

## Notice

Notice is hereby given that the Fifteenth Annual General Meeting of the members of M/s.Everonn Education Limited will be held on Tuesday the 29<sup>th</sup> September 2015 at 10.00 a.m. at Everonn House, 96-99, Industrial Estate, Perungudi, Chennai - 600096 to transact the following business:

1. To receive, consider and adopt:
  - a) the Audited Financial Statement of the Company for the financial year ended March 31, 2015 together with the Reports of the Board of Directors and the Auditors thereon; and
  - b) the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2015 together with the Reports of the Auditors thereon;
2. To appoint auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of sixteenth consecutive Annual General Meeting and if thought fit to pass with or without modification(s) the following resolution as an ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. P. Chandrasekar, Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Sixteenth AGM of the Company to be held in the year 2016, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### **SPECIAL BUSINESS:**

3. **Appointment of Mr.C. N. Radhakrishnan as Chief Executive Officer & Managing Director of the Company**

To consider and, if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196,197,203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), as amended or re-enacted from time to time, read with Schedule V of the Act, the Company hereby approves the appointment of Mr.C. N. Radhakrishnan (DIN 03076098) as the Chief Executive Officer & Managing Director of the Company with effect from February 02, 2015 for a period of 3 (Three) years.”

**“FURTHER RESOLVED THAT** Mr.C. N. Radhakrishnan will not be paid any remuneration for holding the position of Chief Executive Officer & Managing Director and the remuneration if any payable in the future will be subject to the provisions of Section 196,197,203 and other applicable provisions of the Companies Act, 2013 and within the limits laid down under Schedule V to the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

4. **Appointment of Mr. Sandeep Kumar Maniyar as a Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Sandeep Kumar Maniyar (DIN 02722430 ) who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 2, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing him candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.

**5. Appointment of Mr. Sandeep Kumar Maniyar as an Executive Director and Chief Financial Officer of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196,197,203 and other applicable provisions, if any, of the Companies Act, 2013 (“ Act”), as amended or re-enacted from time to time, read with Schedule V of the Act, the Company hereby approves the appointment of Mr. Sandeep Kumar Maniyar(DIN 02722430 ) as an Executive Director and Chief Financial Officer of the Company with effect from February 02, 2015 for a period of 3 (Three) years.”

**“FURTHER RESOLVED THAT** Mr. Sandeep Kumar Maniyar will not be paid any remuneration for holding the position of Executive Director & Chief Financial Officer and the remuneration if any payable in the future will be subject to the provisions of Section 196,197,203 and other applicable provisions of the Companies Act, 2013 and within the limits laid down under Schedule V to the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**6. Appointment of Mr. Ajay Shetty as a Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Ajay Shetty (DIN 02678449 ) who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 02, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.”

**7. Appointment of Mr. Mustafa Shariff Mohammed as an Independent Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Mustafa Shariff Mohammed (DIN 03362665) who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 02, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company.”

**8. Appointment of Ms. Priyanka Gupta as an Independent Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Ms. Priyanka Gupta (DIN 03268237) who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 23, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company.”

**9. Alteration of Articles of Association as per Companies Act 2013**

To consider and if thought fit, to pass, with or without modification (s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**10. Conversion of Loan into Equity shares of the Company by way of Preferential Allotment to an entity forming part of the “Promoter” and “Promoter Group”:**

To consider and if thought fit, to pass, with or without modification (s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) including any amendments thereto or re-enactment thereof and all other applicable laws and regulations for the time being in force and the regulations/ guidelines, if any, issued by the Government of India (“GOI”) and subject to obtaining the requisite approvals and in terms of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”) and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time and issued

by the Government of India (“GOI”), the Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”), Stock Exchanges on which the equity shares allotted pursuant to the proposed issue are proposed to be listed and any other appropriate authorities, institutions or bodies, as may be applicable and the enabling provisions of the listing agreements entered into by the Company with the Stock Exchanges on which the equity shares of the Company are listed (the “Listing Agreements”) and the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, SEBI, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such other conditions as may be prescribed/ stipulated by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to/accepted by the Board of Directors of the Company (hereinafter referred to as the “Board” which shall be deemed to include any Committee duly constituted by the Board in exercise of its powers), the consent, authority and approval of the shareholders of the Company be and is hereby accorded to the Board to offer, issue and allot, upto **and not exceeding 25,69,359** Equity Shares of Rs. 10/- each (hereinafter referred to as “Equity Shares”), in one or more **tranches** on such terms and conditions as may be deemed appropriate by the Board for the conversion of outstanding loan into Equity on a preferential basis at the price determined in accordance with Chapter VII of the SEBI ICDR Regulations to the entities forming part of the promoters and promoter group of the Company in the following manner:

Allottee	No of shares
M/s. The Concorde Residential Schools (Kerala) Private Limited	12,38,270
M/s. GEMS Education India Private Limited	13,31,089

and as more **particularly** identified in the explanatory statement annexed to this notice (“Preferential Issue”), at its absolute discretion and wherever necessary, in consultation with the lead manager(s) and/or merchant banker(s) and /or advisor(s) and/or such other person(s) in accordance with the applicable laws, rules, regulations and guidelines prevailing in this regard and at an issue price (including such premium) not less than the price to be determined in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations”.

**“RESOLVED FURTHER THAT** the **floor** price of the Equity Shares to be allotted in terms of the Preferential Issue shall be calculated in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations with reference to the Relevant Date. The “Relevant Date” for the purpose of pricing of the Equity Shares shall be 28<sup>th</sup> August 2015, being 30 days prior to 29<sup>th</sup> September 2015, the date on which the meeting of the general body of shareholders will be held in terms of Section 62(1)(c) of the Act to consider the proposed issue”.

**“RESOLVED FURTHER THAT** the Equity Shares to be created, offered, issued and allotted pursuant to this resolution shall rank *paripassu* in all respects, including dividend”.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to constitute or form a Committee or delegate all or any of its powers to any Director(s)/Committee duly authorised by the Board or Company Secretary or Chief Financial Officer or other persons duly authorised by the Board, at its absolute discretion to give effect to the aforesaid resolution and is authorised

to take all such steps and do such acts, deeds and things as is considered necessary, expedient, usual, proper or incidental in relation to the said matter and to take such action and give such directions as they may consider necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable to settle any question or difficulty which may arise in regard to issue and allotment of the Equity Shares, as the case may be, including but not limited to :

- (a) approving the terms of the preferential issue **and issue price (with or without premium),the number of equity shares to be allotted, the basis of allocation and allotment thereof, as the case may be;**
- (b) arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of the Equity Shares by the Company;
- (c) affixing the Common Seal of the Company on any agreement(s)/ document(s) as may be required to be executed in connection with the above as per the procedure prescribed in the Articles of Association of the Company;
- (d) doing all such acts, deeds, matters and things and executing all such other documents and paying all such fees, as may in its absolute discretion, deem necessary or desirable for the purpose of the proposed issue.
- (e) making all such necessary applications with the stock exchange(s) and other appropriate authorities and making the necessary regulatory filings in this regard; and
- (f) authorising or delegating all or any of the powers herein above conferred to any one or more persons, if need be”

**“RESOLVED FURTHER THAT** the preferential issue shall be subject to and shall only be made within the permissible limit of acquisition (without attracting an obligation of making an open offer) by the promoter / promoter group within the present financial year, as permitted under the applicable provisions, including Regulation 3 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended”.

By Order of the Board of Directors

**N P MATHI LINGAN**  
*Company Secretary*

Chennai, 18<sup>th</sup> Aug, 2015

Corporate Identification Number (CIN): L65991TN2000PLC058466

**Registered Office:**

1<sup>st</sup> Floor, “A” Block, S. P. Infocity, Plot # 40,

MGR Salai, Kandanchavadi,

Perungudi, Chennai - 600096

Tel: 91 44 66998400

E-mail: [companysecretary@everonn.com](mailto:companysecretary@everonn.com), Website: [www.everonn.com](http://www.everonn.com)

## Notes:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 3 to 10 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item Nos. 3 to 8 of the Notice, are also annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from Tuesday, 22<sup>nd</sup> Sep, 2015 to Tuesday, 29<sup>th</sup> Sep, 2015, both days inclusive.
4. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai - 600 002 (RTA) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members seeking any information with regard to the Accounts, are requested to write to the Company at a nearly date, so as to enable the Management to keep the information ready at the meeting.
9. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

10. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with our RTA.
11. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, and the clause 35B of the listing agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form and instructions for e-voting are given here in below. Resolution(s) passed by Members through Ballot Forms or e-voting is / are deemed to have been passed as if they have been passed at the AGM.
12. Mr. S Hari Krishnan, Practicing Company Secretaries (Membership No. ACS 13740), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
13. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
14. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
15. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
16. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to [satheeshkumars@everonn.com](mailto:satheeshkumars@everonn.com)/[shanmugarajar@everonn.com](mailto:shanmugarajar@everonn.com)/[harikarthik@everonn.com](mailto:harikarthik@everonn.com) by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer, Mr. S Hari Krishnan, Practicing Company Secretary at #6/17, Nancy Street, Purasawakkam, Chennai - 600 007 not later than Tuesday, September 22, 2015 (5:00 p.m. IST). Ballot Form received after this date will be treated as invalid.
17. The instructions for e-voting are as under:

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. *(Sl. No. mentioned in your address label can be used as Sequence No. for this purpose)*

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.



- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) **The voting period begins on 09.00AM 26th Sep 2015 and ends on 5.00PM 28th Sep 2015.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The record date for the purpose of e-voting is 22<sup>nd</sup> Sep 2015.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board of Directors

**N P MATHI LINGAN**  
*Company Secretary*

Chennai, 18<sup>th</sup> Aug, 2015

Corporate Identification Number (CIN): L65991TN2000PLC058466

**Registered Office:**

1<sup>st</sup> Floor, "A" Block,

S. P. Infocity, Plot # 40,

MGR Salai, Kandanchavadi,

Perungudi, Chennai - 600 096

Tel: 91 44 66998400

E-mail: [companysecretary@everonn.com](mailto:companysecretary@everonn.com), Website: [www.everonn.com](http://www.everonn.com)

**Explanatory Statement  
(Pursuant to section 102 of the Companies Act, 2013)**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 10 of the accompanying Notice:

**Item No. 3:**

**Mr. C. N. Radhakrishnan** was appointed as an additional director of the Company in the meeting of the Board of Directors held on 30<sup>th</sup> May 2013 and subsequently he was appointed as a Director in the Annual General Meeting of the Company held on September 26, 2013, the Members had approved the appointment of Mr. C. N. Radhakrishnan as Director of the company.

Profile of **Mr. C. N. Radhakrishnan** as required under Clause 49 of the Listing Agreement is given as Annexure to the Notice.

The main terms and conditions of appointment of **Mr. C. N. Radhakrishnan** (hereinafter referred to as an "Executive Director") are given below:

**A. Tenure of Appointment:**

The appointment of the CEO & MD is for a period of three years with effect from February 2, 2015.

**B. Nature of Duties:**

The CEO & MD shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the Company and the business of one or more of its associated companies and / or subsidiaries, including performing duties as assigned to the CEO & MD from time to time by serving on the Boards of such associated companies and/or subsidiaries or any other executive body or any committee of such company.

**C. Remuneration:**

At present, no remuneration is proposed to be paid to **Mr. C. N. Radhakrishnan** for his services pursuant to such appointment as CEO & MD of the Company.

**D. Other terms of Appointment:**

- i. The CEO & MD shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- ii. The terms and conditions of the appointment of the CEO & MD may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the CEO & MD, subject to such approvals as may be required.
- iii. The agreement may be terminated by either party by giving to the other party three months' notice of such termination thereof.

- iv. The employment of the CEO & MD may be terminated by the Company without notice or payment in lieu of notice:
  - a. if the CEO & MD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or
  - b. in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the CEO & MD of any of the stipulations contained in the Agreement;
- v. Upon the termination by whatever means of the CEO & MD's employment:
  - a. the CEO & MD shall immediately cease to hold offices held by him in any holding company, subsidiaries or associated companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company;
  - b. the CEO & MD shall not, without the consent of the Company, at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.
- vi. All personnel policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the CEO & MD, unless specifically provided otherwise.
- vii. The terms and conditions of appointment of the CEO & MD also include clauses pertaining to adherence with the Everonn Code of Conduct, non-solicitation and maintenance of confidentiality.
- viii. If and when the Agreement expires or is terminated for any reason whatsoever, the CEO & MD will cease to be the CEO & MD, and also cease to be a Director. If at any time, the CEO & MD ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the CEO & MD and the Agreement shall forthwith terminate. If at any time, the CEO & MD ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and CEO & MD of the Company.

The Board commends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs except Mr. C.N. Radhakrishnan is concerned or interested in the resolutions at Item No. 3 of the Notice relating to his re-appointment.

**Item No. 4 & 5 :**

The Board appointed **Mr. Sandeep Kumar Maniyar**, as Additional Director with effect from February 2, 2015. The Board has also appointed him as an Executive Director (ED) and Chief Financial Officer (CFO) effective the same date, for a period of three years, subject to the approval of the Members.

As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under Section 160 of the Act

proposing him candidature for the office of Director of the Company, along with the requisite deposit.

Profile of **Mr. Sandeep Kumar Maniyar** as required under Clause 49 of the Listing Agreement is given as Annexure to the Notice.

The main terms and conditions of appointment of **Mr. Sandeep Kumar Maniyar** (hereinafter referred to as an "Executive Director") are given below:

**A. Tenure of Appointment:**

The appointment of the Executive Director is for a period of three years with effect from February 2, 2015.

**B. Nature of Duties:**

The Executive Director shall devote his whole time and attention to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and / or subsidiaries, including performing duties as assigned to the Executive Director from time to time by serving on the Boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company

**C. Remuneration:**

At present, no remuneration is proposed to be paid to **Mr. Sandeep Kumar Maniyar** for his services pursuant to such appointment as Executive Director of the Company.

**D. Other terms of Appointment:**

- i. The Executive Director shall not become interested or otherwise concerned, directly or through his spouse and / or children, in any selling agency of the Company.
- ii. The terms and conditions of the appointment of the Executive Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required.
- iii. The Agreement may be terminated by either party by giving to the other party three months' notice of such termination thereof.
- iv. The employment of the Executive Director may be terminated by the Company without notice or payment in lieu of notice:
  - a. if the Executive Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or
  - b. in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Executive Director of any of the stipulations contained in the Agreement;

- v. Upon the termination by whatever means of the Executive Director's employment:
  - a. the Executive Director shall immediately cease to hold offices held by him in any holding company, subsidiaries or associated companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company;
  - b. the Executive Director shall not without the consent of the Company, at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.
- vi. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Executive Director, unless specifically provided otherwise.
- vii. The terms and conditions of appointment of the Executive Director also include clauses pertaining to adherence with the Everonn Code of Conduct, non-solicitation and maintenance of confidentiality.
- viii. If and when the Agreement expires or is terminated for any reason whatsoever, the Executive Director will cease to be the Executive Director, and also cease to be a Director. If at any time, the Executive Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Director, and the Agreement shall forthwith terminate. If at any time, the Executive Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Executive Director of the Company.

The Board commends the Resolutions at Item Nos. 4 and 5 for approval by the Members.

None of the Directors or Key Managerial Personnel or relatives of directors and KMPs except **Mr. Sandeep Kumar Maniyar** is concerned or interested in the resolutions at Item No.4 and 5 of the Notice relating to her appointment.

#### **Item No. 6:**

The Board of Directors, at its meeting held on February 02, 2015, appointed **Mr. Ajay Shetty** as an Additional Director of the Company with effect from February 02, 2015, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, **Mr. Ajay Shetty** will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of Rs.1,00,000/- proposing the candidature of Mr. Ajay Shetty for the office of Director, to be appointed under the provisions of the Companies Act, 2013.

The Company has received from **Mr. Ajay Shetty** (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

In the opinion of the Board, **Mr. Ajay Shetty**, the Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder. A copy of the

draft letter for the appointment of Mr. Ajay Shetty as a Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except **Mr. Ajay Shetty**, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 6 for the approval of the members.

**Item No. 7:**

The Board of Directors, at its meeting held on February 02, 2015, appointed **Mr. Mustafa Shariff Mohammed** as an Additional Director of the Company with effect from February 02, 2015, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, **Mr. Mustafa Shariff Mohammed** will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of Rs. 1,00,000/- proposing the candidature of **Mr. Mustafa Shariff Mohammed** for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from **Mr. Mustafa Shariff Mohammed** (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of **Mr. Mustafa Shariff Mohammed** as an Independent Director of the Company for a period up to February 01, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the Board, **Mr. Mustafa Shariff Mohammed**, the Independent Director proposed to be appointed fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of **Mr. Mustafa Shariff Mohammed** as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except **Mr. Mustafa Shariff Mohammed**, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 7 for the approval of the members.

**Item No. 8**

The Board of Directors, at its meeting held on May 23, 2015, appointed **Ms. Priyanka Gupta** as an Additional Director of the Company with effect from May 23, 2015, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, **Ms. Priyanka Gupta** will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of Rs.1,00,000/- proposing the candidature of **Ms. Priyanka Gupta** for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from **Ms. Priyanka Gupta** (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of **Ms. Priyanka Gupta** as an Independent Director of the Company for a period up to May 22, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She will not be liable to retire by rotation.

In the opinion of the Board, **Ms. Priyanka Gupta**, the Independent Director proposed to be appointed fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and she is independent of the Management. A copy of the draft letter for the appointment of **Ms. Priyanka Gupta** as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except **Ms. Priyanka Gupta**, to whom the resolution relates, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 8 for the approval of the members.

#### **Item No. 9**

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AOA by a set of new article.

The new AoA to be substituted in place of existing AoA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The Board of Directors recommends the above resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

## **Item No. 10**

### **Objects and purpose of the proposed Preferential Allotment to entity forming part of the “Promoter” and “Promoter Group”:**

The Company proposes to augment its Equity Capital through a preferential allotment of equity shares. The Company has outstanding loans remaining unpaid to The Concorde Residential School (Kerala) Private Limited and M/s. GEMS Education India Private Limited being entities forming part of the promoters and promoter group. It is proposed to convert a part of the outstanding loan by way of issue of 12,38,270 Equity shares of Rs.10 each to The Concorde Residential School (Kerala) Private Limited and 13,31,089 Equity shares of Rs.10 each to M/s. GEMS Education India Private Limited (“**Equity Shares**”) by way of preferential allotment at the price equal to the floor price to be determined in accordance with Chapter VII of the SEBI ICDR Regulations (such issue of Equity Shares being hereinafter referred to as (“**Preferential Issue**”).

The proposed Preferential Issue is subject to the approval of the shareholders of the Company and other statutory approvals, if any. Since the Company is a listed Company, the proposed Preferential Issue is in terms of the provisions of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (as amended), and other applicable provisions, if any. In terms of the provisions of the Companies Act, 2013 and the SEBI ICDR Regulations, the relevant disclosures/details are given below:

#### **Instrument and Numbers:**

The Company is proposing to issue up to 12,38,270 Equity shares of Rs.10 each to The Concorde Residential School (Kerala) Private Limited and 13,31,089 Equity shares of Rs.10 each to M/s. GEMS Education India Private Limited, being an entity forming part of “Promoter” and “Promoter Group”:

#### **Relevant Date and Issue Price:**

The issue price will be determined in accordance with the provisions of Chapter VII of SEBI ICDR Regulations which states that the minimum price should be higher of:

- a) The average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the twenty six weeks preceding the Relevant Date; or
- b) The average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the two weeks preceding the Relevant Date.

The “Relevant Date” for determining the price of the equity shares to be allotted shall be the date which is 30 days prior to the date of passing this resolution by requisite majority of the shareholders by way of Annual General Meeting i.e. 29<sup>th</sup> Sep 2015. Accordingly the Relevant Date for the preferential allotment is 28<sup>th</sup> August 2015.

The Board believes that the proposed offer, issue and allotment will be in the interest of the Company and its shareholders.

#### **Particulars of the Allottee:**

The proposed allottee of the Equity Shares is GEMS Education India Pvt. Ltd and The Concorde Residential Schools (Kerala) Private Limited, entities forming part of the “Promoter” and “Promoter Group” of the Company. The percentage of post-Preferential Issue that may be held by the proposed allottee consequent to the Preferential Issue is as follows:



Particulars	Pre-Issue		Post-Issue	
	Total number of Equity Shares	% of Total number of Equity Shares	Total number of Equity Shares	% of Total number of Equity Shares
<b>M/s. GEMS Education India Private Limited</b>	Nil	Nil	13,31,089	5.00
<b>M/s. The Concorde Residential Schools (Kerala) Private Limited</b>	32,75,606	13.62	45,13,876	16.96

Mr. Sunny Varkey, a member of Varkey Family is the natural persons who is ultimate beneficial owners of the shares proposed to be allotted to and/or who ultimately control the proposed allottee.

**Intention of promoter group to subscribe:**

As mentioned above, the Preferential Issue is being made to M/s. GEMS Education India Private Limited and The Concorde Residential Schools (Kerala) Private Limited, entities which forms part of the “promoter” and “promoter group” of the Company.

**Pre-issue and post-issue shareholding pattern of the Company:**

The number of shares and the percentage of shareholding that may be held by the Promoter and Promoter Group of the Company prior to and consequent to the Preferential Issue is as mentioned hereunder:

Details of Promoter and Promoter Group	Pre-Issue		Post-Issue	
	Total number of Equity Shares	% of Total number of Equity Shares	Total number of Equity Shares	% of Total number of Equity Shares
M/s. Varkey Group Limited	26,18,120	10.89	26,18,120	9.83
M/s. Gems Education Asia 1 Limited	44,93,962	18.68	44,93,962	16.88
M/s. The Concorde Residential Schools (Kerala) Private Limited	32,75,606	13.62	45,13,876	16.96
M/s. SKIL Infrastructure Ltd	33,06,591	13.75	33,06,591	12.42
Ms. SherlyVarkey	6,26,384	2.60	6,26,384	2.35
Mr. SunnyVarkey	5,77,687	2.40	5,77,687	2.17
M/s. GEMS Education India Private Limited			13,31,089	5.00
<b>Total of Promoter and Promoter Group</b>	<b>1,48,98,350</b>	<b>61.94</b>	<b>1,74,67,709</b>	<b>65.61</b>

The shareholding pattern of Company pre and post preferential issue is as mentioned below:

Category of Shareholder	Pre-Issue		Post-Issue	
	Total number of Equity Shares	% of Total number of Equity Shares	Total number of Equity Shares	% of Total number of Equity Shares
<b>Shareholding of promoter and promoter group</b>				
M/s. Varkey Group Limited	26,18,120	10.89	26,18,120	9.83
M/s. Gems Education Asia 1 Limited	44,93,962	18.68	44,93,962	16.88
M/s. The Concorde Residential Schools (Kerala) Private Limited	32,75,606	13.62	45,13,876	16.96
M/s. SKIL Infrastructure Ltd	33,06,591	13.75	33,06,591	12.42
Ms. SherlyVarkey	6,26,384	2.60	6,26,384	2.35
Mr. Sunny Varkey	5,77,687	2.40	5,77,687	2.17
M/s. GEMS Education India Private Limited			13,31,089	5.00
<b>Total of Promoter and Promoter Group</b>	<b>1,48,98,350</b>	<b>61.94</b>	<b>1,74,67,709</b>	<b>65.61</b>
<b>Public Shareholding</b>				
Institutional	5,46,089	2.27	5,46,089	2.06
Non-Institutions	86,07,975	35.79	86,07,975	32.33
<b>Total Public Shareholding</b>	<b>91,54,064</b>	<b>38.06</b>	<b>91,54,064</b>	<b>34.39</b>
<b>Total</b>	<b>2,40,52,414</b>	<b>100.00</b>	<b>2,66,21,773</b>	<b>100.00</b>

**Proposed time of Allotment:**

The allotment of the equity shares in the Preferential Issue will be made within a period of 15 days from the date of passing of the aforesaid special resolution excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

**Non transferability of proposed financial instruments:**

The Equity Shares proposed to be offered and allotted in the Preferential Issue shall be locked-in for a period of three years from the date of trading permission in accordance with Regulation 78 of Chapter VII of the SEBI ICDR Regulations.

**Lock in:**

Also, the entire pre-Preferential Issue shareholding of the Allottee shall be under lock-in from the Relevant Date up to a period of six months from the date of the Preferential Issue.

**Auditor's Certificate:**

M/s. P. Chandrasekar, Chartered Accountants, Bangalore, Statutory Auditors of the Company, will certify that the issue of Equity Shares is being made in accordance with Chapter VII of the SEBI ICDR Regulations. A copy of the said certificate will be open for inspection.

**Change in Control:**

The proposed allotment of the Equity Shares on a preferential basis if made, will not result in change in the management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

**Undertakings:**

The Company shall re-compute the price of such equity shares in terms of the provision of the SEBI ICDR Regulations, if so required to do so.

Further, in the event that any monies become payable on account of the re-computation of price as above and the same is not paid within the time period specified for the purpose in the SEBI ICDR Regulations, the equity shares shall continue to remain locked in till such time as the monies are paid by the allottees.

As per Section 62(1)(c) of the Act, approval of the shareholders of the Company is required for allotment of Equity Shares on preferential basis. Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act, the SEBI ICDR Regulations and in terms of the provisions of the Listing Agreements, to issue and allot Equity Shares under the Preferential Issue as stated in the special resolution.

Resolutions set out in Item No. 10 are enabling resolutions conferring authority on the Board to place equity share capital with entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations, as amended from time to time. The Board will fix the detailed terms of the final size of the proposed issue, exact timing and other related aspects after careful analysis and discussions with lead managers and other advisors, considering prevailing market conditions and in line with the extant guidelines issued by SEBI, Reserve Bank of India or any other statutory and regulatory authorities in this regard.

The proposed Preferential Issue is in the interest of the Company and the shareholders and the Board of Directors recommends the passing of this resolution as mentioned under Item No. 10 as a Special resolution.

None of the Directors of the Company and key managerial persons of the Company and their relatives may be deemed to be interested or concerned in the proposal contained in the resolutions.

By Order of the Board of Directors

**N P MATHI LINGAN**

*Company Secretary*

Chennai, 18<sup>th</sup> August 2015

Corporate Identification Number (CIN): L65991TN2000PLC058466

**Registered Office:**

1<sup>st</sup> Floor, "A" Block,

S. P. Infocity, Plot # 40,

MGR Salai, Kandanchavadi,

Perungudi, Chennai - 600096

Tel: 91 44 66998400

E-mail: [companysecretary@everonn.com](mailto:companysecretary@everonn.com), Website: [www.everonn.com](http://www.everonn.com)

PARTICULARS	<b>Mr. C N Radhakrishnan</b>	<b>Mr. Ajay Shetty</b>
Date of Birth	30-11-1956	21-06-1969
Date of Appointment	30th May 2013	02-02-2015
Qualifications	BSc in Physics (University of Kerala), MBA in Finance & Systems (XLRI Jamshedpur) and a Post Graduate Diploma in Computer Science (University of Pune).	Graduate in Commerce and Law from Mumbai, Member of Institute of Company Secretaries of India and also a Post Graduate in Law from the London University and an associate Member of Chartered Secretaries and Administrators UK
Expertise in specific Functional area	Mr. Radhakrishnan has over 30 years of experience working in a variety of organizations in manufacturing, healthcare and education sectors across India, China, Europe and the U.A.E. He has spent the last 13 years in the healthcare and education sectors in Dubai.	Mr. Ajay Shetty head the legal department at Varkey Group Limited. He has over over 21 years of experience working in a variety of organizations in FMCG, healthcare and education sectors across India, UK ,and the U.A.E. Starting his corporate journey with Marico Industries Limited and continuing on with Supermax group of companies. Ajay has expertise ranging from corporate, civil, and criminal to common law. He has spent the last 7 years in the healthcare and education sectors in Dubai
Names of companies in which he holds directorship	Dream India Solutions Private Ltd Gulf Global Productions Private Ltd Gems Education Solutions India Private Ltd Dream India Edu Management Solutions Private Ltd Dream India Education Infrastructure Solutions Private Ltd Gems Education Online Private Ltd	Zanskar Properties Private Ltd Vg Educational Services Private Ltd Premier Educational Establishments Private Ltd Sts Transport Private Ltd Everonn Medical Education Ltd Everonn Infrastructure Ltd Everonn School Ltd Toppers Tutorial Private Ltd Everonn Business Education Ltd Everonn Skilling India Ltd Everonn Skill Development Ltd Crescendo Education Private Ltd Aeg Skill Update Private Ltd Everonn Educational Resources Solutions Ltd Dream India Solutions Private Ltd Gulf Global Productions Private Ltd Dream India Edu Management Solutions Private Ltd Dream India Education Infrastructure Solutions2 Private Ltd SG Academic Establishments Private Ltd

Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL	NIL
Number of shares held in the Company	NIL	NIL

PARTICULARS	<b>Mr. Sandeep Kumar Maniyar</b>	<b>Mr. Mustafa Shariff Mohammed</b>
Date of Birth	02-10-1974	31-05-1968
Date of Appointment	02-02- 2015	02-02-2015
Qualifications	He is a qualified Chartered Accountant, Cost Accountant and a Company Secretary	He is an Engineering graduate in Electronics and Communication Engineering.
Expertise in specific Functional area	He is having years of exemplary experience in Finance and its allied areas of operations - Business Valuations, Acquisition, and Financial Engineering to find strategic solutions.	Wide business experience across a variety of industries
Names of companies in which he holds directorship	Wisecor Services Pvt Ltd Everonn Skill Products Development Limited Everonn Knowledge & Education Corridor Limited Vasantham Education Pvt Ltd Rahul J Ram Schools Pvt Ltd Crescendo Education Pvt Ltd Libertas Education Pvt Ltd Sunshine Schools Pvt Ltd Mims School Education Pvt Ltd Aarupadai Educational Pvt Ltd Dream India Solutions Pvt Ltd Dream India Education Infrastructure Solutions Pvt Ltd Dream India Edu Management Solutions Pvt Ltd Knowledge Business Education Pvt Ltd Everonn Skill Development Limited Gems Education Solutions India Pvt Ltd Gems Education Online Pvt Ltd	1. Erudite Publishers Pvt. Ltd 2. Spark Educational Services Private Limited
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL	NIL
Number of shares held in the Company	NIL	NIL

PARTICULARS	<b>Ms. Priyanka Gupta</b>
Date of Birth	17-10-1977
Date of Appointment	23-05- 2015
Qualifications	MBA in International Business Marketing from Indian Institute of Foreign Trade (IIFT)
Expertise in specific Functional area	<p>She has worked on diverse client engagements across India and select overseas markets especially with Japanese corporations wishing to do business in India. Priyanka has been instrumental in managing over 50+ client engagements across varied industry sectors including but not limited to Real Estate, Medical &amp; Healthcare, Light Engineering, Renewable Energy, Fashion &amp; Textile, Retail.</p> <p>"KBS" is the management consulting arm of Kochhar &amp; Co., one of the leading and largest Corporate law firm in India. KBS is a dynamic full service consulting company providing multiple business services to foreign companies wishing to engage in any business activity in India and/or establish a business presence in India.</p> <p>KBS is uniquely positioned as a "one-stop-shop" offering a broad spectrum of Management and Real Estate Consulting services including but not limited to Techno-Commercial feasibility studies, Financial &amp; Business Due Diligence, Identification &amp; Selection of Business Partners/Vendors/Equipment manufactures, Market Entry / Expansion Strategies, Market and Industry Research, Facility Location Studies and related Real Estate &amp; Logistics Support, etc</p>
Names of companies in which he/she holds directorship	<ol style="list-style-type: none"> <li>1. Mihras Consulting Private Limited</li> <li>2. Kochhar Business Services India Private Ltd</li> </ol>
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL
Number of shares held in the Company	NIL



## EVERONN EDUCATION LIMITED

Registered Office: 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai,  
Kandanchavadi, Perungudi, Chennai - 600096

Phone: 044-66998400 Website: www.everonn.com email: companysecretary@everonn.com

### BALLOT FORM (In Lieu Of E-Voting)

Sr. No.

1. Name & Registered Address of the sole/first Shareholder :
2. Name(s) of Joint Shareholder(s), if any :
3. Registered Folio No./DP ID No./Client ID No. :
4. Number of Shares held :

I/we hereby exercise my/our vote in respect of the Resolution(s) to be passed at the 15th Annual General Meeting of the Company to be held on September 29, 2015 for the business stated in the Notice of the meeting dated August 18, 2015 by conveying my/our assent or dissent to the said Resolution(s) by placing tick mark (✓) at the appropriate box below:

Resolution No.	Description of Resolutions	Type of Resolution	I/We Assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Adoption of Audited Financial Statements of the Company for the Financial Year ended March 31, 2015 together with the Report of the Board of Directors and Auditors thereon.	Ordinary		
2	Appointment of M/s. P Chandrasekar, Chartered Accountants as Statutory Auditors of the Company	Ordinary		
3	Appointment of Mr. C. N. Radhakrishnan as Chief Executive Officer & Managing Director of the Company.	Ordinary		
4	Appointment of Mr. Sandeep Kumar Maniyar as a Director of the Company.	Ordinary		
5	Appointment of Mr. Sandeep Kumar Maniyar as an Executive Director and Chief Financial Officer of the Company	Ordinary		
6	Appointment of Mr. Ajay Shetty as a Director of the Company	Ordinary		
7	Appointment of Mr. Mustafa Shariff Mohammed as an Independent Director of the Company	Ordinary		
8	Appointment of Ms. Priyanka Gupta as an Independent Director of the Company	Ordinary		
9	Alteration of Articles of Association as per Companies Act, 2013	Special		
10	Conversion of Loan into Equity shares of the Company by way of Preferential Allotment to an entity forming part of the "Promoter" and "Promoter Group	Special		

Place:

Date:

\_\_\_\_\_  
Signature of the Shareholder

NOTE: Kindly read the instructions printed overleaf before filling the form.

**Instructions:**

1. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
2. In the event member casts his/her votes through both the processes i.e. e-voting and ballot from the votes in electronic system would be considered and the ballot form would be ignored.
3. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic demat form is verified with the Specimen Signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the Registrar and Share Transfer Agent of the Company (i.e Cameo Corporate Services Limited). Members are requested to keep the same updated.
4. There will be only one Ballot for every Folio/DP ID/Client ID irrespective of the number of joint holders.
5. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the company and the company shall not entertain any objection on such Ballot Form signed by other joint holders.
6. For the votes to be considered valid, the institutional shareholders (i.e other than individuals, HUF, NRI, etc) are required to send certified true copy of relevant authorization/board resolution along with Ballot Form. A member may sign the form through an attorney appointed specifically for this purpose. In which case an attested true copy of the Power of Attorney should be attached to the Ballot Form.

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**EVERONN EDUCATION LIMITED,**

Regd. Office: 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai,  
Kandanchavadi, Perungudi, Chennai - 600096

**ATTENDANCE SLIP**

Please hand over this admission slip at the entrance of the meeting hall.

NAME AND ADDRESS OF THE SHARE HOLDER :

Folio No. / DPID - Client ID : .....

NAME OF THE PROXY (IN CAPITAL LETTERS) : .....

No. of Shares held : .....

**ANNUAL GENERAL MEETING**

29th September, 2015 at 10:00 A.M.  
Everonn House, Plot No. 96 -99,  
Perungudi Industrial Estate, Perungudi,  
Chennai - 600 096.

I hereby record my presence at the meeting.

Signature of Member / Proxy

**PROXY FORM**

**EVERONN EDUCATION LIMITED**

Regd. Office: 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai,  
Kandanchavadi, Perungudi, Chennai - 600096

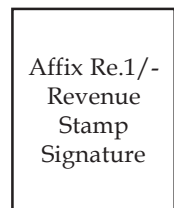
I / We ..... of  
..... in ..... the  
district of ..... or failing him .....  
..... in the district of  
..... as my / our Proxy to vote  
for me / us and my / our behalf at the Annual General Meeting of the Company to be held on Tuesday,  
29th September 2015 at 10:00 A.M. and at any adjournment thereof.

Signed this ..... day of ..... 2015.

Proxy form must reach company's registered office not late than 48 hours  
before the commencement of the meeting.

Proxy No.

Date of Receipt



BOOK-POST

If undelivered, please return to

**Cameo Corporate Services Ltd**

(Unit: Everonn Education Limited)

Subramanian Building, #1, Club House Road,  
Chennai - 600 002

*Leaving the shadow behind  
and moving towards perfection...*



**Board of Directors**

<b>Name</b>	<b>Status</b>
Mr. C N Radhakrishnan	Managing Director & CEO
Mr. Ajay Shetty	Non-Executive and Non Independent Director
Mr. Sandeep Maniyar	NCFO & Whole-time Director
Mr. Mustafa Shariff Mohammed	Non-Executive and Independent Director
Ms. Priyanka Gupta	Non-Executive and Independent Director

**Company Secretary & Compliance Officer**

Mr. N P Mathi Lingan

**Chief Financial Officer & Whole- time Director**

Mr. Sandeep Maniyar

**Auditors****M/s. P. Chandrasekar**

Chartered Accountants

S-512, 514, Manipal Centre, # 47, Dikenson Road, Bangalore - 560 042.

**Registered Office of the Company**1st Floor, "A" Block, "S.P.Infocity", Plot #40, MGR Salai, Kandanchavadi,  
Perungudi , Chennai - 600 096.**Bankers****State Bank of India**Corporate Accounts Group Branch,  
64, Grams Road, Chennai - 600 006.**Axis Bank Ltd.**Ground Floor, Karumuthu Nilayam,  
No. 192, Anna Salai, Chennai - 600 002.**IDBI Bank Limited**No. 7, South Boag Road,  
T. Nagar,  
Chennai - 600 017.**ICICI Bank Limited**No. 25, 1st Avenue, Ashok Nagar  
Chennai - 600 083.**Subsidiaries**

Everonn Educational Resources Solutions Limited  
Toppers Tutorial Private Limited  
Everonn Infrastructure Limited  
AEG Skill Update Private Limited  
Everonn Skill Development Limited  
Everonn Business Education Limited  
Everonn Dassani Literate Limited  
Everonn Skill Products Development Limited

Everonn School Limited  
Everonn Medical Education Limited  
Everonn Technical Education India Limited  
Edifications India Limited  
Everonn Sport Management Limited  
Everonn Knowledge & Education Corridor Limited  
Everonn Skilling India Limited

**Registrar & Share Transfer Agent**Cameo Corporate Services Limited  
Subramanian Building, No. 1, Club House Road, Chennai - 600 002.



## CONTENTS

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## DIRECTORS' REPORT

To the Members,

Your Directors submit the Annual Report of the Company along with Audited Financial Statements for the financial year ended March 31, 2015. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. Financial Results

Particulars	Rs. In Lakhs	
	31st March 2015	31st March 2014
Income from operations	2,832.54	4,322.99
Other Income	28.59	33.89
Total Revenue	2,861.13	4,356.88
Total expenditure before interest & Depreciation	3,359.44	4,051.50
<b>Operating Profit/Loss (EBIDTA)</b>	<b>(498.31)</b>	<b>305.38</b>
Interest	4,029.06	4,707.72
Depreciation/Amortization	3,277.24	4,618.52
Profit before exceptional and extraordinary items and tax	(7,804.61)	(9,020.86)
Less Exceptional items	634.39	6,495.49
<b>Profit before tax</b>	<b>(8,439.00)</b>	<b>(15,516.35)</b>
Deferred Tax	--	3,434.43
<b>Profit after tax (PAT)</b>	<b>(8,439.00)</b>	<b>(12,081.92)</b>

### 2. Subsidiary Companies

The Company has 15 subsidiary companies as on March 2015; There are associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed thereunder and pursuant to Clause 41 of the Listing Agreement, your Company had prepared consolidated financial statements of the company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 forms part of the Annual Report.

The annual financial statements and related detailed information of the subsidiary companies shall be made available to the shareholders of the holding and subsidiary companies seeking such information on all working days during business hours. The financial statements of the subsidiary companies shall also be kept for





inspection by any shareholder/s during working hours at the Company's registered office and that of the respective subsidiary companies concerned. Details of developments of subsidiaries of the Company are covered in the Management's Discussion and Analysis Report which forms part of this Report.

### **3. Directors and key managerial personnel**

Mr. Srinivasan, Managing Director, stepped down from the Board of the Company on Feb 2, 2015 due to personal reasons. He was associated with the Company for the past two years. The Board places on record its appreciation of the invaluable contribution and guidance provided by him.

Mr. Natarajan Ranganathan and Mr. Lakdawala Turab Mohd Hussein, Independent Directors of the Company also resigned from the Board on Feb 2, 2015 due to their personal reasons.

Mr. C N Radhakrishnan was appointed as Managing Director & Chief Executive Officer of the Company with effect from 2nd February 2015. He is a Management graduate from XLRI, Jamshedpur majoring in Finance and Systems. He is a Post Graduate Diploma in Computer Management from University of Pune. He is currently holding a senior position in Varkey Group and a Board Member of GEMS Education. He has been leading the Varkey Groups Education business interest in India viz GEMS India, Everonn Education and Dream India Schools.

Mr. Ajay Shetty, was appointed as an Additional Director of the Company with effect from 2nd February, 2015 to hold office upto the ensuing Annual General Meeting.

Mr. Sandeep Maniyar was appointed as Additional Director with effect from 2nd February, 2015. The Board also appointed him as an Executive Director and Chief Financial Officer with effect from the same date for a period of three years.

In accordance with the provisions of Section 149 of the Companies Act, 2013, Mr. Mustafa Shariff and Ms. Priyanka Gupta, were appointed as Independent Directors of the Company with effect from 2nd February 2015 and 23rd May 2015 respectively.

The resolutions seeking approval of the Members for the appointment of Mr. C N Radhakrishnan, Mr. Ajay Shetty, Mr. Sandeep Maniyar, Mr. Mustafa Shariff and Ms. Priyanka Gupta have been incorporated in the notice of the forthcoming Annual General Meeting of the Company along with brief details about them. The Company have received notices under Section 160 of the Act along with the requisite deposit proposing the appointment of Mr. Ajay Shetty and Mr. Sandeep Maniyar.

Pursuant to the provisions of Section 203 of the Act, which came into effect from April 1, 2014, the appointments of Mr. C N Radhakrishnan, Chief Executive Officer and Managing Director, Mr. Sandeep Maniyar, Executive Director and Chief Financial Officer and Mr.N.P. Mathi Lingan, Company Secretary as key managerial personnel of the Company were formalized.

### **4. Auditors**

M/s. P. Chandrasekar, Chartered Accountants, Statutory Auditors of the Company holds office upto the date of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment.

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. P. Chandrasekar, Chartered Accountants as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the Sixteenth AGM to be held in the year 2016, subject to ratification of their appointment at every AGM.

### **5. Number of Meetings of the Board**

Six meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

### **6. Board Evaluation**

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as

prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

#### **7. Policy on directors' appointment and remuneration and other details**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

#### **8. Internal financial control systems and their adequacy**

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

#### **9. Audit committee**

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

#### **10. Auditors' report and secretarial auditors' report**

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as an annexure which forms part of this report.

#### **11. Risk management**

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

#### **12. Particulars of loans, guarantees and investments**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

#### **13. Transactions with related parties**

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and the same forms part of this report.

**14. Corporate social responsibility**

All though the provisions of Section 135 of the Companies Act, 2013 on Corporate Social Responsibility is not applicable to the Company, the Company has voluntarily initiated CSR activities by committing itself towards spreading quality education across rural India. Your Company will augment its corporate social responsibility initiatives and will focus on building an equitable society for sustainable development and all-around growth. Everonn strongly believes that by giving back to society, it can contribute to a growing economy as well as build stronger and prosperous communities. Through this initiative, Everonn's employees, education content & technological strength aim to make a difference in many students' lives and their learning experiences.

**15. Conservation of Energy, Technology Absorption And Foreign Exchange Earnings And outgo:**

The Companies policy on conservation of energy, technology and Foreign Exchange Earnings & outgo is as provided hereunder:

- (i) Conservation of Energy - The Company has planned and installed equipments in a manner that maximum energy is conserved
- (ii) The Company's business being IT education, every effort is made to ensure that changes in technology are communicated throughout the organization at every stage.
- (iii) The foreign exchange earnings and outflows are detailed below

₹ in '000

Particulars	Year Ended 31-03-2015	Year Ended 31-03-2014
<b>Expenditure in Foreign Currency</b>		
Business Associate Expenses	712	—
Travel and Conveyance	408	3,975
<b>Earnings in Foreign Exchange</b>		
Testing and other Services	2,574	4,395

**16. PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:  
Our directors' of the Company does not get any remuneration from our Company so the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year does not arise.
- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:  
NIL
- c. The percentage increase in the median remuneration of employees in the financial year: NIL
- d. The number of permanent employees on the rolls of Company is 1056.
- e. The explanation on the relationship between average increase in remuneration and Company performance:



There is no increase in remuneration of employees so explanation in this regard does not arise.

f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY15 (₹ Rs.in lakhs)	67.70
Revenue (₹ Rs.in lakhs)	2,861.13
Remuneration of KMPs (as % of revenue)	2.37
Profit before Tax (PBT) (₹ Rs.in lakhs)	(8,439.00)
Remuneration of KMP (as % of PBT)	(0.80)

g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalisation (Rs. in Lakhs)	5387.74	8729.81	(38.28)
Price Earnings Ratio	(0.64)	(0.69)	(7.35)

h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2015	Aug, 2007 IPO	% Change
Market Price ( BSE )	22.40	140	(84.00)
Market Price ( NSE )	22.00	140	(84.28)

i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial emuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

None

j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Mr.CN. Radhakrishnan	Mr. Sandeep Maniyar	Mr. N P Mathi Lingan	Mr. Ganapathy Puranik
Remuneration in FY 15 (Rs in lakhs)	Nil	Nil	13.70	54.00
Revenue (Rs in lakhs)	2,861.13			
Remuneration as % of revenue	Nil	Nil	0.48	1.88
Profit before Tax (PBT) (Rs in lakhs)	(8,439.00)			
Remuneration (as % of PBT)	Nil	Nil	(0.16)	(0.64)



- k. The key parameters for any variable component of remuneration availed by the directors:  
Directors are not paid any remuneration other than sitting fees for independent directors.
- l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:  
Directors are not paid any remuneration other than sitting fees for independent directors.
- m. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

#### **17. Fixed Deposits**

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

#### **18. Listing of Shares**

The Equity Shares of your Company have been listed on National Stock Exchange Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Listing fees for the year 2014-15 have already been paid to BSE and NSE. The custodial fees payable to depositories namely NSDL & CDSL have also been remitted by the Company.

#### **19. Corporate Governance Report & Management Discussion And Analysis**

As per clause 49 of the Listing Agreements entered into with the Stock Exchanges, Corporate Governance Report and Management Discussion and Analysis are attached and forms part of this report.

#### **20. Extract of annual return**

As provided under Section 92(3) of the Act, the extract of Annual Return is given in the prescribed Form MGT-9, which forms part of this report.

#### **21. Disclosure requirements**

As per Clause 49 of the listing agreements entered into with the stock exchanges, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

As per Clause 55 of the listing agreements entered into with the stock exchanges, a business responsibility report is attached and forms part of this annual report.

Details of the familiarization programme of the independent directors are available on the website of the Company (URL: [www.everonn.com/investors](http://www.everonn.com/investors)).

Policy for determining material subsidiaries of the Company is available on the website of the Company (URL: [www.everonn.com/investors](http://www.everonn.com/investors)).

Policy on dealing with related party transactions is available on the website of the Company (URL: [www.everonn.com/investors](http://www.everonn.com/investors)).

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised Clause 49 of the Listing Agreements with stock exchanges (URL: [www.everonn.com/investors](http://www.everonn.com/investors)).

#### **22. Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:



- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

### **23. Statutory Disclosure**

None of the Directors of your Company are disqualified as per provisions of Section 164 of the Companies Act, 2013. The Directors of the Company have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

### **24. Compliance Certificate**

A Certificate from the Mr. S Hari Krishnan, Practicing Company Secretaries (Membership No. ACS 13740) regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached as annexure to this report.

### **25. Acknowledgement and Appreciation**

Your Directors take this opportunity to express their deep sense of appreciation of all the employees whose outstanding professionalism, commitment and initiative has made the organization's growth and success possible and continues to drive its progress.

Your Directors also would like to convey their appreciation for the support and co-operation received during the year under review, from all the Bankers, Government Authorities, Regulators, Stock Exchanges, Shareholders, other Stakeholders, Clients, Vendors, Partners and other Business Associates.

For and on Behalf of the Board

**Sandeep Maniyar**  
Whole-time Director

**C N Radhakrishnan**  
Managing Director

Place: Chennai  
Date: 18-Aug-2015

**Annexure I****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: Everonn Education Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2014-15.
2. Details of material contracts or arrangement or transactions at arm's length basis:
  - a. Name(s) of the related party and nature of relationship: GEMS Education India Private Limited, promoter group.
  - b. Nature of contracts / arrangements / transactions: To manage, supervise, direct and control the Schools on behalf of the Company
  - c. Duration of the contracts / arrangements / transactions: Contract dated August 1, 2013 for a period of five years which is ongoing.
  - d. Salient terms of the contracts or arrangements or transactions including the value, if any:

The value of the contract for availing the services of GEMS Education India Private Limited., shall not exceed Rs.5,00,00,000/- (Rupees Five Crores) Per annum.

The contract will be for a period of five (5) years from 1st August 2013.

The contract is to manage, supervise, direct and control the Schools on behalf of the Company.
  - e. Date(s) of approval by the Board, if any: May 30, 2013.
  - f. Amount paid as advances, if any: Nil

On behalf of the board of directors,

Mumbai  
April 16, 2015 Managing Director

C N Radhakrishnan



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2015**  
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN:L65991TN2000PLC058466
- ii. Registration Date:April 19, 2000
- iii. Name of the Company: M/s. Everonn Education Limited
- iv. Category / Sub-Category of the Company: Company Limited by shares / Indian Non-Government Company
- v. Address of the Registered office and contact details:  
1<sup>st</sup> Floor, "A" Block,  
S. P. Infocity, Plot # 40,  
MGR Salai, Kandanchavadi,  
Perungudi, Chennai - 600 096  
Tel: 91 44 66998400  
E-mail: companysecretary@everonn.com, Website: www.everonn.com
- vi. Whether listed company: Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any  
M/s. Cameo Corporate Services Limited Unit:  
Everonn Education Limited  
Subramanian Building,  
No.1, Club House Road, Chennai - 600 002.  
Phone : 044-28460390 Fax : 044-28460129  
Email: murali@cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of mainproducts / services	NIC Code of the Product / service	% to total turnover of the company
1.	imparting computer education	80904	Nil

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Contd.)**

Sl. No	Name of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Everonn Educational Resources Solutions Ltd 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U74140TN2007PLC065306	subsidiary	100%	2 (87)





2	Toppers Tutorial Pvt Ltd 5th Floor Harshwardhan Arcade, Near Samrat Hotel, Frazer Road, Patna, Bihar - 800001	U00092BR1996PTC007456	- Do -	100%	2 (87)
3	Everonn Infrastructure Limited 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U70100TN2009PLC070827	- Do -	100%	2 (87)
4	AEG Skill Update Private Limited 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U74200TN2008PTC069972	- Do -	51%	2 (87)
5	Everonn Skill Development Ltd 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U72300TN2009PLC071228	- Do -	97.9%byEIL	2 (87)
6	Everonn Business Education Ltd 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U80901TN2009PLC073317	- Do -	100%	2 (87)
7	Everonn School Ltd 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U80211TN2010PLC075518	- Do -	71%	2 (87)
8	Everonn Medical Education Ltd 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U80301TN2010PLC075583	- Do -	100%	2 (87)
9	Everonn Technical Education India Ltd 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U80302TN2010PLC076512	- Do -	100%	2 (87)
10	Edifications India Ltd. 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U80301TN2011PLC078700	- Do -	100%	2 (87)



11	Everonn Sport Management Ltd. 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U92412TN2011PLC078710	- Do -	100%	2 (87)
12	Everonn Knowledge & Education . Corridor Ltd 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U80211TN2011PLC078820	- Do -	100%	2 (87)
13	EveronnDassani Literate Ltd 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U80211TN2011PLC079346	- Do -	60%	2 (87)
14	Everonn Skilling India Ltd 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U80902TN2011PLC081665	- Do -	100% by EIL	2 (87)
15	Everonn Skilling Product Ltd 1st Floor, "A" Block, S. P. Infocity, Plot # 40, MGR Salai, Kandanchavadi, Perungudi, Chennai - 600096	U80221TN2011PLC081667	- Do -	100% by EIL	2 (87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category code	Category of Shareholder	No. of Shares held at the beginning of the year 01st April 2014		No. of Shares held at the end of the year 31st March 2015						
		Number of Shareholders	Total number of shares	Physical	% of Total shares	Number of Shareholders	Demat	Physical	% of Total shares	% change during the year
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	-	-				-	-		
(b)	Central Government / State Government(s)	-	-				-	-		
(c)	Bodies Corporate	2	6,184,303		26.93	2	6,632,197		27.57	0.64
(d)	Financial Institutions/ Banks	-	-				-	-		
(e)	Any Others(Specify)	-	-				-	-		
(e-i)										
(e-ii)										
	<b>Sub Total(A)(1)</b>	<b>2</b>	<b>6,184,303</b>		<b>26.93</b>	<b>2</b>	<b>6,632,197</b>	<b>1.07</b>	<b>27.57</b>	<b>0.64</b>



<b>2</b>	<b>Foreign</b>								
a	"Individuals (Non-Residents Individuals/"Foreign Individuals)"	2	1,204,071	5.24	2	1,204,071	5.01	(0.24)	
b	Bodies Corporate	2	7,112,082	30.97	2	7,112,082	29.57	(1.41)	
c	Institutions	-	-		-	-			
d	Any Others(Specify)	-	-		-	-			
	<b>Sub Total(A)(2)</b>	<b>4</b>	<b>8,316,153</b>	<b>36.22</b>	<b>4</b>	<b>8,316,153</b>	<b>34.58</b>	<b>(1.64)</b>	
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>6</b>	<b>14,500,456</b>	<b>63.15</b>	<b>6</b>	<b>14,948,350</b>	<b>62.15</b>	<b>(1.00)</b>	
(B)	<b>Public shareholding</b>								
<b>1</b>	<b>Institutions</b>								
(a)	Mutual Funds/ UTI	-	-		-	-			
(b)	Financial Institutions / Banks	2	369,216	1.61	2	369,501	1.54	(0.07)	
(c)	Central Government / State Government(s)	-	-		-	-			
(d)	Venture Capital Funds	-	-		-	-			
(e)	Insurance Companies	-	-		-	-			
(f)	Foreign Institutional Investors	2	235,000	1.02	2	177,788	0.74	(0.28)	
(g)	Foreign Venture Capital Investors	-	-		-	-			
(h)	Any Other (specify)	-	-		-	-			
	<b>Sub-Total (B)(1)</b>	<b>4</b>	<b>604,216</b>	<b>2.63</b>	<b>4</b>	<b>547,289</b>	<b>2.28</b>	<b>(0.36)</b>	
<b>B 2</b>	<b>Non-institutions</b>								
(a)	Bodies Corporate*	599	1,109,462	4.83	535	1,265,335	5.26	0.43	
(b)	Individuals								
I	Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	37,880	5,022,460	707	22	34,383	5,554,471	707	23.10
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	20	931,568	4.06	33	1,059,511	4.41	0.35	
(c)	Any Other (specify)								
(c-i)	Clearing members	109	142,032	0.62	50	154,027	0.64	0.02	
(c-ii)	Foreign Nationals	1	1,000	0.00	-	-			
(c-iii)	Trusts	2	149	0.00	1	100	0.00		
(c-iv)	HUF	951	233,439	1.02	944	319,561	1.33	0.31	
(c-v)	Non resident indians	319	185,171	0.81	281	202,463	0.84	0.04	
(c-vii)	Everonn Education Ltd - Unclaimed Securities Suspense Account	1	600	0.00	1	600	0.00		
(c-viii)	Other Foreign Investors	1	230,558	1.00	-	-			
	<b>Sub-Total (B)(2)</b>	<b>39,883</b>	<b>7,856,439</b>	<b>34.21</b>	<b>36,228</b>	<b>8,556,068</b>	<b>35.58</b>	<b>1.36</b>	
(B)	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>39,887</b>	<b>8,460,655</b>	<b>36.84</b>	<b>36,232</b>	<b>9,103,357</b>	<b>37.85</b>	<b>1.01</b>	
	<b>TOTAL (A)+(B)</b>	<b>39,893</b>	<b>22,961,111</b>		<b>100.00</b>	<b>36,238</b>	<b>24,051,707</b>		<b>100.00</b>



Sr. No.	Name of the shareholder	Number of shares held at the beginning of the year 01st April 2014	% of Total Shares of the Company	% of Shares pledged / encumbered	Number of shares held at the end of the year 31st March 2015	% of Total Shares of the Company	% of Shares pledged / encumbered
1	Varkey Group Limited	2,618,120	11.40	-	2,618,120	10.89	-
2	Gems Education Asia 1 Limited	4,493,962	19.57	-	4,493,962	18.68	-
3	The Concorde Residential Schools (Kerala) Private Limited	2,184,303	9.51	49.90	3,275,606	13.62	100.00
4	SKIL Infrastructure Ltd	4,000,000	17.42	80.00	3,356,591	13.96	100.00
5	Sherly Varkey	626,384	2.73	-	626,384	2.60	-
6	Sunny Varkey	577,687	2.52	-	577,687	2.40	-
	<b>TOTAL</b>	<b>14,500,456</b>	<b>63.15</b>	<b>29.59</b>	<b>14,948,350</b>	<b>62.15</b>	<b>44.37</b>

(\*) The term “encumbrance” has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Your Company is not paying remuneration to managing director, Whole-time Directors and / or Manager

##### B. Remuneration to other directors:

₹ in '000

Sl. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1.	Independent Directors				
	Mr. R. Natarajan*	2.40	-	-	2.40
	Mr. Lakdawala Turab Mohd. Hussein*	2.40	-	-	2.40
	Total Managerial Remuneration	4.80	-	-	4.80

\*Resigned with effect from 2nd February 2015

##### C. Remuneration to Key Managerial Personnel other than MD / Manager / WT



₹ in '000

Sl. No.	Particulars of Remuneration	Mr. Ganapathy Puranik, CFO*	Mr. N P Mathi Lingan, Company Secretary	Total
1.	Gross salary			
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	54.00	13.70	67.70
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
5.	Others, Allowances	-	-	-
	Total	54.00	13.70	67.70

\*Resigned with effect from 2nd Feb, 2015

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.



**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015  
(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
Everonn Education Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Everonn Education Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Everonn Education Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Everonn Education Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the applicable provisions of:

- i. The Companies Act, 1956 and the Companies Act, 2013 ('the Act') and the rules made there under, as applicable;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
- vi. Other laws applicable to the Company as per the representations made by the Management.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings are yet to be specified under the Act by the Institute.
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above. However, the Company has an unspent amount during the year in the amount to be spent towards Corporate Social Responsibility.



We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously. We further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For M/s GL SUBHRAMANIAN  
Practicing Company Secretaries**

**Place: Chennai**

**G L Subhramanian  
Company Secretaries**



## ADDENDUM TO DIRECTORS' REPORT

Management reply to Auditor's qualification

### Deferred Tax Asset

As explained in the notes to the accounts, the Company is of the view that the existing balance in the DTA will be adequate to offset any unforeseen tax liability (inclusive of past years which are under different stages of litigation) and hence has, on a careful review, decided to retain without creating additional provision towards DTA during the current year.

### Leave Encashment:

The Company has faced unprecedented attrition in different business segments resulting in closure of non-viable business segment hitherto carried on by it. In order to conserve its cash resources, the Company has decided to allow the employees, the alternative option without allowing them the encashment on account of leave accumulated. In view of this, the Company has decided not to recognize the liability towards Leave Encashment of the continuing employees.

### Assessment of impairment in the value of investments:

Keeping in mind, the future business plans, especially on account of changing business environment, coupled with covenants agreed with the lenders and others with regard to steady increase in cashflows through operations and other factors, the Company's restructuring exercises need to be evaluated thoroughly so as to protect the interest of all stakeholders. The Company is hopeful of resolving this critical issue involving restructuring within a short period from now and hence has deferred the recognition of the impairment in the cost of investments in various subsidiaries to be completed alongwith and linking with, the closure of non-viable operations carried on by the subsidiaries.

### Non-provision of lease rentals:

Despite the litigations pursued by the Company disputing the demand of the lease charges by the lessors, the Company is hopeful that it can still arrive at an amicable settlement including converting the lease rentals into other deferred repayment obligations.

The Company is apprehensive that any provisions of this disputed lease charges as demanded by the lessors may result in possible curtailment of bank finances and erosion in the networth and is hopeful of resolving all these within a short period of time.

### MSMEs

With regard to the identification of dues to Micro and Medium Enterprises, pending complete information, the Company is unable to categorically state which parties are falling under this category. The Company has not elicited any response to its circular sent to certain parties falling in this category.

### Confirmation of balances:

Excepting in the case of Government contracts, the Company is generally aware of full quantum of dues due to it from debtors as well its dues to creditors.

The Company is evaluating the possible bad debts out of the dues to it from the Government contracts which will be accounted upon receipt of full information from them.

### Impairment loss:

As already explained, the impairment loss is linked to the restructuring exercise and hence the recognition of the impairment loss is deferred at present.

### Income Tax:

Subsequent to the close of the Accounting Year in mid July, the Company has received a consolidated Appellate Order covering Assessment Years 2007-08 to 2011-12 and hence it is expected that there will be no need to recognize any additional provision on account of tax liability.





## MANAGEMENT DISCUSSION AND ANALYSIS

### i. INDUSTRY STRUCTURE AND DEVELOPMENTS.

#### A. Industry Overview

Education is the key to the task of nation-building. It is also well-accepted that providing the right knowledge and skills to the youth can ensure overall national progress and economic growth. The Indian education system recognizes the role of education in instilling the values of secularism, egalitarianism, respect for democratic traditions and civil liberties and quest for justice. The Education sector in India is poised at a crucial stage in its growth. India's demographic advantage of having a large population of youth, coupled with low gross enrolment ratios, presents a huge opportunity to education sector players.

At the same time, the growth of the Indian economy and upward movement of income levels is boosting spend on Education, which already accounts for the second-highest share of wallet for middle-class households.

Additionally, a tremendous interest from entrepreneurs and private equity players is generated due to:

- Steady cash flows
- Recession-proof nature of the sector
- Negative working capital requirements

Government support for the sector has also seen a boost, with substantial reforms and increased financial outlays being announced and implemented. These reforms aim at not only strengthening the sector but facilitating planned expansion of the sector. The interplay of all these factors has made Education an attractive sector with multiple opportunities, as can be seen by the high growth many players are witnessing and pursuing.

#### Overall education market in India

The size of India's education sector is expected to be ~USD 110b. Additionally, the cost of educational services in India is among the lowest – being ~ one-sixth of the global average. Revenue growth of the education sector in India has grown at a CAGR of ~15% since 2000. Households constitute ~55% of the total spend on education, most of which goes towards private sector education. The private sector is expected to grow faster due to the lack of public funding, increased interest of private entrepreneurs and corporate houses for investment in this sector due to its attractive investment opportunity and the willingness and ability of the households to pay more for quality education (median income elasticity of 2 with respect to household spend).

While a large share of the education sector spend is through the public sector, current facilities in the field of education are inadequate in terms of quantity as well as quality. For example, seats available for post-higher-secondary (tertiary) education are sufficient for only 18-20% of the population in the age group that is eligible for the tertiary education. Technical and professional education receives only ~4% of budgetary spend and, therefore, a number of private technical/ professional educational institutes have come up to meet the shortfall in capacity.

We have a dedicated education sector team serving all key segments of the Education sector.

#### B. Company Overview

Everonn has been a leading presence in the Indian education industry for over two decades and as India's first education and training company to offer satellite-enabled learning, Everonn is a pioneer in facilitating education using breakthrough technologies. With dedicated teams of business and academic experts, the company has been on the forefront of heralding the next advancement in learning, thus becoming a distinctive player in bridging geographical and cultural borders.

Everonn's unrivalled reach in providing a blend of traditional and digitized content to the schools, colleges and retail segments has helped in offering quality education to students even in the most remote parts of India. The company's efforts has borne fruit in an extensive and well-connected network of schools, colleges and retail training centers that deliver best-in-class content. Everonn's firm foothold in the web-based solutions as well as the competitive exam guidance arenas has helped millions change their lives.



Varkey Group/ GEMS Education joined Everonn as a strategic investor and acquired management control. NRI entrepreneur Padmashree Sunny Varkey, who is also the UNESCO Goodwill Ambassador for Education Partnerships, is the Founder and Chairman of the group.

GEMS Education (“GEMS”) is an international education company that owns and operates high performing schools. For over 55 years, GEMS has provided high quality education to hundreds of thousands of children around the world. Headquartered in Dubai, the Company has a global network of award winning schools which provide high quality holistic education.

GEMS Education, a UAE born brand founded 55 years ago, is now the world’s largest provider of K-12 private education – operating more than 50 schools, educating over 140,000 students and employing over 13,000 people across 19 markets in the Middle East, North America, Europe, Asia and Africa. GEMS was founded by educators and run by educators and believes that education is a long-term commitment. Varkey GEMS Foundation (VGF) is the philanthropic arm of GEMS Education. VGF is a not-for-profit organisation, established to improve the standards of education for underprivileged children. Former U.S. President Bill Clinton is the Honorary Chairman of VGF.

## ii. OPPORTUNITIES

India, today, is considered as a talent pool of the world, having qualified and educated human resources in abundance. This has been one of the primary reasons for transformation of India into one of the fastest growing economies in the world. On a global scale, wealth and prosperity have become more dependent on the access to knowledge than the access to natural resources.

The importance of education in India was recognized by the founding fathers of the country and the subsequent governments, and as a result considerable importance has been given to literacy, school enrolment, institutions of higher education and technical education, over the decades ever since independence.

India’s aspirations to establish a knowledge society in the context of increasing globalization, is based on the assumption that higher and technical education essentially empowers people with the requisite competitive skills and knowledge. It has been realized that it is the quality of education that prepares one for all pursuits of life and in the absence of an acceptable level of quality, higher education becomes a mere formalism devoid of any purpose or substance. As a result, from around the turn of the century, increasing attention has also been paid to quality and excellence in higher education.

Everonn possesses a highly developed higher education system, which offers the facility of education and training in almost all aspects of human creativity and intellectual endeavors.

## iii. SEGMENT-WISE PERFORMANCE

### A. Schools

Everonn School Limited (ESL) is a wholly owned subsidiary of Everonn Education Limited and caters to the K-12 school education segment.

ESL runs its K-12 brand of CBSE schools by the name of Everonn Public School (now rebranded as **GEMS Public School**). Part of a nationwide network of K-12 CBSE schools, Everonn Public School draws from the experience of two education leaders. As a pioneer of education innovation in India for over 20 years, Everonn has added international experience from GEMS education to help prepare a child for real world success. Our proven approach to education provides everything a child needs for a rewarding future and to thrive in an increasingly competitive global economy.

#### **Key strengths of EPS:**

#### **Part of the GEMS network of leading international private schools**

GEMS Education (“GEMS”) is an international education company that owns and operates high performing schools. For over 55 years, GEMS has provided high quality education to hundreds of thousands of children around the world. Headquartered in Dubai, the Company has a network of award winning schools. GEMS is today involved in the delivery of high quality holistic education to more than 100 schools globally. GEMS is operating more than 50 schools, educating over 140,000 students across 19 markets in the Middle East, North



America, Europe, Asia and Africa. It employs over 13,000 education professionals, specialists and staff and is the largest employer of British and Indian teachers outside their home countries. GEMS has a world class leadership team that combines business and education expertise from around the globe.

### **International best practice and methodology to design and deliver CBSE curriculum**

Our comprehensive curriculum has been developed by internationally experienced education practitioners. Our 6Cs approach is student centered and activity based to accommodate a child's individual learning style. The program is integrated into the child's learning experience across different subjects and stages.

### **High quality and highly trained teaching staff**

Our teachers are part of an international community, with access to extensive tools, resources, advisors and professional development opportunities. We use high quality teachers to deliver the curriculum who are sourced through GEMS' leading recruitment processes and guided by effective staffing structures.

### **Use of technology to facilitate learning**

Everonn has been a technology leader in India for over 20 years, bridging geographical and cultural boundaries with satellite enabled learning. Everonn Public School uses technology intelligently to support students, teachers, learning and assessment.

### **School Facilities**

- Libraries, both junior and senior libraries
- Science laboratories
- Specialist teaching/language rooms
- ICT centre
- Art and craft rooms/Dance and drama studio
- Music room
- Multipurpose sports hall/auditorium
- Play areas
- Medical centre
- Cafeteria

Everonn Public Schools were opened at the following locations across India:

- Indore, Madhya Pradesh
- Gwalior, Madhya Pradesh
- Bhopal, Madhya Pradesh
- Bathinda, Punjab
- Patiala, Punjab
- Haldwani, Uttrakhand
- Guntur, Andhra Pradesh
- Anantnag, Jammu & Kashmir

## **B. Skill Development:**

Skill training is done through Everonn Skill Development Limited (ESDL), an indirect subsidiary of Edification. Skill training includes vocational education and training to students. It focuses on imparting industry relevant skills to youth to make them industry ready and skilled personnel. ESDL delivers courses in retail, apparel & textile, construction, gaming & animation, engineering, hospitality, health care and automobile sectors.

ESDL works broadly in Government and NSDC.

### **Government Initiative:**

Ministry of Rural Development (MoRD):

A project funded by the central government of India, to empower below poverty line people with the vision to provide employment based training. ESDL was chosen as one of the Implementing agency to train and place 7970 candidates across 6 states (Tamil Nadu, Karnataka, Andhra Pradesh, Orissa, Bihar and Uttar Pradesh), all trainings were completed.



**Ajeevika** – Initially started by the central government as SGSY (Swarnajayanti Gram Swarajgar Yojan) and then transferred to state Government to run it as Ajeevika Skill Development program. The vision of the project is to empower the below poverty people on employability skilling in different course and sectors in different states. The target trainees are 7740 across 4 states (Gujarat, Orissa, Rajasthan and Karnataka).

**Jeevika** – An initiative by the state government of Bihar to empower people on employability by offering different courses like driving, beautician, retail, welding and so on. Total beneficiaries of 1980 will benefit from this project.

**UPSDM– Uttar Pradesh Skill Development Mission:**

A project focusing on employability skills such as Solar, Driving, Retail, IT/ITeS, Automobile and Electrical for 3000 unemployed youth. The project is funded by UPSDM under the Government of UP.

**Youth Skill Training (YST):**

A project focused on empowering Youth on skills like Retail, Garments, Apparel, Driving and Hospitality. The project is funded by Government of Tamil Nadu – Tamil Nadu State Rural Livelihood Mission.

**Entrepreneurship Development Institute (EDI):**

In line with livelihood enhancement initiatives of the Government which included Entrepreneurship along with wage based livelihood, ESDL has developed training content to address this requirement. ESDL has successfully completed 3 batches for the Entrepreneurship Institute of Tamil Nadu in Jute Bag Making and Food Processing.

Successfully bid for and won an order for training 4000 women in 31 districts of TN in Installation and maintenance of Solar Power Packs – Rs. 1.20 Cr. from the Entrepreneurship Development Institute of Tamil Nadu

**NGO:**

**International Funding for Agriculture Development (IFAD):**

A project funded by International Funding for Agriculture Development through the Government of Tamil Nadu. The project focuses on training people in the Tsunami affected villages in Tamil Nadu.

**NSDC STAR Program:**

The scheme branded as STAR (Standard Training Assessment and Reward) for promotional purposes envisages that a monetary reward will be provided to those who wish to acquire a new skill or upgrade their skills to a higher level.

The overall scheme at the National Level aims to train 10 lakh youth in a one year time period starting September 2013. The scheme was launched by Ministry of Finance, Govt. of India and promoted / managed by the Sector Skill Councils established by the National Skill Development Corporation (NSDC) through its training and assessment partners

The assessment will be based on the National Occupation Standards defined by the respective Sector Skill Councils. The certification is viewed very positively by the industry and will boost the prospects of the candidate. The competency gained, which is mapped to the Occupational Standards defined by the SSC and Industry will make for easier placement

Aggressively capturing this window of opportunity, ESDL addressed the NSDC STAR program and have been granted training numbers for INR 26Cr.

**CSR:**

As per the new company law, all major companies have to mandatorily spend 2% of their PAT on CSR. Having the expertise and experience in implementing livelihood projects, ESDL under CSR- Corporate Social Responsibility, plans to execute projects for CSR qualifying companies. ESDL will be focusing on *Renewable energy linked CSR projects and NSDC linked CSR projects.*



### C. ICT:

Everonn was one of the pioneers in offering complete ICT-enabled education in government schools through turn-key projects on a BOOT/BOT/BOO model, this division acts as an education service provider for computer education, computer literacy, computer-aided learning and teachers' training projects. Everonn has built a strong brand image for such projects with key policy makers for computer education in schools for the past 15 years.

However, due to the capital intensive nature of the business, Everonn has now restructured the business unit and has taken a conscious call to only bid and implement business that is asset light and service oriented. Given below is a snapshot of the scope of the existing ICT projects.

#### **ICT's scope of services for existing projects:**

- Maintain IT hardware, software and other physical infrastructure in good working condition to provide IT education, IT enabled education to children and teachers.
- Depending on the scope of work, appoint full-time faculty or school coordinators who are employees of Everonn, at the school or to handle a set of 5 schools.
- Provide and/or maintain multimedia content as per the curriculum stipulated by the government
- Train teachers, headmaster/headmistress at the school on computers and usage of multimedia content.

#### **Coverage across India:**

Everonn has worked and is currently working under the Public-Private Partnership mode with state governments in Andaman & Nicobar, Andhra Pradesh, Delhi, Goa, Himachal Pradesh, Haryana, Jharkhand, Karnataka, Maharashtra, Uttar Pradesh, West Bengal, Gujarat, Tamil Nadu, Pondicherry, Tripura and many more.

#### **New Projects:**

The new projects will focus on an asset light service oriented business model. Services include but are not restricted to the below:

- Public Private Partnerships (PPP) in providing education services in the area of running Government schools for a fixed duration based in agreed norms with the Government
- School and student management software which allows monitoring student attendance, progress & performance, evaluation, assessment, certification and preparation of various dashboards
- Specialized teachers training for pre-service and in-service teachers including soft skills/ student handling/ pedagogy, subjects re-skilling and IT courses specified in ICT scheme
- Instructor led training programs for students including providing full time trained teachers to schools to impart computer education

### iv. OUTLOOK

#### **SCHOOLS**

The Companies main business is operating and managing of schools. Everonn Public Schools opened at eight locations across India on the 16<sup>th</sup> of April 2014 starting the academic year 2014-15. Everonn is in the process of opening more schools across India to establish its pan India presence.

- The business plan envisages setting up of 40 K-12 schools in Type A and Type B cities of India based on detailed market and demographic analysis, serving a mid-market population by offering GEMS backed, high quality , CBSE curriculum at a price range of Rs 55 K to Rs 70 K per annum (depending on location).
- GEMS / Varkey Group injected cash to start executing the proposed plan; during 2014, we have successfully opened 8 mid-market priced CBSE curriculum schools in different parts of India (2 in Punjab, 1 in J&K, 1 in Uttrakhand, 3 in MP and 1 in AP).
- We have so far crossed enrolments over 1000 students in the above 8 schools.



- Our target for the first year in the above mentioned 8 schools were 2400 students; however, due to paucity of funds we could not provide the necessary infrastructure in the class rooms nor could we undertake marketing and selling activities at a level that it was required.
- If all banks provide timely financial support as per restructuring plan, we will be in a position to open 40 K-12 schools as per business plan. In 5<sup>th</sup> year, school business will generate Revenue of Rs 236 Crores and EBIDTA of Rs 27 Crores. In 10<sup>th</sup> year, school business will generate Revenue of Rs 604 Crores and EBIDTA of Rs 166 Crores.
- GEMS Dubai is actively engaged with the 8 schools already opened in order to ensure that good quality Principals and Teachers are recruited, continuous professional training is provided to Teachers for upgrading their skills, parental engagement programs are implemented, school management software and digital learning procedures etc are implemented.
- Academic leaders and school management professionals from GEMS / Varkey Group are actively supporting the 8 schools, the school Principals are taken to Dubai for their training and development.
- A management team comprising of experienced professionals have been put in place who are focused on further business development, managing the academic deliveries and managing the commercial operations.

### **SKILL**

Skill training includes vocational education and training to students. Everonn focuses on imparting industry relevant skills to youth to make them industry ready and skilled personnel. Everonn delivers courses in retail, apparel & textile, construction, gaming & animation, engineering, hospitality, health care and automobile sectors. Everonn works broadly in Government and NSDC.

Till last year our focus was to clean up non profitable businesses which were also non synergistic in nature. Having cleaned up till the end of last year we were left with the Business to Government business of skilling Indian youth and women into employability generation. The focus was also on creating women entrepreneurs through skilling and in collaboration with Self Help Groups. This would continue for us in the next year as well. In addition to this we are going to create two new models; one would be the Business to Corporate to do Corporate Training and Recruitment in select verticals as the Corporates are struggling to get the right talent and once they get them, they need to nurture them. This business entails bringing of new people and collaborations which we are focusing in this year. Secondly, we are starting a Business to Consumer model of creating employability for college students who are otherwise unemployable through a finishing school model. This will be the largest growth engine for the years to come.

### **ICT**

Pioneers in offering complete ICT-enabled education in government schools through turn-key projects on a BOOT model, this division acts as an education service provider for computer education, computer literacy, computer-aided learning and teachers' training projects. Through this division's unbeatable reach across the nation, Everonn has built a strong brand image with key policy makers for computer education in schools. Everonn ICT has worked and is currently working under the Public-Private Partnership mode with state governments in Andaman & Nicobar, Andhra Pradesh, Delhi, Goa, Himachal Pradesh, Haryana, Jharkhand, Karnataka, Maharashtra, Uttar Pradesh, West Bengal, Gujarat, Tamil Nadu, Pondicherry, Tripura and many more.

## **v. RISKS, THREATS AND CONCERNS**

- The Company's performance depends largely on the government policies on education and allocation of budgets towards education. Any adverse change in the government policies towards education and reduction in the allocation of government budget will materially affect the performance of the Company.
- The payment system with the government is exposed to delays due to bureaucratic process & systemic procedures in making payments. The delay in receiving payment from the Government will impact our cash flow and working capital requirements. The Company has taken measures to mitigate the risk by including the additional cost which may be incurred due to payment delays, into the price of the product/



service offered by the Company. Further, the Company has developed an efficient payment follow-up process to minimize the time taken to receive the payments from the Government

- Any adverse change in the tax laws of the Country that increases the tax liability, particularly income tax and service tax will have serious impact on the profitability of the Company. Any increase in the taxes, duties, levies etc. on computer hardware will affect the business of the Company.
- The company is dependent on a number of key managerial personnel and the Company's sustained growth depends upon its ability to attract and retain skilled manpower. Our inability to attract or retain such persons could adversely affect the performance of the company.
- These are the days when technology takes no time to become obsolete. Thus, to be at par with its competitors the Company has to ensure that it constantly updates and upgrades its technology. The company is well aware of these risks and challenges and has put in place mechanism to ensure that they are managed and mitigated with adequate timely actions.
- The Content developed by the Company is exposed to the risks of Piracy & infringement of copyright which may result in loss of revenue. The company oversees the usage of the product by the client during the contract period, thereby minimizing the piracy risk. The copyright law, license agreement, confidentiality agreements with employees and contractual confidentiality requirements imposed on our customers protects our copyrights on the content developed by us.

#### **vi. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down.

The Company has an audit committee, the details of which have been provided in the corporate governance report.

#### **vii. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial statements of Everonn Education Limited (referred to as "EEL") and its subsidiaries (collectively referred to as the Company) are prepared in compliance with the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP). EEL has followed the revised Schedule VI as notified by the Ministry of Corporate Affairs with effect from April 1, 2011, in the financial statements under discussion. The Company is following the Companies Act, 2013 with effect from April 1, 2014.

#### **viii. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED.**

The year 2014-15 was a year full of actions. The priorities of the organisation were reset which led to realigning our businesses in the group, loss making and high capital intensive businesses were closed. Manpower rationalization in line with new business focus done to keep the organisation more agile. In order to retain the best talents, an objective talent assessment conducted and created the Talent Pool who can work on any project or divisions. The HR processes and policies of the company made available on line to create complete transparency, fairness and confidence amongst employees. The online HRMS modules helped in employees in the field connected and get to know the happening in the organisation on a regular basis. The formal employee reward and recognition programme rolled out to promote performance and result oriented culture in the organisation. The various employee engagement activities conducted during the year have created positive energy amongst employees and work place. Every activity was carried out with care to build the new culture of achievement and appreciation. For Everonnians at HO, every Friday is a formal learning day. All the jobs in the company have been reviewed and Job descriptions were re-written to ensure high employee productivity and profitability. The second half was more challenging in terms of building talents to meet the demands of



opening up of 8 new schools in the group and to deliver the skill training across against the new orders bagged in Skills business. The organization has Talent strength of around 1056. The talent pipeline is promising and it is a matter of time in taking the organisation to the next level.

#### **CAUTIONARY STATEMENT**

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.





# CORPORATE GOVERNANCE

## I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark and it has inherited these from the Everonn culture and ethos. The Company continues to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader in education services, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to the Everonn group. The Company believes in adopting the 'best practices' that are followed in the area of corporate governance across various geographies.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These codes are available on the Company's website. The Company's corporate governance philosophy has been further strengthened through, the Everonn Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

Your Company acknowledges its responsibilities to its Stakeholders. Your Company has always focused on good Corporate Governance practices which would ensure efficient conduct of the affairs of the Company and achieve the Company's goal of maximizing values of all its stakeholders. Your Company recognizes the transparency, disclosure, financial controls and accountability are the pillars of the good system of corporate governance. It is the Company's endeavor to attain highest level of governance to enhance the stakeholder's value.

The Board of Directors performs the pivotal role in the governance system and they are primarily responsible for corporate governance of the Company. The Board has formed several Committees to assist them in specific areas resulting in sharper focus on Good Governance in order to ensure that the endeavor to maximize value for the entire spectrum of its stakeholders leads to long term benefits to society at large.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. The following is a report on the status and progress on major aspects of Corporate Governance for the year ended 31st March, 2015.

## II. BOARD OF DIRECTORS

The Board provides strategic guidance and independent views to the Company's management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and societal expectations.

### Composition of the Board

The Company has a balanced Board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance. The Board currently comprises 5 (Five) Directors out of which 3 (Three) Directors (60%) are Non-Executive Directors. The Company has an Executive Chairman and the 2 (Two) Independent Directors including 1 (one) Woman Director comprise (40%) of the total strength



of the Board. All independent Directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring best interest of stakeholders and the Company. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2015 have been made by the directors. None of the directors are related to each other.

Independent directors are non-executive directors as defined under Clause 49(II)(B)(1) of the Listing Agreements entered into with the Stock Exchanges. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under clause 49 of the Listing Agreement and Section 149 of the Act.

The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2015 are given herein below. Other directorships do not include directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanships / memberships of board committees shall include only audit committee and stakeholders' relationship committee.

Sl. No.	Name of the Director	Designation	Number of Board Meetings during the year 2014-15		Whether attended last AGM held on 26th Sep 2014	No. of Directorship in other Public Companies		No. of Committee Positions Held in other Public Companies	
			Held	Attended		Chairman	Member	Chairman	Member
1	Mr. CN Radhakrishnan	Executive & Non Independent Director	6	6	YES	Nil	NIL	NIL	NIL
2	Mr. Dino Sunny Varkey	Non-Executive & Non Independent Director	6	NIL	No	Nil	Nil	NIL	NIL
3	Mr. A Srinivasan	Managing Director	6	5	YES	Nil	Nil	NIL	NIL
4	Mr. R. Natarajan	Non-Executive & Independent Director	6	5	YES	Nil	Nil	NIL	NIL
5	Mr. Lakdawala Turab Mohd. Hussein	Non-Executive & Independent Director	6	5	YES	Nil	Nil	NIL	NIL
6	Mr. Sandeep Maniyar*	Executive & Non Independent Director	6	1	NA	Nil	3	NIL	NIL
7	Mr. Ajay Shetty*	Non-Executive & Non Independent Director	6	1	NA	Nil	7	NIL	NIL
8	Mr. Mustafa Shariff Mohammed *	Non-Executive & Independent Director	6	1	NA	Nil	Nil	NIL	NIL
9	Ms. Priyanka Gupta*	Non-Executive & Independent Director	6	NIL	NA	Nil	Nil	NIL	NIL

\* appointed on 2nd Feb 2015 and 23rd May 2015 respectively.

**Note:**

Video / tele-conferencing facilities are also used to facilitate directors travelling / residing abroad or at other locations to participate in the meetings.

- ❖ Six board meetings were held during the year and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held:
- ❖ May 26, 2014; August 12, 2014; November 13, 2014; December 29, 2014; February 02, 2015 and February 12, 2015.

1. The Directorships held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Limited Companies, which are not the subsidiaries of Public Limited Companies.
2. Represents Membership / Chairmanship of two Committees viz. Audit Committee and Stakeholders Relationship Committee as per Clause 49 of the Listing Agreement.
3. The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.
4. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.
5. Mr. Ajay Shetty, and Mr. Mustafa Shariff were appointed as an additional director on 2nd Feb 2015 and Mr. Sandeep Maniyar was appointed as a Executive Director and Chief Financial Officer on 2nd Feb 2015 and Ms. Priyanka Gupta was appointed as an Additional Director w.e.f. 23<sup>rd</sup> May, 2015.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

**I. Committees of the Board****A. Audit committee**

- i. The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchanges read with Section 177 of the Act.
- ii. The terms of reference of the audit committee are broadly as under:
  - ❖ Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - ❖ Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
  - ❖ Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - ❖ Reviewing, with the management, the annual financial statements and auditors' report there on before submission to the board for approval, with particular reference to:
    - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act
    - Changes, if any, in accounting policies and practices and reasons for the same
    - Major accounting entries involving estimates based on the exercise of judgment by management
    - Significant adjustments made in the financial statements arising out of audit findings
    - Compliance with listing and other legal requirements relating to financial statements
    - Disclosure of any related party transactions
    - Qualifications in the draft audit report



- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism.
- Approval of appointment of CFO;
- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- Oversee financial reporting controls and process for material subsidiaries;
- Oversee compliance with legal and regulatory requirements including the Everonn Code of Conduct ("ECoC") for the company and its material subsidiaries;
- To mandatorily review the following information:
  - ◆ Management discussion and analysis of financial condition and results of operations;
  - ◆ Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - ◆ Management letters / letters of internal control weaknesses issued by the statutory auditors;



- ◆ Internal audit reports relating to internal control weaknesses; and
  - ◆ The appointment, removal and terms of remuneration of the chief internal auditor.
- iii. The audit committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the audit committee.
- iv. The previous annual general meeting (AGM) of the Company was held on September 26, 2014 and was attended by Mr. Natarajan, Chairman of the audit committee.
- v. The composition of the audit committee and the details of meetings attended by its members are given below:

Director	Category	Number of Meetings during the financial year	
		Held	Attended
Mr. R. Natarajan	Independent, Non-Executive	4	4
Mr. Lakdawala Turab Mohd. Hussein	Independent, Non-Executive	4	4
Mr. CN Radhakrishnan	Non Independent, Executive	4	4
Mr. Mustafa Shariff Mohammed*	Independent, Non-Executive	4	1
Mr. Ajay Shetty*	Non Independent, Non-Executive	4	1
Ms. Priyanka Gupta**	Independent, Non-Executive	4	0

\*Appointed as an additional director with effect from 2<sup>nd</sup> Feb 2015

\*\* Appointed as an additional director with effect from 23<sup>rd</sup> May 2015

- vi. Four audit committee meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

May 26, 2014; August 12, 2014; November 13, 2014 and February 12, 2015.

The necessary quorum was present for all the meetings.

#### A. Nomination and Remuneration Committee

- i. The Company had a nomination committee and remuneration committee of directors. The nomination committee and remuneration committee of the Company were merged on May 23, 2015, pursuant to the provisions of the Act and clause 49 of the Listing Agreement.

- ii. The broad terms of reference of the nomination and Remuneration Committee are as under:

Recommend to the board the set up and composition of the board and its committees, including the “*formulation of the criteria for determining qualifications, positive attributes and independence of a director*”. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.

- Recommend to the board the appointment or reappointment of directors.
- Devise a policy on board diversity.



- Recommend to the board appointment of key managerial personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).
  - Carry out evaluation of every director’s performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include “formulation of criteria for evaluation of independent directors and the board”.
  - Recommend to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
  - On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
  - Oversee familiarisation programmes for directors.
  - Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the board, key managerial personnel and executive team).
  - Provide guidelines for remuneration of directors on material subsidiaries.
  - Recommend to the board on voting pattern for appointment and remuneration of directors on the boards of its material subsidiary companies.
  - Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.
- iii. The composition of the nomination and remuneration committee and the details of meetings attended by its members are given below:

Director	Category	Number of Meetings during the financial year	
		Held	Attended
Mr.C N Radhakrishnan	Non Independent, Executive	Held	attended
Mr. R. Natarajan	(Chairman) Independent, Non-Executive	NIL	NIL
Mr. Lakdawala Turab Mohd. Hussein	Independent, Non-Executive	NIL	NIL
Mr. Mustafa Shariff Mohammed*	Independent, Non-Executive	NIL	NIL
Mr. Ajay Shetty*	Non Independent, Non-Executive	NIL	NIL
Ms. Priyanka Gupta*	Independent, Non-Executive	NIL	NIL

\* **Appointed as a member of the committee w.e.f. Feb 02, 2015 and 30<sup>th</sup> May 2015**

- iv. The Company does not have any employee stock option scheme.
- v. Remuneration Policy



The Remuneration policy of the Company has been structured to match the market trends of the industry and to attract the best talents of the sector. The scales of remuneration are determined based on the levels of responsibility and scales prevailing in the industry. The Board of Directors of the Company had authorized the Remuneration Committee to fix the remuneration package of the Executive Director. Accordingly, the remuneration package of the Executive Director, including its break up into fixed component and performance linked incentive, along with the performance criteria are determined by the Remuneration Committee.

No Remuneration is payable to the Non-Executive Directors except sitting fees. No sitting fee is paid to the Executive Director for attending the Meetings of the Board or the Committees thereof. Further, the members have authorized the Board of Directors of the Company to vary the amount of sitting fees payable to the Directors for attending the Meetings of the Board of Directors and any of the Committees constituted, within such maximum permissible limit as may be prescribed under the Companies Act, 2013, Rules made and Notifications issued thereunder from time to time. As at present, the sitting fees payable to each of the Directors per meeting is as follows:

Sl. No	Name of the Committee	(Amount In Rs.)
1	Board	20,000/-
2	Audit Committee	20,000/-
3	Remuneration/Nomination Committee	20,000/-
4	Finance Committee	20,000/-
5	Shareholders/ Investor Grievances & Share Transfer Committee	20,000/-

#### B. Stakeholders' relationship Committee

- The Company had a shareholders / investors grievance committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature of the said committee was changed to stakeholders' relationship committee in the light of provisions of the Act and revised clause 49 of the Listing Agreement.
- Four meetings of the stakeholders' relationship committee were held during the year as on March 31, 2015.
- The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Director	Category	Number of Meetings during the financial year	
		Held	Attended
Mr. R. Natarajan (Chairman)	Independent, Non-Executive	4	4
Mr. Lakdawala Turab Mohd. Hussein	Independent, Non-Executive	4	4
Mr. CN Radhakrishnan	Non Independent, Executive	4	4
Mr. Ajay Shetty*	Non Independent, Non Executive	4	1
Mr. Mustafa Shariff Mohammed*	Independent, Non-Executive	4	1
Ms. Priyanka Gupta*	Independent, Non-Executive	4	0

\* Appointed as a member of the committee w.e.f. Feb 02, 2015 and 30<sup>th</sup> May 2015



iv. Name, designation and address of Compliance Officer:

Mr. N P MathiLingan,  
Chief Compliance Officer  
1st Floor, "A" Block,  
S. P. Infocity, Plot # 40,  
MGR Salai, Kandanchavadi,  
Perungudi, Chennai - 600096  
Tel: 91 44 66998400  
E-mail: companysecretary@everonn.com

v. Status of the Shareholders' Complaints:

The Shareholders Committee and the Board reviews the status of Shareholders' Grievances received by the Company together with the status of their redressal at every meeting. The details of complaint resolved during the financial year ended March 31, 2015 are as follows:

Sl. No	Nature of Compliants	Pending as on 1 <sup>st</sup> April 2014	Compliants received	Compliants Redressed	Pending as on 31 <sup>st</sup> March 2015
1	Nil	Nil	3	3	Nil

### C. Other Committees

#### 1. Finance Committee

##### a) Composition

The Finance Committee of the Board comprises of the following members. The Company Secretary acts as Secretary to the Committee:

S.No	Director	Position
1	Mr. C N Radhakrishnan	Chairman
2	Mr. Mustafa Shariff Mohammed	Member
3	Ms. Priyanka Gupta	Member

##### b) Terms of Reference in brief

The terms of reference of the Committee inter-alia includes the following:

- Opening, closing or Operation of Bank accounts.
- To review the position of funds of the Company, borrow monies required for the purpose of business, negotiate and finalise the terms of borrowings with the lenders, approve borrowings and look into its repayments and also to make loans when there is surplus money available in hand.
- Authorisation to Directors, employees or others for effective representation before Statutory, Legal, Judicial, Quasi-Judicial, Arbitrators, Mediators, Conciliators, Tribunals and all Other Authorities.

#### 2. Allotment Committee

##### a) Composition

The Board of Directors has constituted an Allotment Committee with the following members:





S.No	Director	Position
1	Mr. CN Radhakrishnan	Chairman
2	Mr. Mustafa ShariffMohammed	Member
3	Ms. Priyanka Gupta	Member

b) Terms of Reference in brief

The scope of the Committee comprises of allotment of shares on conversion of warrants, Foreign Currency Convertible Bonds or any other convertible instrument. The Meetings of the Committee are held based on the requirements for the business to be transacted.

#### IV. GENERAL BODY MEETINGS

The following are the details of Date, Location and Time of the General Meetings held during the last three financial years:

Date	Meeting	Location	Time
26th Sep 2014	AGM	Everonn House, 96-99 Industrial Estate Perungudi, Chennai - 96	10.00 a.m.
6th Mar, 2014	EGM	Everonn House, 96-99 Industrial Estate Perungudi, Chennai - 96	10.00 a.m.
26th Sep, 2013	AGM	Everonn House, 96-99 Industrial Estate Perungudi, Chennai - 96	10.00 a.m.
25th Sep, 2012	AGM	"Beach Park #2/226, Chinnandikuppam Road, Vettuvankeni, Chennai	10.00 a.m.
29th Jun, 2012	EGM	"Beach Park #2/226, Chinnandikuppam Road, Vettuvankeni, Chennai	9.30 a.m.
19th Oct, 2011	EGM	"Beach Park #2/226, Chinnandikuppam Road, Vettuvankeni, Chennai	9.30 a.m.
03rd Aug, 2011	AGM	P.Obul Reddy Hall, Sri Thyaga Brahma Gana Sabha, VaniMahal, G.N.Chetty Road, T.Nagar, Chennai 600 017	11.00 a.m.

During the last three Annual General Meetings, the Shareholders of the Company have approved the Special Resolutions as provided in the notice of the respective Annual General Meetings. Brief details of such resolutions are as under:

Year	Annual General Meeting	Sr.No.	Particulars of Special Resolution Passed
2014	14th AGM	1	The allotment of Equity Shares of the face value of Rs.10/- (Rupees Ten only) each to the Banks under the Debt Restructuring Agreement (DRA) executed on 22nd March 2014 (hereinafter referred to as the 'Lenders') which shall not exceed the amount of principal and interest outstanding as on the date of default, in the event of default in payment of the principal or interest thereon under the Scheme of Debt Restructuring at a price as per the SEBI rules and regulations/ Companies Act, 2013, on the exercise by the Lenders of the option to convert the whole or part of their loans, subject to a notice of at least 30 (thirty) days from the Lenders to the Company (hereinafter referred to as the "Notice of Conversion").
2013	13th AGM		NIL
2012	12th AGM		NIL

**I. POSTAL BALLOT**

There were no resolutions that were passed through postal ballot by the members of the Company during the year ended 31st March, 2015. None of the resolutions to be placed at the ensuing Annual General Meeting are required to be passed by the members through Postal Ballot.

**II. CODE OF CONDUCT**

The Code of Conduct (the Code) is applicable to all Directors and employees of the Company including its subsidiaries. The Code is a comprehensive Code to ensure good governance and to provide for ethical standards of conduct on matters including conflict of interest, acceptance of positions of responsibility, treatment of business opportunities and the like. A copy of the Code of Conduct is posted on the Company's website [www.everonn.com](http://www.everonn.com)

All the Board Members and Senior Management Personnel have affirmed compliance to the Code for the year ended on 31st March, 2015.

**III. DISCLOSURES****a) Material Related Party Transaction**

None of the transactions with any of the related parties was in conflict with the interest of the Company. Details of transactions with related parties are disclosed in the Financial Statements in the Annual Report.

**b) Compliances**

No penalties or strictures have been imposed on the Company during the past three years by Stock Exchanges or SEBI or any statutory authorities, on any matter related to capital market. The Company has complied with applicable rules and regulations prescribed by Stock Exchanges, SEBI or any other statutory authority relating to the capital market. All Returns/Reports were filed within stipulated period of time.

**c) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to the clause 49 of the Listing Agreements entered into with the Stock Exchanges:**

- The Company has set up a Remuneration Committee, details of which have been given earlier in this Report.
- The statutory financial statements of the Company are unqualified.

**IV. WHISTLE BLOWER POLICY**

The Company has adopted whistle blower policy and has established the necessary mechanism for employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.

**V. RECONCILIATION OF SHARE CAPITAL AUDIT:**

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

**VI. MEANS OF COMMUNICATION**

The Company regularly intimates information like quarterly financial results and media releases on significant developments in the Company as also presentations that have been made from time to time to the media, institutional investors, analysts are posted on the Company's website [www.everonn.com](http://www.everonn.com) and have also been submitted to the stock exchanges on which the Company's equity shares are listed, to enable them to put them on their own websites.

**a) Quarterly Results: Quarterly Results are published in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily vernacular newspaper and are also posted on the Company's website [www.everonn.com](http://www.everonn.com)**



- b) Media Releases and Presentations: Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.
- c) Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website.

## VII. GENERAL SHAREHOLDER INFORMATION

- a) Details of the forthcoming Fifteenth Annual General Meeting

1. Date : 29<sup>th</sup> September 2015
2. Day : Friday
3. Time : 10.00 A.M
4. Venue : Everonn House, 96-99, Industrial Estate, Perungudi, Chennai - 600096

As required under Clause 49(VIII)(E)(1) of the Listing Agreements entered into with the stock exchanges, particulars of directors seeking appointment / re-appointment at the forthcoming AGM are given in the Annexure to the notice of the AGM to be held on 29<sup>th</sup> September, 2015.

Financial Calendar:

Year ending: March 31

AGM in: September 29, 2015

Date of Book Closure/Record Date: As mentioned in the Notice of the AGM to be held on 29<sup>th</sup> September, 2015

- b) Listing on Stock Exchanges

The equity shares of the Company are listed on the following Stock Exchanges with the stock codes as indicated against each Stock Exchange:

Name of the Stock Exchange	Address	Stock Code
Bombay Stock Exchange Limited	Phiroze Jheejeebhoy Towers, Dalal Street, Mumbai - 400 001	532876
National Stock Exchange of India Limited	Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	Everonn

- d) Depositories

The equity shares of the Company are admitted in the following Depositories of the country under the International Securities Identification Number (ISIN) INE678H01010. This number is required to be quoted in each transaction relating to the dematerialized equity shares of the Company.

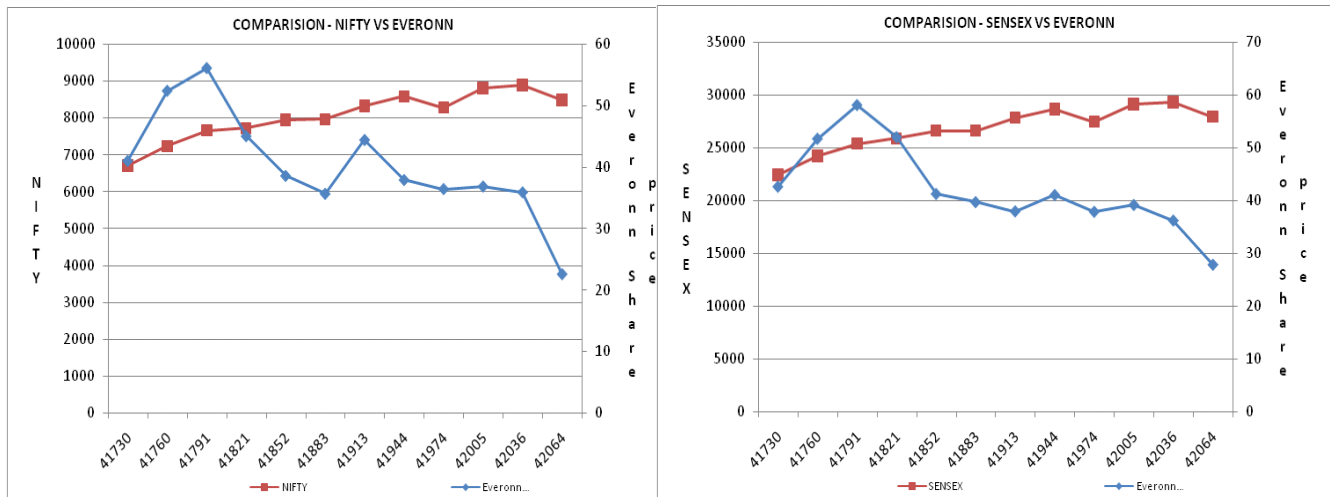
Name of the Depository	Address
National Securities Depository Limited (NSDL)	Trade World, A wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400 013.
Central Depository Services (India) Limited (CDSL)	Phiroze Jheejeebhoy Towers, (CDSL) 16th Floor, Dalal Street, Mumbai - 400 001



f) Details of the Share price movements in the National Stock Exchange of India Limited and Bombay Stock Exchange Limited

S.No	Month	NSE			BSE		
		High	Low	Total Traded Quantity	High	Low	Total Traded Quantity
1	Apr	46.45	39.00	19,53,712	46.20	39.05	6,45,698
2	May	65.50	35.70	39,38,948	65.35	38.00	14,47,837
3	Jun	63.70	51.00	16,13,156	64.30	51.80	7,54,493
4	Jul	60.35	43.15	10,23,686	61.10	42.90	4,77,941
5	Aug	45.30	37.05	5,12,957	45.45	37.05	2,03,722
6	Sep	45.00	34.50	12,80,654	44.90	34.50	4,45,923
7	Oct	47.65	31.40	14,17,509	47.20	28.70	417914
8	Nov	45.45	36.50	13,15,270	45.50	36.60	4,40,820
9	Dec	42.00	34.00	21,51,570	41.50	34.25	6,80,501
10	Jan	42.65	35.60	30,78,510	42.50	35.85	11,23,130
11	Feb	38.90	33.20	20,28,426	39.05	33.40	6,94,506
12	Mar	35.50	20.65	16,79,171	34.90	20.85	6,59,413

g) Performance in comparison to BSE Sensex and NSE S&P CNX Nifty



h) Registrar and Share Transfer Agents (RTA)

M/s. Cameo Corporate Services Limited, Chennai, is the Registrar and Share Transfer Agent (RTA) for handling the physical and electronic registry work. The Shareholders are requested to address their share related requests / queries to the RTA at the following address.

M/s. Cameo Corporate Services Limited  
 Unit: M/s Everonn Education Limited  
 Subramanian Building, No.1, Club House Road, Mount Road, Chennai - 600 002,  
 Tel: 044 - 2846 0390 Fax: 044 - 2846 0129

**i) Share Transfer System**

The requests for physical share transfers, transmissions, transposition etc., are received by the Company or by the Registrar and Share Transfer Agent. In respect of the Company's shares, which are traded in the dematerialized form, the transfers are processed and approved in electronic form by NSDL/CDSL through their Depository Participants.

The physical share transfers, transmissions etc., are processed based on number of requests received and keeping in view the prescribed timeline. The shares lodged for physical transfer/ transmission/transposition are registered as per the requirement of the listing agreement, if the documents are complete in all respects. Adequate care is taken to ensure that no share transfers are pending for more than the period stipulated in the listing agreement. Shares requested for dematerialisation are confirmed within 15 days.

To ensure swift processing of the share transfers, transmissions, transposition etc Shareholders/ Investors Grievance & Share Transfer

**j) Shareholding Pattern and the Distribution of Shareholding as at 31<sup>st</sup> March, 2015**

CLIENT TYPE	% OF HOLDINGS
Promoter and Promoter group	62.15
Resident	27.51
Corporate Body	5.26
Clearing Member	0.64
Foreign Institutional Investors	0.74
Financial Institution /Bank	1.54
NRI	0.84
Others	1.32
Total	100.00

The total number of shareholders as on 31<sup>st</sup> March 2015 stood at 36,238 (Thirty Six Thousand Two Hundred and Thirty Eight only).

The Distribution of the Shareholding of the Company as at 31<sup>st</sup> March, 2015, is as follows:

Number of Shares	Holding	% of Total	Shares	% of Total
1- 100	27035	74.60	1018240	4.23
101 - 500	6670	18.41	1722435	7.16
501- 1000	1351	3.72	1059621	4.40
1001 -2000	620	1.72	932225	3.86
2001 -3000	200	0.55	510023	2.12
3001 - 4000	104	0.28	371980	1.55
4001 -5000	68	0.19	316619	1.32
5001 - 10000	115	0.31	823639	3.44
10001 - and above	75	0.21	17297632	71.92
Total	<b>36238</b>	<b>100.00</b>	<b>24052414</b>	<b>100.00</b>

**k) Dematerialization of Shares and Liquidity**

The Company has entered into Agreements with both NSDL and CDSL to facilitate the shareholders to dematerialize their equity shares with any one of the Depositories. The custodial charges for the year 2014-15 have been paid to NSDL and CDSL as per the Listing Agreement.

As at 31<sup>st</sup> March, 2015, 2,40,51,707 equity shares representing 99.99% of the Company's total numbers of shares have been dematerialized.

In view of the SEBI's direction the settlement of trades in the listed securities should take place only in the demat mode and the benefits embedded in holding of the securities in demat form, the Shareholders holding the shares in physical forms are requested to demat their shares at the earliest.

**l) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments during the year ended 31<sup>st</sup> March 2015.

**m) Address for Correspondence & Shareholders queries**

Regd. Office :  
The Company Secretary,  
Everonn Education Limited,  
1st Floor, "A" Block,  
S. P. Infocity, Plot # 40,  
MGR Salai, Kandanchavadi,  
Perungudi, Chennai - 600096  
Phone : 044-42968400 Fax : 044-42968408

Registrar & Share Transfer Agents  
M/s. Cameo Corporate Services Limited  
Unit: Everonn Education Limited  
Subramanian Building,  
No.1, Club House Road,  
Chennai - 600 002.  
Phone : 044-28460390 Fax : 044-28460129

As required under sub clause 47(f) of the Listing Agreement, a separate email-id; [companysecretary@everonn.com](mailto:companysecretary@everonn.com), has been created by the Company for the purpose of registering the complaints by the investors. Mr. N P Mathi Lingan, Company Secretary, has been appointed as the Compliance Officer of the Company for the redressal of investor grievances. The Company has also displayed the email-id on the website; [www.everonn.com](http://www.everonn.com).

For and on Behalf of the Board

Sd/-	Sd/-
C N. Radhakrishnan	Sandeep Maniyar
Managing Director	Whole-time Director

Place: Chennai  
Date: 18th August 2015



## CODE OF CONDUCT

### Declaration under Clause 49 I (D) of the Listing Agreement

**THIS IS TO CONFIRM THAT** the Company has adopted a Code of Conduct for its employees and the directors of the Company. The Code of Conduct of the Company is available on the Company's website.

I confirm that the Company has in respect of the financial year ended 31<sup>st</sup> March, 2015, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**C N. Radhakrishnan**

Managing Director

Date: 18th Aug 2015

## CERTIFICATE ON CORPORATE GOVERNANCE

(Under Clause 49 of the Listing Agreement)

To  
The Members of Everonn Education Limited

We have examined the compliance of conditions of Corporate Governance by Everonn Education Limited (the Company) for the year ended 31<sup>st</sup> March 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/S G L SUBHRAMANIAN**  
Practicing Company Secretaries

Place : Chennai  
Date : 18th August 2015

**G L Subhramanian**  
Company Secretaries  
Membership No.27282



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERONN EDUCATION LIMITED

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of EVERONN EDUCATION LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year then ended.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

### Basis for Qualified Opinion

- i) *We draw attention to Note No 2.27 - Deferred tax asset has been carried over as at year end 31st March, 2015, 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. However on a prudent basis the company has not made any additional provision in the current year towards deferred tax asset.*
- ii) *We draw attention to Note No 2.36 towards Non-provision for Leave Encashment as specified under Accounting Standard 15 issued by ICAI. In the absence of Actuarial Valuation, we are unable to ascertain the effect of such non-provisioning.*
- iii) *We draw attention to Note No. 2.42 wherein the company has indicated that it is assessing the carrying value of investment in subsidiaries and advances to subsidiaries, after taking into account the future operational plans and cash flows and accordingly no impairment loss has been recognized at this stage.*





- iv) We draw attention to Note No.2.43 - Lease Charges amounting to Rs.23,43,35('000) for the year ended March 2015 has not been provided in the books for some parties as required by the contractual terms. The overall non-provisioning of lease rental as at 31st March 2015 amounts to Rs.46,29,56('000). Had this been considered in the audited results for the period ended March, 2015 the loss would have been Rs. 107,82,35('000) as against reported loss of Rs 84,39,00('000) and retained earning would have been Rs. 62,23,27('000) as against reported balance of Rs. 108,52,83('000)
- v) We draw attention to Note No.2.47 regarding non ascertaining of complete particulars of dues to Micro, Small and Medium Enterprises, if any, under MSMED Act, 2006, and provision towards interest, if any, is not ascertained at this stage.
- vi) We draw attention to Note No.2.49 of Financial Statements with regard to non-receipt of Confirmation of balances from Debtors including dues from Government Companies, Creditors, Loans and Advances, Investments, banks and Other Liabilities. These amounts are subject to adjustments, if any, after reconciliation and for identification of doubtful debts/advances, which are not ascertainable at this stage.
- vii) We draw attention to Note No 2.50, wherein the company has stated that provision towards impairment/ loss under AS 28 has not been ascertained.
- viii) We draw attention to Note No. 2.51 wherein the company has indicated the receipt of income tax demand notices for various assessment years commencing from AY 06-07 amounting to Rs. 97,83,39('000) and appeals filed against the orders. The Company has sought the stay of demand of tax inclusive of interest for which no provision has been made beneficial .

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects of the matter described in the **Basis for Qualified Opinion** paragraph to the audited financials which are not ascertainable, had the observations in the note number 2.43 of the financial statement with regards to the lease charges had been considered the loss for the year ended March,31,2015 would have been a loss of **Rs 107,82,35('000) as against reported loss of Rs 84,39,00('000) and retained earning would have been Rs 62,23,27('000) as against reported balance of Rs. 108,52,83('000)**, subject to paragraphs above the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its Loss and its cash flows for the year ended on that date.

### Emphasis of Matter

- a) Without qualifying our opinion, attention is drawn to accounting policy no. 2.1 of wherein, in the opinion of the management, despite incurring of substantial losses during the current financial year, erosion of net worth and existence of certain liabilities including banks, and other commitments, which are due for payment during the subsequent financial year the financial statements have been prepared on a going concern basis in view of the matters more fully explained in the said note.. The company's ability to continue as a going concern is dependent on the successful outcome of the management plans.
- b) We draw attention to Note no: 2.56 The company in accordance with the order of Hon'ble High Court of Madras had utilised an amount of Rs. 65,66,64('000) from the Business Restructuring Reserve created in the earlier year.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet and the Statement of Profit and Loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - a. *On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.*
  - b. *With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:*
    - i) *Based on the information and explanation given to us, the Company has disclosed the impact of pending litigations on its financial position in its financial statements in Note no. 2.41 & 2.54.*
    - ii) *The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.*
    - iii) *There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.*

**For M/S. P. CHANDRASEKAR**  
Chartered Accountants  
Firm Registration No. 000580S

P.Chandrasekaran  
Partner  
Membership No.: 026037

Place : Chennai  
Date: 18<sup>th</sup> August, 2015

**ANNEXURE TO AUDITORS' REPORT**

**The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:**

Based on the audit procedures performed for the purpose of reporting, true and fair view of the financial statements of the company and taking into consideration, the informations and explanations given to us, and the books of accounts and other records examined by us, in the normal course of audit, we report that;

- i. (a) *The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.*
- (b) *The Company has not carried out physical verification of fixed assets during the year. The company does not have a regular program of physical verification of its fixed assets. In our opinion the frequency of physical verification is not reasonable having regard to the size of the company and nature of its assets. Fixed Assets lying with third parties are also subject to confirmation. We are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification.*
- (c) The management has also represented that no substantial part of fixed assets have been disposed off during the year, to affect the going concern.
- ii. The company did not held any inventory during the year accordingly this clause is not applicable.
- iii. The company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act an amount of Rs 150,40,15( '000) is outstanding as on 31st March 2015.
  - (a) In respect of loans given as there is no written repayment schedule we are unable to comment as to whether the payment of principal amount is regular.
  - (b) As there is no written repayment schedule and based on the information and explanation provided to us no amount has been demanded accordingly there is no amount overdue for more than Rs one Lakh.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are customized and are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations. Additional strengthening of the internal control procedures with regard to purchase of fixed assets is recommended so as to be commensurate with the current size of the Company and nature of its business. However, the management has represented that it is taking reasonable steps to correct the said weaknesses and *in our opinion, there is a continuing failure to correct major weaknesses in internal control system relating to purchase of fixed assets.*
- v. As per the information and explanation provided to us the Company has not accepted any deposits from the public. However, temporary loans have been taken from employee welfare trust without adequate records.
- vi. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
- vii. The company is generally regular in depositing, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable except following:-

Particulars	Amount
Professional Tax	16,85 ('000)

Details of dues of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:



Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs. '000)
Income Tax Act, 1961	Income Tax Dues	CIT Appeals	AY 2005-06 to AY 2011-12	97,83,39

The Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under within time.

- viii. The company had accumulated losses at the end of the financial year and has incurred cash losses in the current and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company had restructured its loans with various banks and in accordance to the revised repayment schedule the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders subject to borrowing Standard Chartered Bank, which is currently under the DRT.
- x. According to the information and explanations given to us, the Company has given guarantee towards loans taken by others from banks and financial institutions, for which no counter guarantee has been obtained from the parties.
- xi. According to the information and explanations given to us, the Company has used the Term Loan availed during the current year for the purpose for which it was availed.
- xii. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India and based on information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

**For M/s. P CHANDRASEKAR**  
Chartered Accountants  
Firm Registration No.000580S

**P Chandrasekaran**  
Partner  
Membership No.026037

Place : Chennai  
Date: 18<sup>th</sup> August, 2015



**EVERONN EDUCATION LIMITED**  
**BALANCE SHEET AS AT 31-03-2015**

₹ in '000

PARTICULARS	NOTE NO	AS AT 31-Mar-15	AS AT 31-Mar-14
<b>EQUITY AND LIABILITIES</b>			
<b>Share Holder's Funds</b>			
Share capital	2.16	2,40,524	2,29,611
Reserves and surplus	2.17	10,85,283	27,28,351
<b>Non-current liabilities</b>			
Long-term borrowings	2.18	46,14,230	42,14,374
Other Long term liabilities	2.19	22,935	35,870
Long-term provisions	2.20	5,270	472
<b>Current liabilities</b>			
Short-term borrowings	2.21	31,14,991	34,01,636
Trade payables	2.22	2,98,887	3,16,285
Other current liabilities	2.23	1,92,116	1,53,622
Short-term provisions	2.24	1,04,484	1,16,330
<b>TOTAL</b>		<b>96,78,720</b>	<b>1,11,96,551</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	2.25	3,25,387	7,75,740
Intangible assets	2.25	30,524	82,404
Capital work-in-progress		-	5,95,875
Non-current investments	2.26	25,45,606	25,46,606
Deferred tax assets (net)	2.27	17,05,636	17,05,636
Long-term loans and advances	2.28	13,690	74,838
Other non-current assets	2.29	2,79,908	3,73,211
<b>Current assets</b>			
Current investments	2.30	12	12
Trade receivables	2.31	16,24,912	20,78,058
Cash and Bank Balances	2.32	56,958	1,64,062
Short-term loans and advances	2.33	30,96,087	28,00,109
<b>TOTAL</b>		<b>96,78,720</b>	<b>1,11,96,551</b>
<b>Significant accounting policies</b>	<b>2</b>		
<b>Summary of significant accounting policies</b>	<b>2</b>		
The accompanying notes are an integral part of the financial statements			

As per our report of even date  
for **M/s.P.Chandrasekar**  
Chartered Accountants

FRN : 000580S  
P. Chandrasekaran  
Partner  
Membership No:26037

Place : Chennai  
Date : 30.05.2015

For and on Behalf of Board of Directors

C N Radhakrishnan  
Managing Director

Ajay Shetty  
Director

Sandeep Maniyar  
Whole-time Director &  
Chief Financial Officer

N.P. Mathi Lingan  
Company Secretary



**EVERONN EDUCATION LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2015**

₹ in '000

PARTICULARS	NOTES	Year Ended 31-Mar-15	Year Ended 31-Mar-14
Revenue from Operations	2.34	2,83,254	4,32,299
Other Income	2.35	2,859	3,389
<b>Total Revenue</b>	<b>A</b>	<b>2,86,113</b>	<b>4,35,688</b>
<b>Expenses:</b>			
Employee benefits expense	2.36	1,77,011	2,34,432
Finance costs	2.37	4,08,330	4,94,341
Depreciation and amortization expense	2.25	3,27,724	4,61,852
Other Expenses	2.38	1,53,509	1,47,149
<b>Total Expenses</b>	<b>B</b>	<b>10,66,574</b>	<b>13,37,774</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>	<b>A-B</b>	<b>(7,80,461)</b>	<b>(9,02,086)</b>
Exceptional items	2.39	63,439	6,49,549
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>(8,43,900)</b>	<b>(15,51,635)</b>
Extraordinary Items		-	-
<b>Profit / (Loss) before tax</b>		<b>(8,43,900)</b>	<b>(15,51,635)</b>
Tax Expense			
Deferred tax		-	(3,43,443)
<b>Profit / (Loss) for the Year from continuing operations</b>		<b>(8,43,900)</b>	<b>(12,08,192)</b>
<b>Profit / (Loss) from discontinuing operations</b>			
<b>Profit / (Loss) from Discontinuing operations (after tax)</b>			
<b>Profit / (Loss) for the Year</b>		<b>(8,43,900)</b>	<b>(12,08,192)</b>
<b>Earnings per equity share (basic ) Rs.</b>	<b>2.40</b>	<b>(35.11)</b>	<b>(55.21)</b>
<b>Earnings per equity share (diluted) Rs.</b>	<b>2.40</b>	<b>(35.11)</b>	<b>(52.59)</b>
<b>Significant accounting policies</b>	<b>2</b>		

The accompanying notes are an integral part of the financial statements

As per our report of even date  
for **M/s.P.Chandrasekar**  
Chartered Accountants

FRN : 000580S  
P. Chandrasekaran  
Partner  
Membership No:26037

Place : Chennai  
Date : 30.05.2015

For and on Behalf of Board of Directors

C N Radhakrishnan  
Managing Director

Ajay Shetty  
Director

Sandeep Maniyar  
Whole-time Director &  
Chief Financial Officer



**EVERONN EDUCATION LIMITED**  
**CASH FLOW STATEMENT THE YEAR ENDED 31-03-2015**

₹ in '000

Particulars	Year Ended 31-Mar-15	Year Ended 31-Mar-14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(8,43,900)	(15,51,635)
Adjustments for:		
Depreciation	3,27,724	8,68,856
Interest on long term loan	4,08,330	4,70,772
Interest income	-	(2,870)
	<b>7,36,054</b>	<b>13,36,758</b>
Operating profit before working capital changes	<b>(1,07,846)</b>	<b>(2,14,877)</b>
Adjustments for :		
Trade and other receivables	2,88,177	3,18,942
Trade payables and other liabilities	(33,205)	(4,05,984)
Cash generated from operations	<b>1,47,126</b>	<b>(3,01,919)</b>
Direct taxes paid / deducted at source	<b>(49,193)</b>	<b>(1,81,192)</b>
<b>Cash Flow from Operations</b>	<b>97,933</b>	<b>(4,83,111)</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Asset	(394)	(10,697)
Sale of fixed assets	-	7,398
Interest income	-	2,870
Sale of Investment	1000	-
<b>Cash flow from Investment Activities</b>	<b>606</b>	<b>(429)</b>
<b>CASH FLOW FROM FINANCE ACTIVITIES</b>		
Share capital Raised (net of exp warrants)	43,314	43,314
Increase / (Decrease ) in Long-term borrowings	2,30,028	26,39,686
Increase / (Decrease ) in Short-term borrowings	(2,86,644)	(15,81,399)
Interest payment	(1,92,341)	(4,99,690)
<b>Cash flow from finance activities</b>	<b>(2,05,643)</b>	<b>6,01,911</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>(1,07,104)</b>	<b>1,18,371</b>
Opening balance of cash and cash equivalents	1,64,062	45,691
<b>Closing balance of cash and cash equivalents</b>	<b>56,958</b>	<b>1,64,062</b>

As per our report of even date  
for **M/s.P.Chandrasekar**  
Chartered Accountants

FRN : 000580S  
P. Chandrasekaran  
Partner  
Membership No:26037

Place : Chennai  
Date : 30.05.2015

For and on Behalf of Board of Directors

C N Radhakrishnan  
Managing Director

Ajay Shetty  
Director

Sandeep Maniyar  
Whole-time Director &  
Chief Financial Officer

N.P. Mathi Lingan  
Company Secretary



## **1 CORPORATE INFORMATION**

Everonn Education Limited (the 'Company') is a pioneer in using technological breakthroughs to make quality education a reality even in the most remote parts of the country. Everonn's passion for enabling cutting-edge education delivery has seen us grow dramatically in the past two decades. The company is a public listed company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE)

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 133 of the Companies 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Companies Act, 2013 (The 2013 Act") / Companies Act, 1956 (the 1956 Act") as applicable.

The company is pursuing various options towards fund raising in the form of debt or equity or mix of both, and negotiating with the current lenders and is also reviewing the business plan and firmly believes that with the combination of internal accruals in the next financial year and on achieving successful closure of these options in the coming months, the Company will be able to meet all its obligations. Consequently the management believes that the use of going concern assumption continues to be appropriate in the preparation of these financial statements. Accordingly the assets and liabilities have been recorded in these financial statements on the basis that the company will be able to realize its assets and discharge its liabilities in the normal course of the business. The management is of the view that despite the losses which are already forming part of the holding company as well as in the books of certain inoperative subsidiaries, the company is and will remain as a going concern and on this basis the financials, assets, liabilities are stated in the books of accounts.

### **2.2 USE OF ESTIMATES**

The preparation and presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

### **2.3 FIXED ASSETS, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS**

Fixed Assets are carried at cost less accumulated depreciation and impairment loss if any. Cost includes all expenses incurred to bring the assets to its present location and condition. Assets acquired on hire purchase are capitalized at gross value and interest thereon is charged to revenue.

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and impairment loss if any.

In respect of new projects setup include direct cost incurred are added to the cost of fixed assets and wherever the same is not exactly quantifiable, a reasonable allocation of expenditure is made, reflecting a portion of the cost as forming part of the cost of installation of the asset.

### **2.4 DEPRECIATION AND AMORTIZATION**

- i. Depreciation on fixed assets is provided on Straight Line Method over the useful life of assets as prescribed in Schedule II of the Companies Act, 2013, except
  - a) Fixed assets purchased for usage in executing the contractual obligations with the customers under the project are depreciated over the period of contract.





b) Intangible assets comprising knowledge resource and content are amortized over a period of five years.

ii. Depreciation on addition to the assets is calculated on a monthly pro-rata basis

## 2.5 REVENUE RECOGNITION

- a) Education and training income is recognized on rendering of services over the period of instruction as per the terms of agreement as the case may be.
- b) In respect of fixed price contracts, revenue is recognized as per the proportionate completion method.
- c) Revenue in respect of sale of trading, courseware content and knowledge resource is recognized on the basis of dispatch/delivery of the material to the customers.
- d) Revenue from online educational services is recognized upon receipt of subscription fees. In case of supply to license, the revenue is recognized on establishment of right to receive.
- e) Dividend income is recognized when the right to receive it is established. Interest income is recognized on time proportion basis.

## 2.6 INVESTMENTS

Investments are classified as current or long term in accordance with Accounting Standard 13 on "Accounting for Investments". Current investments are stated at lower of cost or market value. Any reduction in the carrying amount and or any reversal of such reduction are charged or credited to the statement of Profit and Loss.

Long-term investments are carried at cost less provision for other than temporary diminution in the carrying value of each investment.

## 2.7 LEASES

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the Profit and Loss account on straight-line basis over the lease term. Finance lease transactions are considered as financing arrangements in accordance with Accounting Standard 19 and the leased asset is capitalized at an amount equal to the present value of future lease payments and a corresponding amount is recognized as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to the leased asset.

## 2.8 EMPLOYEE BENEFITS

Employee benefits include provident fund, gratuity fund, employee state insurance, and compensated absences.

### a) Defined contribution Plan

The company has contributed to provident, pension funds which are defined contribution plans. The contributions paid/ payable under the scheme is recognized during the year in which employee renders the related service.

### b) Defined Benefit Plan

#### Gratuity

The Company provides for gratuity, defined benefit retirement plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Company's liability is actuarially determined at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company with SBI Life Insurance Co. Limited is additionally provided for.



The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with SBI Life Insurance Co. Limited is provided for in the books.

Actuarial losses/ gains are charged/ credited to the Statement of Profit and Loss in the year in which such Losses/ gains arise.

### **Compensated absences**

Liability in respect of compensated absences is provided both for cashable leave and those expected to be availed. The Company has defined benefit plans for compensated absences for employees, the liability for which is determined on the basis of management estimation at the end of the year. Any gain or loss arising out of such valuation is recognized in the Statement of Profit and Loss.

## **2.9 PROVISIONS, CONTINGENCIES AND COMMITMENTS**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Disclosure of show cause notices are made on merits of the matters where management foresees possibilities of outflow of resources.

Claims receivable are accounted at the time when such income has been earned by the Company depending on the certainty of receipts. Claims payable are accounted at the time of acceptance.

Claims raised by the Government Authorities regarding Taxes and Dues which are disputed by the Company are accounted based on merits of each claim.

## **2.10 BORROWING COST**

Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalized as part of the cost of such assets till such time the asset is ready for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use or sale and other borrowing costs are recognized as an expense in the period in which they are incurred.

## **2.11 TAXES ON INCOME**

Current tax is determined as the amount of tax payable in respect of taxable income of the year.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted as at the balance sheet date. Deferred Tax asset in respect of unabsorbed depreciation and carry forward losses are recognized only if there is virtual certainty that there will be sufficient taxable income available to realize such assets. The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

## **2.12 FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies at the year-end are recognized in the profit and loss account.

## **2.13 IMPAIRMENT OF ASSETS**

Assets that are subject to impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds the recoverable amount.



## 2.14 EARNINGS PER SHARE

The earnings considered in ascertaining EPS comprise the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares unless the results would be anti - dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

## 2.15 CASH FLOW STATEMENT

Cash flows are reported using the indirect method; where by net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investment and financing activities of the Company are segregated.

Cash and Cash equivalents for the purpose of cash flow statement comprises of Cash at Bank including Demand Deposit accounts, Cash in Hand (including cheques in hand).



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT 31-03-2015**

Particulars	As at March 31 2015	₹ in '000 As at March 31 2014
<b>2.16 SHARE CAPITAL</b>		
AUTHORISED		
2,50,00,000 (March 31, 2014: 2,50,00,000)		
Equity Shares of Rs.10/- each	<u>2,50,000</u>	<u>2,50,000</u>
ISSUED :		
2,40,52,414 (March 31,2014: 2,29,61,111) Equity Shares of		
Rs.10/- each fully paid up	<u>2,40,524</u>	<u>2,29,611</u>
SUBSCRIBED AND PAID UP :		
2,40,52,414 (March 31,2014: 2,29,61,111)		
Equity Shares of Rs.10/- each fully paid up	<u>2,40,524</u>	<u>2,29,611</u>

**a) Reconciliation of Number of Shares Equity Shares**

Particulars	March 31, 2015		March 31, 2014	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Balance as at the beginning of the year	2,29,61,111	22,96,11,110	2,18,69,808	21,86,98,080
Add: Preferential Allotment of Equity Shares to The Concorde Residential Schools (Kerala) Pvt Ltd	10,91,303	1,09,13,030	10,91,303	1,09,13,030
Shares bought back during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>2,40,52,414</b>	<b>24,05,24,140</b>	<b>2,29,61,111</b>	<b>22,96,11,110</b>

**b) Rights, preferences and restrictions attached to shares**

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share held. The equity shareholders are eligible to receive in the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT 31-03-2015**

**c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

Name of Shareholder	As at 31 Mar 2015		As at 31 Mar 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Skil Infrastructure Ltd	33,56,591	13.96%	40,00,000	17.42
The Concorde Residential Schools (Kerala) Pvt Ltd	32,75,606	13.62%	21,84,303	9.51
Gems Education (Asia) 1 Limited	44,93,831	18.68%	44,93,831	19.57
Varkey Group Limited	26,18,120	10.89%	26,18,120	11.40

- d) During the year the company had issued 10,91,303 equity shares of Rs. 10 each at the rate Rs.39.69 on account of conversion of Optionally Convertible Debenture of Rs. 4,33,14 ('000) as per the terms of Debenture Agreement

₹ in '000

Particulars	As at Mar 31 2015	As at Mar 31 2014
<b>2.17 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Balance as at the Beginning of the year	1,41,081	1,41,081
Added during the year	-	-
<b>Balance as at the end of the year</b>	<b>1,41,081</b>	<b>1,41,081</b>
<b>Business Reconstruction Reserve</b>		
Balance as at the beginning of the year	15,00,000	-
Add: Amount transferred from Securities Premium Account	-	15,00,000
Less: Utilized during the year(Refer Note. 2.56)	(6,56,664)	-
<b>Balance as at the end of the year</b>	<b>8,43,336</b>	<b>15,00,000</b>
<b>General Reserve</b>		
Balance as at the Beginning of the year	9,06,892	9,06,892
Less: Transitional adjustment on depreciation(Refer Note. No.2.25)	(1,74,903)	-
<b>Balance as at the end of the year</b>	<b>7,31,989</b>	<b>9,06,892</b>
<b>Securities Premium Account</b>		
Balance as at the Beginning of the year	34,49,061	49,16,660
Add: Received on issue of Equity Shares	32,401	32,401
Less: Transferred to Business Reconstruction Reserve	-	15,00,000
<b>Balance as at the end of the year</b>	<b>34,81,462</b>	<b>34,49,061</b>
<b>Surplus in Statement of Profit and Loss Account</b>		
Balance as at the beginning of the year	(32,68,685)	(20,60,491)
Profit / (Loss) for the year	(8,43,900)	(12,08,192)
Less: Appropriations	-	-
Balance as at the end of the year	(41,12,585)	(32,68,683)
<b>Total</b>	<b>10,85,283</b>	<b>27,28,351</b>



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT 31-03-2015**

₹ in '000

Particulars	As at March 31 2015	As at March 31 2014
<b>2.18 LONG-TERM BORROWINGS</b>		
Secured		
Term Loans		
From Banks	40,83,881	36,95,265
From Other Parties	5,30,349	5,19,109
<b>Total</b>	<b>46,14,230</b>	<b>42,14,374</b>

During the year, the company mobilized long term facilities from IDBI on strength of securities which are fully described note appended below which along with other facilities availed from Axis Bank Limited, ICICI Bank Ltd and State Bank of India (already restructured in the earlier year, the terms of which are already described in the accounts of previous year) have enabled the company to carry on its operations in a smooth manner. The measurement, classification and disclosure of the Company's term loan obligations have been recorded in these financial statements in accordance with the Debt Restructuring Agreement.



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2015**

₹ in '000

Particulars	Nature of Security	Terms of Repayment	As at Mar 31 2015			As at Mar 31 2014																													
			Amt in ₹ '000(including current maturities and accrued interest)			Amt in ₹ '000(including current maturities and accrued interest)																													
RESTRUCTURED LOANS			Axis	SBI	ICICI	Axis	SBI	ICICI																											
Term Loan i – Axis, SBI and ICICI	<p><b>Security</b></p> <p>a) First paripassu charge on all assets including intangible assets (present and future) of Everonn Group Companies.</p> <p>b) Assignment in favor of Lenders, all the rights, titles and interests of the Borrower from all contracts, insurances, licenses in, to, and under all assets of the company;</p> <p>c) First paripassu charge on Borrower's all bank accounts including, without limitation, the TRA. This would be by way of an account charge agreement including Everonn Group Companies.</p> <p>d) Pledge of equity shares of all present and future investments made by the Company.</p> <p>e) First paripassu charge on land owned by the promoter of value Rs. 110 Cr.</p> <p>f) Unconditional and Irrevocable Corporate Guarantee of Concorde Residential School (Kerala) Pvt. Ltd, and subsidiaries of Everonn Education Limited.</p> <p>g) Personal guarantee from the promoter Mr. Sunny Varkey to the extent of Rs.325 crores for all facilities extended.</p> <p>h) Paripassu charge on shares of the Company held by Concorde Residential School (Kerala) Pvt Ltd</p>	<p>To be repaid in 28 unequal quarterly installments commencing from 30th June 2016 as given below:</p> <table border="1"> <thead> <tr> <th>Year ending 31st March</th> <th>No of installments</th> <th>% repay ment</th> </tr> </thead> <tbody> <tr> <td>FY 17</td> <td>4</td> <td>8</td> </tr> <tr> <td>FY18</td> <td>4</td> <td>12</td> </tr> <tr> <td>FY19</td> <td>4</td> <td>12</td> </tr> <tr> <td>FY20</td> <td>4</td> <td>16</td> </tr> <tr> <td>FY21</td> <td>4</td> <td>16</td> </tr> <tr> <td>FY22</td> <td>4</td> <td>16</td> </tr> <tr> <td>FY23</td> <td>4</td> <td>20</td> </tr> <tr> <td><b>Total</b></td> <td><b>28</b></td> <td><b>100</b></td> </tr> </tbody> </table> <p>Rate of interest is fixed to yield at least 10.25% on a weighted average basis over the loan tenure.</p>	Year ending 31st March	No of installments	% repay ment	FY 17	4	8	FY18	4	12	FY19	4	12	FY20	4	16	FY21	4	16	FY22	4	16	FY23	4	20	<b>Total</b>	<b>28</b>	<b>100</b>	2417846	1144009	164300	2445316	1064985	152988
Year ending 31st March	No of installments	% repay ment																																	
FY 17	4	8																																	
FY18	4	12																																	
FY19	4	12																																	
FY20	4	16																																	
FY21	4	16																																	
FY22	4	16																																	
FY23	4	20																																	
<b>Total</b>	<b>28</b>	<b>100</b>																																	
Term Loan (FITL) ii– Axis, SBI	As mentioned in Term Loan i	Funded Interest Term Loan accumulated up to the interest moratorium period to be repaid in 28 quarterly equal installments commencing from 30th June 2016.	2417846	1144009	164300	2445316	1064985	152988																											



₹ in '000

Particulars	Nature of Security	Terms of Repayment	As at Mar 31 2015 (including current maturities and accrued interest)	As at Mar 31 2014 (including current maturities and accrued interest)
<b>RESTRUCTURED LOANS</b>				
Term Loan IDBI	As mentioned in Term loan I and First pari passu charge on 1st Floor at Everonn House, Plot No 96-99, Perungudi Industrial Estate	As mentioned in Term Loan i	153106	-
FITL IDBI	As mentioned in Term loan I and First pari passu charge on 1st Floor at Everonn House, Plot No 96-99, Perungudi Industrial Estate	As mentioned in Term Loan i	70,24	-

Particulars	Nature of Security	Terms of Repayment	As at March 31 2015 ₹ in '000 (including current maturities)	As at March 31 2014 ₹ in '000 (including current maturities)
Term Loan iii- CISCO	<b>Other Loans</b> Secured by Hypothecation of assets acquired for ARSWAN Project.	24 equal installments from the Dec 2014 (Restructured)	1,81,53	4,00,00
Term Loan iv- Reliance	Secured by Mortgage of Immovable Property at Perungudi, Chennai - 600096	96 Equated Monthly Installment of ₹57,52 (in '000)/- starting from April 2014 (Restructured)	32,19,41	34,22,38
Term Loan v- HP	Secured by Multimedia Content Software	Quarterly payment of Equated installments of ₹ 3,854 (in '000) up to Feb '13	1,90,254	1,86,920

₹ in '000

Particulars	As at March 31 2015	As at March 31 2014
<b>2.19 Other Long-term liabilities</b>		
Caution Deposit (refer note below)	22,602	35,537
Other deposits	333	333
<b>Total</b>	<b>22,935</b>	<b>35,870</b>

Note: Received from employees on various onsite projects

**2.20 Long-term Provisions**

Provision for employee benefits:

Provision for Gratuity	5,270	472
<b>Total</b>	<b>5,270</b>	<b>472</b>

Note: Received from employees on various onsite projects





**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT 31-03-2015**

₹ in '000

Particulars	As at March 31 2015	As at March 31 2014
<b>2.21 Short-term borrowings</b>		
Unsecured:		
Debentures	-	43,314
During the year the company had issued 10,91,303 equity shares of Rs. 10 each at the rate Rs. 39.69 on account of conversion of Optionally Convertible Debenture of Rs. 4,33,14 ('000) as per the terms of Debenture Agreement previous year		
Loans		
From Other Parties	<b>44,856</b>	44,856
From Related Party	<b>18,02,853</b>	18,18,353
From Subsidiaries	<b>9,81,415</b>	11,46,711
<b>Total</b>	<b>31,14,991</b>	<b>34,01,636</b>

₹ in '000

Particulars	Nature of Security	Terms of Repayment	As at March 31 2015	As at March 31 2014
Working Capital Term Loan I – SCB	Secured by Paripassu first charge on the Capital Present and future ₹ 5,000(in '000)/- Cash deposit under lien	On Demand entire current assets of the Company	<b>28,58,67</b>	24,72,04
Working Capital Loan - IDBI	Secured by Paripassu first charge on the entire current assets of the Company	On Demand	-	10,11,98

- a. Loan from Related Party and from subsidiaries does not carry any interest and is repayable on demand.
- b. The Company had defaulted in repayment of Working Capital term loan along with interest from Standard Chartered Bank. The matter has been referred to Debt Recovery Tribunal. The Company received an order in favour of Standard Chartered Bank from Debt Recovery Tribunal on 24th April 2015. However, The Company has preferred an appeal against the said order before the Debt Recovery Appellate Tribunal, and the same is awaited for being listed before the said Tribunal.



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT 31-03-2015**

Particulars	₹ in '000	
	As at March 31 2015	As at March 31 2014
<b>2.22 TRADE PAYABLES</b>		
Trade Payables	2,98,887	3,16,285
<b>Total</b>	<b>2,98,887</b>	<b>3,16,285</b>
<b>2.23 Other current Liabilities</b>		
Current maturities of Long-term debt (refer note no. 2.18)		
From Banks	-	-
From Other Parties	87,025	50,050
Interest accrued but not due on borrowings	17,211	17,211
Interest accrued and due on borrowings	15,542	6,354
Employee benefits payable	21,864	24,726
Statutory dues (including Provident Fund and Tax deducted at Source)	4,429	6,939
Other Payable	46,045	48,342
<b>Total</b>	<b>1,92,116</b>	<b>1,53,622</b>
<b>2.24 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits :		
Provision for Leave Encashment	3,781	3,781
Other Provisions		
Provision for Tax	1,00,703	1,12,549
<b>Total</b>	<b>1,04,484</b>	<b>1,16,330</b>

**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT 31-03-2015**

**2.25 FIXED ASSETS  
TANGIBLE ASSETS**

₹ in '000

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As at 01.04.2014	Additions	Deductions	As at 31-03-2015	Upto 01.04.2014	Charged to General Reserve\$	For the Year Ended	Deductions	Upto 31-03-2015	As at 31-03-2015	As at 31.03.2014
Land	33,400	-	-	33,400	-	-	-	-	-	33,400	33,400
Building	1,57,800	279	-	1,57,800	35,495	-	7,897	-	43,392	1,14,687	1,22,305
Plant and machinery	19,22,227	113	-	19,22,340	15,23,824	1,73,115	2,10,746	-	19,07,684	14,656	3,98,403
Electrical fittings	1,31,195	-	-	1,31,195	92,869	-	28,479	-	1,21,347	9,848	38,326
Furniture & Fittings	4,46,478	-	-	4,46,478	2,67,513	1,337	26,147	-	2,94,997	1,51,481	1,78,965
Vehicles	9,351	-	-	9,351	5,010	451	2,575	-	8,036	1,315	4,341
<b>Total</b>	<b>27,00,451</b>	<b>392</b>	<b>-</b>	<b>27,00,843</b>	<b>19,24,711</b>	<b>1,74,903</b>	<b>2,75,844</b>	<b>-</b>	<b>23,75,456</b>	<b>3,25,387</b>	<b>7,75,740</b>
<b>Previous Year</b>	<b>30,95,687</b>	<b>10,699</b>	<b>4,05,935</b>	<b>27,00,451</b>	<b>15,11,046</b>	<b>-</b>	<b>8,12,202</b>	<b>3,98,537</b>	<b>19,24,711</b>	<b>7,75,740</b>	<b>15,84,643</b>

₹ in '000

**INTANGIBLES ASSETS**

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As at 01.04.2014	Additions	Deductions	As at 31-03-2015	Upto 01.04.2014	Charged to retained Earnings#	For the Year Ended	Deductions	Upto 31-03-2015	As at 31-03-2015	As at 31.03.2014
Software	92,152	-	-	92,152	92,152	-	-	-	92,152	-	-
Knowledge Resource and Content	4,07,700	-	-	4,07,700	3,25,296	-	51,880	-	3,77,176	30,524	82,404
<b>Total</b>	<b>4,99,852</b>	<b>-</b>	<b>-</b>	<b>4,99,852</b>	<b>4,17,448</b>	<b>-</b>	<b>51,880</b>	<b>-</b>	<b>4,69,328</b>	<b>30,524</b>	<b>82,404</b>
<b>Previous Year</b>	<b>4,99,852</b>	<b>-</b>	<b>-</b>	<b>4,99,852</b>	<b>3,60,793</b>	<b>-</b>	<b>56,655</b>	<b>-</b>	<b>4,17,448</b>	<b>82,404</b>	<b>1,39,059</b>

# Note: The transitional effect on account of re-computation of depreciation in terms of Part C of Schedule II of the Companies Act 2013.



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2015**

₹ in '000

Particulars	As at March 31 2015	As at March 31 2014
<b>2.26 NON - CURRENT INVESTMENTS</b>		
Unquoted		
(i) Investment in Subsidiaries		
- 108000 Equity shares (March 31,2014, 108000) of Rs.100/- each fully paid up in Toppers Tutorial Private Limited.	1,35,000	1,35,000
- 2100000 Equity Shares (March 31,2014, 2100000) of Rs.10/- each fully paid up in Everonn Educational Resources Solutions Limited.	41,000	41,000
- 1550000 Equity Shares (March 31,2014, 1550000) of Rs.10/- each fully paid up in Everonn Infrastructure Limited.	15,500	15,500
- 5100 Equity Shares (March 31,2014, 5100 ) of Rs.10/- each fully paid up in AEG Skill Update Private Limited.	51	51
- 2250000 Equity Shares (March 31,2014, 2250000) of Rs.10/- each fully paid up in Everonn Business Education Limited.	2,20,500	2,20,500
- 2450000 Equity Shares (March 31,2014, 2450000) of Rs.10/- each fully paid up in Everonn School Limited.	60,500	60,500
- 50000 Equity Shares (March 31,2014, 50000) of Rs.10/- each fully paid up in Everonn Medical Education Limited.	500	500
- 50000 Equity Shares (March 31,2014, 50000) of Rs.10/- each fully paid up in Everonn Technical Education India Limited.	500	500
- 50000 Equity Shares (March 31,2014, 50000) of Rs.10/- each fully paid up in Everonn Sport Management Limited.	500	500
- 57178600 Equity Shares (March 31,2014, 57178600) of Rs.10/- each fully paid up in Edifications India Limited.	20,00,001	20,00,001
- 30000 Equity Shares (March 31,2014, 30000) of Rs.10/- each fully paid up in EveronnDassani Literate Limited.	300	300
- 50000 Equity Shares (March 31, 2014, 50000) of Rs.10/- each fully paid up in Everonn Knowledge & Education Corridor Limited.	500	500
- 0 Equity Shares (March 31,2014, 50000) of Rs.10/- each fully paid up in Everonn Skilling India Limited*	-	500
- 0 Equity Shares (March 31,2014, 50000) of Rs.10/- each fully paid up in Everonn Skill Products Development Limited*	-	500
<b>Total</b>	<b>24,74,852</b>	<b>24,75,852</b>



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2015**

₹ in '000

Particulars	As at March 31 2015	As at March 31 2014
(ii) Others		
- 82,530 Equity shares (March 31, 2014, 82,530 Equity shares) of Rs. 10/- each fully paid up DT Media and Entertainment Private Limited	10,729	10,729
- 1,22,500 Equity shares (March 31, 2014, 1,22,500) of Rs. 1/- each fully paid up Right Track Admizzionz Campuz Private Limited.	60,025	60,025
<b>Total</b>	<b>70,754</b>	<b>70,754</b>
<b>Total</b>	<b>25,45,606</b>	<b>25,46,606</b>
<b>Aggregate amount of unquoted investments</b>	<b>25,45,606</b>	<b>25,46,606</b>
*Note: Shares have now been realigned / transferred to Edification India Limited, another wholly subsidiary Company		
<b>2.27 DEFERRED TAX LIABILITIES / (ASSET)</b>		
<b>Deferred Tax Liabilities</b>		
On account of written down value of fixed assets	68,164	68,164
<b>Total (A)</b>	<b>68,164</b>	<b>68,164</b>
<b>Deferred Tax Assets</b>		
on account of fiscal disallowances expenses allowable for tax purposes when paid and loss carry forward	17,73,800	17,73,800
<b>Total (B)</b>	<b>17,73,800</b>	<b>17,73,800</b>
<b>Net Deferred Tax Liability / (Asset) (A-B)</b>	<b>(17,05,636)</b>	<b>(17,05,636)</b>
Deferred Tax Charge / (Credit) to Profit & Loss Account	-	(3,43,443)
<p>The company has evaluated the existing balance available with it under the head "Deferred tax assets" which arose on account unabsorbed depreciation and past losses. After reviewing the operations of the current year and also the forecasted operations of the company of the immediate future, the management is of the view that the exiting balance in deferred tax asset would be sufficient to provide it a tax shield and there is no need to recognize any additional deferred tax asset on account of the current year operations, which has also resulted in loss. The company is of the view that, at the same time, there is no need to impair/write off the existing carried forward deferred tax balances.</p>		
<b>2.28 Long-term loans and advances</b>		
Unsecured, Considered good:		
Security Deposits	13,690	74,838
<b>Total</b>	<b>13,690</b>	<b>74,838</b>
<b>2.29 Other non-current assets</b>		
Long term trade receivable unsecured considered good	2,79,908	3,73,211
<b>Total</b>	<b>2,79,908</b>	<b>3,73,211</b>



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2015**

₹ in '000

Particulars	As at March 31 2015	As at March 31 2014
<b>2.30 Current investments</b>		
At cost or Market value, whichever is less Quoted		
500 Equity shares of Rs.10/- each (Mar 31, 2014		
500 equity shares of Rs. 10 each) in Indian Overseas Bank		
Market Value Investments (IOB Shares) @ ₹42.35/- amounting		
to ₹ 21,175/- (March 31,2014, @ ₹51.00/- amounting to ₹25,500/- )	12	12
<b>Total</b>	<b>12</b>	<b>12</b>
<b>2.31 Trade Receivable</b>		
<b>Unsecured, considered Good</b>		
Outstanding for a period exceeding 6 months from the date		
they are due for payment	15,08,363	18,93,507
Others	1,16,549	1,84,551
	<b>16,24,912</b>	<b>20,78,058</b>
<b>Unsecured, considered doubtful</b>		
Outstanding for a period exceeding 6 months from the date		
they are due for payment	31,847	25,458
Less : Provision for doubtful debts	(31,847)	(25,458)
	—	—
<b>Total</b>	<b>16,24,912</b>	<b>20,78,058</b>
<b>2.32 CASH &amp; BANK BALANCES</b>		
Cash on Hand	459	1,841
<b>Bank balances</b>		
in Current Accounts	38,493	1,42,658
in Deposit Accounts	8,252	6,508
in Margin Account with Banks	9,754	13,055
<b>Total</b>	<b>56,958</b>	<b>1,64,062</b>
<b>2.33 Short-term loans and advances</b>		
<b>Unsecured, Considered good:</b>		
Loans and advances to related parties	15,04,015	14,10,958
Other loans and advances		
Advance Income tax including Tax deducted at Source	2,71,733	2,34,386
Advance to Suppliers	12,53,477	10,90,771
Prepaid Expenses	3,911	-
Others	62,951	63,994
<b>Total</b>	<b>30,96,087</b>	<b>28,00,109</b>



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31-03-2015**

₹ in '000

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>2.34 Revenue from Operations</b>		
Education and Training Income	2,83,254	4,32,299
<b>Total</b>	<u>2,83,254</u>	<u>4,32,299</u>
<b>2.35 Other Income</b>		
Interest income	2,483	2,870
Miscellaneous Income	376	519
<b>Total</b>	<u>2,859</u>	<u>3,389</u>
<b>2.36 Employee Benefits Expense</b>		
Salaries	1,57,748	2,19,500
Contribution to Provident and Other Funds	12,797	11,403
Staff Welfare Expenses & others	6,466	3,529
<b>Total</b>	<u>1,77,011</u>	<u>2,34,432</u>

**EMPLOYEE BENEFITS EXPENSE**

The disclosure under Accounting Standard 15 "Employee Benefits" notified in the notified under Section 133 of the Companies 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, are given below

**Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under:

₹ in '000

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Employer's Contribution to Provident Fund & ESI	79,99	99,02

**Defined benefit Plan**

The Employees fund scheme managed by SBI Life Insurance Co. Limited is a defined benefit Plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Method.



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31-03-2015**

₹ in '000

Sl.No.	Particulars	Gratuity Funded For the year ended 31/03/2015	Gratuity Funded For the year ended 31/03/2014
1	<b>Changes in present value of obligations</b>		
	Present value of obligations as at beginning of year	5,982	6,054
	Interest cost	424	471
	Current Service Cost	4,731	1,418
	Benefits Paid	(3,416)	(1,816)
	Actuarial (Gain)/Loss on Obligations	(205)	(146)
	Present value of obligations as at end of year	7,516	5,982
2.	<b>Changes in the fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	5,510	6,797
	Expected return on plan assets	152	472
	Contributions	-	-
	Benefits paid	(3,416)	(1,816)
	Actuarial Gain / (Loss) on Plan assets	0	57
	Fair value of plan assets at the end of year	2,246	5,510
3.	<b>Fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	5,510	6,797
	Actual return on plan assets	0	-
	Contributions	0	-
	Benefits Paid	(3,416)	(1,816)
	Fair value of plan assets at the end of year	2,246	5,510
	Funded status	(152)	(472)
	Excess of Actual over estimated return on plan assets	-	(57)
4.	<b>Actuarial Gain/Loss recognized</b>		
	Actuarial (Gain)/Loss for the year -Obligation	(205)	(146)
	Actuarial (Gain)/Loss for the year - Plan assets	0	(57)
	Total (Gain)/Loss for the year	(205)	(203)
	Actuarial (Gain)/Loss recognized in the year	(205)	(203)
5.	<b>Amounts to be recognized in the Balance Sheet</b>		
	Present value of obligations as at the end of year	7,516	5,982
	Fair value of plan assets as at the end of the year	2,246	5,510
	Funded status	(5,270)	(472)
	Net Asset/(Liability) recognized in balance sheet	(5,270)	(472)
6.	<b>Expenses Recognized in statement of Profit &amp; Loss</b>		
	Current Service cost	4,731	1,418
	Interest Cost	424	471
	Expected return on plan assets	(152)	(472)
	Net Actuarial (Gain)/Loss recognized in the year	(205)	(203)
	Difference in opening balance (actuarial valuation)	-	-
	Expenses recognized in statement of Profit & Loss	4,798	1,214
7.	<b>Assumptions used in accounting gratuity plan</b>		
	Discount Rate	9.16%	9.16%
	Salary Escalation	4.00%	4.00%
	Resignation rate per annum	1.00%	1.00%
	Rate of return on Plan Assets	8.00%	8.00%





**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31-03-2014**

- b. Unfunded Leave encashment Rs.3, 781 (000) (March 31 2014: Rs. 3,781(000))

As at 31st Mar 2015, leave encashment has been provided based on management computation and not on actuarial valuation as provided under Accounting Standard 15, for the current year the provision for leave encashment has not been estimated and provided.

₹ in'000

Particulars	Year Ended 31/03/2015	Year Ended 31/03/2014
<b>2.37 Finance Costs</b>		
Interest Expenses	4,02,906	4,70,772
Other borrowing costs	5,424	23,569
<b>Total</b>	<b>4,08,330</b>	<b>4,94,341</b>
<b>2.38 Other Expenses</b>		
Course execution and delivery expenses	13,307	24,959
Electricity Charges	7,393	9,677
Rent	1,169	2,019
Repairs to buildings	188	-
Repairs to machinery	44,214	19,788
Repairs to Others	26,635	5,572
Insurance	207	1,830
Rates and Taxes	6,492	8,485
Travelling Expenses	9,827	17,904
Director Fees	360	615
Payment to Auditors		
Audit Fee	1,500	1,500
Reimbursement of Expenses	175	382
Professional fees	32,617	32,913
Communication Expenses	3,436	11,077
Advertisement and Publicity Expenses	4,946	9,320
Equipment rental charges	1,043	1,105
Miscellaneous Expenses	-	3
<b>Total</b>	<b>1,53,509</b>	<b>1,47,149</b>
<b>2.39 Exceptional items</b>		
Exceptional provision (refer Note No. 2.54 below)	63,439	6,49,549
<b>Total</b>	<b>63,439</b>	<b>6,49,549</b>



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31-03-2015**

₹ in '000

Particulars		Year Ended March 31, 2015	Year Ended March 31, 2014
<b>2.40 Earnings per Share</b>			
<b>a) Basic</b>			
Profit after tax	A	(8,43,900)	(12,08,192)
Weighted average number of shares outstanding	B	240,37,465	2,18,81,767
Basic EPS	A/B	(35.11)	(55.21)
<b>Diluted</b>			
Profit after tax	A	(8,43,900)	(12,08,192)
Weighted average number of shares outstanding	B	240,37,465	2,29,73,070
<b>Diluted EPS ₹</b>	A/B	(35.11)	(52.59)
Face Value per share ₹		10	10

Note: Warrants, if, any outstanding at the year are anti-dilutive and hence ignored while computing diluted EPS.

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.

**Reconciliation of weighted average number of shares for the purpose of Basic and Diluted EPS**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Number of shares considered as basic weighted average shares outstanding	2,40,37,465	2,18,81,767
Add: Effect of potential dilutive shares	-	10,91,303
Number of shares considered as weighted average shares and potential shares outstanding	2,40,37,465	2,29,73,070

**2.41 CONTINGENT LIABILITIES AND COMMITMENTS TO BE UPDATED**

₹ in '000

Particulars	As at March 31, 2015	As at March 31, 2014
<b>a) Claims against the company not acknowledged as debt</b>		
Income Tax Matters	9,78,339	10,84,200
Service Tax Matters	-	11,155
<b>b) Bank Guarantees</b>		
	5,75,108	5,76,837
<b>c) Corporate Guarantee issued by parent on behalf of Subsidiary Companies Rs. 46,46,700 ('000) (PY Rs. 26,59,500 ('000)) against which the loan outstanding is Rs. 18,70,078 ('000) and (PY Rs. 17,05,591 ('000)) respectively</b>		
<b>d) Corporate Guarantee issued by parent to banks for Secured loans to third party Rs. 3,20,000 ('000) (PY Rs. 4,20,000 ('000)) against which the loan outstanding is Rs. 1,83,050 ('000) and (PY Rs. 3,13,118 ('000)) respectively</b>		

In respect of items above, future cash outflows in respect of contingent liabilities is determinable only on receipt of judgments pending at various forum/ settlement of matter. The management believes that, based on



## EVERONN EDUCATION LIMITED

### NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31-03-2015

legal advice or internal assessment, the outcome of these contingencies will be favorable and the loss is not probable. Accordingly no provisions have been made for the same.

- e) A Civil suit has been filed by The ICFAI Academy for permanent injunction for creating third party rights, or disposing the assets, both tangible and intangible, in the plaintiff's campuses and control offices from the academic year 2011 onwards. ICFAI has also claimed damages of Rs.5,000('000) along with interest at the rate of 18% p.a and the Company is contesting the case and the said suit is still pending in the Hon'ble Madras High Court.
- f) A Civil suit has been filed by Prometric BV towards damages amounting to Rs. 15,000('000) (PY Rs. 15,000('000)) and the Company is contesting the case.
- g) A civil suit has been filed by M/s PAE for recovery of outstanding Rs. 2498 ('000) (PY Nil) which is being contested
- h) HPFS has initiated winding up proceeding against the Company for the alleged nonpayment of lease charges. Since the claim made by HPFS is disputed by the Company the said Winding up proceeding is not maintainable. The Company is contesting the said Petition.
- i) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ Nil (PY ₹ Nil)
- j) Counter guarantee from third parties have not been taken for the corporate guarantee given on behalf of them.
- k) 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.

#### 2.42 DIMINUTION IN VALUE OF INVESTMENT

The company has an investment of Rs 247.48 Crores in its subsidiaries and Rs. 7.07 in other associates and has also extended loans and advances of Rs. 150.40 Crores to these subsidiaries/associates as of March, 31, 2015. The proposals which were submitted by the consultants for the consideration of management to realign its core investments and recognize and eliminate those investments which have not yielded any return till date has not been very encouraging and prima facie, these proposals appears to be against the investor and stake holders' interest, as it is expected to result in further net worth erosion at least in the beginning. The company at present has approached one of the leading 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 of all its subsidiaries. The management has decided to recognize the exact quantum in the diminution in the value of investments upon receipt of final proposal which is expected to be submitted shortly by the consultants. The company at present is confident of arriving at a final conclusion in this matter. As already stated elsewhere, the balance available in BRR which has been approved by Honorable Madras High Court allows a small flexibility to the company and a window to capture appropriately the diminution in the value of investments.

#### 2.43 OPERATING LEASES

The company has entered into operating lease arrangement for its office facilities and equipment. These Leases are for a period ranging from 1 to 5 years with an option to the company for renewing at the end of the initial term. Equipment rental/ Rental for operating leases is added in Profit and Loss account for the year ₹ 2,212 ('000) (March 31 2014 ₹ 3,124 ('000))

The Future minimum lease payments under non-cancellable operating leases are as follows



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31-03-2015**

₹ in '000

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Within one year	1,46,926	2,59,218
Between one to five Years	1,05,660	2,52,586
After five Years	-	-

The Lease arrangements for the above non-cancellable leases do not provide for any escalation and the same has been factored in the future minimum lease rentals as disclosed above.

As stated in the last year's accounts, the company has already entered into fresh arrangements with regard to operating leases with certain lessors and the effect of these lease rentals are already captured in these accounts excepting the arrangement with HPFS which has resulted in a litigation and initiation of a winding up petition on the company (fully described under the head winding up cases against the company). Apart from this, in respect of the liability of Acorn Commodity Exchange Pvt Limited towards Axis bank has been absorbed by the company and it now stands as liability due by the company and hence not reflected under lease charges. Similarly the payments to the Standard Chartered Bank in accordance with orders passed by DRT on account Haryana Project involving Spaarkon Trading Pvt Ltd has also been reflected on payment basis and not under head lease rentals dues. Pending litigations, the company has not recognized a sum of Rs. 2,34,335('000) of lease charges during the current financial year and total accumulated amount being Rs. 4,62,956 ('000) relating to Hewlett Packard Financial Services and Spaarkon Trading Pvt Ltd.,

₹ in '000

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>2.44 EXPENDITURE IN FOREIGN CURRENCY</b>		
Business Associate Expenses and vendor payments	712	-
Foreign Travel	408	3,975
<b>Total</b>	<b>1,120</b>	<b>3,975</b>
<b>2.45 EARNINGS IN FOREIGN EXCHANGE</b>		
Testing and Other Services	2,574	4,395

**2.46 RELATED PARTY DISCLOSURE****List of Related Parties**

Name	Nature of relationship
1. Everonn Educational Resources Solutions Limited	Subsidiary Companies (Direct and indirect holding)
2. Toppers Tutorial Private Limited	"
3. Everonn Infrastructure Limited	"
4. Everonn Business Education Limited	"
5. Everonn Technical Education India Limited	"
6. Everonn Medical Education Limited	"
7. Everonn School Limited	"
8. Edifications India Limited	"



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31-03-2015**

9. Everonn Sport Management Limited	”
10. Everonn knowledge & Education Corridor Limited	”
11. Everonn Skilling India Limited	”
12. Everonn Skill Products Development Limited	”
13. Everonn Skill Development Limited	”
14. AEG Skill Update Private Limited	”
15. Everonn Dassani Literate Limited	”
16. Varkey Group Limited	Enterprise over which some of the directors
17. SKIL Infrastructure Limited	exercise significant influence
18. Gems Education (Asia) 1 Limited	”
19. The Concorde Residential Schools (Kerala) Private Limited	”
20. Premier Educational Establishments Private Ltd	”
21. Gems Education India Private Limited	”
22. Zanskar Properties private Limited	”
23. VG School Developments Private Ltd	”
24. Dream Solutions Private Ltd	”
25. Mr. A Srinivasan*	Key Managerial Personnel
26. Mr. N P MathiLingan	”
27. Mr. GanapathyPuranik*	”
28. Mr. CN. Radhakrishnan	”
29. Mr. Sandeep Maniyar	”

\*resigned during the year

**Details of Transaction with the Related Parties**

Nature of Transaction	Subsidiaries		Enterprise over which some of the directors exercise significant influence		Key Managerial Personnel	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Subscription of Share capital and debentures received	-	-	-	86,627	-	
Trade Loans received	88,071	10,96,471	4,51,742	-	-	
Trade Loans paid	3,46,424	13,37,155	5,22,517	-	-	
Short term borrowing Received	-	-	65,600	14,97,182	-	-
Short term borrowing Repaid	-	-	81,101	2,74,384	-	-
Remuneration Paid			-	-	6,770	5,197

Disclosure of significant transactions with related parties:



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31-03-2015**

Type of Transaction	Type of Relationship	Name of the entity	March 31, 2015	March 31, 2014
Advance Given	Subsidiary including Indirect Subsidiary	Everonn Educational Resources Solutions Limited	19,025	18,262
		Toppers Tutorial Private Limited	16,136	2,657
		Aeg Skill Update Pvt Ltd	225	116
		Everonn Infrastructure Limited	2,83,353	2,83,116
		Everonn knowledge & Education Corridor Limited	10,90,581	10,90,400
		Everonn Skill Development Limited	89,380	16,393
		Everonn Skill Products Limited	83	7
		Everonn Skilling India Limited	5,233	7
Advance Received	Subsidiary including Indirect Subsidiary	Everonn Business Education Limited	46,704	74,664
		Everonn Technical Education India Limited	8,055	8,178
		Everonn Medical Education Limited	22,743	22,857
		Everonn School Limited	5,38,422	6,59,162
		Edifications India Limited	3,65,100	3,81,199
		Everonn Dassani Literate Limited	91	228
		Everonn Sport Management Limited	300	423
Short Term Borrowing	Enterprise over which some of the directors exercise significant influence	The Concorde Residential Schools (Kerala) private Limited	10,150	10,650
		Premier Educational Establishments Private Ltd	1,98,800	1,98,800
		Gems Education India Private Limited	1,52,006	1,52,006
		Zanskar Properties private Limited	5,50,600	5,50,600
		VG School Developments Private Ltd	5,98,700	5,98,700
		Dream Solutions Private Ltd	-	15,000
		Sunny Varkey	2,92,598	2,92,598
Corporate Guarantee on behalf of Subsidiary	Subsidiary including Indirect Subsidiary Subsidiary	Everonn Skill Development Limited	2,67,600	2,67,600
		Edifications India Limited	16,49,700	16,49,700
		Everonn School Limited	13,27,000	-
		Everonn Skilling India Limited	6,60,000	-

Disclosure pursuant to clause 32 of listing agreement in respect of loans given to subsidiaries and other parties in which Key Managerial Personnel are interested

Name of the entity	Outstanding		Maximum Outstanding during the Year	
	March 31 2015	March 31 2014	March 31 2015	March 31 2014
1. Everonn Educational Resources Solutions Limited	19,025	18,262	19,025	18,262
2. Toppers Tutorial Private Limited	16,136	2,657	16,136	3,21,680
3. Everonn Infrastructure Limited	2,83,353	2,83,116	2,83,353	2,83,116
4. Everonn Business Education Limited	(46,704)	(74,664)	(46,704)	2,08,858
5. Everonn Technical Education India Limited	(8,055)	(8,178)	(8,055)	(1,58,187)
6. Everonn Medical Education Limited	(22,743)	(22,857)	(22,743)	(4,82,917)
7. Everonn School Limited	(5,38,422)	(6,59,162)	5,38,422	(8,64,036)
8. Edifications India Limited	(3,65,100)	(3,81,199)	3,71,340	(3,81,199)
9. Everonn Sport Management Limited	(300)	(423)	(300)	(423)
10. Everonn knowledge & Education Corridor Limited	10,90,581	10,90,400	10,90,581	10,90,400



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31-03-2015**

11. Everonn Skilling India Limited	5,233	7	5,233	7
12. Everonn Skill Products Development Limited	83	7	83	7
13. Everonn Skill Development Limited	89,380	16,393	(91,380)	16,393
14. AEG Skill Update Private Limited	225	116	225	116
15. EveronnDassani Literate Limited	(91)	(228)	(91)	(285)
16. The Concorde Residential Schools (Kerala) Pvt Ltd	(10,150)	(10,651)	(10,651)	(10,650)
17. Premier Educational Establishments Private Ltd	(1,98,800)	(1,98,800)	(1,98,800)	(1,98,800)
18. Gems Education India Private Limited	(1,52,006)	(1,52,006)	(1,52,006)	(1,52,006)
19. Zanskar Properties private Limited	(5,50,600)	(5,50,600)	(5,50,600)	(5,50,600)
20. VG School Developments Private Ltd	(5,98,700)	(5,98,700)	(5,98,700)	(5,98,700)
21. Dream Solutions Private Ltd	-	(15,000)	(65,600)	(15,000)
22. Sunny Varkey	(2,92,598)	(2,92,598)	(2,92,598)	(2,92,598)

#### 2.46 SEGMENT REPORTING

The Company is engaged in the business of providing education and training and related sale of equipment's. There being only one 'business segment' and 'geographical segment' the segment information is not provided

#### 2.47 DUES TO MICRO AND SMALL ENTERPRISES

The company has circulated a letter to all creditors to ascertain the applicability of MSMED Act on the transaction which the company had with them. Provision for interest if any under the Act will be made upon receipt of their responses and after examining the validity of their claim.

#### 2.48 TRANSACTIONS WITH ASSOCIATED ENTERPRISES

The company has transactions with "Associated Enterprises" which are subject to Transfer Pricing regulations in India. The Management of the Company is of the opinion that such transactions with the associate enterprises are at arm's length. Consequently, this will not have any impact on the financial statements, particularly on account of tax expenses and that of provision for taxation.

#### 2.49 BALANCE CONFIRMATION

Confirmations of Balance from Sundry Debtors, Deposit accounts, Loans and Advances, certain Banks and Sundry Creditors have not been obtained. Accounts of certain sundry debtors, loans and advances, deposits and creditors are being reviewed as an ongoing process. As there is an inordinate delay in receipt of confirmations from Government Contracts adjustments, if any will be made on completion of review/reconciliation/ identification of doubtful debts/advances.

#### 2.50 IMPAIRMENT OF ASSETS

As explained under the head Business Reconstruction Reserve under the Note No. 2.56 the company had utilized the BRR reserve by writing off the balance appearing in Capital work in progress as well as certain long outstanding non recoverable advances and receivables. In respect other assets the company is confident that once restructuring exercise is fully completed, it will have clearer picture with regard to exact quantum of impairment that need to be recognized. The company is of the view that these will be appropriately dealt during the next financial year, after taking into account the available balance in BRR and the write back if any that may arise due to the successful negotiations with the creditors in respect of the outstanding of the company.

#### 2.51 INCOME TAX

During the year, the Company reviewed the position with regard to the income tax assessments till date and has taken certain decisions to mitigate the tax outflow especially by filing revised returns/computations in respect of all the pending assessments. The company received assessment order for AY 2006-07 to 2012-13 which is also being contested. The various appeals filed by the company against the demands raised by the Income tax department were heard subsequent to close of the accounting year and based on the favorable



## **EVERONN EDUCATION LIMITED**

### **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31-03-2015**

judgements rendered in other cases of similar natures; the management is of the view that there is no need to recognize any additional tax provision. The company has been advised that there are reasonable chances of obtaining favorable orders reducing the quantum of demand to a great extent (as against any additional outgo on account of new demands) in case the judicial precedents are followed fully in deciding these appeals, which will re-inforce the stand taken by the company.

No provision is made in this regard, as the Company has been advised that the stand of the Company will be accepted in appeal. Any additional tax provision arising out of the tax demands (inclusive of interest and penalty) will be made upon reaching the finality in respect of the assessments.

#### **2.52 EXCEPTIONAL ITEMS**

The break up is as under





**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT 31-03-2015**

₹ in '000

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
i. Restructuring of Operating Lease arrangements with Reliance Capital Limited amount recognized as on exceptional items (Note Below)	—	1,65,406
ii. Lease deposits for premises at Perungudi written off (Note Below)	—	33,333
iii. Write down in the value of Fixed Assets	—	4,07,005
iv. Other Items	63,439	43,806

- i. During the year exceptional item represents payments made to consultants for various services including restructuring, preparation of prospective business plan for restructuring and fresh funds from banks and other services. This also includes write off of old debtors of Rs.1.37 cr, penalties levied by Haryana and AP government of Rs. 1.30 Cr for certain deficiencies and other miscellaneous receivables of Rs. 50 Lakhs
- ii. During the previous year the company initially had an operating lease arrangement with Reliance capital in respect of certain assets and the overduestowardsthe lease rentals resulted in legal proceedings against the company. The Company later concluded a revised arrangement with Reliance Capital under which the operating lease arrangement was substituted by a mortgage loan with EMIs being paid over a period of 8 years up to 2022. This mortgage loan together with existing mortgage loan aggregate to Rs. 342,238 ('000) and is secured by the title deeds of third floor of the property at Perungudi, Chennai. The company has reached an understanding with Reliance Capital Ltd for a one time settlement of its dues. The revised terms a necessitated a recognition of a onetime charge of Rs. 16.54 Cr.
- iii. During the previous year the company initially had an option to acquire two floors additionally in the office premises at Perungudi, Chennai. Accordingly, the company made a deposit of Rs. 5,00,000 ('000) towards the acquisition of three floors with the land lord. However, due to financial constraints, the company acquired only the third floor and surrendered the option to acquire the other two floors along with the deposit of Rs. 33,333 ('000) which is now reflected as an exceptional item as the negotiations were concluded during the current financial year.

**2.53** Due to erosion in the net worth, the company's is unable to expand in confident manner its various operations and also arrest the continued losses sustained by it. The company's business plans that are evaluated by the bankers have re-in forced the belief of the company that its future lies in successfully exploiting its strength in running schools across the country to take care of increasing demand. With the funds raised from the bankers, the company has judiciously allocated its resources so that its operations across the group especially the operating companies are carried out in smooth manner without creating any bottle necks. In other words the company continues to use the funds raised for all common purposes so that the returns that expected flow in near future will be adequate to defray all the possible liabilities of the company.

The promoters of the company, who are one of the world leaders in education and running schools of repute, all over the world, have brought in major changes in the operation of the entire group's activities, the emphasis now being focused on establishing and running of high quality schools across the country. Accordingly, the management of the company has now decided to shed all unviable businesses which were started earlier by the old management and has now decided to have a leaner structure without carrying on the multiple subsidiary companies. The management is fully aware that any abrupt closure of these subsidiaries without evaluating the risks attached in relation thereto will further cripple the inflow of the bank finances which are necessary for the running the operations of the company. At the same time, the company has also consulted best legal minds who have advised the management to take recourse to



## EVERONN EDUCATION LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT 31-03-2015

certain legal proceedings to ensure that the interest of the company is fully secured, in recouping its dues, which the management is of the view, has not been properly safeguarded in the past. A new team of officials have been brought in, almost at the beginning of the current calendar year who are constantly pursuing various alternatives to ensure that some of the assets which are held by the subsidiaries (whether in the form of loans/advances or any interest in immovable properties - whether directly or otherwise) is properly realigned in the company's books so that the company's net worth is fully protected.

The company's financial position has been constantly reviewed by the lenders who have been monitoring closely all the activities and with their cooperation the management is of the view that it will wipe out all the legacy issues and embark on a new direction. The management is of the view that despite the losses which are already forming part of the holding company as well as in the books of certain inoperative subsidiaries, the company is and will remain as a going concern and on this basis the financials / assets / liabilities are stated in the books of accounts. The Company is also taking various steps to reduce costs and improve efficiencies to make its operations profitable and accordingly the financial statements have been prepared on the basis that the Company is a going concern.

**2.55** In respect of advances given to various parties and Debts due from government agencies and others, in view of legal advices and other opinion received no provision is considered necessary at this juncture, as the company at present is hopeful of recovering major portion of outstanding dues.

#### **2.56 BUSINESS RESTRUCTURING RESERVE**

The Hon 'ble High Court of Madras permitted the Company to reduce the Securities Premium Account to an amount not exceeding Rs. 150 Crores to be transferred to a separate reserve styled as "Business Restructuring Reserve"(BRR). The resolution passed by the Share Holders and approved by the Court permitted the BRR should be utilized for setting off against diminution in the value of investments, and consequent impairment of goodwill and accumulated losses, unrealized debtors and loans and advances etc.,

The Company has given effect to this order of the Hon 'ble High Court by carving out of the Share Premium Account, a sum of Rs. 150 Crore to BRR.

Out of the balance of Rs. 150.00 Crores under head BRR, during the year company has utilized a sum of Rs. 65.66 Crores, in accordance with the permission granted by the Honorable High Court of madras. The reaming balances will be utilized for the purposed approved by court in the current financial year.

#### **2.57 PREVIOUS YEAR FIGURES**

Previous years' figures have been regrouped / reclassified wherever necessary to conform to the current year presentation.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERONN EDUCATION LIMITED

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **EVERONN EDUCATION LIMITED** ("the holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") , which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year then ended.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors for the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing opinion on whether the holding company has an adequate financial control systems over financial reporting in place and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the Consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated financial statements.

### Basis for Qualified Opinion

- i) *We draw attention to Note No 2.29 - Deferred tax asset has been carried over as at year end 31st March, 2015, 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. However on a prudent basis the company has not made any additional provision in the current year towards deferred tax asset.*



- ii) We draw attention to Note No 2.40 towards Non-provision for Leave Encashment as specified under Accounting Standard 15 issued by ICAI. In the absence of Actuarial Valuation, we are unable to ascertain the effect of such non-provisioning.
- iii) We draw attention to Note No.2.46 - Lease Charges amounting to Rs.23,43,35('000) for the year ended March 2015 has not been provided in the books for some parties as required by the contractual terms. The overall non-provisioning of lease rental as at 31st March 2015 amounts to Rs.46,29,56('000). Had this been considered in the audited results for the period ended March, 2015 the loss would have been Rs194,34,70('000) as against reported loss of Rs170,91,35('000) and retained earning would have been Rs. ( 202,40,43) ('000) as against reported balance of Rs. (156,10,87) ('000)
- iv) We draw attention to Note No.2.51 regarding non ascertaining of complete particulars of dues to Micro, Small and Medium Enterprises, if any, under MSMED Act, 2006, and provision towards interest, if any, is not ascertained at this stage.
- v) We draw attention to Note No.2.53 of Financial Statements with regard to non-receipt of Confirmation of balances from Debtors including dues from Government Companies, Creditors, Loans and Advances, Investments, banks and Other Liabilities. These amounts are subject to adjustments, if any, after reconciliation and for identification of doubtful debts/advances, which are not ascertainable at this stage.
- vi) We draw attention to Note No 2.54, wherein the company has stated that provision towards impairment/loss under AS 28 has not been ascertained.
- vii) We draw attention to Note No. 2.55 wherein the company has indicated the receipt of income tax demand notices for various assessment years commencing from AY 06-07 amounting to Rs. 97,83,39('000) and appeals filed against the orders. The Company has sought the stay of demand of tax inclusive of interest for which no provision has been made beneficial .
- viii) We draw attention to Note No 2.45 regarding the pending service tax dispute towards penalty before settlement commission and the non recognition of the estimated liability of Rs 2,037 ( '000) towards service tax which is recognised as contingent liability.

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

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects of the matter described in the **Basis for Qualified Opinion** paragraph to the aforesaid consolidated audited financials which are not ascertainable, had the observations in the note number 2.46 of the Consolidated financial statement with regards to the lease charges had been considered the loss for the year ended March,31,2015 would have been a loss of **Rs.194,34,70('000) as against reported loss of Rs.170,91,35('000) and retained earning would have been Rs.(202,40,43)('000) as against reported balance of Rs. (156,10,87) ('000)**, subject to paragraphs above the Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated Loss and its cash flows for the year ended on that date.

### **Emphasis of Matter**

- a) Without qualifying our opinion, attention is drawn to accounting policy no. 2.1 of wherein, in the opinion of the management, despite incurring of substantial losses during the current financial year, erosion of net worth and existence of certain liabilities including banks, and other commitments, which are due for payment during the subsequent financial year the Consolidated financial statements have been prepared on a going concern basis in view of the matters more fully explained in the said note. The Group's ability to continue as a going concern is dependent on the successful outcome of the management plans.
- b) We draw attention to Note no: 2.56 The Holding Company in accordance with the order of Hon'ble High Court of Madras had utilised an amount of Rs. 65,66,64('000) from the Business Restructuring Reserve created in the earlier year.



- c) *We draw attention to Note no: 2.61 the company has not consolidated the financial statements of one of the Associate company as required by the Companies Act 2013*

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors reports of the Holding Company and the Subsidiary Company incorporated in India, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c. The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss and the Consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
    - a. *On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.*
    - b. *With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:*
      - i) *Based on the information and explanation given to us, the Consolidated Financial Statements has disclosed the impact of pending litigations on its Consolidated financial position of the group in Note no. 2.45 & 2.58*
      - ii) *The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.*
      - iii) *There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.*

**For M/S. P. CHANDRASEKAR**  
Chartered Accountants  
Firm Registration No. 000580S

P.Chandrasekaran  
Partner  
Membership No.: 026037

Place : Chennai  
Date: 30<sup>th</sup> May, 2015



## ANNEXURE TO AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Consolidated financial statements for the year ended 31 March 2015, we report that:

- i. (a) *The Group has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.*
- (b) *The Group has not carried out physical verification of fixed assets during the year. The Group does not have a regular program of physical verification of its fixed assets. In our opinion the frequency of physical verification is not reasonable having regard to the size of the group and nature of its assets. Fixed Assets lying with third parties are also subject to confirmation. We are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification.*
- (c) The management has also represented that no substantial part of fixed assets have been disposed off during the year, to affect the going concern.
- ii. The group did not held any inventory during the year accordingly this clause is not applicable.
- iii. The group has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are customized and are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations. Additional strengthening of the internal control procedures with regard to purchase of fixed assets is recommended so as to be commensurate with the current size of the Group and nature of its business. However, the management has represented that it is taking reasonable steps to correct the said weaknesses and in our opinion, there is a continuing failure to correct major weaknesses in internal control system relating to purchase of fixed assets.
- v. As per the information and explanation provided to us the Group has not accepted any deposits from the public. However, temporary loans have been taken from employee welfare trust without adequate records.
- vi. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
- vii. The Group is generally regular in depositing, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, wherever applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable except following:-

Name of the Company	Particulars	Amount ('000)
Everonn Education Limited	Professional Tax	16,85
Everonn Skill Development Limited	Service Tax	35,33
Everonn Skill Development Limited	Professional Tax	1,02
Toppers Tutorials Private Limited	Service Tax	1323
Toppers Tutorials Private Limited	Professional Tax	468
Everonn Educational Resources Solutions Limited	TDS Profession	16
Everonn Educational Resources Solutions Limited	Professional Tax	19
Everonn Technical Education India Limited	Professional Tax	9



Details of dues of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of the Company	Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs. '000)
Everonn Education Limited	Income Tax Act, 1961	Income Tax Dues	CIT Appeals	AY 2005-06 to AY 2011-12	97,83,39
Everonn Educational Resources Solutions Limited	Income Tax Act, 1961	Income Tax Dues	CIT Appeals	AY 2019-10	1,68,53
Everonn Business Education Limited	Service Tax	Service Tax Dues	Settlement Commission	FY 10-11, FY 11-12	8,59
Everonn Skill Development Limited	Service Tax	Service Tax Dues	Settlement Commission	FY 10-11, FY 11-12	11,78
Everonn Infrastructure Limited	Service Tax	Service Tax Dues	Settlement Commission	FY 10-11, FY 11-12	5,20

The Group has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under within time.

- viii. The Group had accumulated losses at the end of the financial year and has incurred cash losses in the current and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Group had restructured its loans with various banks and in accordance to the revised repayment schedule the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders subject to borrowing Standard Chartered Bank, which is currently under the DRT and towards borrowing from NSDC.
- x. According to the information and explanations given to us, the Group has given guarantee towards loans taken by others from banks and financial institutions, for which no counter guarantee has been obtained from the parties.
- xi. According to the information and explanations given to us, the Group has used the Term Loan availed during the current year for the purpose for which it was availed.
- xii. During the course of our examination of the books and records of the Group, carried in accordance with the auditing standards generally accepted in India and based on information and explanation given to us, we have neither come across any instance of fraud on or by the Group noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

**For M/s. P CHANDRASEKAR**  
Chartered Accountants  
Firm Registration No.000580S

**P Chandrasekaran**  
Partner  
Membership No.026037

Place : Chennai  
Date: 30<sup>th</sup> May, 2015



**EVERONN EDUCATION LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31-03-2015**

₹ in '000

Particulars	Notes	AS AT	
		31-March-15	31-March-14
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE HOLDER'S FUNDS</b>			
Share capital	2.18	2,40,524	2,29,611
Reserves and surplus	2.19	(15,61,087)	9,39,675
<b>Minority Interest</b>		-	146
<b>Non-current liabilities</b>			
Long-term borrowings	2.20	62,55,341	57,57,487
Other Long term liabilities	2.21	22,935	35,871
Long-term provisions	2.22	7,798	2,038
<b>Current liabilities</b>			
Short-term borrowings	2.23	22,44,576	23,65,925
Trade payables	2.24	4,83,406	4,80,289
Other current liabilities	2.25	7,46,123	6,88,089
Short-term provisions	2.26	1,54,849	1,92,706
<b>TOTAL</b>		<b>85,94,465</b>	<b>1,06,91,837</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible assets	2.27	4,42,106	8,67,901
Intangible assets	2.27	1,00,152	4,74,740
Capital work-in-progress		-	6,28,229
Goodwill		4,783	4,783
Non-current investments	2.28	73,254	73,254
Deferred tax assets (net)	2.29	24,33,042	24,33,042
Long-term loans and advances	2.30	11,42,068	11,81,023
Other non-current assets	2.31	2,79,908	3,73,211
<b>Current assets</b>			
Current investments	2.32	12	12
Trade receivables	2.33	18,80,230	25,34,699
Cash and Bank Balances	2.34	1,01,953	1,89,616
Short-term loans and advances	2.35	20,75,116	19,25,681
Other current assets	2.36	61,841	5,646
<b>TOTAL</b>		<b>85,94,465</b>	<b>1,06,91,837</b>

**Summary of significant accounting policies**

2

The accompanying notes are an integral part of the financial statements

As per our report of even date  
for **M/s.P.Chandrasekar**  
Chartered Accountants

For and on Behalf of Board of Directors

FRN : 000580S  
P. Chandrasekaran  
Partner  
Membership No:26037

C N Radhakrishnan  
Managing Director

Ajay Shetty  
Director

Place : Chennai  
Date : 30.05.2015

Sandeep Maniyar  
Whole-time Director &  
Chief Financial Officer

N.P. Mathi Lingan  
Company Secretary





**EVERONN EDUCATION LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2015**

₹ in '000

Particulars	Notes	AS AT 31-March-15	AS AT 31-March-14
Revenue from Operations	2.37	3,25,906	6,09,196
Other Income	2.38	4,727	5,256
<b>Total Revenue</b>	<b>A</b>	<b>3,30,633</b>	<b>6,14,452</b>
<b>Expenses:</b>			
Purchase of stock in trade	2.39		
Employee benefits expense	2.40	2,63,677	2,82,332
Finance costs	2.41	5,42,701	6,56,245
Depreciation and amortization expense	2.27	6,79,183	6,87,117
Other Expenses	2.42	4,90,917	2,67,772
<b>Total Expenses</b>	<b>B</b>	<b>19,76,478</b>	<b>18,93,466</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>	<b>A-B</b>	<b>(16,45,845)</b>	<b>(12,79,014)</b>
Exceptional items	2.43	63,439	6,49,550
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>(17,09,284)</b>	<b>(19,28,564)</b>
Extraordinary Items			
<b>Profit / (Loss) before tax</b>		<b>17,09,284</b>	<b>(19,28,564)</b>
Tax Expense			
Current tax			
Deferred tax		-	(4,48,676)
Profit / (Loss) for the period from continuing operations		<b>(17,09,284)</b>	<b>(14,79,888)</b>
Profit/(loss) from discontinuing operations			
Tax expense of discontinuing operations			
Profit/(loss) from Discontinuing operations (after tax)			
Minority Interest		<b>(149)</b>	<b>(32)</b>
<b>Profit / (Loss) for the period</b>		<b>(17,09,135)</b>	<b>(14,79,856)</b>
<b>Earnings per equity share (basic) ₹</b>	<b>2.44</b>	<b>(71.10)</b>	<b>(67.63)</b>
<b>Earnings per equity share (diluted) ₹</b>	<b>2.44</b>	<b>(71.10)</b>	<b>(64.42)</b>

**Summary of significant accounting policies**

2

The accompanying notes are an integral part of the financial statements

As per our report of even date  
for **M/s.P.Chandrasekar**  
Chartered Accountants

For and on Behalf of Board of Directors

FRN : 000580S  
P. Chandrasekaran  
Partner  
Membership No:26037

C N Radhakrishnan  
Managing Director

Ajay Shetty  
Director

Place : Chennai  
Date : 30.05.2015

Sandeep Maniyar  
Whole-time Director &  
Chief Financial Officer

N.P. Mathi Ligan  
Company Secretary



**EVERONN EDUCATION LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2015**

₹ in '000

Particulars	Year Ended 31-March-15	Year Ended 31-March-14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(17,09,284)	(19,28,564)
Adjustments for:		
Depreciation	6,79,183	10,94,123
Interest on long term loan	5,27,940	6,14,352
Interest income	-	(2,870)
	<u>12,07,123</u>	<u>17,05,605</u>
Operating profit before working capital changes	<u>(5,02,161)</u>	<u>(2,22,959)</u>
Adjustments for :		
Trade and other receivables	14,36,235	3,34,109
Trade payables and other liabilities	(8,09,566)	(5,23,390)
Cash generated from operations	(52,293)	(4,12,240)
Direct taxes paid / deducted at source	(49,193)	(1,89,618)
<b>Cash Flow from Operations</b>	<u>(1,01,486)</u>	<u>(6,01,858)</u>
	-	-
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Asset	(21,960)	(64,056)
Sale of fixed assets	-	7,399
Interest income	-	2,870
<b>Cash flow from Investment Activities</b>	<u>(21,960)</u>	<u>(53,787)</u>
	-	-
<b>CASH FLOW FROM FINANCE ACTIVITIES</b>		
Share capital Raised (net of exp warrants)	51,466	43,314
Increase / (Decrease ) in Secured Loan	4,00,239	28,30,690
Increase / (Decrease ) in Unsecured Loan	(2,80,773)	(14,67,189)
Interest payment	(3,11,950)	(6,43,271)
<b>Cash flow from finance activities</b>	<u>35,783</u>	<u>7,63,544</u>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<u>(87,663)</u>	<u>1,07,899</u>
Opening balance of cash and cash equivalents	1,89,616	81,718
<b>Closing balance of cash and cash equivalents</b>	1,01,953	1,89,616

As per our report of even date  
for **M/s.P.Chandrasekar**  
Chartered Accountants

FRN : 000580S  
P. Chandrasekaran  
Partner  
Membership No:26037

Place : Chennai  
Date : 30.05.2015

For and on Behalf of Board of Directors

C N Radhakrishnan  
Managing Director

Ajay Shetty  
Director

Sandeep Maniyar  
Whole-time Director &  
Chief Financial Officer

N.P. Mathi Lingan  
Company Secretary

**1 CORPORATE INFORMATION**

Everonn Education Limited (the 'Company') is a pioneer in using technological breakthroughs to make quality education a reality even in the most remote parts of the country. Everonn's passion for enabling cutting-edge education delivery has seen us grow dramatically in the past two decades. The company is a public listed company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE)

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Consolidated Financial Statements comprises of the financial statements of Everonn Education Limited (the Holding Company or Parent Company) and its subsidiaries. These Consolidated financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 133 of the Companies 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Companies Act, 2013 (The 2013 Act") / Companies Act, 1956 (the 1956 Act") as applicable.

The company is pursuing various options towards fund raising in the form of debt or equity or mix of both, and negotiating with the current lenders and is also reviewing the business plan and firmly believes that with the combination of internal accruals in the next financial year and on achieving successful closure of these options in the coming months, the Company will be able to meet all its obligations. Consequently the management believes that the use of going concern assumption continues to be appropriate in the preparation of these financial statements. Accordingly the assets and liabilities have been recorded in these financial statements on the basis that the company will be able to realize its assets and discharge its liabilities in the normal course of the business. The management is of the view that despite the losses which are already forming part of the holding company as well as in the books of certain inoperative subsidiaries, the company is and will remain as a going concern and on this basis the financials, assets, liabilities are stated in the books of accounts.

**2.2 USE OF ESTIMATES**

The preparation and presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known/ materialized.

**2.3 PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements of the Company and its subsidiaries have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions are eliminated.

The excess of cost to the Company of its investments in the subsidiary over its shares of the equity of the subsidiary, at the date on which the investments in the subsidiary Company was made, is recognized as 'Goodwill' being an asset in the consolidated financial statements.

**List of subsidiaries**

Name of the Subsidiary	% of holding
1. Everonn Educational Resources Solutions Limited	100
2. Toppers Tutorial Private Limited	100
3. Everonn Infrastructure Limited	100
4. Everonn Business Education Limited	100
5. Everonn Technical Education India Limited	100
6. Everonn Medical Education Limited	100
7. Everonn School Limited	71



8.	Edifications India Limited	100
9.	Everonn Sport Management Limited	100
10.	Everonn knowledge & Education Corridor Limited	100
11.	Everonn Skilling India Limited*	100
12.	Everonn Skill Products Development Limited*	100
13.	Everonn Skill Development Limited*	98
14.	AEG Skill Update Private Limited	51
15.	EveronnDassani Literate Limited	60

\* *Indirect Subsidiary*

The consolidated financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 133 of the Companies 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Companies Act, 2013 (The 2013 Act") / Companies Act, 1956 (the 1956 Act") as applicable.

The consolidated financial statements have been prepared under historical cost convention and on accrual basis.

Minority Interest in the net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company shareholders. Minority Interest in the net assets of consolidated subsidiaries consist of

- a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made.
- b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.
- c) Minority interest's share of net profit/(loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax.

The financial statements of the Company and its subsidiaries are prepared under uniform accounting policies in accordance with the generally accepted accounting principles in India.

## 2.4 FIXED ASSETS, INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

Fixed Assets are carried at cost less accumulated depreciation and impairment loss if any. Cost includes all expenses incurred to bring the assets to its present location and condition. Assets acquired on hire purchase are capitalized at gross value and interest thereon is charged to revenue.

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and impairment loss if any.

In respect of new projects setup include direct cost incurred are added to the cost of fixed assets and wherever the same is not exactly quantifiable, a reasonable allocation of expenditure is made, reflecting a portion of the cost as forming part of the cost of installation of the asset.

## 2.5 DEPRECIATION AND AMORTIZATION

- i. Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except
  - a) Fixed assets purchased for usage in executing the contractual obligations with the customers under the project are depreciated over the period of contract.
  - b) Intangible assets comprising knowledge resource and content are amortized over a period of five years.
- ii. Deprecation on addition to the assets is calculated on a monthly pro-rata basis



## 2.6 REVENUE RECOGNITION

- a) Education and training income is recognized on rendering of services over the period of instruction as per the terms of agreement as the case may be.
- b) In respect of fixed price contracts, revenue is recognized as per the proportionate completion method.
- c) Revenue in respect of sale of trading, courseware content and knowledge resource is recognized on the basis of dispatch/delivery of the material to the customers.
- d) Revenue from online educational services is recognized upon receipt of subscription fees. In case of supply to license, the revenue is recognized on establishment of right to receive.
- e) Dividend income is recognized when the right to receive it is established. Interest income is recognized on time proportion basis.

## 2.7 INVESTMENTS

Investments are classified as current or long term in accordance with Accounting Standard 13 on "Accounting for Investments". Current investments are stated at lower of cost or market value. Any reduction in the carrying amount and or any reversal of such reduction are charged or credited to the statement of Profit and Loss.

Long-term investments are carried at cost less provision for other than temporary diminution in the carrying value of each investment.

## 2.8 LEASES

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the Profit and Loss account on straight-line basis over the lease term. Finance lease transactions are considered as financing arrangements in accordance with Accounting Standard 19 and the leased asset is capitalized at an amount equal to the present value of future lease payments and a corresponding amount is recognized as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to the leased asset.

## 2.9 EMPLOYEE BENEFITS

Employee benefits include provident fund, gratuity fund, employee state insurance, and compensated absences.

### a) Defined contribution Plan

The company has contributed to provident, pension funds which are defined contribution plans. The contributions paid / payable under the scheme is recognized in the statement of profit and loss during the year in which employee renders the related service.

### b) Defined Benefit Plan

#### Gratuity

The Company makes annual contribution to gratuity funds administered by trustees. The liability for future gratuity benefits is accounted for based on actuarial valuation, as at the Balance Sheet date, determined every year using projected unit credit method. Actuarial gains / (losses) are immediately recognized in Profit & Loss Account.

#### Compensated Absences

Liability in respect of compensated absences is provided both for en-cashable leave and those expected to be availed. The Company has defined benefit plans for compensated absences for employees, the liability or which is determined on the basis of management estimation at the end of the year. Any gain or loss arising out of such valuation is recognized in the Statement of Profit and Loss.

## 2.10 PROVISIONS, CONTINGENCIES AND COMMITMENTS

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Disclosure of show cause notices are made on merits of the matters where management foresees possibilities of outflow of resources.



Claims receivable are accounted at the time when such income has been earned by the Company depending on the certainty of receipts. Claims payable are accounted at the time of acceptance.

Claims raised by the Government Authorities regarding Taxes and Dues which are disputed by the Company are accounted based on merits of each claim.

### **2.11 BORROWING COST**

Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalized as part of the cost of such assets till such time the asset is ready for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use or sale and other borrowing costs are recognized as an expense in the period in which they are incurred.

### **2.12 TAXES ON INCOME**

Current tax is determined as the amount of tax payable in respect of taxable income of the year.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted as at the balance sheet date. Deferred Tax asset in respect of unabsorbed depreciation and carry forward losses are recognized only if there is virtual certainty that there will be sufficient taxable income available to realize such assets. The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

### **2.13 FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies at the year end are recognized in the profit and loss account.

### **2.14 IMPAIRMENT OF ASSETS**

Assets that are subject to impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds the recoverable amount.

### **2.15 EARNINGS PER SHARE**

The earnings considered in ascertaining EPS comprise the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares unless the results would be anti - dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date

### **2.16 INVENTORIES**

Stock in trade is carried at the lower of cost and net realizable value. Cost is determined on a weighted average basis. Purchased goods-in-transit are carried at cost. Work-in-progress is carried at the lower of cost and net realizable value.

### **2.17 CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investment and financing activities of the Company are segregated.

Cash and Cash equivalents for the purpose of cash flow statement comprises of Cash at Bank, Cash in Hand (including cheques in hand) and short term investments.



**EVERONN EDUCATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2015**

₹ in '000

Particulars	As at March 31 2015	As at March 31 2015
<b>2.18 SHARE CAPITAL</b>		
AUTHORISED :		
5,00,00,000 (March 31, 2014: 2,50,00,000)		
Equity Shares of Rs.10/- each	5,00,000	2,50,000
ISSUED :		
2,40,52,414 (March 31,2014: 2,29,61,111)		
Equity Shares of Rs.10/- each fully paid up	2,40,524	2,29,611
SUBSCRIBED AND PAID UP :		
2,40,52,414 (March 31, 2014: 2,29,61,111)		
Equity Shares of Rs.10/- each fully paid up	<u>2,40,524</u>	<u>2,29,611</u>

**a) Reconciliation of Number of Shares Equity Shares**

Particulars	March 31, 2015		March 31, 2014	
	Number of Shares	₹ Amount	Number of Shares	₹ Amount
Balance as at the beginning of the year	2,29,61,111	22,96,11,110	2,18,69,808	21,86,98,080
Add: Preferential Allotment Of Equity Shares to The Concorde Residential Schools (Kerala) Pvt Ltd	10,91,303	1,09,13,030	10,91,303	1,09,13,030
Shares bought back during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>2,40,52,414</b>	<b>24,05,24,140</b>	<b>2,29,61,111</b>	<b>22,96,11,110</b>

**b) Rights, preferences and restrictions attached to shares**

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each Share holder is eligible for one vote per share held. The equity shareholders are eligible to receive in the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Skil Infrastructure Ltd	33,56,591	13.96%	40,00,000	17.42
The Concorde Residential Schools (Kerala) Pvt Ltd	32,75,606	13.62%	21,84,303	9.51
Gems Education (Asia) 1 Limited	44,93,831	18.68%	44,93,831	19.57
Varkey Group Limited	26,18,120	10.89%	26,18,120	11.40



**EVERONN EDUCATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2015**  
₹ in '000

	As at March 31 2015	As at March 31 2014
<b>2.19 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Balance as at the Beginning of the year	1,41,081	1,41,081
Add: Added during the year	-	-
<b>Balance as at the end of the year</b>	<b>1,41,081</b>	<b>1,41,081</b>
<b>Business Reconstruction Reserve</b>		
Balance as at the beginning of the year	15,00,000	-
Add: Amount transferred from Securities Premium Account		15,00,000
Less : Utilised during the year (Note No. 2.60)	6,56,664	-
Balance as at the end of the year	<b>8,43,336</b>	<b>15,00,000</b>
<b>General Reserve</b>		
Balance as at the Beginning of the year	9,06,892	9,06,892
Less: Transitional adjustment on depreciation (Refer Note. No.2.27)	<b>(1,75,513)</b>	-
Balance as at the end of the year	<b>7,31,378</b>	<b>9,06,892</b>
<b>Securities Premium Account</b>		
Balance as at the Beginning of the year	34,49,061	49,16,660
Add: Received on issue of Equity Shares	32,401	32,400
Less: Transferred to Business Reconstruction Reserve	-	15,00,000
Balance as at the end of the year	<b>34,81,462</b>	<b>34,49,060</b>
<b>Surplus in Statement of Profit and Loss Account</b>		
Balance as at the beginning of the year	<b>(50,57,359)</b>	(35,77,502)
Profit / (Loss) for the year	<b>(17,09,135)</b>	(14,79,856)
Less: Loss of Minority Interest adjusted with P&L balance	<b>(8,150)</b>	-
Balance at the end of the year	<b>(67,58,345)</b>	<b>(50,57,358)</b>
<b>Total</b>	<b>(15,61,087)</b>	<b>9,39,675</b>
<b>2.20 LONG-TERM BORROWINGS</b>		
Secured		
Term Loans		
From Banks	57,08,106	51,33,256
From Other Parties	5,47,235	6,24,231
<b>Total</b>	<b>62,55,341</b>	<b>57,57,487</b>

During the year, the company mobilized long term facilities from IDBI on strength of securities which are fully described note appended below which along with other facilities availed from Axis Bank Limited, ICICI Bank Ltd and State Bank of India (already restructured in the earlier year, the terms of which are already described in the accounts of previous year) have enabled the company to carry on its operations in a smooth manner. The measurement, classification and disclosure of the Company's term loan obligations have been recorded in these financial statements in accordance with the Debt Restructuring Agreement.





**EVERONN EDUCATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2015**

₹ in '000

Particulars	Nature of Security	Terms of Repayment	As at Mar 31 2015 (including current maturities and accrued interest)			As at Mar 31 2014 (including current maturities and accrued interest)																													
			Axis	SBI	ICICI	Axis	SBI	ICICI																											
<b>RESTRUCTURED LOANS</b>																																			
Term Loan i – Axis, SBI and ICICI	<p><b>Security</b></p> <p>a) First paripassu charge on all assets including intangible assets (present and future) of Everonn Group Companies.</p> <p>b) Assignment in favor of Lenders, all the rights, titles and interests of the Borrower from all contracts, insurances, licenses in, to, and under all assets of the company;</p> <p>c) First paripassu charge on Borrower's all bank accounts including, without limitation, the TRA. This would be by way of an account charge agreement including Everonn Group Companies.</p> <p>d) Pledge of equity shares of all present and future investments made by the Company.</p> <p>e) First paripassu charge on land owned by the promoter of value Rs. 110 Cr.</p> <p>f) Unconditional and Irrevocable Corporate Guarantee of Concorde Residential School (Kerala) Pvt. Ltd, Everonn Group Companies.</p> <p>g) Personal guarantee from the promoter Mr. Sunny Varkey to the extent of Rs.325 crores for all facilities extended.</p> <p>h) Paripassu charge on shares of the Company held by Concorde Residential School (Kerala) Pvt Ltd</p> <p>Incase loan to Everonn School Limited by Axis Bank to extent of Rs.9.09 Cr, in addition to above, mortgage on lease hold rights required</p>	<p>To be repaid in 28 unequal quarterly installments commencing from 30th June 2016 as given below:</p> <table border="1"> <thead> <tr> <th>Year ending 31st March</th> <th>No of installments</th> <th>% repayment</th> </tr> </thead> <tbody> <tr> <td>FY17</td> <td>4</td> <td>8</td> </tr> <tr> <td>FY18</td> <td>4</td> <td>12</td> </tr> <tr> <td>FY19</td> <td>4</td> <td>12</td> </tr> <tr> <td>FY20</td> <td>4</td> <td>16</td> </tr> <tr> <td>FY21</td> <td>4</td> <td>16</td> </tr> <tr> <td>FY22</td> <td>4</td> <td>16</td> </tr> <tr> <td>FY23</td> <td>4</td> <td>20</td> </tr> <tr> <td><b>Total</b></td> <td><b>28</b></td> <td><b>100</b></td> </tr> </tbody> </table> <p>Rate of interest is fixed to yield at least 10.25% on a weighted average basis over the loan tenure.</p>	Year ending 31st March	No of installments	% repayment	FY17	4	8	FY18	4	12	FY19	4	12	FY20	4	16	FY21	4	16	FY22	4	16	FY23	4	20	<b>Total</b>	<b>28</b>	<b>100</b>	2508757	1144009	1530500	2445316	1064985	1519188
Year ending 31st March	No of installments	% repayment																																	
FY17	4	8																																	
FY18	4	12																																	
FY19	4	12																																	
FY20	4	16																																	
FY21	4	16																																	
FY22	4	16																																	
FY23	4	20																																	
<b>Total</b>	<b>28</b>	<b>100</b>																																	
Term Loan (FITL) ii- Axis, SBI and ICICI	As mentioned in Term Loan i	Funded Interest Term Loan accumulated up to the interest moratorium period to be repaid in 28 quarterly equal installments commencing from 30th June 2016.	249517	67855	167425	42167	13318	71791																											



## EVERONN EDUCATION LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2015

Particulars	Nature of Security	Terms of Repayment	As at Mar 31 2015 (including current maturities and accrued interest)	As at Mar 31 2014 (including current maturities and accrued interest)
<b>RESTRUCTURED LOANS (Contd.)</b>				
Term Loan IDBI	As mentioned in Term loan I and First pari passu charge on 1st Floor at Everonn House, Plot No 96-99, Perungudi Industrial Estate	As mentioned in Term Loan i	153106	-
FITL IDBI	As mentioned in Term loan I and First pari passu charge on 1st Floor at Everonn House, Plot No 96-99, Perungudi Industrial Estate	As mentioned in Term Loan i	70,24	-

#### OTHER LOANS

Particulars	Nature of Security	Terms of Repayment	As at March 31 2015 (including current maturities)	As at March 31 2014 (including current maturities)
Term Loan iii- CISCO	<b>Other Loans</b> Secured by Hypothecation of assets acquired for ARSWAN Project.	24 equal installments from the Dec 2014 (Restructured)	1,81,53	4,00,00
Term Loan iv- Reliance	Secured by Mortgage of Immovable Property at Perungudi, Chennai - 600096	96 Equated Monthly Installment of ₹57,52 (in '000)/- starting from April 2014 (Restructured)	32,19,41	34,22,38
Term Loan v- HP	Secured by Multimedia Content Software	Quarterly payment of Equated installments of ₹ 3,854 (in '000) up to Feb '13	1,90,254	1,86,920
Term Loan vi - NSDC	Secured by creation of senior charge on the Acquired Assets and by creation of senior charge on the project cash flows in favour of the lender in accordance with the terms of the Hypothecation Deed	16 Qtrly repayment commencing from July 2012	2,45,853	258,302
Term Loan vii - Reliance Capital Ltd	Secured by mortgage of Immoveable Property at Perundudi, Chennai 600096	125 Monthly Installments commenced from 05.03.2011	22,346	23619

\*These are defaults in repayment of multiple instalments amounting to 1,76,652 ('000) to NSDC ₹ in '000

Particulars	As at March 31 2015	As at March 31 2014
<b>2.21 Other Long-term liabilities</b>		
Caution Deposit (refer note below)	<b>22,602</b>	35,538
Other deposits	<b>333</b>	333
<b>Total</b>	<b>22,935</b>	<b>35,871</b>

Note: Received from employees on various onsite projects



**EVERONN EDUCATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2015**

₹ in '000

	As at March 31 2015	As at March 31 2014
<b>2.22 Long-term Provisions</b>		
Provision for employee benefits:		
Provision for Gratuity	7,798	2,038
<b>Total</b>	<b>7,798</b>	<b>2,038</b>
Note: Received from employees on various onsite projects		
<b>2.23 SHORT-TERM BORROWINGS</b>		
Secured:		
Working Capital Loans repayable on demand from banks	2,85,867	3,48,402
Unsecured:		
Debentures	-	43,314
During the year the company had issued 10,91,303 equity shares of Rs. 10 each at the rate Rs. 39.69 on account of conversion of Optionally Convertible Debenture of Rs. 4,33,14 ('000) as per the terms of Debenture Agreement previous year		
Loans		
From Other Parties	44,856	44,856
From Related Party	19,13,853	19,29,353
<b>Total</b>	<b>22,44,576</b>	<b>23,65,925</b>

₹ in '000

Particulars	Nature of Security	Terms of Repayment	As at March 31 2015	As at March 31 2014
Working Capital Term Loan I - SCB	Secured by Paripassu first charge on the entire current assets of the Company, Present and future ₹5,000(in '000)/- Cash deposit under lien	On Demand	28,58,67	24,72,09
Working Capital Loan - IDBI	Secured by Paripassu first charge on the entire current assets of the Company	On Demand	-	10,11,98

- Loan from Related Party does not carry any interest and is repayable on demand.
- The Company had defaulted in repayment of Working Capital term loan along with interest from Standard Chartered Bank. The matter has been referred to Debt Recovery Tribunal. The Company received an order in favour of Standard Chartered Bank from Debt Recovery Tribunal on 24th April 2015. However, The Company has preferred an appeal against the said order before the Debt Recovery Appellate Tribunal, and the same is awaited for being listed before the said Tribunal.



**EVERONN EDUCATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2015**

₹ in '000

	As at March 31, 2015	As at March 31, 2014
<b>2.24 TRADE PAYABLES</b>		
Trade Payables (Also refer Note 2.51)	4,83,406	4,80,289
<b>Total</b>	<b>4,83,405</b>	<b>4,80,289</b>
<b>2.25 OTHER CURRENT LIABILITIES</b>		
Current maturities of Long-term debt		
From Other Parties	1,59,385	1,19,073
Installments due on long term loans*	1,76,652	1,07,778
Interest accrued and but not due on borrowings	17,211	17,211
Interest accrued and due on borrowings	18,155	11,410
Income received in advance	7,773	-
Application money received for allotment of securities	2,50,000	2,50,000
Employee benefits payable	33,228	35,155
Statutory dues (including Provident Fund and Tax deducted at Source)	16,611	29,004
Other Payable	67,108	1,18,458
<b>Total</b>	<b>7,46,123</b>	<b>6,88,089</b>
* Refer Note No. 2.20		
<b>2.26 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits :		
Provision for gratuity	936	936
Provision for Leave Encashment	7,823	7,823
Other Provisions		
Provision for Tax	1,10,277	1,22,122
Provision for Sales Tax	508	-
Other Provisions	35,305	61,825
<b>Total</b>	<b>1,54,849</b>	<b>1,92,706</b>

**EVERONN EDUCATION LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31-03-2015**

**2.27 FIXED ASSETS**  
**TANGIBLE ASSETS**

₹ in '000

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As at 01.04.2014	Additions	Deductions	As at 31-03-2015	Upto 01.04.2014	Charged to General Reserve\$	For the Year Ended	Deductions	Upto 31-03-2015	As at 31-03-2015	As at 31.03.2014
Land	40,010	-	-	40,010	-	-	-	-	-	40,010	40,010
Building	1,98,329	4,722	279	2,02,772	41,904	-	9,446	7	51,343	1,51,429	1,56,425
Plant and machinery	19,86,079	4,090	1,336	19,88,833	15,69,418	1,73,724	2,18,175	926	19,60,391	28,442	4,16,661
Electrical fittings	1,45,953	2,126	8	1,48,071	96,599	-	34,807	2	1,31,404	16,667	49,355
Furniture & Fittings	4,96,981	45,493	-	5,42,474	2,96,153	1,338	40,997	-	3,38,488	2,03,986	2,00,827
Vehicles	9,715	-	-	9,715	5,092	451	2,601	-	8,144	1,571	4,623
<b>Total</b>	<b>28,77,067</b>	<b>56,431</b>	<b>1,623</b>	<b>29,31,875</b>	<b>20,09,166</b>	<b>1,75,513</b>	<b>3,06,026</b>	<b>935</b>	<b>24,89,770</b>	<b>4,42,105</b>	<b>8,67,901</b>
<b>Previous Year</b>	<b>32,51,299</b>	<b>31,702</b>	<b>4,05,936</b>	<b>28,77,067</b>	<b>15,62,695</b>	<b>-</b>	<b>8,45,005</b>	<b>3,98,535</b>	<b>20,09,166</b>	<b>8,67,901</b>	<b>16,88,604</b>

**INTANGIBLES ASSETS**

₹ in '000

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As at 01.04.2014	Additions	Deductions	As at 31-03-2015	Upto 01.04.2014	Charged to retained Earnings#	For the Year Ended	Deductions	Upto 31-03-2015	As at 31-03-2015	As at 31.03.2014
Software	1,39,745	-	5,373	1,34,372	1,25,823	-	8,331	3,943	1,30,211	4,161	13,922
Knowledge Resource and Content	14,45,579	-	-	14,45,579	9,84,761	-	3,64,826	-	13,49,587	95,992	4,60,818
<b>Total</b>	<b>15,85,324</b>	<b>-</b>	<b>5,373</b>	<b>15,79,951</b>	<b>11,10,584</b>	<b>-</b>	<b>3,73,157</b>	<b>3,943</b>	<b>14,79,798</b>	<b>1,00,153</b>	<b>4,74,740</b>
<b>Previous Year</b>	<b>15,83,187</b>	<b>2,137</b>	<b>-</b>	<b>15,85,324</b>	<b>8,61,469</b>	<b>-</b>	<b>2,49,117</b>	<b>-</b>	<b>11,10,584</b>	<b>4,74,740</b>	<b>7,21,719</b>

#Note: The transitional effect on account of re-computation of depreciation in terms of Part C of Schedule II of the Companies Act 2013.



**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended 3103-2015**

₹ in '000

	As at 31-March-15	As at 31-March-14
<b>2.28 NON - CURRENT INVESTMENTS</b>		
<b>Unquoted</b>		
(i) Long Term, Unquoted, Non Traded & Cost		
- 82,530 Equity shares (March 31,2014, 82,530 Equity shares) of ₹ 10/- each fully paid up in DT Media and Entertainment Private Limited	10,729	10,729
- 1,22,500 Equity shares (March 31, 2014, 1,22,500) of ₹ 10/- each fully paid up in Right Track Admizzionz Campuz Private Limited.	60,025	60,025
- 25,000 Debentures (March 31, 2014, 25,000) of ₹ 100/- each fully paid up Music Univ India Pvt Ltd.	2,500	2,500
<b>Total</b>	<u>73,254</u>	<u>73,254</u>
<b>Aggregate amount of unquoted investments</b>	<b>73,254</b>	<b>73,254</b>
<b>2.29 DEFERRED TAX ASSET (NET)</b>		
<b>Deferred Tax Liabilities</b>		
On account of written down value of fixed assets	71,830	71,830
<b>Total (A)</b>		
<b>Deferred Tax Assets</b>		
On account of fiscal disallowances expenses allowable for tax purposes when paid and loss carry forward	-	-
<b>Total (B)</b>	<u>25,02,941</u>	<u>25,02,941</u>
<b>Net Deferred Tax Liability / (Asset) (A-B)</b>	<u>(24,33,042)</u>	<u>(24,33,042)</u>
Deferred Tax Charge / (Credit) to Profit & Loss Account	-	<b>(4,48,676)</b>
<p>The company has evaluated the existing balance available with it under the head "Deferred tax assets" which arose on account unabsorbed depreciation and past losses. After reviewing the operations of the current year and also the forecasted operations of the company of the immediate future, the management is of the view that the exiting balance in deferred tax asset would be sufficient to provide it a tax shield and there is no need to recognize any additional deferred tax asset on account of the current year operations, which has also resulted in loss. The company is of the view that, at the same time, there is no need to impair/write off the existing carried forward deferred tax balances.</p>		
<b>2.30 LONG-TERM LOANS AND ADVANCES</b>		
Unsecured, Considered good:		
Security Deposits	67,068	1,06,023
Capital Advances	10,75,000	10,75,000
<b>Total</b>	<u>11,42,068</u>	<u>11,81,023</u>

**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended 31-03-2015**

₹ in '000

	As at 31-March-15	As at 31-March-14
<b>2.31 OTHER NON-CURRENT ASSETS</b>		
Long term trade receivable unsecured considered good	2,79,908	3,73,211
<b>Total</b>	<b>2,79,908</b>	<b>3,73,211</b>
<b>2.32 CURRENT INVESTMENTS</b>		
At cost or Market value, whichever is less		
Quoted		
500 Equity shares of Rs.10/- each (Mar 31,2014 500 equity shares of Rs. 10 each) in Indian Overseas Bank	12	12
Market Value Investments (IOB Shares) @ ₹ 42.35/- amounting to ₹ 21,175/- (March 31,2014, @ ₹ 51.00/- amounting to ₹ 25,500/-)		
<b>Aggregate amount of quoted investments</b>	<b>12</b>	<b>12</b>
<b>2.33 TRADE RECEIVABLE</b>		
<b>Unsecured, considered Good</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	17,57,737	22,18,447
Others	1,22,493	3,16,252
	<b>18,80,230</b>	<b>25,34,699</b>
<b>Unsecured, considered doubtful</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment	1,07,366	29,630
Others	-	-
Less : Provision for doubtful debts	(1,07,366)	(29,630)
<b>Total</b>	<b>18,80,230</b>	<b>25,34,699</b>
<b>2.34 CASH &amp; BANK BALANCES</b>		
Cash on Hand	1,407	2,551
Bank balances		
in Current Accounts	69,273	1,59,747
in Deposit Accounts	21,520	14,263
in Margin Account with Banks	9,753	13,055
<b>Total</b>	<b>1,01,953</b>	<b>1,89,616</b>

**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended 31-03-2015**

₹ in '000

	As at 31-March-15	As at 31-March-14
<b>2.35 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured, Considered good:		
Advance Income tax including Tax deducted at Source	2,82,291	2,40,521
Advance to Suppliers	12,42,162	10,90,771
Prepaid Expenses	3,911	-
Others	5,46,72	5,94,389
<b>Total</b>	<b>20,75,116</b>	<b>19,25,681</b>
<b>2.36 OTHER CURRENT ASSETS</b>		
Unsecured Considered good:		
Others	61,841	5,646
<b>Total</b>	<b>61,841</b>	<b>5,646</b>
<b>2.37 REVENUE FROM OPERATIONS</b>		
Education & Training Income	3,25,906	6,09,196
<b>Total</b>	<b>3,25,906</b>	<b>6,09,196</b>
<b>2.38 OTHER INCOME</b>		
Interest income	3,756	3,758
Profit on sale of asset	375	-
Miscellaneous Income	597	1,498
<b>Total</b>	<b>4,727</b>	<b>5,256</b>
<b>2.39 PURCHASE OF STOCK IN TRADE</b>		
Opening stock	-	-
Purchase of Trading Items	-	-
Less Closing Stock	-	-
Cost of Goods sold	-	-
<b>2.40 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries	2,38,361	2,63,342
Contribution to Provident and Other Funds	15,949	13,797
Staff Welfare Expenses & others	9,367	5,193
<b>Total</b>	<b>2,63,677</b>	<b>2,82,332</b>

The disclosure under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below

**Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under:

₹ in '000

Particulars	Year Ended 31-Mar-15	Year Ended 31-Mar-14
Employer's Contribution to Provident Fund	10189	11681



**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended 31-03-2015****Defined benefit Plan**

The Employees fund scheme managed by SBI Life Insurance Co. Limited is a defined benefit Plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Method.

₹ in '000

Sl. No.	Particulars	Gratuity Funded For the year ended 31/03/2015	Gratuity Funded For the year ended 31/03/2014
<b>1</b>	<b>Changes in present value of obligations</b>		
	Present value of obligations as at beginning of year	7,314	7,040
	Interest cost	549	563
	Current Service Cost	5,705	1,531
	Benefits Paid	(3,416)	(1,816)
	Actuarial (Gain)/Loss on Obligations	(342)	228
	Present value of obligations as at end of year	9,811	7,548
<b>2</b>	<b>Changes in the fair value of plan assets</b>	-	-
	Fair value of plan assets at beginning of year	5,510	6,797
	Expected return on plan assets	152	472
	Contributions	-	-
	Benefits paid	(3,416)	(1,816)
	Actuarial Gain / (Loss) on Plan assets	-	57
	Fair value of plan assets at the end of year	2,246	5,510
<b>3</b>	<b>Fair value of plan assets</b>	-	-
	Fair value of plan assets at beginning of year	5,510	6,797
	Actual return on plan assets	-	-
	Contributions	-	-
	Benefits Paid	(3,416)	(1,816)
	Fair value of plan assets at the end of year	2,246	5,510
	Funded status	(152)	(472)
	Excess of Actual over estimated return on plan assets	-	(57)
<b>4</b>	<b>Actuarial Gain/Loss recognized</b>	-	-
	Actuarial Gain/(Loss) for the year -Obligation	(205)	(146)
	Actuarial (Gain)/Loss for the year - Plan assets	-	(57)
	Total (Gain)/Loss for the year	(205)	(203)
	Actuarial (Gain)/Loss recognized in the year	(205)	(203)
<b>5</b>	<b>The amounts to be recognized in the Balance Sheet and Statements of Profit and Loss</b>	-	-
	Present value of obligations as at the end of year	9,811	7,081
	Fair value of plan assets as at the end of the year	2,246	5,510
	Funded status	(7,565)	(1,804)
	Net Asset/(Liability) recognized in balance sheet	7,565	1,571
<b>6</b>	<b>Expenses Recognised in statement of Profit &amp; Loss</b>	-	-
	Current Service cost	5,705	1,531
	Interest Cost	549	563
	Expected return on plan assets	(152)	(472)
	Net Actuarial (Gain)/Loss recognised in the year	(342)	171
	Difference in opening balance (actuarial valuation)	-	-
	Expenses recognised in statement of Profit & Loss*	5,760	1,794
<b>7</b>	<b>Assumptions used in accounting gratuity plan</b>		
	Discount Rate	7.8%	8%
	Salary Escalation	12%	4%
	Resignation rate per annum (parent)	25%	1%
	Rate of return on Plan Assets (parent)	7.8%	8%

**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended 31-03-2015**

b. Unfunded Leave encashment Rs.7,822 (000) (March 31 2014: 7,822(000))

As at 31st Mar 2015, leave encashment has been provided based on management computation and not on actuarial valuation as provided under Accounting Standard 15, for the current year the provision for leave encashment has not been estimated and provided.

₹ in '000

	<b>Year Ended 31-March-15</b>	<b>Year Ended 31-March-14</b>
<b>2.41 FINANCE COSTS</b>		
Interest Expense	5,33,100	6,30,467
Other Borrowing Costs	10,195	25,778
Less: Interest income on FD	(593 )	-
<b>Total</b>	<b>5,42,702</b>	<b>6,56,245</b>
<b>2.42 OTHER EXPENSES</b>		
Course execution and delivery expenses	50,132	84,960
Software, hardware and material costs	-	343
Electricity Charges	7,919	9,947
Rent	16,402	19,865
Printing and Stationery	910	2,595
Repairs to buildings	602	-
Repairs to machinery	44,402	19,803
Repairs to Others	43,302	8,249
Insurance	266	1,830
Rates and Taxes	50,372	11,278
Travelling Expenses	23,648	31,725
Director Fees	710	615
Payment to Auditors		
Audit Fee	2,546	2,351
Reimbursement of Expenses	174	382
Professional fees	62,444	40,465
Communication Expenses	6,950	12,243
Advertisement and Publicity Expenses	19,809	15,318
Equipment rental charges	6,842	1,104
Impairment Loss	6,019	-
Miscellaneous Expenses	1,337	527
Provision for Bad and Doubtful debts	1,46,131	4,172
<b>Total</b>	<b>4,90,917</b>	<b>2,67,772</b>
<b>2.43 EXCEPTIONAL ITEMS</b>		
Exceptional provision (refer Note No.2.58 below)	63,439	6,49,550
<b>Total</b>	<b>63,439</b>	<b>6,49,550</b>

**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended 31-03-2015**

₹ in '000

		<b>Year Ended 31-March-15</b>	<b>Year Ended 31-March-14</b>
<b>2.44 EARNINGS PER SHARE</b>			
<b>a) Basic</b>			
Profit after tax	A	(17,09,284)	-14,79,888
Weighted average number of shares outstanding	B	2,40,37,465	2,18,81,767
Basic EPS	A/B	(71.11)	(67.63)
<b>Diluted</b>			
Profit after tax	A	-17,09,284	-14,79,888
Weighted average number of shares outstanding	B	2,40,37,465	2,29,73,070
<b>Diluted EPS ₹</b>	A/B	(71.11)	(64.42)
Face Value per share ₹		10	10

Note: Warrants, if, any outstanding at the year are anti-dilutive and hence ignored while computing diluted EPS. 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.

Reconciliation of weighted average number of shares for the purpose of Basic and Diluted EPS

₹ in '000

<b>Particulars</b>	<b>Year Ended 31-March-15</b>	<b>Year Ended 31-March-14</b>
Number of shares considered as basic weighted average shares outstanding	<b>2,40,37,465</b>	2,18,81,767
Add: Effect of potential dilutive shares	-	10,91,303
Number of shares considered as weighted average shares and potential shares outstanding	<b>2,40,37,465</b>	2,29,73,070

₹ in '000

<b>2.45 CONTINGENT LIABILITIES AND COMMITMENTS</b>	<b>As at 31-March-15</b>	<b>As at 31-March-14</b>
a) Claims against the company not acknowledged as debt		
Income Tax Matters	<b>9,95,192</b>	11,01,053
Service Tax Matters	<b>2,558</b>	27,286
b) Bank Guarantees	<b>5,84,687</b>	5,76,837
c) Corporate Guarantee issued on behalf of Subsidiary Companies Rs. 46,46,700 ('000) (PY Rs. 26,59,500 ('000)) against which the loan outstanding is Rs. 18,70,078 ('000) and (PY Rs. 17,05,591 ('000))		
d) Corporate Guarantee issued on banks for Secured loans to third party Rs. 3,20,000 ('000) (PY Rs. 4,20,000 ('000)) against which the loan outstanding is Rs. 1,83,050 ('000) and (PY Rs. 3,13,118 ('000))		
e) Corporate Guarantee issued by all subsidiaries to banks for Secured loans to parent Rs. 56,35,700('000) (PY Rs. 5167700 ('000)) against which the loan outstanding is Rs. 44,02,501 ('000) and (PY Rs. 40,67,232 ('000)) respectively		



## EVERONN EDUCATION LIMITED

### Notes to Consolidated Financial Statements for the year ended 31-03-2015

- f) Corporate Guarantee issued by Everonn School Limited and Everonn Skilling India Limited to banks for Secured loans to fellow subsidiary Rs. 1649700 ('000) (PY Nil) against which the loan outstanding is Rs. 1533625 ('000) and (PY Nil)
- g) Corporate Guarantee issued by Edification India Limited, Everonn Skill Development Limited and Everonn Skilling India Limited to banks for Secured loans to fellow subsidiary Rs. 1327000 ('000) (PY Nil) against which the loan outstanding is Rs. 90600 ('000) and (PY Nil)
- h) Corporate Guarantee issued by Edification India Limited, Everonn Skill Development Limited and Everonn School Limited to banks for Secured loans to fellow subsidiary Rs. 660000 ('000) (PY Nil) against which the loan outstanding is Nil and (PY Nil)
- i) In respect of items above, future cash outflows in respect of contingent liabilities is determinable only on receipt of judgments pending at various forum/ settlement of matter. The management believes that, based on legal advice or internal assessment, the outcome of these contingencies will be favorable and the loss is not probable. Accordingly no provisions have been made for the same.
- j) A Civil suit has been filed by The ICFAI Academy for permanent injunction for creating third party rights, or disposing the assets, both tangible and intangible, in the plaintiff's campuses and control offices from the academic year 2011 onwards. ICFAI has also claimed damages of Rs.5,000('000) along with interest at the rate of 18% p.a and the Company is contesting the case and the said suit is still pending in the Hon'ble Madras High Court.
- k) A Civil suit has been filed by Prometric BV towards damages amounting to Rs. 15,000('000) (PY Rs. 15,000 ('000)) and the Company is contesting the case.
- l) A civil suit has been filed by M/s PAE for recovery of outstanding Rs. 2498 ('000) (PY Nil) which is being contested
- m) HPFS has initiated winding up proceeding against the Company for the alleged nonpayment of lease charges. Since the claim made by HPFS is disputed by the Company the said Winding up proceeding is not maintainable. The Company is contesting the said Petition.
- n) The company in the past has entered into an arrangement with Mudra Max, a media agency for popularizing its brand and activities including the activities related to its subsidiaries. Due to the financial constraints, only part payment could be made to the party by the Company as well as by its subsidiaries. Mudra Max in-turn has filed a winding up case against the company for the recovery of its dues. The company is contesting this case.
- o) A winding up petition has been filed by Eureka Outsourcing Pvt Ltd against Everonn Skill Development Ltd for recovery of Rs. 14 Lakhs to which the company contesting and got stay.
- p) A civil suit has been filed by M/s United interiors against Everonn School Limited for recovery of Rs. 791 ₹ ('000) (PY Nil)
- q) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ Nil (PY ₹ Nil)
- r) Counter guarantee from third parties have not been taken for the corporate guarantee given on behalf of them.
- s) 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.

**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended 31-03-2015****2.46 OPERATING LEASES**

The company has entered into operating lease arrangement for its office facilities and equipments. These Leases are for a period ranging from 1 to 5 years with an option to the company for renewing at the end of the initial term. Equipment rental/ Rental for operating leases is added in Profit and Loss account for the year ₹ 23,244('000) (March 31 2014 ₹ 20,969 ('000))

The Future minimum lease payments under non-cancellable operating leases are as follows

₹ in '000

Particulars	₹ in '000	
	As at 31-March-15	As at 31-March-14
Within one year	1,46,926	2,59,218
Between one to five Years	1,05,660	2,52,586
After five Years	-	-

The Lease arrangements for the above non-cancellable leases do not provide for any escalation and the same has been factored in the future minimum lease rentals as disclosed above.

As stated in the last year's accounts, the company has already entered into fresh arrangements with regard to operating leases with certain lessors and the effect of these lease rentals are already captured in these accounts excepting the arrangement with HPFS which has resulted in a litigation and initiation of a winding up petition on the company (fully described under the head winding up cases against the company). Apart from this, in respect of the liability of Acorn Commodity Exchange Pvt Limited towards Axis bank has been absorbed by the company and it now stands as liability due by the company and hence not reflected under lease charges. Similarly the payments to the Standard Chartered Bank in accordance with orders passed by DRT on account Haryana Project involving Spaarkon Trading Pvt Ltd has also been reflected on payment basis and not under head lease rentals dues. Pending litigations, the company has not recognized a sum of Rs. 2,34,335('000) of lease charges during the current financial year and total accumulated amount being Rs. 4,62,956 ('000) relating to Hewlett Packard Financial Services and Spaarkon Trading Pvt Ltd.,

**2.47 EXPENDITURE IN FOREIGN CURRENCY**

₹ in '000

Particulars	₹ in '000	
	Year Ended 31-March 15	Year Ended 31-March 14
Capital Expenditure	4,382	26,388
Business Associate Expenses	712	-
Foreign Travel	2,389	6,740
<b>Total</b>	<b>7,483</b>	<b>33,128</b>

**2.48 EARNING IN FOREIGN EXCHANGE**

₹ in '000

Particulars	₹ in '000	
	Year Ended 31-March 15	Year Ended 31-March 14
Testing and Other Services	2,574	4395
Subscription of share capital	8,153	-



## EVERONN EDUCATION LIMITED

### Notes to Consolidated Financial Statements for the year ended 31-03-2015

#### 2.49 RELATED PARTY DISCLOSURE

List of Related Parties

Name	Nature of relationship
1. Varkey Group Limited 2. SKIL Infrastructure Limited 3. Gems Education (Asia) 1 Limited 4. The Concorde Residential Schools (Kerala) Private Limited 5. Premier Educational Establishments Private Ltd 6. Gems Education India Private Limited 7. Zanskar Properties private Limited 8. VG School Developments Private Ltd 9. Dream Solutions Private Ltd	Enterprise over which some of the directors exercise significant influence
10. A Srinivasan* 11. N P Mathi Lingan 12. Ganapathy Puranik* 13. Mr. CN. Radhakrishnan 14. Mr. Sandeep Maniyar	Key Managerial Personnel

\*Resigned during the year

₹ in '000

Nature of Transaction	Enterprise over which some of the directors exercise significant influence		Key Managerial Personnel	
	2014-15	2013-14	2014-15	2013-14
Subscription of Share capital and debentures received	-	86,627	-	-
Short term borrowing Received	66,336	14,97,182	-	-
Short term borrowing Repaid	81,586	2,74,384		
Remuneration Paid	-	-	6,770	5,197

Disclosure of significant transactions with related parties:

Type of Transaction	Type of Relationship	Name of the entity	March 31 2015	March 31 2014
Short Term Borrowing	Enterprise over which some of the directors exercise significant influence	The Concorde Residential Schools (Kerala) private Limited	10,401	10,650
		Premier Educational Establishments Private Ltd	1,98,800	1,98,800
		Gems Education India Private Limited	1,52,006	1,52,006
		Zanskar Properties private Limited	5,50,600	5,50,600
		VG School Developments Private Ltd	7,09,700	7,09,700
		Dream Solutions Private Ltd	-	(15,000)
		Sunny Varkey	2,92,598	2,92,598

**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended 31-03-2015**

Share application money	Enterprise over which some of the directors exercise significant influence	The Concorde Residential Schools (Kerala) private Limited	2,50,000	2,50,000
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Disclosure pursuant to clause 32 of listing agreement in respect of loans given to subsidiaries and other parties in which Key Managerial Personnel are interested

Name of the entity	Outstanding		Maximum Outstanding during the Year	
	March 31 2015	March 31 2014	March 31 2015	March 31 2014
The Concorde Residential Schools (Kerala) Pvt Ltd	(10,401)	(10,651)	(10,651)	(10,651)
Premier Educational Establishments Private Ltd	(1,98,800)	(1,98,800)	(1,98,800)	(1,98,800)
Gems Education India Private Limited	(1,52,006)	(1,52,006)	(1,52,006)	(1,52,006)
Zanskar Properties private Limited	(5,50,600)	(5,50,600)	(5,50,600)	(5,50,600)
VG School Developments Private Ltd	(7,09,700)	(7,09,700)	(7,09,700)	(7,09,700)
Dream Solutions Private Ltd	-	(15,000)	(65,600)	(15,000)
Sunny Varkey	(2,92,598)	(2,92,598)	(2,92,598)	(2,92,598)

**2.50 SEGMENT REPORTING**

The Company is engaged in the business of providing education and training and related sale of equipments. There being only one 'business segment' and 'geographical segment' the segment information is not provided

**2.51 DUES TO MICRO AND SMALL ENTERPRISES**

The company has circulated a letter to all creditors to ascertain the applicability of MSMED Act on the transaction which the company had with them. Provision for interest if any under the Act will be made upon receipt of their responses and after examining the validity of their claim.

**2.52**

The company has transactions with "Associated Enterprises" which are subject to Transfer Pricing regulations in India. The Management of the Company is of the opinion that such transactions with the associate enterprises are at arm's length. Consequently, this will not have any impact on the financial statements, particularly on account of tax expenses and that of provision for taxation.

**2.53 BALANCE CONFIRMATION**

Confirmations of Balance from Sundry Debtors, Deposit accounts, Loans and Advances, certain Banks and Sundry Creditors have not been obtained. Accounts of certain sundry debtors, loans and advances, deposits and creditors are being reviewed as an ongoing process. As there is an inordinate delay in receipt of confirmations from Government Contracts adjustments, if any will be made on completion of review/reconciliation/ identification of doubtful debts/advances.

**2.54 IMPAIRMENT OF ASSETS**

As explained under the head Business Reconstruction Reserve under the Note No. 2.56 the company had utilized the BRR reserve by writing off the balance appearing in Capital work in progress as well as certain long outstanding

**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended 31-03-2015**

non recoverable advances and receivables. In respect other assets the company is confident that once restructuring exercise is fully completed, it will have clearer picture with regard to exact quantum of impairment that need to be recognized. The company is of the view that these will be appropriately dealt during the next financial year, after taking into account the available balance in BRR and the write back if any that may arise due to the successful negotiations with the creditors in respect of the outstanding of the company.

**2.55 INCOME TAX**

During the year, the Company reviewed the position with regard to the income tax assessments till date and has taken certain decisions to mitigate the tax outflow especially by filing revised returns/computations in respect of all the pending assessments. The company received assessment order for AY 2006-07 to 2012-13 which is also being contested. The various appeals filed by the company against the demands raised by the Income tax department were heard subsequent to close of the accounting year and based on the favorable judgements rendered in other cases of similar natures; the management is of the view that there is no need to recognize any additional tax provision. The company has been advised that there are reasonable chances of obtaining favorable orders reducing the quantum of demand to a great extent (as against any additional outgo on account of new demands) in case the judicial precedents are followed fully in deciding these appeals, which will re-inforce the stand taken by the company.

No provision is made in this regard, as the Company has been advised that the stand of the Company will be accepted in appeal. Any additional tax provision arising out of the tax demands (inclusive of interest and penalty) will be made upon reaching the finality in respect of the assessments.

**2.56 EXCEPTIONAL ITEMS**

The break up is as under

₹ in '000

Particulars	For the year ended March 31 2015	For the year ended March 31 2014
i. Restructuring of Operating Lease arrangements with Reliance Capital Limited amount recognized as on exceptional items (Note Below)	-	1,65,406
ii. Lease deposits for premises at Perungudi written off (Note Below)	-	33,333
iii. Write down in the value of Fixed Assets	-	4,07,005
iv. Other Items	63,439	43,806

- i. During the year exceptional item represents payments made to consultants for various services including restructuring, preparation of prospective business plan for restructuring and fresh funds from banks and other services. This also includes write off of old debtors of Rs.1.37 cr, penalties levied by Haryana and AP government of Rs. 1.30 Cr for certain deficiencies and other miscellaneous receivables of Rs. 50 Lakhs
- ii. During the previous year the company initially had an operating lease arrangement with Reliance capital in respect of certain assets and the over dues towards the lease rentals resulted in legal proceedings against the company. The Company later concluded a revised arrangement with Reliance Capital under which the operating lease arrangement was substituted by a mortgage loan with EMIs being paid over a period of 8 years up to 2022. This mortgage loan together with existing mortgage loan aggregate to Rs. 342,238 ('000) and is secured by the title deeds of third floor of the property at Perungudi, Chennai. The company has reached an understanding with Reliance Capital Ltd for a one time settlement of its dues.

The revised terms necessitated a recognition of a onetime charge of Rs. 16.54 Cr.





## EVERONN EDUCATION LIMITED

### Notes to Consolidated Financial Statements for the year ended 31-03-2015

- iii. During the previous year the company initially had an option to acquire two floors additionally in the office premises at Perungudi, Chennai. Accordingly, the company made a deposit of Rs. 5,00,000 ('000) towards the acquisition of three floors with the land lord. However, due to financial constraints, the company acquired only the third floor and surrendered the option to acquire the other two floors along with the deposit of Rs. 33,333 ('000) which is now reflected as an exceptional item as the negotiations were concluded during the current financial year.

#### 2.57

Due to erosion in the net worth, the company's is unable to expand in confident manner its various operations and also arrest the continued losses sustained by it. The company's business plans that are evaluated by the bankers have re-inforced the belief of the company that its future lies in successfully exploiting its strength in running schools across the country to take care of increasing demand. With the funds raised from the bankers, the company has judiciously allocated its resources so that its operations across the group especially the operating companies are carried out in smooth manner without creating any bottle necks. In other words the company continues to use the funds raised for all common purposes so that the returns that expected flow in near future will be adequate to defray all the possible liabilities of the company.

#### 2.58

The promoters of the company, who are one of the world leaders in education and running schools of repute, all over the world, have brought in major changes in the operation of the entire group's activities, the emphasis now being focused on establishing and running of high quality schools across the country. Accordingly, the management of the company has now decided to shed all unviable businesses which were started earlier by the old management and has now decided to have a leaner structure without carrying on the multiple subsidiary companies. The management is fully aware that any abrupt closure of these subsidiaries without evaluating the risks attached in relation thereto will further cripple the inflow of the bank finances which are necessary for the running the operations of the company. At the same time, the company has also consulted best legal minds who have advised the management to take recourse to certain legal proceedings to ensure that the interest of the company is fully secured, in recouping its dues, which the management is of the view, has not been properly safeguarded in the past. A new team of officials have been brought in, almost at the beginning of the current calendar year who are constantly pursuing various alternatives to ensure that some of the assets which are held by the subsidiaries (whether in the form of loans/advances or any interest in immovable properties - whether directly or otherwise) is properly realigned in the company's books so that the company's net worth is fully protected.

The company's financial position has been constantly reviewed by the lenders who have been monitoring closely all the activities and with their cooperation the management is of the view that it will wipe out all the legacy issues and embark on a new direction. The management is of the view that despite the losses which are already forming part of the holding company as well as in the books of certain inoperative subsidiaries, the company is and will remain as a going concern and on this basis the financials / assets / liabilities are stated in the books of accounts. The Company is also taking various steps to reduce costs and improve efficiencies to make its operations profitable and accordingly the financial statements have been prepared on the basis that the Company is a going concern.

#### 2.59

In respect of advances given to various parties and Debts due from government agencies and others, in view of legal advices and other opinion received no provision is considered necessary at this juncture, as the company at present is hopeful of recovering major portion of outstanding dues.

#### 2.60 BUSINESS RESTRUCTURING RESERVE

The Hon'ble High Court of Madras permitted the Company to reduce the Securities Premium Account to an amount not exceeding Rs. 150 Crores to be transferred to a separate reserve styled as "Business Restructuring Reserve"(BRR). The resolution passed by the Share Holders and approved by the Court permitted the BRR should



## EVERONN EDUCATION LIMITED

### Notes to Consolidated Financial Statements for the year ended 31-03-2015

be utilized for setting off against diminution in the value of investments, and consequent impairment of goodwill and accumulated losses, unrealized debtors and loans and advances etc.,

The Company has given effect to this order of the Hon 'ble High Court by carving out of the Share Premium Account, a sum of Rs. 150.00 Crores to BRR.

Out of the balance of Rs. 150.00 Crores under head BRR, during the year company has utilized a sum of Rs. 65.66 Crores, in accordance with the permission granted by the Honorable High Court of madras. The reaming balances will be utilized for the purposed approved by court in the current financial year.

#### 2.61

The company has not consolidated the financials of its associate M/s Right Track Admizzionz Campuz Private Limited where the company holds 1,22,500 Equity Shares on account of non-receipt of the financials of the company.

#### 2.62 PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped/ re classified wherever necessary to conform to the current year presentation.

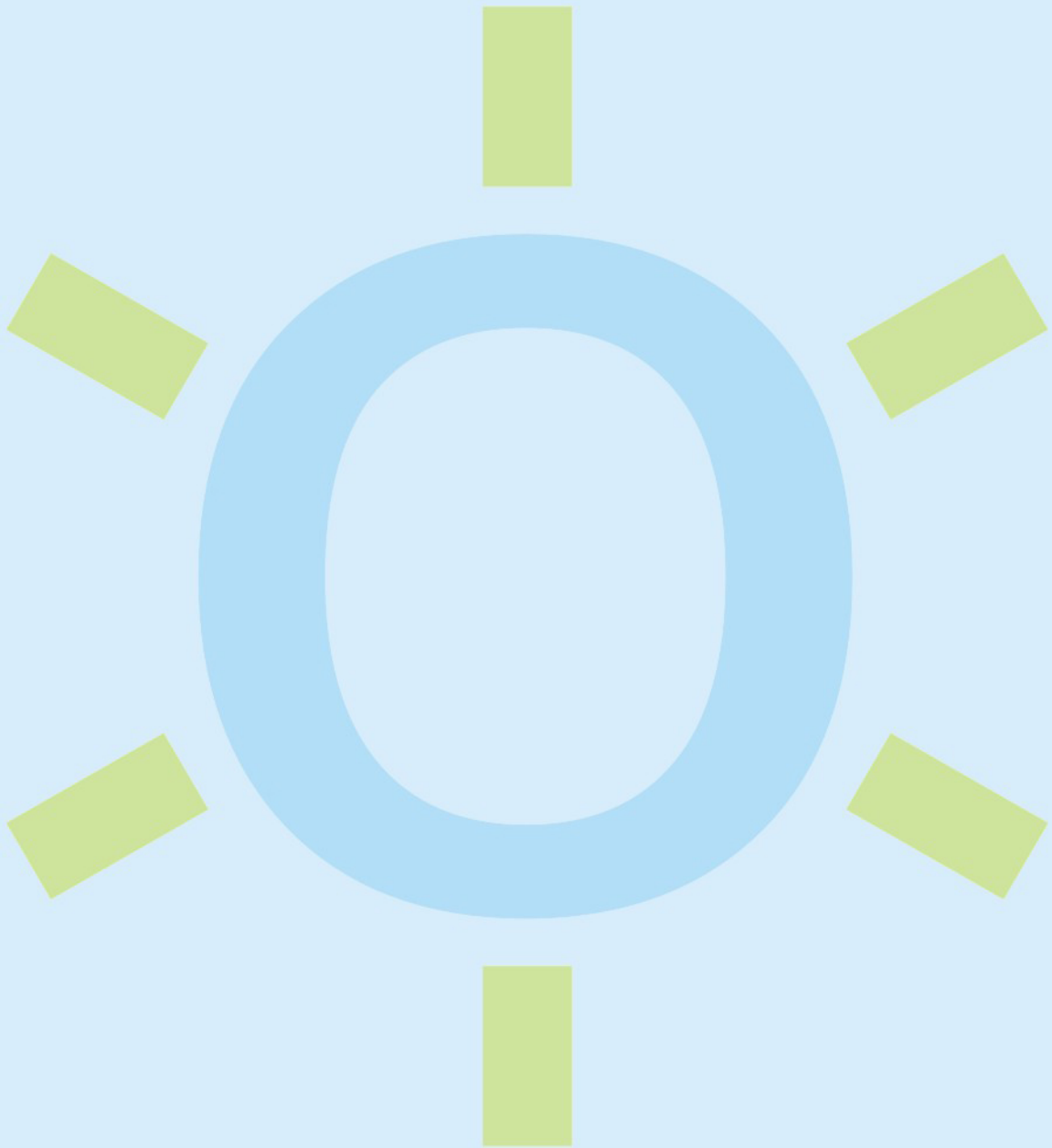


**Form No. AOC-1**  
**Salient features of the financial statement of subsidiaries / associates / joint ventures**  
**Part "A": Subsidiaries**

Name of the Subsidiary	Reporting period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) Before Taxation	Profit / (Loss) After Taxation	Propose dividend	% of Shareholding *
Everonn Educational Resources Solutions Ltd	2014-15	INR	21,000	(7,121)	61,544	47,665	-	-	(86,344)	(86,344)	-	100%byEEL
Toppers Tutorial Pvt Ltd	2014-15	INR	10,800	(3,04,686)	95,760	3,89,646	-	-	(1,49,848)	(1,49,848)	-	100%byEEL
Everonn Infrastructure Limited	2014-15	INR	15,500	(66,332)	2,41,856	2,92,688	-	-	(26,243)	(26,243)	-	100%byEEL
AEG Skill Update Private Ltd	2014-15	INR	100	(293)	86	279	-	-	(170)	(170)	-	51%byEEL
Everonn Skill Development Ltd(*)	2014-15	INR	3,90,727	(4,90,844)	2,89,029	3,89,146	-	32,671	(1,93,538)	(1,93,538)	-	97.9%byEIL
Everonn Business Education Ltd	2014-15	INR	22,500	(4,18,275)	6,31,882	10,27,657	-	-	(1,51,637)	(1,51,637)	-	100%byEEL
Everonn School Ltd	2014-15	INR	34,500	4,61,617	9,03,722	4,07,605	-	9,981	(1,39,890)	(1,39,890)	-	71%byEEL 29%byEIL
Everonn Medical Education Ltd	2014-15	INR	500	(40,042)	4,91,617	5,31,159	-	-	(1,170)	(1,170)	-	100%byEEL
Everonn Technical Education India Ltd	2014-15	INR	500	(34,953)	1,73,470	2,07,923	-	-	(1,192)	(1,192)	-	100%byEEL
Edifications India Ltd.	2014-15	INR	5,71,786	8,74,169	31,99,865	17,53,910	12,06,074	-	(1,13,476)	(1,13,476)	-	100%byEEL
Everonn Sport Management Ltd.	2014-15	INR	500	(205)	345	50	-	-	(101)	(101)	-	100%byEEL
Everonn Knowledge & Education Corridor Ltd.	2014-15	INR	500	(14,413)	10,81,289	10,95,202	-	-	(174)	(174)	-	100%byEEL
EveronnDassani Literate Ltd.	2014-15	INR	500	(271)	279	50	-	-	(164)	(164)	-	60%byEEL
Everonn Skilling India Ltd (*)	2014-15	INR	500	(1,363)	4,555	5,418	-	-	(1,334)	(1,334)	-	100%byEIL
Everonn Skilling Product Ltd (*)	2014-15	INR	500	(127)	511	138	-	-	(102)	(102)	-	100%byEIL

\* EEL - Everonn Education Limited, EIL - Edifications India Limited

**Book Post**



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