block, Lsc Behra Enclave, Paschim Vihar	New Delhi	110087	India	78.04
65-052-3017	Newzone Infrastructure Private Limited	316, Vardhman Western Plaza, Plot No. 4	F-Block, Lsc Behra Enclave, Paschim Vihar	New Delhi	110087	India	77.93
65-052-3025	Rockstrong Infratech Private Limited	316, Vardhman Western Plaza, Plot No.	F-Block, Lsc Behra Enclave, Paschim Vihar	New Delhi	110087	India	77.99
65-052-3033	Reverie Infratech Private Limited	316, Vardhman Western Plaza, Plot No.	F-Block, Lsc Behra Enclave, Paschim Vihar	New Delhi	110087	India	78.04
65-052-3041	Herold Infra Private Limited	316, Vardhman Western Plaza, Plot No.	F-Block, Lsc Behra Enclave, Paschim Vihar	New Delhi	110087	India	78.05
65-052-3058	Growzone Infrastructure Private Limited	122, Garg Plaza, Plot No.-11, F-Block	LSC Behra Enclave, Paschim Vihar	New Delhi	110087	India	78.03
65-052-3082	Hidream Constructions Private Limited	F-4327/3	Ansari Road, Daryaganj	Delhi	110002	India	78.05
65-052-3124	Leading Edge Infratech Private Limited	F-4327/3	Ansari Road, Daryaganj	Delhi	110002	India	77.96
65-052-3157	Strotech Infrastructure Private Limited	122, Garg Plaza, Plot No.-11, F-Block	LSC Behra Enclave, Paschim Vihar	New Delhi	110087	India	78
65-052-3173	Markus Infrastructure Private Limited	122, Garg Plaza, Plot No.-11, F-Block	LSC Behra Enclave, Paschim Vihar	New Delhi	110087	India	78.02
65-052-3199	Orlando Builders Private Limited	122, Garg Plaza, Plot No.-11, F-Block	LSC Behra Enclave, Paschim Vihar	New Delhi	110087	India	78.03
65-052-3223	Crosshome Developers Private Limited	G-2, JMD House, 4378/4B	Ansari Road, Daryaganj	New Delhi	110002	India	77.95
65-052-3249	Good Luck Structure Private Limited	M-27, Manish Plaza Building	20, Ansari Road, Daryaganj	New Delhi	110002	India	77.87
65-052-3264	Evergreen Realtech Private Limited	122, Garg Plaza, Plot No.-11, F-Block	LSC Behra Enclave, Paschim Vihar	New Delhi	110087	India	77.91
65-052-3272	Zeta Buildcon Private Limited	G-2, JMD House, 4378/4B	Ansari Road, Daryaganj	New Delhi	110002	India	78.05
65-052-3280	Onega Infrastructure Private Limited	G-2, JMD House, 4378/4B	Ansari Road, Daryaganj	New Delhi	110002	India	77.98
65-052-3298	Grider Infratech Private Limited	122, Garg Plaza, Plot No.-11, F-Block	LSC Behra Enclave, Paschim Vihar	New Delhi	110087	India	78.03
65-05-23306	Boston Realtech Private Limited	122, Garg Plaza, Plot No.-11, F-Block	LSC Behra Enclave, Paschim Vihar	New Delhi	110087	India	77.93
65-052-3314	EuroSchool International Limited	Dani Corporate Park, 158 Vidyannagari Marg	Kalina, Santacruz (E)	Mumbai	400098	India	50

Other indirect subsidiaries of the Company based in Singapore are AsknLearn Pte Limited, WizLearn Pte Limited, Pave Education Pte Limited and Singapore Learning.com Pte Limited.



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Key Figures of indirect subsidiaries as on 31st March 2010

Amount in Thousand

Name of the Subsidiary	Currency Type	Revenue	Profit/ (Loss) after tax	Networth	Return on Networth (%)
Educomp Infrastructure Services Private Limited	INR	-	(300)	(200)	-
Educomp APAC Services Limited	USD	-	(27,830)	897,920	(3.10)
AsknLearn Pte Limited	SGD	217,140	(3,050)	349,180	(0.87)
WizLearn Pte Limited	SGD	6,050	(1,220)	23,900	(5.10)
Pave Education Pte Limited	SGD	28,120	(2,860)	19,360	(14.77)
Singapore Learning.com Pte Limited	SGD	10,910	3,020	8,820	34.24
Sikhya Solutions LLC	USD	11,440	(680)	600	(113.33)
Learning Internet Inc. (DBA Learning.com)	USD	722,370	57,510	862,460	6.67
Falcate Builders Private Limited	INR	-	(490)	187,120	(0.26)
Newzone Infrastructure Private Limited	INR	-	(350)	69,290	(0.51)
Rockstrong Infratech Private Limited	INR	-	(410)	87,230	(0.47)
Reverie Infratech Private Limited	INR	-	(450)	157,210	(0.29)
Herold Infra Private Limited	INR	-	(470)	171,140	(0.27)
Growzone Infrastructure Private Limited	INR	-	(460)	107,150	(0.43)
Hidream Constructions Private Limited	INR	-	(470)	262,950	(0.18)
Leading Edge Infratech Private Limited	INR	-	(360)	76,260	(0.47)
Strotech Infrastructure Private Limited	INR	-	(450)	94,720	(0.48)
Markus Infrastructure Private	INR	-	(450)	104,380	(0.43)
Orlando Builders Private Limited	INR	-	(460)	109,480	(0.42)
Crosshome Developers Private Limited	INR	-	(370)	75,350	(0.49)
Good Luck Structure Private Limited	INR	-	(310)	56,610	(0.55)
Evergreen Realtech Private Limited	INR	-	(60)	64,560	(0.09)
Zeta Buildcon Private Limited	INR	-	(60)	120,710	(0.05)
Onega Infrastructure Private Limited	INR	-	(70)	85,660	(0.08)
Grider Infratech Private Limited	INR	-	(70)	106,580	(0.07)
Boston Realtech Private Limited	INR	-	(60)	68,560	(0.09)



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D&B VIP Report

Educomp Solutions Limited

Joint Ventures

Name of the Joint Venture Company	Address 1	Address 2	City	Country	% Held
Educomp Higher Initiative Pte Limited	-	-	-	Singapore	50
Educomp-Raffles Higher Education Limited	1211, Padma Tower 1	5, Rajendra Place	New Delhi	India	50
EuroKids International Limited	Dani Corporate Park	158 Vidyanagari Marg, Kalina (East)	Mumbai	India	50

Subsidiaries of Joint Ventures

Name of the Joint Venture Company	Address 1	Address 2	City	Pincode	Country	% Held
IndiaCan Education Private Limited	1211, Padma Tower 1	5, Rajendra Place	New Delhi	110008	India	100
A-Plus Education Solutions Private Limited	No. 6, 2 nd Floor	80 Feet Road, 4 th Block, Koramangala	Bangalore	560034	India	79.12
Millenium Infra Developers Limited	-	-	-	-	India	100
EuroKids India Limited	Dani Wooltex Compound, 158	Vidyanagari Marg, Kalina, Santacruz (E)	Mumbai	400098	India	50
EuroSchool International Limited	Dani Wooltex Compound, 158	Vidyanagari Marg, Kalina, Santacruz (E)	Mumbai	400098	India	50

Affiliates

Greycells 18 Media Private Limited
D&B D-U-N-S® Number: 67-615-9991

503, 504 & 507, 5th Floor, Mercantile House
15 Kasturba Gandhi Marg
New Delhi – 110001
Delhi
India

% of share/interest held by the Company in the Affiliate : 26%

Eduloans Corporation Private Limited
D&B D-U-N-S® Number: 65-052-3066

1211, Padma Tower 1
5, Rajendra Place
New Delhi - 110008
Delhi
India

% of share/interest held by the Company in the Affiliate : 11.70%

Edu Smart Services Private Limited
D&B D-U-N-S® Number: 86-330-5048

WZ 931 A/2
Street No. 14 A/2, Sadh Nagar, Palam Colony
New Delhi - 110045
Delhi
India

% of share/interest held by the Company in the Affiliate : 44.43%



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D&B VIP Report

Educomp Solutions Limited

Branches

Domestic Branches

North Zone

D&B D-U-N-S® Number	Address 1	Address 2	City	Pincode	State	Country	Location used as
65-052-3074	Plot No. 85, NSEZ, Noida-Dadri Road	Phase - II	Noida	201305	Uttar Pradesh	India	Branch Office
91-584-8310	C-26 Sector-C, Chetan Vihar	Aliganj Scheme	Lucknow	226024	Uttar Pradesh	India	Branch Office
65-052-3140	Flat Number 14, 3rd Floor	Modern Complex, Behind Mantralaya, Moti Bagh Chowk	Raipur	492001	Chhattisgarh	India	Branch Office
65-052-3207	Sector 44 C, SCO 95	II Floor		160044	Chandigarh	India	Branch Office
65-052-3215	H.No.68A, Ward No. 27/45	Kilburn Colony, Hinoo, P.S.Doranda	Ranchi	834002	Jharkhand	India	Branch Office
-	L 74	Mahipalpur Extension	New Delhi		Delhi	India	Branch Office
-	2nd Floor, 448-A	Enkay Square, Udyog Vihar Phase V	Gurgaon		Haryana	India	Branch Office
-	Khasra No. 701, Sector 2	Parwanoo, Kasauli	Solan		Himachal Pradesh	India	Branch Office
-	A-102, Gopala Apartment	50, Ramtirath Marg	Lucknow		Uttar Pradesh	India	Branch Office
-	Ashish Industries, II A	JK Road, Industrial Area, Govindpura	Bhopal		Madhya Pradesh	India	Branch Office

West Zone

D&B D-U-N-S® Number	Address 1	Address 2	City	Pincode	State	Country	Location used as
91-585-1561	2nd floor, Valecha Chambers	Plot No. B-6, New Link Road, Andheri West,	Mumbai	400053	Maharashtra	India	Branch Office
91-576-6143	Shalini Complex, 506, 5th Floor	Sector-11	Gandhi Nagar	382011	Gujarat	India	Branch Office
65-052-3231	Ground Floor, W-8 (Near Virasat Banquet)	Park Street, M.I. Road	Jaipur	302001	Rajasthan	India	Branch Office
65-052-3256	House No:134, Krishna Nagar	Bharatpur		321001	Rajasthan	India	Branch Office
-	House No. E12, Real City Apartment	Ambabari	Jaipur		Rajasthan	India	Branch Office
-	1662/1, 1st Floor	Sector 5C	Gandhinagar		Gujarat	India	Branch Office
-	204, 2nd Floor, Samparn Premises, Co-operative Society Limited	New Link Road, Chakala Road, Andheri East	Mumbai		Maharashtra	India	Branch Office



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D&B VIP Report

Educomp Solutions Limited

East Zone

D&B D-U-N-S® Number	Address 1	Address 2	City	Pincode	State	Country	Location used as
91-584-8395	5, Satyen Dutta Road	Ground Floor	Kolkata	700029	West Bengal	India	Branch Office
65-052-3090	"Shantineketan", 10 th Floor	Suite No. 2, Camac Street	Kolkata	700017	West Bengal	India	Branch Office
65-052-3165	MXIV, 1 st Floor, Aastha Tower	C.K.Road, Panbazar	Guwahati	781001	Assam	India	Branch Office
65-052-3181	24, Office Lane		Agartala	799001	Tripura	India	Branch Office
91-584-0197	D/206, Baishnav, Vihar Apartments	Near Durga Puja Mandap, Bhomikhal	Bhubaneswar		Orissa	India	Branch Office

South Zone

D&B D-U-N-S® Number	Address 1	Address 2	City	Pincode	State	Country	Location used as
72-502-0189	No. 16, 80 Feet Road	4th Block, Koramangala	Bangalore	560034	Karnataka	India	Branch Office
65-052-3116	21/11, Krishna Kutira Basement	Harrington Road	Chennai	600031	Tamil Nadu	India	Branch Office
65-052-3132	28&30, Jupiter Colony	Near Sikh Village, Bowenpalli	Secunderabad	500009	Andhra Pradesh	India	Branch Office
-	Door No. 4/871-11, Balaji Houses	Behind Divya College of Nursing, Near Vijayaranya Nagar, Kalyandurg Road	Ananthapur		Andhra Pradesh	India	Branch Office
-	Door No.-31-35-8/8, T-1, Sri Padmavathamma Residency	Vivekananda Colony	Vishakhapatnam		Andhra Pradesh	India	Branch Office
-	893/75/1A, Bommanahalli City	Municipal Council, Bommanahalli	Bangalore		Karnataka	India	Branch Office
-	Shed No. 8, No. 31	18 KM, Old Madras Road-Virgo Nagar	Bangalore		Karnataka	India	Branch Office
-	Plot No. 49/B, Phase IV	IDA, Jeedimetla	Hyderabad		Andhra Pradesh	India	Branch Office
-	No.4, Jambullii Street	Jambulli Village	Chennai		Tamil Nadu	India	Branch Office
-	New No. 21/1, Old No. 11/1	Harrington Road, Chetput	Chennai		Tamil Nadu	India	Branch Office
-	XIII-443314421441	Kumbalam	Cochin		Kerala	India	Branch Office

Contingent Liabilities

Consolidated

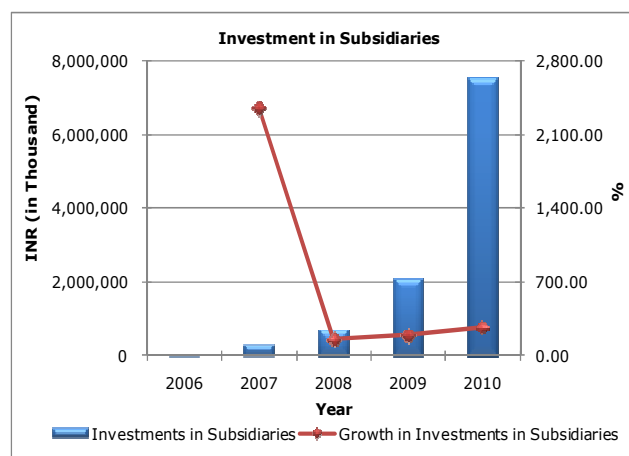
Sr. No	Particulars	Amount in INR Thousand
1	In Respect of Claims against the company not acknowledged as debt	90,550
2	In respect of Guarantees issued by banks on behalf of the Company	743,270
3	In respect of Corporate guarantee given to bank for secured loan to third party	6,650,000
4	In respect of Premium on redemption of USD 80 million Zero Coupon Foreign Currency Convertible Bonds Due 2012	1,455,910
	Total	8,939,730

Standalone

Sr. No	Particulars	Amount in INR Thousand
1	In respect of Guarantees issued by banks on behalf of the Company	743,270
2	In respect of Corporate guarantee given to bank for secured loan to third party	6,650,000
3	In respect of Corporate guarantee given to bank for secured loan to Subsidiary (related party)	7,197,940
4	In respect of Premium on redemption of USD 80 million Zero Coupon Foreign Currency Convertible Bonds Due 2012	1,455,910
	Total	16,047,120

The Company has given comfort letter to Pearson Singapore Pte Limited, Singapore to indemnify, against any loss suffered by it due to failure to comply factually and punctually its obligations under Share Purchase Agreement. The amount pertaining to comfort letter has not been included in above.

Investment in Subsidiaries



The Company’s investments declined in FY 2008 and then increased in FY 2009 and FY 2010. During FY 2010, the Company incorporated one wholly owned subsidiary named “Educomp Investment Management Limited and transferred its entire investment in Educomp Learning Hour Private Limited and Authorgen Technologies Limited to its subsidiary “Educomp Online Supplemental Service Limited”.

The Company has 41 subsidiaries, 3 joint ventures, 3 affiliates and 5 subsidiaries held through joint ventures as on 31st March 2010.

Awards and Quality Certifications

AWARDS

- ✓ The Company won the NASSCOM Foundation Social Innovation Honors – 2010 for innovations in making a social change using technology
- ✓ The Company was ranked first in education and training and featured as one of “India’s Best Companies to Work for 2009” in the industry of Education & Training in a study conducted by The Great Place to Work® Institute in collaboration with The Economic Times
- ✓ The Company ranked 83rd in BT 500 list for 2009 Business Today
- ✓ The Company’s course, Learning.com Digital Learning Environment was awarded the Best Course Management System in Software and Information Industry Association’s (SIIA) 24th annual CODiE awards, May 2009, San Francisco
- ✓ The Company featured in the Forbes list of Asia’s 200 best under a billion companies. The Company has been ranked 16th as per the net market value by Forbes Asia in September 2008
- ✓ The Company’s product Roots to Wings was awarded “Emerging Franchisor of the Year 2008” by Franchise India Holdings Limited in the year 2008
- ✓ The Company ranked 140th in the BT 500 list of most valuable private companies in India by Business Today in December 2007
- ✓ The Company was chosen as the “future titan”, one of the 10 hottest companies in India by Outlook Business Magazine in the year 2006
- ✓ The Company was recognized in Morgan Stanley Report in “Tomorrow’s Winners” a select list of companies highlighted across Asia that lead their domestic competitors and their expected growth rate outpace those of the markets and countries in which they operate

Annexure - Directors' Details

Name	: Shantanu Prakash
Address	: C-11/1, DLF City, Phase-1 Gurgaon – 122002 Haryana India
Date of Birth	: 26 th January 1965
Director Identification Number	: 00983057
Current Title	: Chairman, Managing Director and Chief Executive Officer
Started with Subject	: 7 th September 1994
Appointed to Present Position	: 7 th September 1994
Education	: Master of Business Administration, Indian Institute of Management, Ahmedabad
Related Experience Since	: 1994
Active in Daily Operations	: Yes
Founder of the Subject	

Name	: Jagdish Prakash
Address	: C-11/1, DLF City, Phase-1 Gurgaon – 122002 Haryana India
Date of Birth	: 4 th February 1935
Director Identification Number	: 00001115
Current Title	: Whole-time Director
Appointed to Present Position	: 19 th February 2005
Education	: Master of Commerce from Agra University
Related Experience Since	: 1961
Active in Daily Operations	: Yes

Name	: Rajiv Krishan Luthra
Address	: 3/15, Shanti Niketan New Delhi – 110021 Delhi India
Date of Birth	: 1 st August 1957
Director Identification Number	: 00022285
Current Title	: Director
Appointed to Present Position	: 26 th August 2009
Education	: Bachelor of Law
Related Experience Since	: 1985
Active in Daily Operations	: No
<i>He was awarded the 'National Law Day Award' by the Hon'ble Prime Minister of India.</i>	



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Name	: Gopal Jain
Address	: Flat No.1, 1 st Floor Ramalayam, 46 Peddar Road Mumbai – 400026 Maharashtra India
Date of Birth	: 13 th February 1971
Director Identification Number	: 00032308
Current Title	: Director
Appointed to Present Position	: 23 rd August 2005
Education	: Bachelor of Technology from Indian Institute of Technology, Delhi
Active in Daily Operations	: No

Name	: Sankalp Srivastava
Address	: W - 10/5, DLF City, Phase - III Gurgaon - 122002 Haryana India
Date of Birth	: 26 th November 1964
Director Identification Number	: 00126407
Current Title	: Director
Appointed to Present Position	: 8 th September 2003
Education	: Bachelor of Electronics and Communication Engineering from University of Roorkee
Active in Daily Operations	: No

Name	: Shonu Chandra
Address	: 302A ILA Apartment Vasundhra Enclave New Delhi - 110096 Delhi India
Date of Birth	: 26 th March 1965
Director Identification Number	: 01019974
Current Title	: Director
Appointed to Present Position	: 8 th September 2003
Education	: Master of Arts – Mass Communications from Mass Communication Research Center Post Graduate Diploma Children, Youth and Development (CYD) from Institute of Social Studies
Active in Daily Operations	: No

He has designed and implemented the 'Children Have Something to Say' project for Plan India which won the coveted 'One World Special Achievement Award' 2003



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D&B VIP Report

Educomp Solutions Limited

Name	: Shayama Chona
Address	: C-84, Ground Floor Anand Niketan New Delhi - 110021 Delhi India
Date of Birth	: 12 th August 1942
Director Identification Number	: 02749576
Current Title	: Director
Appointed to Present Position	: 26 th August 2009
Education	: Bachelor of Education Master of Arts
Related Experience Since	: 1975
Active in Daily Operations	: No

Media Articles

Heading : Educomp and Lavasa Corporation have announced the signing of an agreement with the aim of jointly facilitating independent trusts to set up four educational institutes at Lavasa

Date : 26th April 2010

Educomp Solutions Ltd, India's largest education company, is facilitating schools across India via its subsidiary Educomp Infrastructure and School Management Ltd (EISML), by providing expertise in school management, educational infrastructure as well as learning systems.

Lavasa Corporation is building post-independence India's first and largest Hill City 45 min from Pune and a 3 hour drive from Mumbai in the Sahayadri Mountains. Conceptualized as a self contained city, Lavasa will offer a wide array of world class business, educational, recreational and rejuvenation facilities.

To begin with, the Joint Venture will facilitate setting up an international residential school in partnership with independent non profit organizations. This school is proposed to commence operations in this year itself. JV also plans to facilitate establishment of two pre-primary schools and one more residential day school in the next three years.

These schools will be powered by Educomp's innovations in technology and pedagogy and have access to some of the best trained teachers in the country. All the best practices in school education space, developed by Educomp over the years, will be available to these schools, making them centres of academic excellence. Educomp's world renowned IPs like Smart Class and Smart Assessment System, digital content modules and structured learning system would all be implemented at these schools.

Speaking on the occasion, Mr. Rajgopal Nogja, President, Lavasa Corporation Ltd., said, "Our aim is to make Lavasa a city of life-long learning by bringing to our residents some of the best names in academia. Educomp is India's leading K-12 education company and they bring to the table unparalleled value proposition. We are confident that this joint venture will be mutually beneficial and will take Lavasa a step closer towards becoming an educational hub of international repute"

Mr. Shantanu Prakash, Managing Director, Educomp Solutions Ltd said, "Educomp's vision is to help build 150 world class schools by 2012 by provisioning infrastructure, educational content and learning materials. Our tie-up with Lavasa Corporation is part of our long term strategic vision to enter into alliances with leading Developers/Infrastructure companies to bring high quality education to a larger population."

"..Millennium Schools stands for a scientifically developed Learning system which delivers sustainable learning outcomes for children of all ages. It is aligned to the innate learning abilities of children and encourages and motivates them to explore and identify their own talent and capabilities...." added Mr. Sharad Agarwal, Managing Director, Educomp Infrastructure and School Management Ltd.

Source : The Hindu Business Line

Heading : Educomp plans business recast

Date : 23rd March 2010

Educomp Solutions, the Gurgaon-based education content and service provider, is looking at restructuring its business to create a new entity for its supplemental education segment, which includes off-school services such as tutoring, counselling and assessment.

It has appointed Ernst & Young for the restructuring exercise, according to an investor presentation by the firm.

The company is looking to bring authorGEN Technologies, Educomp Learning Hour and Savvica under Educomp Supplemental as the latter's wholly owned subsidiaries. Educomp spokesperson was not immediately available to comment on the development.

With this restructuring, Educomp would target school students and set up wholly owned subsidiaries under Educomp Supplemental for EduIgnite and Smart Class Online, its academic counselling and academic skill development businesses.

It plans to hive off Smart Class Online into Educomp Supplemental.

All businesses will continue to be run by existing independent management teams, which comprise the founders of the respective companies.

It is also acquiring education lead generation firm Zaptive Internet Services and has allotted its shares worth \$1.3 million for it. To diversify its business, Educomp is in talks to acquire a mass-scale test preparation company.

However, details of the proposed acquisition could not be immediately ascertained.

The company will also consolidate its existing investments in supplemental education companies such as Learnhub, LearningHour and Wiziq.com into a single entity. Educomp's proposed new supplemental business entity is an end-to-end supplemental play meant for the students from grade 4 to college.

The restructuring exercise is expected to be completed in the current fourth quarter, and subsequently it will become the largest supplemental education company in India.

Also, in its K-12 segment Educomp expects total of 59 schools to become operational by June 2010, with 36 schools being already operational, which includes 22 HighSchools under Educomp and 14 EuroSchools under EuroKids. The Educomp Raffles joint venture is also ramping up, with two colleges becoming operational in Delhi and Bangalore and another four expected to commence sessions April 2010 onwards.

Under the Pearson-Educomp joint venture, IndiaCan, it is running various government programmes in Rajasthan, Uttar Pradesh, Gujarat and Punjab. However, the company has become cautious in the ICT segment in order to resolve the problem of high debtor days and non-payment issues.

Source : The Hindu Business Line



Heading : Educomp sets aggressive targets for Smart Class
Date : 6th February 2010

Educomp Solutions Ltd expects to add 500 schools to its Smart Class programme in the fourth quarter of the current fiscal. “We are looking at 500 schools signing up in the next quarter. Also, we expect to sign up an additional 2,500 schools in the next fiscal,” said Mr. Abhinav Dhar, Director, K-12 Business and Operations, Educomp Solutions Ltd.

With 2,800 schools already a part of its Smart Class programme, Educomp has also launched a TV advertising campaign for Smart Class. The company has spent close to Rs 10 crore on the initial phase of the campaign. Mr. Dhar adds, “When we conceptualised the programmes we were looking at bringing about a change in the classroom teaching system.

“We knew there would be some skepticism in the initial years but there has been rapid adoption of the Smart Class programme. Now, we are at a point where we need to build a lot of pull for the programme and we want to tell parents that this method of teaching exists. We felt we required a mass marketing campaign.”

The current campaign will run till May. Mr. Dhar said the next step of the marketing activities would involve putting up signboards on the walls of schools that have signed up with Educomp Smart Class.

“More investments on the advertising campaign would depend on the success of the advertising campaign. The early signs have been positive, but we would take a final call on investments by the first quarter of the next fiscal,” said Mr. Dhar.

Source : The Hindu Business Line

Heading : Educomp acquires Studyplaces.com
Date : 6th February 2010

Educomp Solutions Ltd has acquired popular education portal Studyplaces.com. Owned by Zaptive Internet Services, Study places provides a platform for students to acquire information related to higher education opportunities in USA, UK, India and various other countries. It has tie ups with various universities and educational institutes for providing educational opportunities in aforesaid countries. Studyplaces.com covers more than 7,000 institutes across the world. Educomp had earlier acquired Canada based Savvica Inc that runs education portal Learnhub.com which has a strong presence in North America.

“We are committed to addressing student needs at every stage of the educational lifecycle.” said Shantanu Prakash, CEO & MD, Educomp Solutions Ltd.

Speaking on the development, Malgosia Green, Founder & CEO, Learnhub said, “The merger allows us to leverage the great synergies between LearnHub and StudyPlaces. Combined, we offer the best resources to universities located in India and abroad (US, Canada, UK) to recruit students in India”.

Learnhub and Study places combined host over 10,000 colleges and universities across the world. Learn hub and Study places are also the largest portal for international students.

Source : The Financial Express

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Source : DNA India**Heading : Educomp to open 75 IIT coaching centres****Date : 29th March 2010**

To cash-in on the growing demand for courses to help students crack competitive exams, Educomp Solutions on Thursday said it will open around 75 IIT coaching centres in the country this fiscal. The centres, called Leap, will be set up inside school campuses and give students access to standardised, high quality and cost effective test preparation courses.



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The centres, called Leap, will charge students Rs. 15,000-20,000 per annum for the preparatory course.

Leap centres will be set up inside school campuses which will allow students to pursue their mainstream school curriculum and test preparatory courses inside their school premises.

“A large number of students vie for a seat in the IITs and other leading engineering institutes each year. While 80 per cent of the students take some form of coaching, a mere 20 per cent of these have access to the top 10 coaching institutes of the country,” Educomp MD and CEO Shantanu Prakash told reporters here.

“Through our Leap centres we will give students access to standardised, high quality and cost effective test preparation courses,” he added.

The IIT-JEE and AIEEE market size is at present at Rs. 2,500 crores with an average coaching spend of each student being close to Rs. 50,000-1, 50,000 yearly.

He further added that the company have undertaken restructuring of the business recently and have created a new entity called Educomp Supplemental for the supplemental education business which includes tutoring, counseling and assessment.

It plans to roll out other test preparatory material for BBA and medicine from 2011-12. By 2012, Leap centres will be present in around 200 cities across India.

Shares of Educomp closed at Rs. 763.05, up by 0.32 per cent on the Bombay Stock Exchange.

Source : The Hindu

Heading : Educomp bags order for ICT education in Bihar schools-The Hindu Business Line
Date : 14th May 2010

Educomp Solutions Ltd on Wednesday announced that it had bagged an order worth Rs 51.14 crore from the Bihar Government to introduce computer education in 600 senior secondary schools in the State. The schools will be spread over the rural and urban areas across the State and the initiative is to cover 1.5 lakh students in classes 8 to 12. “We have signed an agreement with Bihar State Electronics Development Corporation Ltd for implementation of computer education in 600 schools across 13 districts in Bihar. This is will be done under the ICT @ School Project a the period of three years on aBOOT basis,” said Mr. Soumya Kanti, President, Edureach (Educomp's ICT Division)

Source : The Hindu Business Line

Heading : Educomp Solutions picks up strategic stake in leading engineering test prep company
Date : 11th August 2010

Educomp Solutions Ltd has informed BSE regarding a Press Release dated August 11, 2010 titled "Educomp Solutions picks up strategic stake in leading engineering test prep company".

Source : The Economics Times



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Heading : Educomp picks stake in Vidya Mandir Classes

Date : 12th August 2010

Educomp Solutions Ltd on Wednesday announced that it had picked up a strategic stake in engineering test preparation company Vidya Mandir Classes Pvt Ltd (VMC) for Rs 34 crore. VMC has been preparing students for engineering exams for the last 20 years and over 60 per cent of its students have made it through to the various centres of the Indian Institute of Technology (IIT). Commenting on the development, Mr. Shantanu Prakash, Chief Executive Officer and Managing Director, Educomp Solutions Ltd, said, “This is an extension of our strategy for consolidating our supplemental education business. Consumer spend outside formal education verticals is growing significantly and with this investment, Educomp is well placed in the tutoring market segment.” — Our Bureau

Source : The Hindu Business Line

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