

Particulars	Standalone				Consolidated			
	3 months ended 31-Mar-14	Preceding 3 months ended Unaudited 31-Dec-13	Corresponding 3 months ended Unaudited 31-Mar-13	Year Ended Audited 31-Mar-14	Previous Year Ended Audited 31-Mar-13	Year Ended Audited 31-Mar-14	Year Ended Audited 31-Mar-13	
<b>PART I Statement of Standalone &amp; Consolidated Audited Results for the Quarter and year ended Mar, 2014</b>								
1) Income from operations								
(a) Net sales/income from operations (Net of excise duty)	1,023.81	1,122.46	1,377.30	4,322.99	11,501.04	6,091.96	12,295.66	
(b) Other operating income Total income from operations(net)								
<b>Total income from operations net</b>	<b>1,023.81</b>	<b>1,122.46</b>	<b>1,377.30</b>	<b>4,322.99</b>	<b>11,501.04</b>	<b>6,091.96</b>	<b>12,295.66</b>	
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	520.82	635.08	1,033.19	2,344.31	4,630.37	2,823.32	7,132.46	
(e) Depreciation and amortization expense	1,001.72	1,053.81	1,219.85	4,618.51	4,931.28	6,871.17	7,883.24	
(f) Other expenses	323.94	360.00	1,759.95	1,471.51	12,864.52	2,677.72	15,552.38	
<b>Total expenses</b>	<b>1,846.48</b>	<b>2,048.89</b>	<b>4,012.99</b>	<b>8,434.33</b>	<b>22,426.17</b>	<b>12,372.21</b>	<b>30,568.08</b>	
3) Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(822.67)	(926.43)	(2,635.69)	(4,111.34)	(10,925.13)	(6,280.25)	(18,272.42)	
4) Other income	5.64	2.63	12.74	33.89	43.63	52.56	168.27	
5) Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	(817.03)	(923.80)	(2,622.95)	(4,077.45)	(10,881.50)	(6,227.69)	(18,104.15)	
6) Finance costs	1,434.94	1,240.46	2,116.91	4,943.42	6,769.30	6,562.45	10,013.13	
7) Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)	(2,251.98)	(2,164.26)	(4,739.86)	(9,020.87)	(17,650.80)	(12,790.14)	(28,117.32)	
8) Exceptional items	6,495.50		13,616.78	6,495.50	23,242.65	6,495.50	23,242.65	
9) Profit / (Loss) from ordinary activities before tax (7 + 8)	(8,747.48)	(2,164.26)	(18,356.64)	(15,516.37)	(40,893.45)	(19,288.64)	(51,359.97)	
10) Tax expense	(3,434.43)		(11,432.77)	(3,434.43)	(15,351.38)	(4,467.45)	(18,549.52)	
11) Net Profit / (Loss) from ordinary activities after tax (9 + 10)	(5,313.05)	(2,164.26)	(6,923.87)	(12,081.94)	(25,542.07)	(14,818.19)	(32,810.45)	
12) Extraordinary items (net of tax expense '____ Lakhs)	-	-	-	-	-	-	-	
13) Net Profit / (Loss) for the period (11 + 12)	(5,313.05)	(2,164.26)	(6,923.87)	(12,081.94)	(25,542.07)	(14,818.19)	(32,810.45)	
14) Share of profit / (loss) of associates*	-	-	-	-	-	-	-	
15) Minority interest *	-	-	-	-	-	(0.32)	(0.08)	
16) Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15) *	(5,313.05)	(2,164.26)	(6,923.87)	(12,081.94)	(25,542.07)	(14,818.19)	(32,810.45)	
17) Paid-up equity share capital (Face Value of the Share shall be indicated)	2,296.11	2,186.98	2,186.98	2,296.11	2,186.98	2,296.11	2,186.98	
18) Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	27,283.49	32,272.52	39,041.42	27,283.49	39,041.42	9,377.44	23,871.31	
19.i) Earnings per share (before extraordinary items) (of '____/- each) (not annualised):								
(a) Basic	(24.29)	(9.90)	(31.66)	(55.24)	(116.79)	(67.76)	(150.03)	
(b) Diluted	(21.64)	(9.90)	(31.66)	(52.59)	(116.79)	(64.50)	(150.03)	
19.ii) Earnings per share (after extraordinary items) (of '10/- each) (not annualised):								
(a) Basic	(24.29)	(9.90)	(31.66)	(55.24)	(116.79)	(67.76)	(150.03)	
(b) Diluted	(21.64)	(9.90)	(31.66)	(52.59)	(116.79)	(64.50)	(150.03)	
See accompanying note to the financial results								

**PART II Select information of the Quarter and year ended 31.03.2014**

<b>A. PARTICULARS OF SHAREHOLDING</b>								
<b>Public shareholding</b>								
- Number of shares	8,460,655	8,460,655	8,460,655	8,460,655	8,460,655	8,460,655	8,460,655	
- Percentage of shareholding	36.85	38.69	38.69	36.85	38.69	36.85	38.69	
<b>Promoters and Promoter Group Shareholding **</b>								
a) Pledged / Encumbered								
-Number of shares	4,290,000	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)	29.59	32.00	32.00	29.59	32.00	29.59	32.00	
-Percentage of shares (as a % of the total share capital of the company)	18.68	19.62	19.62	18.68	19.62	18.68	19.62	
b) Non - encumbered								
-Number of shares	10,210,456	9,119,153	9,119,153	10,210,456	9,119,153	10,210,456	9,119,153	
-Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	70.41	68.00	68.00	70.41	68.00	70.41	68.00	
-Percentage of shares (as a % of the total share capital of the company)	44.47	41.69	41.69	44.47	41.69	44.47	41.69	

**PARTICULARS**

**3 MONTHS ENDED (31/03/2014)**

<b>B INVESTOR COMPLAINTS</b>		
-Pending at the beginning of the quarter		Nil
-Received during the quarter		Nil
-Disposed off during the quarter		Nil
-Remaining and resolved during the quarter		Nil

**Standalone Statement of Assets and Liabilities Particulars**

₹ in Lakhs

Particulars		As at Year End 31.03.2014	As at Year End 31.03.2013	As at Year End 31.03.2014	As at Year End 31.03.2013
<b>A EQUITY AND LIABILITIES Shareholders' funds</b>					
1 (a) Share capital		2,296.11	2,186.98	2,296.11	2,186.98
(b) Reserves and surplus		27,283.49	39,041.42	9,377.44	23,871.63
(c) Money received against share warrants		-	-	-	-
<b>Sub-total Shareholders' funds</b>		<b>29,579.60</b>	<b>41,228.40</b>	<b>11,673.55</b>	<b>26,058.61</b>
2 Share application money pending allotment					
3 Minority interest *				1.46	1.78
<b>4 Non-current liabilities</b>					
(a) Long-term borrowings		42,143.74	10,773.81	57,574.87	24,294.90
(b) Deferred tax liabilities (net)		-	-	-	-
(c) Other long-term liabilities		358.71	442.86	358.71	442.86
(d) Long-term provisions		-	-	-	-
<b>Sub-total - Non-current liabilities</b>		<b>42,502.45</b>	<b>11,216.67</b>	<b>57,949.24</b>	<b>24,737.76</b>
<b>5 Current liabilities</b>					
(a) Short-term borrowings		34,016.36	49,830.35	23,659.25	31,246.58
(b) Trade payables		3,162.86	6,552.03	4,802.89	8,464.76
(c) Other current liabilities		1,536.22	7,304.14	6,880.89	14,897.49
(d) Short-term provisions		1,168.03	1,657.96	1,931.79	2,501.52
<b>Sub-total - Current liabilities</b>		<b>39,883.47</b>	<b>65,344.48</b>	<b>37,274.82</b>	<b>57,110.35</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>111,965.52</b>	<b>117,789.55</b>	<b>106,899.07</b>	<b>107,908.50</b>
<b>B ASSETS</b>					
<b>1 Non-current assets</b>					
(a) Fixed assets		14,540.20	23,195.77	19,708.70	30,083.35
(b) Goodwill on consolidation *		-	-	47.83	47.83
(c) Non-current investments		25,466.06	25,466.06	732.54	732.54
(d) Deferred tax assets (net)		17,056.36	13,621.93	24,311.11	19,843.99
(e) Long-term loans and advances		748.37	1,141.73	11,660.40	12,096.97
(f) Other non-current assets		3,732.11	5,598.17	3,732.11	5,598.17
<b>Sub-total - Non-current assets</b>		<b>61,543.10</b>	<b>69,023.66</b>	<b>60,192.69</b>	<b>68,402.85</b>
<b>2 Current assets</b>					
(a) Current investments		0.12	0.12	0.12	0.12
(b) Inventories		-	-	-	-
(c) Trade receivables		20,780.59	21,264.68	25,346.99	24,832.44
(d) Cash and cash equivalents		1,640.63	456.91	1,896.16	817.18
(e) Short-term loans and advances		28,001.08	27,044.18	19,256.82	13,829.86
(f) Other current assets		-	-	206.29	26.05
<b>Sub-total - Current assets</b>		<b>50,422.42</b>	<b>48,765.89</b>	<b>46,706.38</b>	<b>39,505.65</b>
<b>TOTAL - ASSETS</b>		<b>111,965.52</b>	<b>117,789.55</b>	<b>106,899.07</b>	<b>107,908.50</b>

**NOTE**

- The above Standalone and Consolidated Audited Financials results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meeting held on May 26, 2014.
- Figures for the quarter ended March 31, 2014 and March 31, 2013 are the balancing figures between the audited figures for the full financial year ended March 31, 2014 and March 31, 2013 and the published year to date figures upto the third quarter of the respective financial years.
- 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.
- 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 / annual performance.
- The company has received various demand notices of Income tax, Service Tax, VAT from various authorities together with interest. The company has disputed all the issues and has filed appeals before various appellate authorities and the matters are pending for adjudication. In respect of delayed remittance of Service Tax, show cause notice was issued to the company and the company has approached the settlement commission to drop/waive the proposed penalty. 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 at present.
- The company has reviewed the value and existence of fixed assets including the impairment loss if any in respect of both tangible and intangible fixed assets and other irrecoverable advances. Based on the information available the company has recognized an exceptional item a sum of Rs. 64.95 crores in this regard. Additional amounts if any arising on this account, will be adjusted at the time of declaring the first quarter results based on the final completion of study.
- Given the nature of operations of the company which are inextricably linked to the financial resources of the various state government agencies and others operating in the field of education, there is always a delay in realization of these dues and other advances, which nevertheless are quite secure. The company is of the view that any provision that is required for unrealized dues and other advances can only be arrived at after the completion of the entire tenure of the contracts. Decisions regarding the unrealized dues and other advance from these agencies and others will be considered at the appropriate time, upon the completion/termination of contracts.
- The company has an investment of Rs 247.58 Crores in its subsidiaries and in other associates and has also extended loans and advances of Rs. 141.09 Crores to these subsidiaries/associates as of March 31, 2014. The management is in the process of making judicious evaluation of businesses carried on by each of the entities in their respective sphere of operations. The company is at present contemplating to appoint consultants to advise regarding the future business opportunities which these entities can exploit gainfully or whether the operation of these entities need to be scaled down/revamped/wound up. The company is carefully monitoring the losses if any that may arise is to be kept at bare minimum on account of this proposed restructuring. Pending the finalization of the above proposals which are in the embryonic stage the company has not recognized in its accounts any diminution in the value of its investments.
- In terms of approval obtained from the High Court of Madras the company has carved out a sum of Rs 150 Crores from the share premium account as on 31.03.2014 which will be utilized in terms of the resolutions passed by the shareholders and approved by the Honorable High Court of Madras for adjusting certain impairment/ doubtful/ old advances and debts including diminution in value of investments. The management is hopeful of completing the process during the first quarter of FY 2014-15.
- A review of certain lease/financial arrangements entered in the past by the company revealed that the terms of these arrangements as well as the financial implications arising there to, have created an undue burden on the financials and future profitability of the company. The company has since approached/represented and renegotiated some of these arrangements and was successful in revising the terms of the certain arrangements in the best possible manner and the same has been given effect to, in these financials. With regards to other parties the company is pursuing vigorously and resolution of these arrangements are likely to occur within the next six months. Pending renegotiations, the company has not recognized a sum of Rs. 22.86 Crores of lease charges during the current financial year.
- The company has restructured its debts with Banks. The same has been appropriately dealt in the accounts for the year.
- The company has received notices from certain parties alleging defaults in respect of services/payments due to them by the company. The management is discussing with its legal team for evaluating the financial impact of these claims. Any adjustments/disclosures, if required, would be made, upon the claims being settled.
- In view of the future business plans and structuring of its business the management is certain to have business profits in future and hence the company has recognised deferred tax asset of Rs. 34.34 Crores for the year ended March 31, 2014.
- No shares have been pledged during the year.
- The company has twelve subsidiaries and three step down subsidiaries during the period.
- Previous period /year's figures have been regrouped / rearranged wherever necessary.

By order of the Board of Directors  
For Everonn Education Limited



**M/s P.Chandrasekar,**  
Chartered Accountants  
S 512-514, Manipal Centre, 47,Dikenson Road, Bangalore 560042

**Auditors Report on Quarterly Financial Results and Year to Date Results of the Company pursuant to the clause 41 of the Listing Agreement.**

We have audited the quarterly financial results for the quarter ended March,31,2014 and the financials results for the year ended March,31,2014 of **M/s Everonn Education Limited** attached herewith being submitted by the company pursuant to the requirement of clause 41 of the listing agreement, 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. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the company. Our responsibility is to express an opinion on these financial results based on the review of the financial results which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS)25, Interim financial reporting, issued pursuant to the companies(accounting standard) rules ,2006, (as amended) as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March,31, 2014; and the relevant requirements of clause 41 of the listing agreement.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatements. The audit includes examining, on a test basis, evidence supporting the amounts disclosed in the financial statements. The audit also includes assessing the accounting principles used and significant estimated made by the management. We believe that our audit provides a reasonable basis for our 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.

We draw your attention to,

- i) Note No 7, the company has received various demand notices of income tax and interest thereon in respect of earlier years. 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. The company is of the view that the outcome of the litigation will not have significant impact on the financial results. Company has also received notices from service tax departments and has made representations towards the same. Hence no provision has been made for the penalties and interests for non/delayed payments of these dues as these amounts are not determined.*
- ii) Note No 8, 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 9 with regard to receivables, investments and loans and advances and ultimate realization thereof.*
- iv) Note No.10 The Company has assessed the carrying value of investment in subsidiaries and advances to subsidiaries taking into account the future operational plans and cash flows as prepared by the management and accordingly no impairment loss has been recognized at this stage.*
- v) Note No.12 Lease charges amounting to Rs. 2286.20 Lakhs has not been provided in the books during the financials years for some parties as required by the contractual terms.*
- vi) Note No. 15 Deferred tax asset has been recognized for the year ended 31<sup>st</sup> March,2014, as the company is of the view that there is virtual certainty and has ability to continue as a going concern depends on the successful outcome of the management plans.*

*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 31.03.2014 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 March, 31, 2014 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.*

*In our opinion and to the best of our information, and according to the explanations given to us, except for the effect, if any, of the matters stated in the earlier paragraphs to the audited financials which are not ascertainable, had the observations in Note number: 12 of the audited financials with regards to the lease charges had been considered the audited results for the quarter ended March31,2014 would have been a loss of Rs 5884.59 as against reported audited loss for the quarter ended of Rs.5313.04 Lakhs and the loss for the year ended March,31,2014 would have been a loss of Rs 14368.14 Lakhs as against the reported audited loss for the year ended March31,2014 of Rs 12081.93 Lakhs, subject to paragraphs above.*

- i. are presented in accordance with the requirements of clause 41 of the listing agreement in this regard, and*
- ii. give a true and fair view of the net loss and other financial information for the quarter ended March, 31,2014 and for the year ended March,31,2014.*

*Further we report that the figures for the quarter ended March, 31, 2014, represent derived figures between the audited figures in respect of the financial year ended March, 31, 2014 and the published year to date figures upto December, 31, 2013, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph above, as required under clause 41(1)(d) of the Listing agreement.*



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Further we also report that, we have on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing agreement and found the same to be correct.

For M/s. P.Chandrasekar  
Chartered Accountants



P.Chandrasekaran  
Partner  
Membership No: 026037  
FRN : 000580S  
Date: 26<sup>th</sup> May,2014 ✓

