

**Limited Review Report of the Unaudited Financial Results**  
**for the quarter ended 30<sup>th</sup> Sept, 2013**

We have reviewed the accompanying statement of unaudited financial results of M/s. Everonn Education Limited for the quarter ended 30<sup>th</sup> Sept, 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been made by the Management but have neither been reviewed nor have been audited by us. The statement has been prepared by the company pursuant to clause 41 of the listing agreement with stock exchanges in India. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

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

We have placed reliance on the technical/commercial evaluation by the management of the company, in respect of the knowledge content development and allocation of costs incurred on them.

Without qualifying our opinion, attention is drawn to the existence of certain liabilities including banks, and other commitments, which are due for payment during the subsequent financial year and the management plan /action for meeting the same. The company's ability to continue as a going concern is dependent on the successful outcome of the management plans and rescheduling of debts/ other liabilities.

We draw your attention to,

- i) *Note No.6 with regard to demands / issues relating to Income Tax assessments and service tax which are continuing as on date pending ascertainment of final tax liability.*
- ii) *Note No.7, with regard to review of usefulness of the assets under AS 28, for which provision towards impairment/loss has not been ascertained.*
- iii) *Note No.8 with regard to receivables, investments and loans and advances and ultimate realization thereof*

*We are unable to express our opinion with regard to the provisioning for doubtful debts if any in regard to the balances under Sundry Debtors, loans and advances and other debit balances as on 30.09.2013 in the absence of confirmation of balances or other supporting documents. The amount if any is un-ascertainable at this stage.*

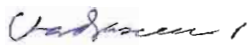
*No confirmation of balances from Sundry Creditors and other outstanding liabilities and credit balances as on 30.09.2013 have been received.*

*We are not aware of the any material adjustments which may arise on account of adjustments relating to issues set out above and subsequent to receipt of such confirmation/reconciliation.*

We further report that , except for the effect, if any, of the matters stated in the earlier paragraphs to the unaudited financial results which are not ascertainable, had the observations in note number 9 of the unaudited financials with regards to lease charges had been considered the *unaudited results for the quarter ended Sept, 2013 would have been a loss of Rs 3746.63 Lakhs as against the reported unaudited loss for the quarter ended of Rs 2305.78 lakhs and the loss for the half year ended 30<sup>th</sup> Sept, 2013 would have been Rs 7450.48 Lakhs as against the reported loss for the half year ended 30<sup>th</sup> Sept, 13 of Rs 4604.63 Lakhs*

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

For M/s. P.Chandrasekar  
Chartered Accountants

  
P.Chandrasekar  
Partner  
Firm No.:000580S  
M.No.:26037  
Date: 15<sup>th</sup> Nov, 2013



**EVERONN EDUCATION LIMITED**

Standalone Statement of Assets and Liabilities as at Sep 30,2013

**PART I Statement of Standalone Unaudited Results for the Quarter and Half Year Ended 30-09-2013**

Rs. in Lakhs

Particulars	Three Months Ended			Year To Date		
	Unaudited 30-Sep-13	Unaudited 30-Jun-13	Unaudited 30-Sep-12	Unaudited 30-Sep-13	Unaudited 30-Sep-12	Audited 31-Mar-13
1 Income from operations						
(a) Net sales/income from operations	1,130.25	1,046.47	1,850.57	2,176.72	8,560.52	11,501.04
(b) Other operating income						
Total income from operations (net)						
Total income from operations net	1,130.25	1,046.47	1,850.57	2,176.72	8,560.52	11,501.04
2 Expenses						
(a) Cost of materials consumed						
(b) Purchases of stock-in-trade						
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade						
(d) Employee benefits expense	593.69	594.72	1,285.27	1,188.41	2,452.85	4,630.37
(e) Depreciation and amortisation expense	1,465.49	1,097.49	1,220.81	2,562.98	2,458.92	4,931.28
(f) Other expenses	436.11	351.46	2,619.57	787.57	9,209.36	12,864.52
Total expenses	2,495.29	2,043.67	5,125.65	4,538.96	14,121.13	22,426.17
Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(1,365.04)	(997.20)	(3,275.08)	(2,362.24)	(5,560.61)	(10,925.13)
3 Other income	3.47	22.15	13.63	25.62	29.55	43.63
Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	(1,361.57)	(975.05)	(3,261.45)	(2,336.62)	(5,531.06)	(10,881.50)
5 Finance costs	948.57	1,319.44	1,374.89	2,268.01	2,492.84	6,769.30
Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	(2,310.14)	(2,294.49)	(4,636.34)	(4,604.63)	(8,023.90)	(17,650.80)
8 Exceptional items	-	-	-	-	-	23,242.65
9 Profit / (Loss) from ordinary activities before tax (7 + 8)	(2,310.14)	(2,294.49)	(4,636.34)	(4,604.63)	(8,023.90)	(40,893.45)
10 Tax expense	-	-	(1,234.98)	-	(2,333.01)	(15,351.38)
11 Net Profit / (Loss) from ordinary activities after tax (9 - 10)	(2,310.14)	(2,294.49)	(3,401.36)	(4,604.63)	(5,690.89)	(25,542.07)
12 Extraordinary items (net of tax expense) Lakhs	-	-	-	-	-	-
13 Net Profit / (Loss) for the period	(2,310.14)	(2,294.49)	(3,401.36)	(4,604.63)	(5,690.89)	(25,542.07)
14 Share of profit / (loss) of associates*	-	-	-	-	-	-
15 Minority interest *	-	-	-	-	-	-
Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15) *	(2,310.14)	(2,294.49)	(3,401.36)	(4,604.63)	(5,690.89)	(25,542.07)
16 Paid-up equity share capital (Face Value of the Share shall be indicated)	2,186.98	2,186.98	2,186.98	2,186.98	2,186.98	2,186.98
17 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	34,436.78	36,746.93	58,892.60	34,436.78	58,892.60	39,041.42
18 Earnings per share (before extraordinary items) (of ` 10/- each) (not annualised):						
(a) Basic	(10.54)	(10.51)	(15.55)	(21.05)	(26.02)	(116.79)
(b) Diluted	(10.54)	(10.51)	(15.55)	(21.05)	(26.02)	(116.79)
Earnings per share (after extraordinary items) (of ` 10 /- each) (not annualised):						
(a) Basic	(10.54)	(10.51)	(15.55)	(21.05)	(26.02)	(116.79)
(b) Diluted	(10.54)	(10.51)	(15.55)	(21.05)	(26.02)	(116.79)
See accompanying note to the financial results						

**PART II Select information of the Quarter and year ended 30.09.2013**

A PARTICULARS OF SHAREHOLDING						
1 Public shareholding						
- Number of shares	8,460,655	8,460,655	8,065,821	8,460,655	8,065,821	8,460,655
- Percentage of shareholding	38.69	38.69	36.88	38.69	36.88	38.69
2 Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
-Number of shares	4,290,000	4,290,000	4,290,000	4,290,000	4,290,000	4,290,000
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	32.00	32.00	31.08	32.00	31.08	32.00
-Percentage of shares (as a % of the total share capital of the company)	19.62	19.62	19.62	19.62	19.62	19.62
b) Non - encumbered						
-Number of shares	9,119,153	9,119,153	9,513,987	9,119,153	9,513,987	9,119,153
-Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	68.00	68.00	68.92	68.00	68.92	68.00
-Percentage of shares (as a % of the total share capital of the company)	41.69	41.69	43.50	41.69	43.50	41.69

For EVERONN EDUCATION LTD.



Mahaling Director

Particulars	
<b>B INVESTOR COMPLAINTS</b>	<b>3 months ended (30/09/2013)</b>
Pending at the beginning of the quarter	Nil
Received during the quarter Disposed of during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

**Notes to the accounts:**

- The above financial results for the quarter ended Sep 30, 2013 have been reviewed by the audit committee and were approved by the board of directors in their meeting held on Nov 15, 2013.
- The company is currently operating only in Education Segment.
- Provisions/Adjustments, if any arising on account of revised AS-15 on employee benefits issued by the institute of chartered accountants of India is considered at the year end.
- The weighted average number of equity shares outstanding at the year end has been considered for calculating the earning per share as per Accounting Standard-20.
- Given the seasonal nature of the industry, the results of any quarter may not be true indicative of quarter to quarter/annual performance.
- The company has received various demand notices of Income tax , Service Tax and interest thereon in respect of Assessment Years 2007-08 to 2010-11. The matter pertains to various additions made by the department. The company has disputed the issue and has filed appeal against the above demand by the tax authorities including the stay of demand at Madras High Court. The management is of the view that the appropriate adjustments/provisions will be made on the final outcome of these matters and hence no provision has been made for the taxes, penalties, and interests for non/delayed payments of these dues as these amounts are not determined.
- Based on the management's assessment, there are no impairment of various assets, investments, including fixed assets taking into account the future operational plans and cash flows as prepared by the management and accordingly no impairment loss is required to be recognized at this stage.
- The assessment process is ongoing in respect of receivables, advances and others by the management and is confident of the recovery of receivables and advances in spite of the inordinate delay in realization in collection from Government Contracts, appropriate decisions including provisioning will be taken at a later stage.
- In view of various litigations pending and reschedulements initiated by the company in different forums the lease charges have not been considered for during the quarter ended Sep '13.
- The company has an investment of Rs 247.48 Crores in its wholly owned subsidiaries and in others has also extended loans and advance of Rs. 196.42 Crores these subsidiaries as of Sep,30 ,2013.The network of these subsidiaries have declined. These investments are for long term and strategic nature, and the management is confident of turning around/recovering the near future. Hence it is decided not to make any provision for diminution in the value of these investments.
- The company's petition with the honorable high court of Chennai for approval of Business restructuring reserve pursuant to the approval by the shareholders in their extra ordinary general meeting has been approved by the Honorable High court.
- The company has submitted proposal for restructuring of its debts with Banks and Financial Institutions. The proposals are pending with respective banks and financial institutions. During the quarter the company has received sanction towards restructuring of debts held with Axis Bank Ltd. The same has been appropriately considered at compilation of financials.
- The company has received notices from certain parties alleging defaults and payments due to them by the company. The management is discussing with its legal team for evaluating the same further any adjustments/disclosures, if required would be made in the financial results of the company as and when the outcome of the above uncertainties is known and the consequential adjustments/disclosures are identified.
- No shares have been pledged during the period
- The company has twelve subsidiaries and three step down subsidiaries during the period.
- Previous period /years figures have been regrouped / rearranged wherever necessary.

For EVERONN EDUCATION LTD.



*[Signature]*  
Managing Director

## EVERONN EDUCATION LIMITED

Standalone Statement of Assets and Liabilities as at Sep 30,2013

Rs in Lakhs

Particulars	Unaudited As at 30.09.2013	Audited As at 31.03.2013
<b>A EQUITY AND LIABILITIES Shareholders' funds</b>		
1 (a) Share capital	2,186.98	2,186.98
(b) Reserves and surplus	34,436.78	39,041.42
<b>Sub-total Shareholders' funds</b>	<b>36,623.76</b>	<b>41,228.40</b>
2 Share application money pending allotment		
<b>3 Non-current liabilities</b>		
(a) Long-term borrowings	22,266.67	10,773.81
(b) Deferred tax liabilities (net)	-	-
(c) Other long-term liabilities	441.89	442.86
(d) Long-term provisions		-
<b>Sub-total - Non-current liabilities</b>	<b>22,708.56</b>	<b>11,216.67</b>
<b>4 Current liabilities</b>		
(a) Short-term borrowings	50,225.85	49,830.35
(b) Trade payables	3,513.14	6,552.03
(c) Other current liabilities	4,288.20	7,304.14
(d) Short-term provisions	1,512.15	1,657.96
<b>Sub-total - Current liabilities</b>	<b>59,539.34</b>	<b>65,344.48</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>118,871.66</b>	<b>117,789.55</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets	20,560.52	23,195.77
(b) Non-current investments	25,466.06	25,466.06
(c) Deferred tax assets (net)	13,621.93	13,621.93
(d) Long-term loans and advances	1,155.20	1,141.73
(e) Other non-current assets	4,665.14	5,598.17
<b>Sub-total - Non-current assets</b>	<b>65,468.85</b>	<b>69,023.66</b>
<b>2 Current assets</b>		
(a) Current investments	0.12	0.12
(b) Inventories	-	-
(c) Trade receivables	22,407.71	21,264.69
(d) Cash and cash equivalents	465.83	456.91
(e) Short-term loans and advances	30,529.15	27,044.17
(f) Other current assets	-	-
<b>Sub-total - Current assets</b>	<b>53,402.81</b>	<b>48,765.89</b>
<b>TOTAL - ASSETS</b>	<b>118,871.66</b>	<b>117,789.55</b>

For EVERONN EDUCATION LTD.


  
Managing Director