

Capturing the imagination...  
Freeing the mind...  
through education.

ANNUAL REPORT 2009 - 2010



# Spreading the power of education.

Tamil Nadu today, India tomorrow.



KenBridge Schools will be set up in an area of 3 - 5 acres with large open grounds for field games and other athletic activities.

Total student capacity at the steady state of operations will be 1600+. There are separate academic blocks for students between pre-school to UKG and I-XII with separate libraries and activity centre. First phase of construction will cater to the teaching requirements for initial years of operations of the school and rest of the construction will be staggered over 2 phases.

KenBridge Schools, aims to invite all Indians in India and around the world-who want to be involved in this nation building exercise, with options to invest and co-own educational institutes in India. Social entrepreneurs have partnered with Everonn Education Limited to set up KenBridge Schools at various districts to educate and support the local community.

Everonn will serve as an aggregator, facilitator and manager of this project.

KenBridge Schools will commence K-5 operations at Mayiladuthurai, Ramanathapuram, Khammam, Tuticorin, Jaipur, Amravati, Bhubaneshwar, Chattisgarh, Anantnag and Motihari from April, 2011.

For details on how to be a co-founder of KenBridge Schools, in your district or town and to know more about KenBridge Schools, you may contact at the given below address.



**KENBRIDGE SCHOOLS**  
INSPIRED TO LEARN

**everonn**

Everonn Education Limited  
*Education beyond boundaries*

**Corporate Office:** Everonn House, Plot No.96-99, Perungudi Industrial Estate, Perungudi, Chennai - 600096

E-mail: [ei@everonn.com](mailto:ei@everonn.com), [kenbridgeschools@everonn.com](mailto:kenbridgeschools@everonn.com) • Tel: South - 09445034003 North - 07827481181 • SMS 'Kenbridge' to 54567



## Board of Directors

Name	Status
Mr. P. Kishore	Managing Director
Ms. Sussha John	Whole Time Director
Mr. R. Sankaran	Non-Executive and Independent Director
Mr. Joe Thomas	Non-Executive and Independent Director
Dr. K. M. Marimuthu	Non-Executive and Independent Director

## Company Secretary

S.Vijayanand

## Registered Office of the Company

No: 82, IVth Avenue, Ashok Nagar, Chennai - 600 083

## Corporate Office:

“Everonn House”, Plot No # 96-99 Industrial Estate Perungudi, Chennai – 600 096

## Auditors

**M/s. P. Chandrasekar**

Chartered Accountants

S 616, Manipal Centre, South Block, 47, Dickenson Road, Bangalore - 560 042

## Bankers

### State Bank Of India

Corporate Accounts Group Branch,  
64, Greams Road, Chennai - 600 006.

### Syndicate Bank

Mount Road Branch,  
38, Anna Salai, Chennai - 600 002.

### Indian Bank

Ashok Nagar Branch,  
15, First Avenue, Ashok Nagar,  
Chennai - 600 083.

### Development Credit Bank Limited

Nungambakkam Branch,  
61, Nungambakkam High Road,  
Chennai - 600 034.

### ICICI Bank

No. 25, 1st Avenue, Ashok Nagar,  
Chennai - 600 083.

### Standard Chartered Bank

No.19, Rajaji Salai,  
Chennai - 600 001.

## 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**

## Registrar & Transferor Agents

**Cameo Corporate Services Limited**

Subramanian Building, No.1, Club House Road, Chennai - 600002



## CONTENTS

1	Notice of Annual General Meeting	3
2	Financial Highlights	13
3	Directors' Report	15
4	Management Discussion & Analysis Report	21
5	Corporate Governance Report	32
6	Auditors' Report	43
7	Balance Sheet	46
8	Profit and Loss Account	47
9	Schedules	49
10	Consolidated Financial Statements	68
11	Subsidiary Company Information as per Section 212 of the Companies Act, 1956	90



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 10<sup>th</sup> Annual General Meeting of the Members of Everonn Education Limited will be held at 11.00 A.M. on Tuesday, the 27th July, 2010 at “**The Music Academy**”, New No. 168, TTK Road, Chennai- 600 014 to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2010 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors' and Auditor's thereon.
2. To declare dividend on Equity Share Capital.
3. To appoint a Director in place of Mr. Joe Thomas, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors, fix their remuneration and in connection therewith, to pass, with or without modifications, the following resolution as an

### ORDINARY RESOLUTION

**RESOLVED THAT** pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s P.Chandrasekar, Chartered Accountants, Bangalore, the retiring Auditors of the Company, be and is hereby re-appointed as Statutory Auditor of the Company to hold office from the conclusion of the Tenth Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company.

### SPECIAL BUSINESS

5. **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 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure

Requirements) Regulations, 2009 ("SEBI Regulations") and other applicable Regulations/Guidelines, wherever applicable, such other approvals, permissions, sanctions, consents as may be necessary or expedient under the applicable laws, rules and regulations and subject to such terms, conditions, alterations and modifications as may be considered appropriate by the Board of Directors of the Company, (hereinafter referred to as "Board" which shall include any Committee of Directors), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranche(es) on preferential basis up to 6,00,000 (Six Lakhs Only) Warrants, convertible into equivalent Equity Share of Rs.10/- (Rs.Ten Only) each (hereinafter referred as "Equity Warrants") at a price of Rs.430.45/- (Rupees Four Hundred Thirty and Forty Five Paise Only) per Warrant (including a premium of Rs. 420.45/- {Rupees Four Hundred Twenty and Forty Five Paise Only} per Warrant), the price as determined in accordance with SEBI Guidelines and the subscription amount for the Equity Warrants being adjusted against the exercise price of the Equity Warrants, to the following promoters/promoter group of the Company as follows:

Sr. No.	Name of the Allottee	Category	No. of Equity Warrants to be Issued
1	Mr.P.Kishore	Promoter	5,00,000
2	Ms. Susha John	Person from Promoter Group	1,00,000
	<b>Total</b>		<b>6,00,000</b>

**RESOLVED FURTHER THAT** these Convertible Warrants shall at the option of the holder, be converted into equivalent equity shares in one or more tranches at any time, before expiry of 18 months from the date of allotment.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalise all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force in that behalf and to issue and allot the Equity Warrants / Equity Shares and apply for listing of such securities on the Stock Exchanges where the shares of the Company are already listed as and when the shares are issued and allotted under this resolution.



**RESOLVED FURTHER THAT** the offer, issue and allotment of the aforesaid Equity Warrants shall be made within 15 days from the date of passing of this resolution subject however to the applicable statutory regulatory provisions and the Guidelines by the Securities Exchange Board of India.

**RESOLVED FURTHER THAT** the "Relevant Date" under SEBI Guidelines for the purpose of determining the issue price of resultant shares shall be 27th June, 2010 being the date, 30 days prior to the date of passing this Resolution.

**RESOLVED FURTHER THAT** the Equity shares so issued and allotted upon conversion of Equity Warrants shall rank pari passu with the then existing Equity shares of the Company in all respects including dividend.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorised to agree, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit, including, condition(s), modifications(s) and alteration(s) stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines, and the Board is also hereby authorised to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution.

**6. 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 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, Chapter VII of Securities and Exchange

Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") and other applicable Regulations/Guidelines, wherever applicable, such other approvals, permissions, sanctions, consents as may be necessary or expedient under the applicable laws, rules and regulations and subject to such terms, conditions, alterations and modifications as may be considered appropriate by the Board of Directors of the Company, (hereinafter referred to as "Board" which shall include any Committee of Directors), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more tranch(es) on preferential basis Zero Coupon Fully Convertible debentures, (hereinafter referred as "Fully Convertible Debentures") upto Rs.10,40,00,000 (Rupees Ten Crores Forty Lakhs Only) as the Board may determine in accordance with the SEBI Regulations.

Sr. No.	Name of the Allottee	Amount upto which Fully convertible debentures to be Issued
1.	HT Media Ltd	Rs. 10,40,00,000
	<b>Total</b>	<b>Rs. 10,40,00,000</b>

**RESOLVED FURTHER THAT** the Board be and is hereby authorized on behalf of the Company to finalise the terms and conditions relating to issue of Fully Convertible Debentures and all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force in that behalf.

**RESOLVED FURTHER THAT** the offer, issue and allotment of the aforesaid Fully Convertible Debentures shall be made within 15 days from the date of passing of this resolution subject however to the applicable statutory regulatory provisions and the Guidelines by the Securities Exchange Board of India.

**RESOLVED FURTHER THAT** the pricing of the Fully Convertible Debentures and the pricing of the equity shares issued upon conversion of the securities shall be made subject to and in compliance with all applicable laws, guidelines, notifications, rules and regulations considering the "Relevant Date" under SEBI regulations for the purpose of determining the issue of resultant shares as 31st March, 2011 and these Fully Convertible Debentures shall at the option of the holder, be converted into equivalent equity shares in one or more tranches at any time after

**30 days from the relevant date but before expiry of 18 months from the date of allotment**

**RESOLVED FURTHER THAT** the Equity shares so issued and allotted upon conversion of Fully Convertible Debentures shall rank pari passu with the then existing Equity shares of the Company in all respects including dividend.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorised to agree, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit, including, condition(s), modifications(s) and alteration(s) stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines, and the Board is also hereby authorised to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution.

**7. 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 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") and other applicable Regulations/Guidelines, wherever applicable, such other approvals, permissions, sanctions, consents as may be necessary or expedient under the applicable laws, rules and regulations and subject to such

terms, conditions, alterations and modifications as may be considered appropriate by the Board of Directors of the Company, (hereinafter referred to as "Board" which shall include any Committee of Directors), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more tranch(es) on preferential basis Zero Coupon Fully Convertible debentures, (hereinafter referred as "Fully Convertible Debentures") upto Rs.7,78,00,000 (Rupees Seven Crores Seventy Eight Lakhs Only) as the Board may determine in accordance with the SEBI Regulations.

S. No.	Name of the Allottee	Amount upto which Zero Coupon Fully Convertible Debentures
1.	DB Corp Limited	7,78,00,000
		<b>7,78,00,000</b>

**RESOLVED FURTHER THAT** the Board be and is hereby authorized on behalf of the Company to finalise the terms and conditions relating to issue of Fully Convertible Debentures and all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force in that behalf.

**RESOLVED FURTHER THAT** the offer, issue and allotment of the aforesaid Fully Convertible Debentures shall be made within 15 days from the date of passing of this resolution subject however to the applicable statutory regulatory provisions and the Guidelines by the Securities Exchange Board of India.

**RESOLVED FURTHER THAT** the pricing of the Fully Convertible Debentures and the pricing of the equity shares issued upon conversion of the securities shall be made subject to and in compliance with all applicable laws, guidelines, notifications, rules and regulations considering the "Relevant Date" under SEBI regulations for the purpose of determining the issue of resultant shares as 30th November 2011 and these Fully Convertible Debentures shall at the option of the holder, be converted into equivalent equity shares in one or more tranches at any time after 30 days from the relevant date but before expiry of 18 months from the date of allotment.

**RESOLVED FURTHER THAT** the Equity shares so issued and allotted upon conversion of Fully Convertible Debentures shall rank pari passu with



the then existing Equity shares of the Company in all respects including dividend.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorised to agree, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit, including, condition(s), modifications(s) and alteration(s) stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines, and the Board is also hereby authorised to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution.

**8. To consider and if thought fit, to pass the following resolution as ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called “the Board” and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) for borrowing from time to time, as it may think fit, any sum or sums of money not exceeding Rs.700 Crore (Rupees Seven Hundred Crore) on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business), exceed the aggregate,

for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized for borrowing from time to time as it may think fit, any sum or sums of money but not exceeding Rs.700 Crore (Rupees Seven Hundred Crore), in aggregate or equivalent thereto in any foreign currency (including the monies already borrowed by the Company), on such security and on such terms and conditions as the Board may deem fit, by way of loans from, or issue of Bonds, Debentures or other Securities whether Convertible into Equity/Preference Shares and/or Securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe to Equity/Preference Shares (hereinafter referred to as "securities"), to Bank(s), Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution."

By Order of the Board,  
**For Everonn Education Limited**

**S. Vijayanand**  
Company Secretary

Place : Chennai  
Date : June 28, 2010

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING 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 PROXY SHOULD, HOWEVER, BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board





Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. The Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 setting out all the material facts in respect of Item Nos.5, 6, 7 & 8 of the Notice is attached.
4. Members are requested to notify their change of address, if any, in case of shares held in electronic form to the concerned depository participant quoting their id number and in case of Shares held in physical form to the Share Transfer Agent, Cameo Corporate Services Ltd. Subramanian Building, No.1, Club House Road, Chennai - 600 002.
5. Members are requested to bring the Attendance Slip and hand it over at the entrance duly signed by them. Duplicate Admission slips will not be provided at the hall.
6. Members who hold Shares in dematerialized form are requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their folio no. in the attendance slip for attending the Meeting.
7. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 24th July 2010 to 27th July 2010, (both days inclusive).
9. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking reappointment at the ensuing Annual General Meeting are contained in the Annexure I hereto.

## ANNEXURE I

### Details of Directors Seeking Reappointment at 10<sup>th</sup> Annual General Meeting

PARTICULARS	Mr. Joe Thomas
Date of Birth	19-06-1957
Date of Appointment	20-02-2002
Qualifications	PG Degree in Chemistry
Expertise in specific Functional area	He holds a postgraduate degree in Chemistry, and has 23 years experience in International Business, of which 11 years were with Procter & Gamble in India and has headed its Marketing Division for South Asia. He is President - Strategic Business Development at Strides Arco Lab Ltd. He has guided many strategy development and organization building in Regional and Global companies. He now heads BioServe Biotechnologies Ltd as their M.D. and COO (Global)
Number of Directorship	<ol style="list-style-type: none"> <li>1. BioServe Biotechnologies Ltd</li> <li>2. Nous Infosystems Pvt Ltd</li> <li>3. SeQuent Scientific Ltd</li> <li>4. Kalaa Artspace Pvt Ltd</li> </ol>

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO.5****I. Objects of the issue through Preferential Offer to Promoters/persons from Promoter Group**

Your Company is going through a buoyant growth cycle and needs more of own funds in business to augment its working capital for growth. The Company has been actively pursuing both organic and inorganic growth strategy for last three years and continues the strategy even now. The Company is working to maintain this pace of growth in the foreseeable future. The Company is showing a highly sustainable growth momentum and need funds to keep growing. The Company intends to strengthen its long term working capital needs by issue of Equity Warrants and the Promoters have agreed to provide the necessary funds by subscribing to the Equity Warrants and on allotment to Equity Shares on exercise of such Equity Warrants. Accordingly, the Company proposes to issue on preferential basis, warrants convertible into equity shares at the option of the holder as per the ICDR regulations issued by SEBI.

For reasons stated supra and to augment the working capital requirements, the Board of Directors, subject to the approval of the shareholders has decided to offer,

issue and allot on Preferential basis 600000 Equity Warrants convertible at the option of the holder into one Equity share of Rs. 10/- each (Rupees Ten Only) at Rs. 430.45/- (including the premium of Rs. 420.45/-) which is the price determined in accordance with SEBI ICDR Regulations, 2009 to the existing promoters/ persons from promoter group.

**II. Intention of the Promoters/ Directors / Key management persons to subscribe to the offer**

The resolution set out at Item No. 5 of the accompanying Notice is an enabling resolution entitling the Board to issue Equity Warrants convertible into Equity shares to the promoters/ promoter group as may be deemed appropriate in the best interest of the Company.

None of the other promoters/ persons from promoter group/ Directors/ Key management persons other than those specified in the resolution are subscribing to the preferential issue authorised by the resolution.

The existing Promoters would continue to be controlling the Company after the preferential issue and there would be no change in control in the management of the Company.

**III. Shareholding pattern before and after the offer**

	Category	Pre-preferential issue Shareholding (as of June 18, 2010)		Post-preferential issue Shareholding (after allotment of shares against Equity Warrants)*	
		No.	%	No.	%
<b>A</b>	<b>Promoter's Holding</b>				
	Promoters	3530803	23.35	4030803	25.64
	Promoter Group	536595	3.55	636595	4.05
	<b>Sub Total</b>	<b>4067398</b>	<b>26.90</b>	<b>4667398</b>	<b>29.69</b>
<b>B</b>	<b>Non Promoters Holding</b>				
	Mutual Fund	1006913	6.66	1006913	6.41
	Banks	84313	0.56	84313	0.54
	FII's	4117644	27.23	4117644	26.19
	Body Corporates	1214515	8.03	1214515	7.73
	Residents Individuals	2857545	18.90	2857545	18.18
	NRI	103524	0.68	103524	0.66
	Foreign Nationals	400	0.00	400	0.00
	Foreign Investors	568285	3.76	568285	3.61
	Foreign Venture Capital Investors	840484	5.56	840484	5.35
	Clearing Members	58394	0.39	58394	0.37
	Trusts	200985	1.33	200985	1.28
	<b>Sub Total</b>	<b>11053002</b>	<b>73.10</b>	<b>11053002</b>	<b>70.31</b>
	<b>Grand Total</b>	<b>15120400</b>	<b>100.00</b>	<b>15720400</b>	<b>100.00</b>

\* Assuming full conversion of Equity Warrants issued to promoters/promoter group into Equity shares.

**IV. Proposed time within which the allotment shall be completed**

The allotment and issue of the Equity Warrants are proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at the general meeting or where the approval of any statutory authority is pending or required, the allotment will be completed within 15 days from date of such approval. The allotment of 6,00,000 Equity shares resulting from the exercise of the said Equity Warrants will be completed within 18 months from the date of issue of Equity Warrant.

**V. Identity of the proposed allottee (promoters) and the percentage of post preferential issue capital**

Sr. No	Identity of the proposed allottee	Category	No of Equity Warrants to be allotted	% of post-preferential issue equity capital *
1.	Mr.P.Kishore	Promoter	5,00,000	3.18%
2.	Ms. Susha John	Person from Promoter Group	1,00,000	0.64%
<b>TOTAL</b>			<b>6,00,000</b>	<b>3.82%</b>

\* Assuming full conversion of Equity Warrants issued to non-promoter and promoter/promoter group

**VI. Lock In period**

In terms of the SEBI (ICDR) Regulations 2009, the Equity Warrants issued on preferential basis to promoters/promoter group shall be locked-in for a period of three years from the date of allotment of the Equity Warrants, subject to not more than 20% of the total capital of the company, including capital brought in by way of preferential issue, shall be subject to lock-in of three years from the date of allotment. The lock-in on the shares allotted on the exercise of the option attached to the Warrants, if any, shall be reduced to the extent the Warrants have already been locked-in.

The Company shall accordingly lock-in the Equity Warrants in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009.

The new Equity shares issued shall rank pari passu in all respect with the existing Equity Shares of the Company.

**VII. Statutory Auditor's Certificate**

The Company has obtained certificate from the Statutory Auditor of the Company that above issue is being made in accordance with the requirements contained in the

aforsaid Guidelines. A copy of which shall be made available for inspection at the Registered Office of the Company on any working day till the date of the Annual General Meeting during business hours and will also be placed before the meeting.

**VIII. Terms of Equity Warrants**

- An amount equivalent to atleast 25% of Rs. 25.82 Crores (Issue Price) per Equity Warrant shall be paid at the time of allotment by the aforsaid allottees. The balance shall be payable at the time of conversion.
- The holder of Equity Warrants will have an option to apply for and be allotted 1 (one) Equity shares of the Company per Equity Warrant, at any time after the allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches.
- If the entitlement against the Equity Warrants to apply for the Equity share is not exercised within the aforsaid period, the entitlement of the Equity Warrant holders to apply for the Equity shares of the Company along with rights attached thereto shall expire and any amount paid on such convertible Equity Warrants shall stand forfeited.
- The Equity Warrants by itself does not give to the holders thereof any rights of the shareholders of the Company.

**IX. Undertaking as per Clause 73(1)(g) of Chapter VII of SEBI (ICDR) Regulations, 2009**

The Company hereby undertakes that

- (a) It shall recompute the price of the specified securities in terms of the provisions of these regulations where it is required to do so
- (b) If the amount payable on account of the recomputation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the subscribed capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in section 81, unless shareholders in general meeting decide otherwise by passing a special resolution. Hence, consent of the shareholders by way of a Special Resolution is being sought.

The proposed allotment on preferential basis, if made,



will not result in change in management or control of the Company as per the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereof.

The proposed allottees are also Directors of the Company and should be considered as interested in the resolution. None of the other Directors are interested in respect of the proposed preferential allotment.

The Directors recommend the Resolution for approval of the Members.

**ITEM NO.6 & 7**

**1. Objects of the issue of Zero Coupon Fully Convertible Debentures on Preferential Basis to Non Promoters.**

The Company has emphasized upon an ambitious growth plan and expects significant growth in its business of computer education and virtual learning and also in new growth areas, which are directly related to the current demand from the market. Significant opportunities also exist in the international markets for the expertise of the Company in the education segment.

There is a need to create a strong brand in the minds of the Customers. Communications will play a key role in

building a successful brand. All elements of the promotional mix would need to be used to develop and sustain Customer perceptions. The challenge initially would be to build awareness, then to develop the brand personality and reinforce the perception. The brand building activities coupled with our first mover advantage would aid in building a lasting and recognisable brand in the Education segment. Brand building exercise for the next 5 years requires huge amount of money to be spent on advertisements.

In this endeavour, the company has forged an alliance with HT Media Ltd & DB Corp Ltd., wherein the Company will issue Zero Coupon Fully Convertible Debentures to HT Media Ltd and DB Corp Ltd. The amount so received will be utilized towards the cost of the advertisements that will be placed in HT Media Ltd & DB Corp Ltd.

**2. Proposal of the promoters/Directors/Key Management Personnel to subscribe to the offer.**

None of the promoters/Directors/Key Management Personnel are subscribing to the preferential issue authorized by this resolution.

The existing promoters would continue to be controlling the Company after the preferential issue and there would be no change in control in the management of the Company.

**3. Shareholding Pattern before and after the preferential issue**

Category	Pre-preferential issue Shareholding (as of June 18, 2010)		Post-preferential issue Shareholding (after allotment of shares against Equity Warrants)*		Post-preferential issue Shareholding (after allotment of shares against Zero Coupon Fully convertible debentures)*	
	No.	%	No.	%	No.	%
<b>A Promoter's Holding</b>						
Promoters	3530803	23.35	4030803	25.64	4030803	-
Promoter Group	536595	3.55	636595	4.05	636595	-
<b>Sub Total</b>	<b>4067398</b>	<b>26.90</b>	<b>4667398</b>	<b>29.69</b>	<b>4667398</b>	<b>-</b>
<b>B Non Promoters Holding</b>						
Mutual Fund	1006913	6.66	1006913	6.41	1006913	-
Banks	84313	0.56	84313	0.54	84313	-
FII's	4117644	27.23	4117644	26.19	4117644	-
Body Corporates	1214515	8.03	1214515	7.73	-*	-
Residents Individuals	2857545	18.90	2857545	18.18	2857545	-
NRI	103524	0.68	103524	0.66	103524	-
Foreign Nationals	400	0.00	400	0.00	400	-
Foreign Investors	568285	3.76	568285	3.61	568285	-
Foreign Venture Capital Investors	840484	5.56	840484	5.35	840484	-
Clearing Members	58394	0.39	58394	0.37	58394	-
Trusts	200985	1.33	200985	1.28	200985	-
<b>Sub Total</b>	<b>11053002</b>	<b>73.10</b>	<b>11053002</b>	<b>70.31</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>15120400</b>	<b>100.00</b>	<b>15720400</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

\* The details of Shareholding and percentage of post preferential issue will be available only at the time of conversion of the instrument as the price is determined only at the time of conversion.



#### 4. Time within which the preferential issue shall be completed

The allotment and issue of the Zero Coupon Fully Convertible Debentures are proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at the general meeting or where

the approval of any statutory authority is pending or required, the allotment will be completed within 15 days from date of such approval. The allotment of Equity shares resulting from the exercise of the said Zero Coupon Fully Convertible Debentures will be completed within 18 months from the date of issue of Zero Coupon Fully Convertible Debentures.

#### 5. Identity of the proposed allottee and the percentage of post preferential issue capital

Sr. No.	Identity of the proposed allottee	Amount upto which Zero Coupon Fully Convertible Debentures to be allotted	% of post-preferential issue equity capital *
1	HT Media is a BSE and NSE listed entity which is one of India's largest media companies that publishes news paper Hindustan Times in English & Hindustan in Hindi through its subsidiary Hindustan Media Ventures Limited. In addition HT Media also publishes a national business newspaper with presence in the key markets of Delhi, Mumbai, Bengaluru, Chandigarh, Pune and in Kolkata. The company in a consulting partnership with Virgin Radio has launched the FM radio channel - Fever 104. Currently available in Delhi, Mumbai, Bengaluru and Kolkata. Internet businesses of HT Media incorporated under Firefly e-ventures, operate leading web portals Hindustantimes.com and livemint.com in the general and business news categories respectively.	Rs. 10,40,00,000	— *
2	D B Corp Ltd. is a BSE listed Company engaged in printing and publication of Newspaper in three languages(English, Hindi & Gujarati) across 11 states, in Radio Business with "My FM" Radio station in 7 states and 17 cities along with strong web presence in India. Only media house to enjoy leadership at multiple states, in multiple languages and with well diversified readership. 'Dainik Bhaskar', the flagship Newspaper brand is established since 1958, Divya Bhaskar and Saurashtra Samachar,(In Gujarati), have a combined average daily readership of 15.5 million readers.	Rs. 7,78,00,000	—
<b>TOTAL</b>		<b>Rs. 18,18,00,000</b>	— *

\* The details of percentage of post preferential issue will be available only at the time of conversion of the instrument as the price is determined only at the time of conversion.

#### 6. Lock In period

In terms of the SEBI (ICDR) Regulations 2009, the Zero Coupon Fully Convertible Debentures allotted on preferential basis to persons other than promoter and promoter group and the equity shares allotted pursuant to exercise of options attached to Zero Coupon Fully Convertible Debentures issued on preferential basis to such persons shall be locked in for a period of one year from the date of their allotment. The lock-in of equity

shares allotted pursuant to conversion of Zero Coupon Fully Convertible Debentures, issued on preferential basis shall be reduced to the extent the convertible securities have already been locked-in.

The Company shall accordingly lock-in the Zero Coupon Fully Convertible Debentures in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations 2009.



The new Equity shares issued shall rank pari passu in all respect with the existing Equity Shares of the Company.

### 7. Statutory Auditor's Certificate

The Company has obtained certificate from the Statutory Auditor of the Company that above issue is being made in accordance with the requirements contained in the aforesaid Regulations. A copy of which shall be made available for inspection at the Registered Office of the Company on any working day till the date of the Annual General Meeting during business hours and will also be placed before the meeting.

### 8. Undertaking as per Clause 73(1)(g) of Chapter VII of SEBI (ICDR) Regulations, 2009

The Company hereby undertakes that

- (c) It shall recompute the price of the specified securities in terms of the provisions of these regulations where it is required to do so
- (d) If the amount payable on account of the recomputation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the subscribed capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in section 81, unless shareholders in general meeting decide otherwise by passing a special resolution. Hence, consent of the shareholders by way of a Special Resolution is being sought.

The proposed allotment on preferential basis, if made, will not result in change in management or control of the Company as per the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereof.

The Directors recommend the Resolution for approval of the Members.

None of the Directors is interested or concerned in this resolution.

### ITEM 8

Section 293(1)(d) of the Companies Act, 1956 requires that the Directors of the Company should obtain the consent of the Shareholders in the General Meeting to enable them to borrow moneys where the amount to be borrowed together with the amount already borrowed by the Company will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

The Shareholders are aware that at the Annual General Meeting held on August 8, 2008, an Ordinary Resolution was passed authorising the Board of directors of the Company to borrow from time to time for the purpose of carrying out the business of the Company, subject to the condition that money, so borrowed shall not exceed Rs. 500,00,00,000 (Rupees Five Hundred crores only). In view of the increase in the volume of business and taking into account the requirement of additional funds, your Directors feel that they should obtain consent from the Shareholders to borrow more funds. Accordingly, they have thought it desirable to obtain the consent of the Shareholders pursuant to section 293(1)(d) of the Companies Act, 1956 to the increase in the limit of borrowing powers of the Board of Directors from Rs. 500 crores to Rs. 700 crores, as is now proposed under the Ordinary Resolution and to give the necessary powers to Board of Directors as required under section 293(1)(d) of the said Act with reference to such enhanced limit.

Your Directors recommend the approval of the Shareholders thereto.

None of the Directors is interested or concerned in this resolution.

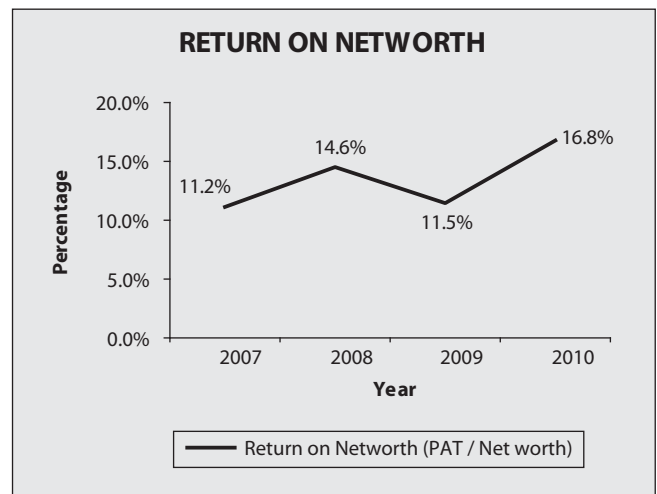
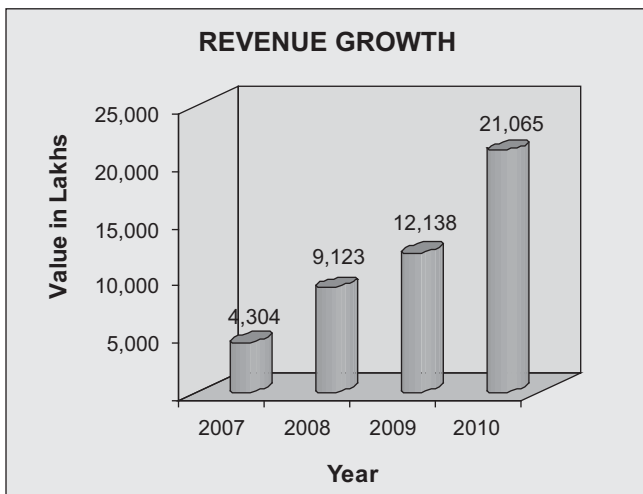
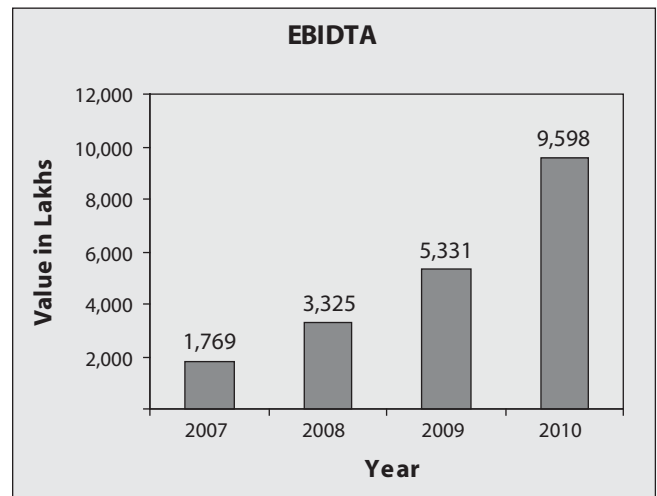
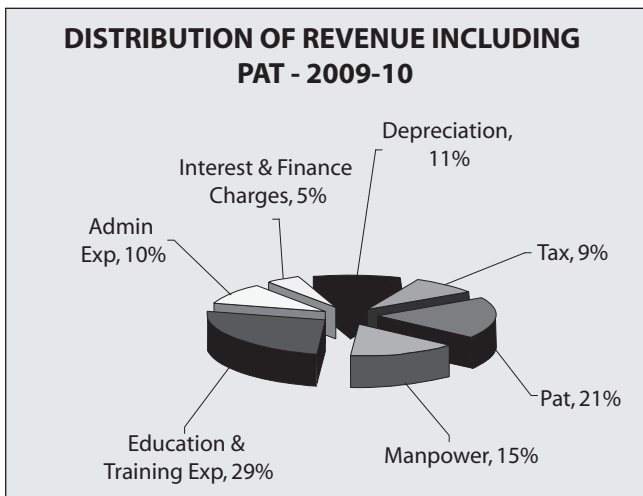
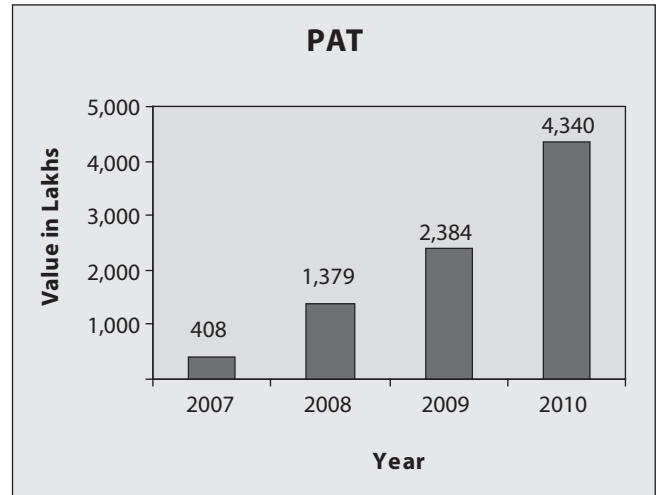
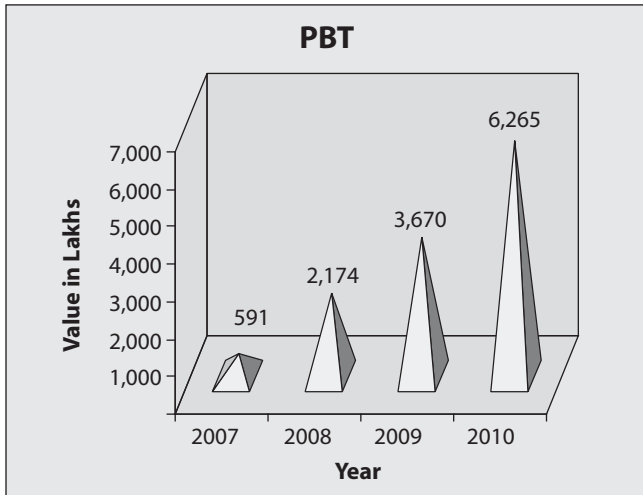
By Order of the Board,  
**For Everonn Education Limited**

**S. Vijayanand**  
*Company Secretary*

Place : Chennai  
Date : June 28, 2010

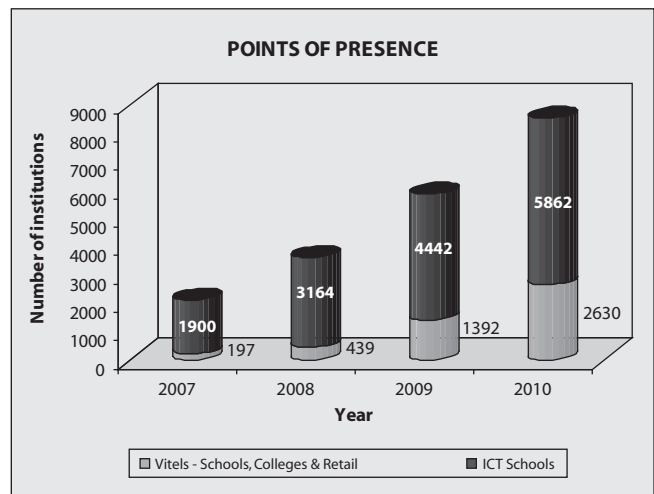
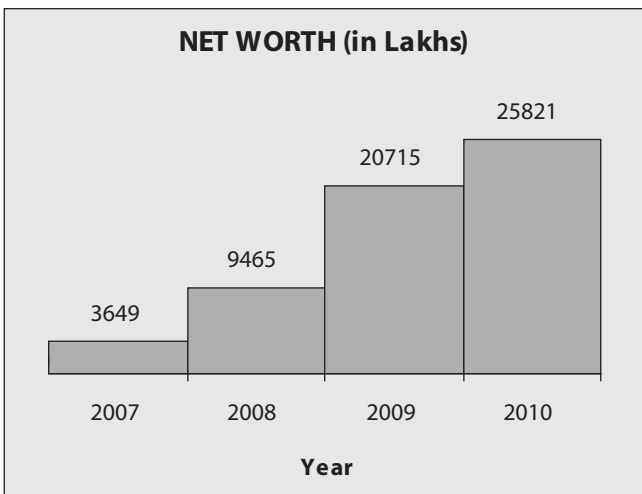
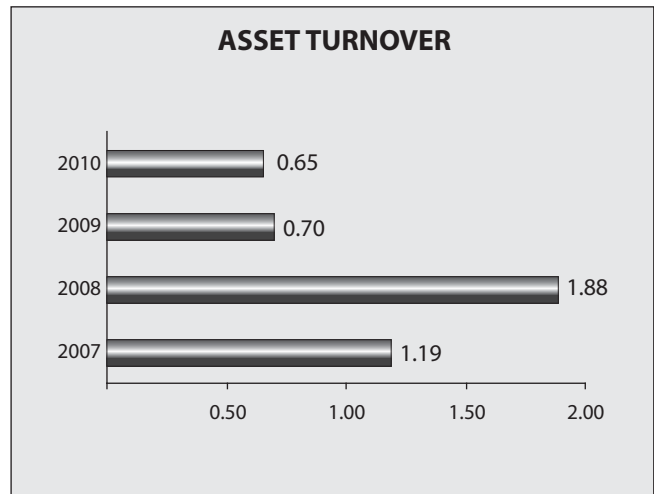
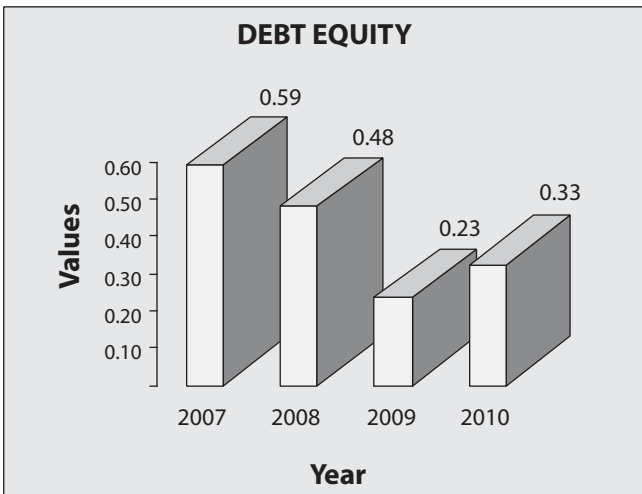
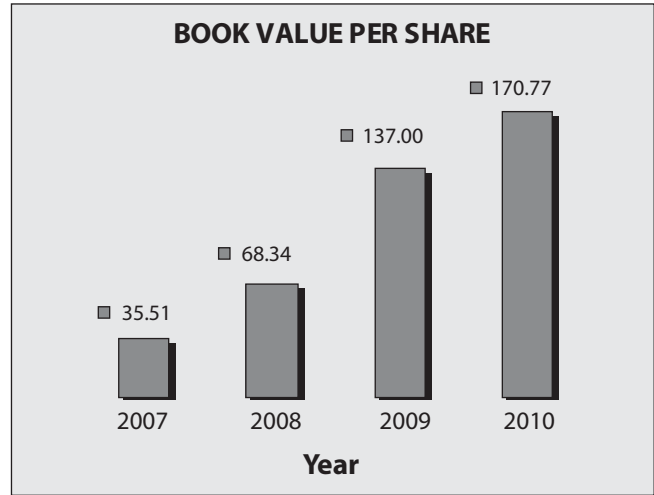
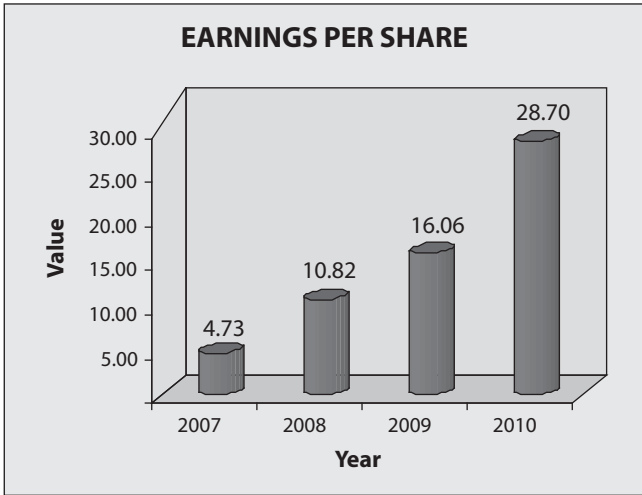


## FINANCIAL HIGHLIGHTS





## FINANCIAL HIGHLIGHTS







# DIRECTORS' REPORT





## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Tenth Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2010.

### I. CHANGE OF NAME

During the year 2009-10, your company's name has changed from Everonn Systems India Ltd to Everonn Education Ltd. The primary objective of the change of name is to represent the objects of the company it pursues i.e educational services.

### II. FINANCIAL RESULTS

Rs. Lakhs

Particulars	Financial Results for the year as at	
	31-Mar-10	31-Mar-09
For the year ended		
31st March	<b>31-Mar-10</b>	<b>31-Mar-09</b>
Total Revenue	<b>21065.15</b>	12137.94
Operating Profit	<b>9598.40</b>	5330.52
Depreciation	<b>2378.34</b>	1532.44
Interest	<b>1032.20</b>	518.18
Profit/(Loss) before tax	<b>6264.72</b>	3670.00
Provision for Taxation	<b>1924.43</b>	1285.78
Profit after Tax	<b>4340.29</b>	2384.22
Add: Profit brought forward from previous year	<b>4715.69</b>	2331.46
Profit available for appropriations	<b>9055.97</b>	4715.69
Appropriations		
Transfer to Debenture Redemption Reserve	1090.83	-
Proposed Dividend	302.41	-
Tax on proposed Dividend	50.23	-
Transfer to General Reserve	434.03	-
Balance Carried to Balance sheet	<b>7178.48</b>	4715.69

### III. Results of operations

The company's performance in the year 2009-10, continued its upward trend and showed a healthy growth. The company earned as total revenue of Rs.21065.15 lakhs in the year 2008-09. The revenue growth has been 74% over the previous year. The operating profit for the year 2009-10 was Rs.9598.42 lakhs as against Rs.5720.62 lakhs for the year 2008-09. There is a significant increase of 68% in the operating profit as compared to the last fiscal. Net Profit has grown from Rs.2384.22 lakhs to Rs.4340.29, lakhs, a growth over 82% over the previous year.

### IV. Appropriations

The Director's have recommended a final dividend of Rs. 2 per Equity Share (20% on par value of Rs. 10/-) for the Financial year ended as on 31st March, 2010, which on approval at the forthcoming Annual General Meeting, will be paid to all those Equity Shareholders whose names appear in the Register of Members as on 23rd July, 2010. The total proposed dividend amount shall be Rs. 352.64 lakhs, including the dividend tax, for the Financial Year 2009-10. Dividend (including dividend tax) as a percentage of profit after tax is 8.12% as on March 31, 2010.

The register of members and share transfer books will remain closed from 24th July 2010 to 27th July 2010, (both days inclusive). The Annual General meeting of the Company will be held on 27th July, 2010.

Transfer to Reserves:

The Company proposes to transfer Rs.434.03 lakhs to the General Reserve out of the amount available for appropriations. An amount of Rs. 2462.79 (Previous year Rs.4715.69) has been proposed to be retained in the Profit and Loss Account.

### V Utilisation of Public Issue Proceeds

The Company has completed utilization of public issue proceeds. The details are as follows:



SUMMARY		
Particulars	Amount in Lakhs	
<b>Summary of IPO Funds Received &amp; Utilised - Till 31st March 2010</b>		
Actual Funds Received From IPO	-	5,002.15
Less: Expenditure As above		
For Capital Expenditure, Subsidiary Investments and Brand building	4,437.28	
For IPO Expenses	564.87	5,002.15
<b>Balance available as on 31st Mar 2010</b>	-	<b>(0.00)</b>

## VI. OPERATING RESULTS AND BUSINESS OVERVIEW

### Instructional and Communication Technology [ICT]

The company ties up with various state governments in India for providing turnkey solutions to Government schools by setting up computer labs to impart IT education, computer aided learning Computer Literacy and Teachers Training Projects etc on Private-Public Partnership Mode. During the year, the company has signed MOU's with Uttarpradesh State Government for implementing computer education in 1099 schools in Uttarpradesh, with Andhra Pradesh State Government for implementing computer education in 130 schools in the state, with Tripura State Government for implementing computer education in 43 Schools in the state and with Maharashtra State Government to implement computer education in 206 schools in the State.

The company is currently operating in 5862 schools as compared to 4442 schools in the year 2008-09 and the presence has increased to 14 states. The revenue from ICT division is Rs. 6435.93 lakhs for the year 2009-10.

### Virtual and Technology Enabled Learning Solutions [Vitels]

The company provides Education and Training solutions through satellite based Very Small Aperture Terminal [VSAT] technology. FY 2009-10 witnessed a strong momentum in the growth of this division which is reflected by the increase in the number of Everonn Learning centers, in 460 Schools, 767 Colleges and 11 Kompass centers. It has 14 studios in Chennai through which the

teachers deliver lectures to students sitting in Everonn Learning Centers. The company follows a student pay model in its Vitels segment. The revenue from Vitels has grown up from Rs. 7425 lakhs in 2008-09 to Rs. 14629.33 in 2009-10.

## VII. SUBSIDIARIES

The Company has four subsidiaries. During the year, the Company incorporated two wholly owned subsidiaries namely M/s Everonn Skill Development Limited and Everonn Business Education Ltd. The details of the subsidiaries are as follows:

Name of the Subsidiary	Date of becoming Subsidiary	Owner-ship	Activities
EVERONN EDUCATIONAL RESOURCES SOLUTIONS LIMITED	06-11-2007	100%	Dealing in technical and non-technical educational aids for students, teachers etc.
TOPPERS TUTORIAL PRIVATE LIMITED	11-02-2008	100%	To establish and run entrance examination coaching institutes
EVERONN INFRA-STRUCTURE LIMITED	25-02-2009	100%	Creating and developing infrastructure for setting up of educational institutions
AEG SKILL UPDATE PRIVATE LIMITED	18-03-2009	51%	Activities for dissemination of knowledge, literature, skill update, skill development in all educational training
EVERONN SKILL DEVELOPMENT LIMITED	03-04-2009	100%	Designing, developing, conducting, imparting, delivering and implementing various skill development and skill upgradation training programs, vocational skills, employment generating program
EVERONN BUSINESS EDUCATION LIMITED	23-10-2009	100%	To establish, setup and run in any part of India, business schools management institutes wherein business and management education is imparted

**VIII. CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements has been drawn up in accordance with the applicable accounting standards, form part of the annual report. The Company has applied to the Central Government under Section 212(8) of the Companies Act, 1956 seeking exemption from attaching a copy of the Balance Sheet, Profit and Loss Account of the Subsidiary companies along with the report of the board of directors and that of the auditor's thereon required to be attached under Section 212(1) of the Act, with the Company's accounts and the said approval is awaited. Accordingly, the said documents are not being attached with the Balance Sheet of the Company. A gist of the financial performance of the subsidiaries is contained in the report. The Company will make available these documents/details upon request by any member of the Company or its subsidiaries, interested in obtaining the same. These documents will also be available for inspection during business hours at our Registered Office and respective offices of subsidiaries.

**IX. DIRECTORS**

The Board of Directors of Everonn Education Limited comprises of Managing Director, Mr. P.Kishore and six Directors, namely Ms. Susha John – Whole Time Director, Mr. R.Sankaran, Dr. K.M.Marimuthu & Mr. Joe Thomas being Non Executive and Independent Directors. During the year Mr. R.Kannan – Whole Time Director & Dr. V.K.Vijayaraghavan – Non Executive and Independent Director resigned from the Board of Directors of the Company. As per Section 255 and 256 of the Companies Act, 1956 Mr. Joe Thomas is liable to retire by rotation and, being eligible, he offers himself for re-appointment at the ensuing Annual General Meeting. Brief resume of Mr. Joe Thomas is provided in the annual report as stipulated under clause 49 of the listing agreement

**XII. EMPLOYEE PARTICULARS**

The particulars of Employees as required to be disclosed in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended, is as set out below:

Name	Age	Qualification	Designation	Date of commencement of Employment	Experience	Gross remuneration Rs. in lakhs	Particulars of Last employment
Mr.P.Kishore	48	Diploma in Commerce	Managing Director	19.04.2000	25	Rs. 59.59	None
Ms.Susha John	45	MS -Applied Science (IT)	Whole Time Director	09.08.2001	22	Rs. 42.74	None
Mr. R. Kannan	48	B.Com, FCA	Whole Time Director	01.04.2008	23	Rs. 9.79	Practising Chartered Accountant

with the Stock Exchanges.

**X. AUDITORS**

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

**XI. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Information pursuant to section 217 (1)(e) of the Companies Act, 1956 read with the Company's (Disclosure of particulars in the report of the Board of Directors) rules 1988 is 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

Amount in 000s

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
<b>CIF Value of Imports</b>	<b>14305</b>	2220
<b>Expenditure in Foreign Currency</b>		
Business Associate Expenses	<b>35534</b>	27805
Travel and Conveyance	<b>3022</b>	5896
Professional Fees	<b>811</b>	719
<b>Earnings in Foreign Exchange</b>		
Testing Services	<b>67148</b>	14585



Mr. Prasanna Shenoy	46	B.Com, FCA	President Capital Acquisition	02.12.2009	25	Rs. 6.33	Director ITI Financial Services Ltd
Mr. Tapan Kumar Panda	42	B.Sc., M.B.A., Ph.D.,	President Marketing & Corporate Affairs	10.09.2008	18	Rs. 21.00	Professor of marketing at IIM Indore and also an Officiating Director at IIM Indore.

**XIII. FIXED DEPOSITS**

Your Company has not accepted any public deposits during the year.

**XIV. 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 fee for the year 2009-10 has already been paid to BSE and NSE. The custodial fees payable to depositories namely NSDL & CDSL has also been remitted by the Company.

**XV. CORPORATE GOVERNANCE REPORTS & MANAGEMENT DISCUSSION AND ANALYSIS**

The Company is committed to maintain high standards of Corporate Governance and protecting Customers and Shareholders' interests. Towards this goal, the Company has adopted high standards of governance principles, practices and disclosure levels. A detailed note on the Company's philosophy on Corporate Governance and the Management Discussion and Analysis report and such other disclosures as are required to be made under the Listing Agreement with the Stock Exchanges, are annexed and forms part of this report. A Certificate from the Statutory Auditors of the Company in relation to compliance with the provisions of the Clause 49 of the Listing Agreement for the year ended 31st March, 2010, is attached to the Corporate Governance Report.

**XVI. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed;

That the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

That the selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made 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;

That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

That the annual accounts were prepared for the financial year ended 31st March 2010 on a going concern basis.

**XVII. STATUTORY DISCLOSURE**

None of the Directors of your Company is disqualified as per provision of Section 274(1)(g) of the Companies Act, 1956. The Directors of the Company have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

**XVIII. COMPLIANCE CERTIFICATE**

A Certificate from the auditors of the company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

**XIX. 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 Government Authorities, Regulators, Stock Exchanges, Shareholders, other Stakeholders, Clients, Vendors, Partners, Bankers and other Business Associates.

For and on Behalf of the Board

Place : Chennai

Date : May 19, 2010

**P.Kishore**

Managing Director



**MANAGEMENT DISCUSSION AND  
ANALYSIS REPORT  
&  
CORPORATE GOVERNANCE REPORT**







## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Company Progress

Everonn Education Limited is a company with a dream, to satisfy the educational requirements of every eager learner across the globe. We aim to be the answer to one's call for quality education. Founded 23 years ago, Everonn Education Limited today is the largest VSAT education network in the World. Everonn has a devoted team of close to 3000 professionals including teachers, content developers and administrators working across India.

Currently India is going through one of its finest times in the field of education. The passing of the Right to Education Bill will have great significance for India. The growth of Indian economy will achieve a double digit growth rate. Keeping with the trend we are proud that our revenues and profits have both grown. Everonn posted consolidated revenue of **Rs. 2935 million** for the year ended 31st March 2010, against **Rs. 1447 million** in the corresponding period in the previous year ended 31st March 2009, showing a growth of **103%**. The PAT has risen by **106%** to **Rs. 455 million** as on 31st March 2010 from **Rs.221 million** in FY09.

The EBITDA margins increased by 99% to **Rs. 1010 million** as compared to **Rs. 512** of the previous year. The net worth of the company increased to **Rs.2582 million from Rs.2071 million**. The consolidated **EPS stands at Rs. 30.06 compared to Rs.14.87 in FY09**.

**VITELS** has recorded revenue of **Rs.1418 million a 91%** increase over **FY09 (Rs.743million)**. **ICT** schools under the PPP / Government segment stands at **5862 on 31st March 2010**. The subsidiaries have also shown impressive growth - **Everonn Education Resources Solutions Limited** – records revenue of **Rs.698 million** for FY10 and **Toppers Tutorial Private Limited** - records a revenue of **Rs. 131 million**.

At present Everonn has 8,492 learning centres across the length and breadth of India reaching out to more than 3 million students across 27 states.

### Industry Overview

India has the largest student population in the world with over 13.5cr pupils in primary education followed by China at over 12.1cr pupils at this level. Educating such a large population is not only an expensive task but also a very difficult one. This task is being handled primarily by the government through its school infrastructure and large budgetary outlays. India is home to the largest growth of potential consumers of education services in the

world. The Government spend is approximately at 3.7% of GDP which is around \$30bn and an **\$50bn annual spend on private education (\$80bn by 2012E)** 14% CAGR over FY08-12E. This has created one of the largest education networks of around 10 lakhs schools and 18000 higher education institutes in India.

India's public spend on education amounts to approximately 5.2% of the world's cumulative public spend, but the country is home to 20% of the population in the target group which is highly disproportionate considering the global distribution patterns of public education expenditure and population. The role of private educational institutions have proliferated rapidly over the past decades with K-12 segment estimated at US\$ 20bn, private professional colleges at US\$ 7bn and tutoring at US\$5bn. Out of 1million existing schools, as many as 75000 schools are privately run. It is pertinent to note that the private educational institutions dispense education to around 40% of the total students enrolled in India (219 mn) assuming that only 7% of the total schools are private. This is despite K12 (schools) being a focus area for the government as less than 10% of the total public expenditure on education is assigned to higher and university education. As a result, 77% of India's ~18,000 HEIs are private.

### GOVERNMENT'S FOCUS ON EDUCATION

The government intends to raise the general literacy rate in India in line with which, it introduced the Right to Education Bill 2005. This Bill seeks to guarantee free elementary education to every child between the age of 6 and 14 years. There has been significant growth in infrastructure, but the implementation process has been slow and a huge gap still remains. The very nature of this mission is to complete the task of improving the literacy levels of India in a time-bound manner. The demand for upper primary school would be greater than the demand for primary schools

In the last five years, the government has been focusing on the Education Sector through increased fund allocations. This amount would be spent under various schemes like the Sarva Shiksha Abhiyan (SSA), the Mid-day meal scheme, Kasturba Gandhi Balika Vidyalaya and teacher's education.

The government has imposed an Education cess on income tax to fund its various programs, which target to improve the quality and reach of education in India. This cess is used to fund programs like the SSA. This will go a long way in improving literacy levels in India and



enhancing the implementation and execution of various schemes undertaken by the government to increase the reach and improve the quality of education in India. Collection of Education cess will also help in providing subsidies and aids to a large number of these institutions to improve accessibility for the lower and middle class families to educate their children. For the 11<sup>th</sup> Five year Plan, the Centre has allocated a 6 times higher spend on education.

### **BUDGET ALLOCATION – 2010-11\***

Education which was mainly under States subjects has seen a substantial increase in Central Government's intervention since 1987 when New Education Policy was announced. Allocations are made to India's Human Development Resources Ministry and two departments are Department of School Education & Literacy and Department of Higher Education.

The Union Budget for 2010-2011 has identified the need to have a well, regulated education system of a global standard. In Budget 2010-11 a total of **Rs. 42036 crore** have been provided for allocation to Education. The allocation for Department of School Education and Literacy is Rs. 31036 Crore and allocation for Department of Higher Education is Rs. 11000 Crore. The above allocation is 15 % higher than the previous year's allocation. This includes an allocation of **Rs.15,000 crore for Sarva Siksha Abhiyan (SSA)**, the major flagship programme for universalisation of elementary education and Rs. 9,300 crore for the national scheme of mid-day meals.

Plan allocations for School education have been increased by 16% to Rs. 31036 Crores. Apart from this states have also an access to Rs. 3675 Crore for elementary education under the 13th Finance Commission. Rs. 4675 Crore have been kept for Secondary Education, which includes Rs. 1385 Crore on Navodaya Vidyalaya Samiti.

An allocation of Rs. 1300 Crore has been provided to Adult education. Allocation to adult education has been more than doubled increasing it from Rs. 450 crore to Rs. 1,300 crore. the major beneficiary being the recently restructured and renamed Sakshar Bharat Programme.

With strong economic growth there is a greater urge to address the issues on mass education. The government has correctly identified greater private participation as a method to increase the efficiency of spending. This has resulted in greater outsourcing by government to the private sector and also most robust private models to participate directly in this sector.

### **Strengths**

As India's first education and training company to offer satellite-enabled learning, Everonn is a pioneer in

facilitating education using breakthrough technologies. With its unwavering passion, Everonn has been on a constant quest to be the first to capitalize on the latest in pedagogy and technology as a tool to improve learning across the country. With dedicated teams of market and education experts, the company has been on the forefront of heralding the next advancement in learning, thus becoming a distinctive player in bringing knowledge to students across 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 the company offer 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 through both conventional as well as cutting-edge modes of learning. Everonn's firm foothold in the web-based classes as well as the test preparatory guidance arenas has further increased its ability to help change millions of students' lives.

### **Content**

Research is the result of advancing knowledge created in the past.

Content development backed by in depth research is a key area of specialty at Everonn. Everonn's commitment to ensuring quality education to students across the country is also reflected in the care taken to ensure that every one of its strategic business units and subsidiaries receive the best possible support in terms of content and technology. The subject experts at Knowledge Resource Development & Research (KRDR), Everonn's content support division, have been chosen specifically for their long years of academic and industry-related experience. The unique and fresh content created by these experts is constantly upgraded to provide only the best and most up-to-date texts for students. The instructional material is generated after a long process of research, which relies on best practices and proven educational techniques. Our **Content Development Team includes** 6 Doctorates, over 100 in house content developers and over 200 independent expert contributors.

Leading and experienced educationalists, research associates, faculty, content developers and animators form this team while Everonn's vision and zeal to enable a better-educated society drive it.

### **Technology**

Education a powerful agency, which brings about the desired changes in the economical, social and cultural existence of a nation is shaped and moulded by the human personality called the teacher, who plays a pivotal role in the system of education. One of the major concerns of Everonn is the shortage of such qualified

\* Budget Source : Union Budget 2010.



and dedicated personnel, something that we are trying to address. This is a problem world over. Excellent educators are generally restricted to the major metros thus leaving the rest of the country less attended to. Fine quality education being restricted to only certain pockets is unfair and must be seriously dealt with. This is achieved by providing education and training solutions through the satellite-based Very Small Aperture Terminal (VSAT) Technology, an area we excel in and pioneered in India.

Everonn's core aim is to nurture excellence in the professional and personal growth of geographically dispersed students by developing a unique study culture amongst them. This is achieved by providing education and training solutions through the satellite-based **Very Small Aperture Terminal (VSAT) Technology**.

This **Live and Interactive Learning and Training Platform** has redefined access to education in India. It enables students to have interactive sessions with instructors and peers across the country, thus truly bridging the urban-rural divide. Everonn is equipped with several state-of-art studios/lecture halls from where expert teachers deliver classes using presentations, video, audio and digital content to effectively communicate, engage and interact with students in classes spread across geographical locations. With VSAT, a single instructor can teach students across the country without compromising on the quality of learning.

Everonn has the expertise to design '**wired and wireless knowledge and training delivery platforms**' to meet the educational needs and the technological capabilities to stream relevant content simultaneously and seamlessly through **VSAT, Broadband and the 3G Spectrum (Mobile)**.

### Services

Leveraging the power of computers and using a blend of Internet, mobile and satellite communication technologies, Everonn has taken quality and affordable education to the reach of millions of students across the country even in the most remote corners of India. Everonn aims at educating the mass! Conducting classes in schools and colleges were computer education was improbable idea; Everonn today reaches a wide cross segment of learners. Right from providing infrastructure to providing schools with proficient teachers, Everonn stands strong as a complete education solution provider.

Occupying every space, from Kindergarten to the Business Schools and beyond, Everonn targets at providing the educational needs of all age groups. This elevates Everonn to a "**360 degree education and training solution provider status**". Currently centered in India, Everonn aspires to take its business model and operations to the rest of the world.

### OPPORTUNITIES

Institutions have varying requirements and the private sector may be able to offer innovative solutions that offer quality services and value for money. An inefficient public education system, high socio-aspirational value attached to education and increasing affordability have all converged to drive demand for quality education (synonymous with private institutes). The \$50bn education market, estimated to expand to \$80bn by 2012, portends a great opportunity at hand for wealth creation.

While inefficiencies in the public education system and price discovery have created a substantial opportunity in the private education space in India, there is a dearth of players across segments offering scale. We believe this is the key reason for the sector to have attracted limited capital.

Therefore the Opportunities for the new initiatives are rising across the gamut of public/private partnerships, with ICT (Instructional & Communication Technology) at schools an early success story. Policy planners are beginning to emphasise PPP and we think this could create revenue-generating models for the private sector.

#### *We see numerous opportunities, including:*

- Relocate or build new schools, colleges, universities or job centres and provide facilities management for the new buildings/campuses. Projects might involve land swaps or enable the private sector provider to generate a third party revenue stream from the extant infrastructure.
- Build facilities for education institutions with the potential for third-party income generation, such as sports or academic/conference facilities.
- Refurbish existing assets and/or provide facilities management.
- Provide information systems that ensure the continued availability of hardware and software over a period of time, or allocate to the private sector some administrative functions. There may be opportunities for third-party income generation by selling excess capacity.

### DIVISION OR PRODUCT WISE PERFORMANCE

#### *Instructional & Communication Technology (ICT)*

The company ties up with various state governments in India for providing turnkey solutions to Government schools by setting up computer labs to impart IT education, computer aided learning Computer Literacy and Teachers Training Projects etc on Private-Public Partnership Mode. During the year, the company has signed MOU's with Uttarpradesh State Government for implementing computer education in 1099 schools in



Uttarpradesh, with Andhra Pradesh State Government for implementing computer education in 130 schools in the state, with Tripura State Government for implementing computer education in 43 Schools in the state and with Maharashtra State Government to implement computer education in 206 schools in the State.

The company is currently operating in 5862 schools as compared to 4442 schools in the year 2008-09 and the presence has increased to 14 states. The revenue from ICT division is Rs. 6435.93 lakhs for the year 2009-10.

### **Virtual and Technology Enabled Learning Solutions [ViTELS]**

The company provides Education and Training solutions through satellite based Very Small Aperture Terminal [VSAT] technology. FY 2009-10 witnessed a strong momentum in the growth of this division which is reflected by the increase in the number of Everonn Learning centers, in 460 Schools, 767 Colleges and 11 Kompass centers. It has 14 studios in Chennai through which the teachers deliver lectures to students sitting in Everonn Learning Centers across geographies. The company follows a student pay model in its ViTELS segment. The revenue from ViTELS have grown up from Rs 7425 lakhs in 2008-09 to Rs. 14629.33 in 2009-10.

#### **ViTELS –iSchool**

iSchool model is an initiative by the Company which aims at making education a lively and pleasurable experience. iSchool arms teachers with the power to help students grasp complex concepts with absolute ease while providing students a whole new perspective on learning.

The iSchool model features digitized courseware mapped to curriculum, Setting up the Infrastructure and Technology, providing maintenance support, educating teachers and management on technology usage and special interactive sessions through VSAT.

iSchool continued its success streak with 460 new schools signing up in the FY10 reaching the overall presence to 1017 schools. The Company has signed up with major educational institutions like Delhi Public School, OP Jindal, Kendriya Vidyalaya, Montford School, Hiranandani Foundation School, Jawahar Navodaya Vidhyalaya Schools. The company has also made an achievement by signing up with one school with 55 class rooms.

#### **ViTELS – Colleges**

The College's business of Everonn also known as Everonn Learning Academy (ELA), an initiative of the company which aims to be the preferred choice for students aspiring for careers in IT, ITES, Management,

Banking and Financial Services as well as many more verticals. ELA offers programs that range from skill enhancement courses to job-oriented and industry-sponsored through Everonn's online interactive learning (VSAT) platform and a blend of traditional and modern teaching methodologies. ELA sets up Hi-Tech classrooms in colleges where a blended mode of education delivery is executed, which includes VSAT training, Internet-based personalized learning and direct expert coaching at Colleges and Universities.

The momentum of growth was in the peak with an addition of 767 colleges in the FY10 reaching the overall presence to 1567 colleges. The Company has partnered with Rajiv Gandhi Health University at Bangalore, the biggest university in India and its affiliates of over 650 colleges. The Company has entered into an arrangement with Manonmaniam Sundaranar University and Periyar Maniammai University to take distance education to the remotest part of India. The Company has roped in an agreement with Annamalai University and signed a Memorandum of Understanding (MOU) with Ministry of Micro, Small and Medium Enterprises (MSME, Government of India).

#### **ViTELS – Retail**

Retail division also known as Everonn Kompass aims at redefining access to quality education by setting up Virtual and Interactive Learning classroom networks across India to deliver quality yet affordable education. Everonn Kompass is set to change the face of training in India through its network of futuristic virtual classrooms across major cities in India and will lead the initiative to bridge the digital divide.

During the year FY 2010 11 centers have been added reaching the overall presence to 46 centers. New Corporate Partners like Wipro, Bank of America, L&T Infotech etc has been added this year. The Company has administered over 2,00,000 tests (academic & IT) in the calendar year 2009. It has tied up with Middlesex University UK, University of Buckingham UK, Vichita State University, US and Wollongong University, Australia for our Admission Counseling Services (ACS).

#### **ViTELS – Web Products**

Everonn's classontheweb.com [COTW] is an exhaustive curriculum-based eLearning portal that caters to all the academic needs of students with a focus on helping them enhance their performance at school. The largest virtual school in existence, www.classontheweb.com includes a comprehensive digital repository offering superior-quality content in Mathematics, Physics, Chemistry, Biology, Social Sciences, English Grammar, Business Studies, Economics and Accountancy. The portal has been designed especially for students of Classes VI to XII and includes numerous visuals and animations to help increase student understanding and



retention. [www.schooljobs.in](http://www.schooljobs.in) and [www.collegejobs.co.in](http://www.collegejobs.co.in) are Everonn's solution to the growing demands for exclusive recruitment portals catering to educational institutions. Offering exhaustive databases of both teaching and administrative talents, these portals make it comfortable for schools and colleges to choose the desired candidates at ease.

### **Global Institute of Teacher's Training (GITT)**

GITT, a new venture set by the company focuses on providing world-class training for teachers, principals and other educational professionals across life stages to ensure a higher standard of quality in the education industry. The Comprehensive courses and content will provide segment specific guidance to make candidates the best in their chosen field. From pre-school teachers to principals, GITT has designed target specific courses in affiliation with expert associations. During the year the company has set up Teacher training Institute and Principal training institute and had partnered with experts like Macmillan Publishers India Ltd for Train the Trainer programme and Australian Academy for Mentoring & Coaching [AAMC]. The Company has also signed a Memorandum of Understanding with IAM-London, CIE-University of Cambridge-UK and Edexcel-UK to bring courses on Administrative management for Principals and Diploma and certificate course for teachers and trainers.

### **Preschool:**

The Company marked its foray into the pre-school segment by inaugurating their first pre-school under the brand *Kinderstand*. Kinderstand is a unique brand of pre-school from Everonn Education Limited that focuses on offering comprehensive full-day care for children between the ages of 2 and 8 years. With the central emphasis being on providing all-day care for children while enabling a comprehensive introduction to the formal education system, Kinderstand aims to meet some of the most indispensable needs of working mothers. In the first year of operation we have added 6 centers including our first preschool in Chennai.

### **Everonn Educational Resources Solutions Ltd (EduRes)**

Everonn's efforts to create a network of world-class educational institutions across the nation has brought the company into contact with a number of national and international vendors of resources as varied as sports equipment to the latest digital and IT technology. With Everonn's commitment to ensuring excellence in education, Everonn Education Resources, or Edures, focuses on providing best-in-class resources to schools and colleges by leveraging the company's relationship with various vendors. Through this wholly owned subsidiary, Everonn makes it possible for educational

institutions across the nation to receive the best deals for excellent resources, making the learning process all the more easier for Indian students. Edures is growing at a fast momentum with a presence of around 1500 schools in India. The Company has recorded a total revenue of 69.79 crores in FY 2010 and the net profit for the year stood at 3.15 crores.

### **Toppers Tutorial Pvt Ltd**

Toppers Tutorial aims at imparting world class training programme, tailor-made to meet the demands of students who are aspiring for IIT-JEE and other Engineering Entrance Exams. Toppers Tutorial has to its credit a team of outstanding and dedicated faculty members, State-of-the-art infrastructure, VSAT technology and winning methodology that provides comprehensive and systematic guidance to students who aspire for nothing but the best. The Company has recorded a total revenue of 13.05 crores in FY 2010 and the net profit for the year stood at 1.06 crores.

### **Skill Development:**

Everonn Skill Development Ltd was incorporated in the year 2009 as a wholly owned subsidiary which is focused on imparting industry relevant skills to youth to make them industry-ready and skilled personnel using quality content and practices.

The Company has signed a Memorandum of Understanding (MOU) with Canadian College, Vancouver to partner with Everonn to deliver their content using VSAT technology and to share their vocational content with us.

The Company through their new venture, Global Institute of Gaming and Animation (GIGA) has forayed into gaming and animation segment. The Company has also partnered with Maximus (Autodesk adoption partner) for offering full fledged animation degree and diploma courses. The Company has signed an MOU with TAFE, Australia for TAFE certified courses in Indian market.

The Company has entered into an agreement with National Apprentice and Industrial Training Authority (NAITA), Sri Lanka to work together for skill development initiatives in Sri Lanka. The relationship is for a range of services including creating educational and training content of global relevance, designing and executing learning initiatives, setting up infrastructure, training of trainers, etc.

The Company has collaborated with IIEMS, an international training organization of American Heart Association (AHA) and International Chapter of International Trauma Life Support Inc for conducting certificate courses in Nursing, AHA & ITLS courses in partner colleges of the Company. IIEMS would provide their technical know-how and other services.

**Everonn Business Education Limited (EBEL):**

Everonn has initiated the process of setting up business schools through its subsidiary Everonn Business Education Ltd. The subsidiary company has tied up with Manonmaniam Sundaranar University, Periyar Maniammai University, Asia Pacific International College, Australia and AAML University, Australia for setting up premier business school. The governing body for setting up business school project comprises of industry and academic stalwarts

The Company has also acquired 65 locations of ICFAI National College and rebranded it as Indigrow Institute of Professional Studies (IIPS) in which the classes will start by July 2010. The Company has started its own business school under the brand Global School of Business (GSB), Chennai.

**THREATS & RISKS**

- 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.
- Delay in payments from Governments will adversely affect cash flow which has an impact on our working capital requirements. The company has taken effective steps to follow up for payments with the governments to minimize the time taken to receive the same.
- Delay in the Schedule of Implementation of government project might have an adverse impact on our profitability.
- The cost overruns due to delay in payments from governments could adversely affect the Company's operating results. The company has taken steps to mitigate the risk by factoring the additional cost which may be incurred due to payment delays, into the price of the product/service offered by the Company.
- The Company faces risks and uncertainties associated with the implementation of its government projects. Delay in the Schedule of Implementation of government project might have an adverse impact on our profitability.
- The Company is exposed to the risk related to default in payment by Schools/Colleges.
- 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.

- The company's business involves installation of a large number of Computer Systems and other electronic equipments across various geographies. Such electronic equipments are prone to hardware/software malfunction, virus attacks, hacking and technological obsolescence. If any such events occur, we run the risk of disruption of our operations.
- The upfront capital expenditure in building up school projects is quite heavy. The Company's funding anticipated from banks/financial institutions to be deployed towards the cost of the project will not become available in a timely manner. While the revenue received is over the period of contract.
- The Company's business model is exposed to the risk of piracy and misuse of Content developed by us. The same is distributed through VSATs to various Educational Institutions that we serve and is exposed to piracy. In case our Content gets pirated, we run a risk of loss of revenue, because of the infringement of copyrights on the part of our Customers.

**Internal control systems and their adequacy:**

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with laws and regulations. The Company has proper and adequate system of internal controls to safeguard the company's assets against loss from unauthorized use and ensure proper authorization of financial transactions. The Company has strong budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of management control and governance process.

The management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and independent Audit Committee of the Board of Directors.

**HUMAN RESOURCES DEVELOPMENT**

Everonn's talent management systems are well aligned with its meritocratic and performance-driven business



culture. We are increasingly hiring employees who are not only competent but whose personalities and beliefs reflect those of the organization, thereby resulting in a pool that is efficient and committed, productive and passionate.

Leadership development remains a high priority area and some of the things we have been doing include formulation of personalized development plans linked to succession planning and career elevations. A quick partial listing of our other efforts relate to development and usage of talent inventories, skill-based job rotations and internal transfers, structured incentive compensation programs and attractive work-life balance initiatives.

With our work processes aptly designed to acquire, develop and retain talent, we clearly seek to differentiate ourselves from the rest by delivering a unique and compelling employee experience – oriented towards creating enormous economic and social value. We are determined to help our employees succeed whilst remaining committed to the group's vision, business strategy and organizational values.

## FINANCIAL PERFORMANCE

### OVERVIEW

The Company during the year under review has earned a total income aggregated Rs. 21142.01 Lakhs in fiscal 2010 as compared to Rs. 12,528.05 lakhs registering a growth of 68 %. In fiscal 2010 the company's profit after taxes aggregated to Rs. 4340.29 Lakhs as compared to Rs.2384.22 lakhs in the previous fiscal 2009, a growth of 82%.

In fiscal 2010, the Company's consolidated total income aggregated Rs. 29,396.71 lakhs as compared to 14,858.75 lakhs in fiscal 2009, recording a growth of 98%. The Company's consolidated profit before taxes aggregated Rs.6581.56 in fiscal 2010 as compared to Rs.3407.68 in fiscal 2009, growth of 93%.

### RESULTS OF OPERATION

The following table gives an overview of the Operating financial results of the company

Rs. in Lakhs

PARTICULARS	31-Mar-10	31-Mar-09
TOTAL INCOME	<b>21142.01</b>	12,528.05
TOTAL EXPENDITURE	<b>14877.28</b>	8,858.05
PROFIT BEFORE TAX	<b>6264.72</b>	3,670.01
TAX	<b>1924.43</b>	1,285.78
PROFIT AFTER TAX	<b>4340.29</b>	2,384.23
EARNINGS PER SHARE (Basic)	<b>28.70</b>	16.06

The summary of Consolidated Accounts of the Company is given below:

Rs. in Lakhs

PARTICULARS	31-Mar-10	31-Mar-09
TOTAL INCOME	<b>29396.71</b>	14858.75
TOTAL EXPENDITURE	<b>22815.15</b>	11451.07
PROFIT BEFORE TAX	<b>6581.56</b>	3407.68
TAX	<b>2036.96</b>	1199.35
PROFIT AFTER TAX	<b>4544.60</b>	2208.33
EARNINGS PER SHARE (Basic)	<b>30.06</b>	14.87

### INCOME

The Company's revenues consist mainly of income from implementation of computer education in Government Schools and from implementation of technology enabled learning solutions in various private schools and colleges.

The total income of the Company has registered a growth of 68 % in fiscal 2010 as compared to fiscal 2009. The increase in the total income of the company is on account of increase in the number of schools and colleges in ViTELS division as compared to the last fiscal. The above table shows upward growth trend (increased by 98%) with respect to Vitels division for the Fiscal 2010 as compared to Fiscal 2009.

### EXPENDITURE

The summary of the expenditure is given below:

Rs. in Lakhs

EXPENDITURE	31-Mar-10	31-Mar-09
Manpower	3147.48	2541.66
Education and training expenses	6101.50	2915.45
Administration and other expenses	2217.73	1350.31
Interest and finance charges	1032.20	518.39
Depreciation & amortisation	2378.34	1532.44
Total Expenditure	14877.28	8858.04

Manpower cost consists of compensation of all employees that includes salaries which have fixed and variable components, contribution to provident fund and gratuity fund. The total employee cost for fiscal 2009 was Rs.3147.48 lakhs, an increase of 23.83% over the total employee cost of Rs. 2541.66 lakhs for fiscal 2009.



Employee cost as a percentage of total income was 14.88 % in fiscal 2010 as against 20.28% in fiscal 2009.

The education and training expenses for fiscal 2010 was Rs.6101.50 lakhs, an increase of 109.28% over the expenses for fiscal 2009. The addition of 460 number of schools and 767 colleges during the fiscal 2010 has led to corresponding increase in the education & training expenses. Education and training expenses as a percentage of total income was 28.86 % in fiscal 2010 as against 23.27 % in fiscal 2009.

The administration and other expenses for the fiscal 2010 have increased considerably by 64.24% due to increased points of presence to various states in the country. The administration and other expenses as a percentage of total income was 10.49 % in fiscal 2010 as against 10.78 % in fiscal 2009.

Interest and finance charges have increased from Rs.518.39 lakhs in fiscal 2009 to Rs.1032.20 lakhs in fiscal 2010 on account of term loan and over draft facilities availed from banks. Interest and finance charges as a percentage of total income were 4.88% in fiscal 2010 as against 4.14% in fiscal 2009.

Depreciation cost has increased from Rs.1532.44 lakhs in fiscal 2009 to Rs.2378.34 lakhs fiscal 2010 on account of increase in the gross addition to the fixed assets.

## FINANCIAL POSITION

### SHARE CAPITAL

The Authorised Capital of the Company stood at Rs. 20 Crores during the fiscal 2009. There is no change in the paid up capital of the Company during the year which also stood at Rs. 15.12 Crores as on March 31, 2010.

### RESERVES AND SURPLUS

The share premium account during the year stood at Rs.143.76 Crores as on March 2010. The details of share premium account are given below. The following table gives the summary of securities premium account.

#### Securities Premium Account Rs. in Lakhs

	31-Mar-10	31-Mar-09
<b>Securities Premium Account</b>	<b>14376.03</b>	5,637.22
Add: Amount Received in issue of Equity Shares	–	9,011.96
	<b>14376.03</b>	14,649.18
Less: Amount Utilised for issue of Bonus Shares	–	–
Less: Share issue expenses adjusted	–	273.15
<b>Total</b>	<b>14376.03</b>	14,376.03

The Company has transferred Rs.434.03 lakhs to general reserves. The amount in capital reserve stood at 765.13 lakhs. The Company during the year has also transferred Rs. 1090.83 lakhs to debenture redemption reserve account towards redemption of debentures.

### SECURED AND UNSECURED LOANS

During the fiscal 2010, the secured and unsecured Loan has gone up by Rs.3576.56 lakhs as the company has issued Non convertible debentures worth Rs. 1418 lakhs on a private placement basis to media players. The company has also availed term loan from Reliance Capital Ltd for the purchase of the office building and CISCO ltd to the tune of 2646.60 lakhs

### FIXED ASSETS

Total addition to Gross block for the fiscal 2010 is Rs7428.95 lakhs (excluding capital work in progress). The main additions to assets were made as detailed below

Land	=	Rs. 334.00 lakhs
Plant & Machinery	=	Rs. 2794.20 lakhs
Building	=	Rs. 1578.00 lakhs
Furniture & Fixtures	=	Rs. 1997.16 lakhs
Knowledge Resource/ content & Software	=	Rs. 198.66 lakhs
Software	=	Rs. 342.97 lakhs

The increase in gross block of fixed assets is mainly due to increase in the number of schools and colleges and also the increase in points of presence during the year.

### Investments

The details of investments for the fiscal 2010 are given below.

#### Investments Rs. in Lakhs

	31-Mar-10	31-Mar-09
<i>Subsidiary Investments</i>		
Toppers Tutorials Pvt Ltd	<b>700.00</b>	50.00
Everonn Educational Resources Solutions Ltd	<b>410.00</b>	10.00
Everonn Infrastructure Limited	<b>5.00</b>	5.00
AEG Skill Update Private Limited	<b>0.51</b>	0.51
Everonn Skill Development limited	<b>305.00</b>	–
Everonn Business Education Limited	<b>5.00</b>	–





	Rs. in Lakhs	
	31-Mar-10	31-Mar-09
DT Media and Entertainment Pvt Limited	<b>107.28</b>	
Mutual Funds		
Investment in Mutual Funds		2,345.82
Equity Shares		
Investment in IOB Shares	<b>0.12</b>	0.12
Total Investments	<b>1532.91</b>	2,411.45

The Company has invested in four wholly owned subsidiary company to the tune of Rs. 1355 lakhs. Apart from the above, the company has invested Rs. 107.28 lakhs in DT Media Entertainment Pvt Ltd during the fiscal 2010.

#### Net Current Assets / Changes in Working Capital

Given below are the net Current assets details for the fiscal 2010 & 2009

	Rs. in Lakhs	
	31-Mar-10	31-Mar-09
<b>NET CURRENT ASSETS</b>		
CURRENT ASSETS, LOANS & ADVANCES		
Sundry debtors	<b>11292.55</b>	6214.98
Cash and bank balances	<b>3848.30</b>	4015.91
Loans and advances	<b>5901.36</b>	7621.41
		17,852.30
LESS: CURRENT LIABILITIES & PROVISIONS	<b>2862.62</b>	4,116.05
<b>NET CURRENT ASSETS</b>	<b>18179.59</b>	13,736.25

Sundry Debtors balance has gone up by Rs. 11292.55 lakhs during the fiscal 2010 as compared to previous fiscal 2009. This is mainly due to receivables from various state Governments for ICT Projects coupled with increase in revenue from Vitels division.



## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2009-2010

The Corporate Governance Report for the year 2009-2010 which has been prepared pursuant to the provisions of the Clause 49 of the Listing Agreement. The Company's shares are listed on Bombay Stock Exchange and National Stock Exchange of India Limited.

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

Your Company has been practicing the principles of good corporate governance over the years. The Board of Directors of your company supports the broad principles of corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity. Your company is committed to the best practices in the area of Corporate Governance in letter and in spirit. The Company believes that a good corporate governance is much more than complying with legal and regulatory requirements. Good governance facilitates effective management and control of business, enables the company maintain a high level of business ethics and to optimize the value for all stake holders.

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, 2010.

### II. BOARD OF DIRECTORS

Mr. P. Kishore, Managing Director, manages the day-to-day affairs of the Company and is assisted by Whole-Time Directors and Senior executives of the Company. The Company's business is conducted by its employees under the direction of the Managing Director and the overall supervision of the Board, to enhance the long-term value of the Company for its stakeholders.

The Board has an optimum combination of Executive, Non Executive and Independent Directors, which ensures proper governance and management. As on 31st March, 2010, the composition of the Company's Board of Directors is in conformity with the prescribed code of Corporate Governance by the Stock Exchanges. In terms of the provisions of the Clause 49 of the Listing Agreement, the Company is required to have Three Independent Directors.

As a part of good corporate governance practice, it is ensured that timely and relevant information are made available to the directors in order to contribute to the meetings and discussions effectively. The structure of the Board is as under:

Name of Director	Category	Designation	Attendance		No. of Directorship in other Indian companies		No. of Committee positions held in other public companies	
			Last AGM	Board Meeting	Public	Private	Chairman	Member
P.Kishore	Promoter & Managing Director	Managing Director	Yes	6	3	4	NIL	NIL
Susha John	Whole Time Director	WholeTime Director	No	6	2	1	NIL	NIL
Joe Thomas	Independent & Non Executive	Director	Yes	3	NIL	3	NIL	NIL
R.Sankaran	Independent & Non Executive	Director	Yes	6	1	2	2	NIL
K.M.Marimuthu	Independent & Non Executive	Director	No	5	NIL	NIL	NIL	NIL
Dr.V.K.Vijayaraghavan*	Independent & Non Executive	Director	Yes	2	NIL	NIL	NIL	NIL

\* Dr. V.K. Vijayaraghavan has resigned from the Board of Everonn Education Limited w.e.f. 13 August, 2009

**Details of Board Meetings held during the year**

During the financial year ended 31st March 2010, Six Board Meetings were held as per the schedule given below

Date of the Board Meetings	Board Strength	Board Directors Present
11-Jun-2009	6	6
27-Jul-2009	5	5
25-Sep-2009	5	4
21-Oct-2009	5	5
27-Jan-2010	5	4
30-Mar-2010	5	4

In terms of the provisions of the Clause 49 of the Listing Agreement with the Stock Exchanges, no director of the Company is a member in more than ten committees or acts as a Chairman in more than five committees of Public Limited Companies, of which he/she is a director.

**III. AUDIT COMMITTEE**

The Company has a qualified and Independent Audit Committee with all its members being Non Executive Directors, to oversee the accounting and financial governance of the company. The Chairman of the Committee is an Independent Director.

**a) Composition and Brief description in terms of reference**

The Audit Committee comprises of three Non Executive & Independent Directors with any two independent directors forming the quorum. Mr. R.Sankaran, Mr. Joe Thomas, Dr. K.M. Marimuthu & Ms. Sussha John are the members of the Committee. The Quorum for the meeting is presence of two members and the Company Secretary is the Secretary to the Committee. The Chief Financial Officer (CFO), the Statutory Auditors and the Internal Auditors are invited to attend the meetings of the Committee, as Invitees.

The primary objective of the Committee is to monitor and provide effective supervision of the financial control and reporting system. The

Audit Committee reviews its business at regular intervals and makes appropriate recommendations to the Board for its approval. The terms of reference of the Committee inter-alia includes

- To review reports of the Internal Audit Department and discuss the same with the internal auditors periodically
- To meet Statutory Auditors in order to discuss their findings, suggestions and other related matters
- To review weaknesses in internal controls reported by internal and Statutory Auditors
- To recommend to the Board appointment and remuneration of Statutory Auditors

**b) Meetings and attendance**

The Committee met on every quarter on four occasions viz 10-June-09, 27-July-09, 21-Oct-09, 27-Jan-10, during the year. The attendance of the members at the meetings of the Audit Committee is as follows:

S. No.	Name of Members	Meetings Attended
1	R.Sankaran	4
2	Joe Thomas	2
3	K.M. Marimuthu	3
4	Sussha John	3

**IV. REMUNERATION COMMITTEE****a) Composition and Brief description in terms of reference**

The Remuneration Committee of the Board comprises of the following Non Executive & Independent Directors:

S.No.	Name of Members	Designation
1	Mr. Joe Thomas	Chairman
2	Mr.R.Sankaran	Member
3	Dr. K.M.Marimuthu	Member

The scope of the Committee inter-alia includes the following:

- Review of remuneration payable to Directors of the Company
- Reviewing and advising the Board over the remuneration policies of the Company generally



- Such other matters as may be decided by the Board from time to time.

The quorum for the meeting is presence of two members. The Company Secretary is the Secretary of the Committee.

#### b) Meetings and attendance

The Committee met on two occasions viz 10-June-09 & 30-Mar-10 during the year. The attendance of the members at the meetings of the Audit Committee is as follows:

S.No.	Name of Members	Meetings Attended
1	Mr. Joe Thomas	2
2	Mr. R.Sankaran	2
3	Dr. K.M.Marimuthu	1

#### c) Remuneration to the Directors

No Remuneration except sitting fees and Commission are payable to the Non Executive Directors. No sitting fee is paid to the Whole Time Directors for attending the meetings of the Board or the Committee thereof. As at present, the Sitting Fees payable to the each of the directors per meeting is as follows:

(Amount in Rs.)

Board	10000/-
Audit Committee	10000/-
Remuneration Committee	10000/-
Shareholders/Investor Grievance Committee	10000/-

The details of remuneration paid to Managing Director, Whole Time Directors & Independent Directors during the year ended 31st March, 2010, have been provided under Notes on Accounts.

## V. SHAREHOLDERS/INVESTOR GRIEVANCE COMMITTEE

#### a) Composition and Brief description in terms of reference

The Shareholders Committee of the Board comprises of the following directors:

S.No.	Name of Members	Designation
1	Mr. Joe Thomas	Chairman
2	Mr. R. Sankaran	Member
3	Dr. K.M.Marimuthu	Member

The Company attaches highest importance to the Investor relations. The Board of Directors of the Company have constituted the Shareholders

Committee of the Board to focus on the prompt and effective redressal of the shareholders grievances and strengthening of the investor relations. The Company Secretary takes the lead role in the redressal mechanism and the details of the Investor Grievances are placed before the Board periodically and are noted by it. The Committee's main focus is on the basic rights of the Shareholders including, Transfer of Shares, Transmission / Transposition of Shares, Issue of Duplicate / split Certificates, Sub Division / Consolidation of Shares, Consolidation of Folios, Dematerialisation/ Rematerialisation of Shares, Change of address, non receipt of the Refund orders, non receipt of the Share Certificates and such other issues relating to investor relations.

#### b) Name and designation of Compliance Officer:

The Board of Directors of the Company have appointed S. Vijayanand, Company Secretary, as the Compliance Officer as per Clause 47 (a) and (f) of the Listing Agreement entered with the Stock Exchanges.

#### c) Meetings and attendance

The Committee met on one occasion during the year 30-Mar-10. The attendance of the members at the meetings of the shareholders /investor grievance committee is as follows:

S.No.	Name of Members	Meetings Attended
1	Mr. Joe Thomas	1
2	Mr. R.Sankaran	1
3	Dr. K.M.Marimuthu	0

#### d) Status of the Shareholders' Complaints:

The Shareholders Committee and the Board reviews the status of the Shareholders Grievances' received by the Company together with the status of their redressal at every meeting.

During the year the Company had received 14 complaints from the shareholders, the details of which are as follows:

S. No.	Nature of Complaints	No. of Complaints	Redressed	Balance
1	Non receipt of Refund order & Shares	14	14	NIL

There were no complaints pending at the end of the year.

**VI. OTHER COMMITTEES****Finance Committee****a) Composition and Brief description in terms of reference**

The Company during the year had constituted a committee viz., Finance Committee. The Committee comprises of the Managing Director, Whole-Time Director and a Non Executive & Independent Director. The Quorum for the meeting is presence of two members and the Company Secretary is the Secretary to the Committee.

S.No.	Name of Members	Designation
1	Mr. P.Kishore	Chairman
2	Ms. Susha John	Member
3	Mr. R.Sankaran	Member

The terms of reference of the Committee inter-alia includes

- Opening, Closing or Operation of bank accounts.
- Borrowing the money from bank, financial institution or others upto a limit authorised by the Board from time to time.
- Authorisation to Directors, employee or other for effective representation before Statutory, Legal, Judicial, Quasi Judicial, Arbitrators, Mediators, Conciliators, Tribunals and all Other Authorities.

**b) Meetings and attendance**

The Committee met on three occasions viz 06-Oct-09, 12-Nov-09 & 21-Dec-09 during the year. The attendance of the members at the meetings of the Finance Committee is as follows:

S.No.	Name of Members	Meetings attended
1	Mr. P.Kishore	3
2	Ms. Susha John	3
3	Mr. R.Sankaran	3

**VII. GENERAL BODY MEETINGS**

- a) The following are the details of Date, Location and Time of the Annual General Meetings held during last three years.

Date	Meeting	Location	Time
03 <sup>rd</sup> Aug, 2009	A G M	'Everonn House' Plot Nos. 96-99, Perungudi, Chennai - 600 096.	03.00 PM
20 <sup>th</sup> Aug, 2008	A G M	The Music Academy, New No.168, TTK Road, Chennai - 600 014.	11.00 AM
26 <sup>th</sup> May, 2007	A G M	No.82, IV Avenue, Ashok Nagar, Chennai - 600 083.	11.00 AM

- b) During the past 3 AGM's 9 Special resolutions were passed.
- c) There were no resolutions that were required to be passed by means of a postal ballot by the members of the Company during the year ended 31st March, 2010. None of the ordinary and special resolutions placed at the ensuing Annual General Meeting are required to be passed by the members through a Postal Ballot.

**VIII. DISCLOSURES**

There were no related party transactions i.e., transactions of the Company of material nature, entered with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of Company at large. The details of the related party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

The Company has complied with the requirements of the SEBI and the Stock Exchanges on the matters relating to the capital markets as applicable from time to time. There has been no instance of non-compliance by the company or penalty or strictures imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the all the mandatory requirements of the code of Corporate Governance prescribed by the Stock Exchanges. As regards the non mandatory requirement, the Company has a Remuneration Committee as detailed in the earlier paragraphs.

**IX. MEANS OF COMMUNICATION**

The Board of Directors of the company takes on record the Un-audited Financial Results in the prescribed form within one month of the close of every quarter and announces the results to the stock exchanges where the Company's shares are listed. The same are also published within 48 hours in the newspapers viz., HT MINT (English), The Economic Times (English) and Makkal Kural (Tamil).

Press briefings are held after important occasion's viz., announcement of quarterly results, new tie up etc. The press releases issued from time to time are informed to the respective Stock Exchanges where the equity shares of the Company are listed and the same is also hosted on the Company's website for the information of the investors.

The Company's official website; [www.everonn.com](http://www.everonn.com) has in it a separate page for investors relations, wherein the quarterly financial results, shareholding patterns, important announcements to the Stock Exchanges, are hosted for the knowledge of the investors. In addition to the above, the Company also regularly provides information to the stock exchanges as per the requirements of the Listing Agreements and updates the same on Company's website periodically to include information on new developments and business opportunities of the Company.

As a further effort towards effective Investor Grievance redressal measure and in compliance with the provisions of Clause 47(f) of the Listing Agreement with the Stock Exchanges, the Company has designated an exclusive e-mail id, [ipo@everonn.com](mailto:ipo@everonn.com) to enable the investors to lodge their complaints. The investors are requested to kindly make use of the same.

As required under sub clause IV(F) of Clause 49 of the Listing Agreement, the Management Discussion and Analysis Report detailing the overview of the Industry, Company's business and its financials etc., is provided separately as a part of the Directors' Report.

**X. GENERAL SHAREHOLDER INFORMATION****Details of the forthcoming Annual General Meeting:**

1. Date July 27, 2010
2. Day Tuesday
3. Time 11.00 AM
4. Venue The Music Academy,  
New No.168, TTK Road,  
Chennai – 600 014.

**Financial Calendar for 2010-11 (tentative)**

The Financial year of the Company is April- March of every year and the tentative details of the financial calendar for the year 2010-11 are as under:

Quarter Results for June 2010	Between 20 <sup>th</sup> July & 14 <sup>th</sup> August, 2010
Quarter Results for September 2010	Between 20 <sup>th</sup> October & 14 <sup>th</sup> November, 2010
Quarter Results for December 2010	Between 20 <sup>th</sup> January & 14 <sup>th</sup> February, 2011
Financial Results for the year ending 31 <sup>st</sup> March, 2011	Between 20 <sup>th</sup> April & 14 <sup>th</sup> May, 2011
11 <sup>th</sup> Annual General Meeting of the Company, for the year ending 31 <sup>st</sup> March, 2011	July / August, 2011

**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 Jheejebhoy Towers, Dalal Street, Mumbai – 400 001	532876
The National Stock Exchange of India Limited	C1-Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.	EVERONN

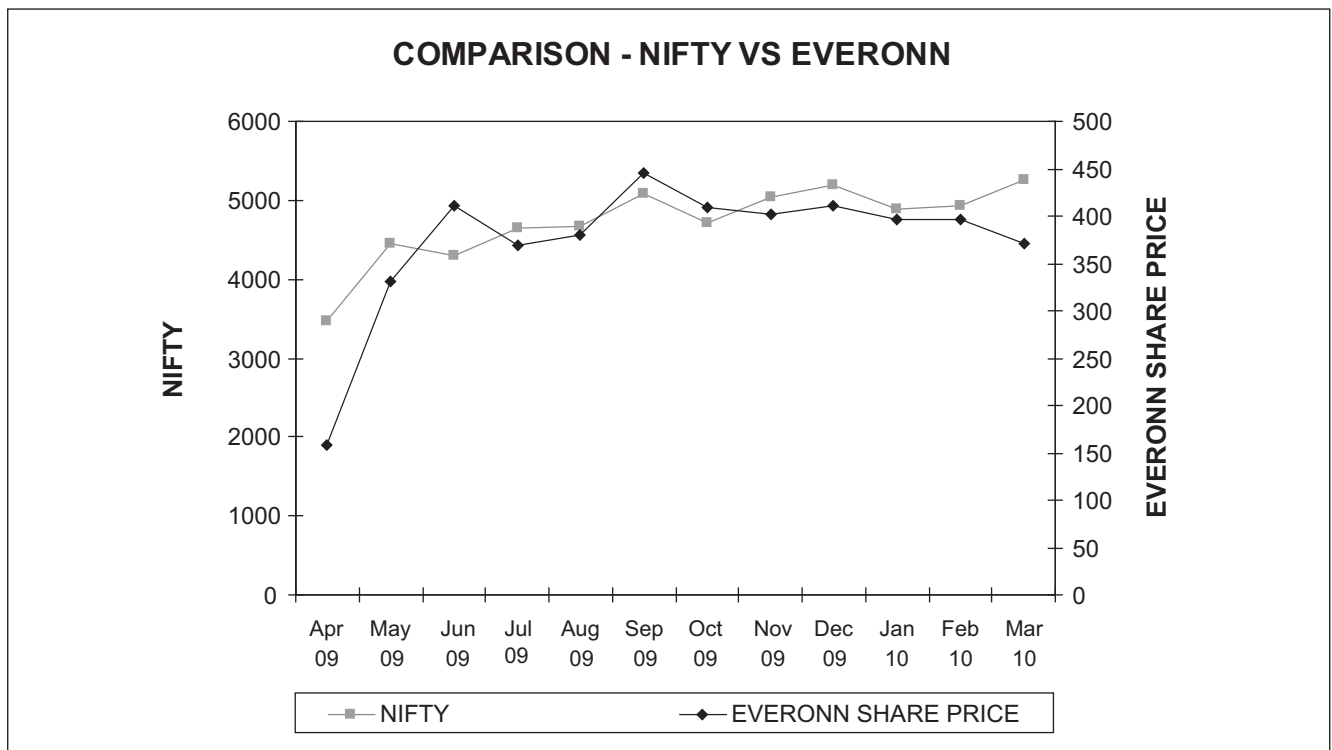
In line with the provisions of the Listing Agreement with the Stock Exchanges, the listing fees for the financial year 2009-10 have been paid to the Stock Exchanges, where the Company's Shares are listed.

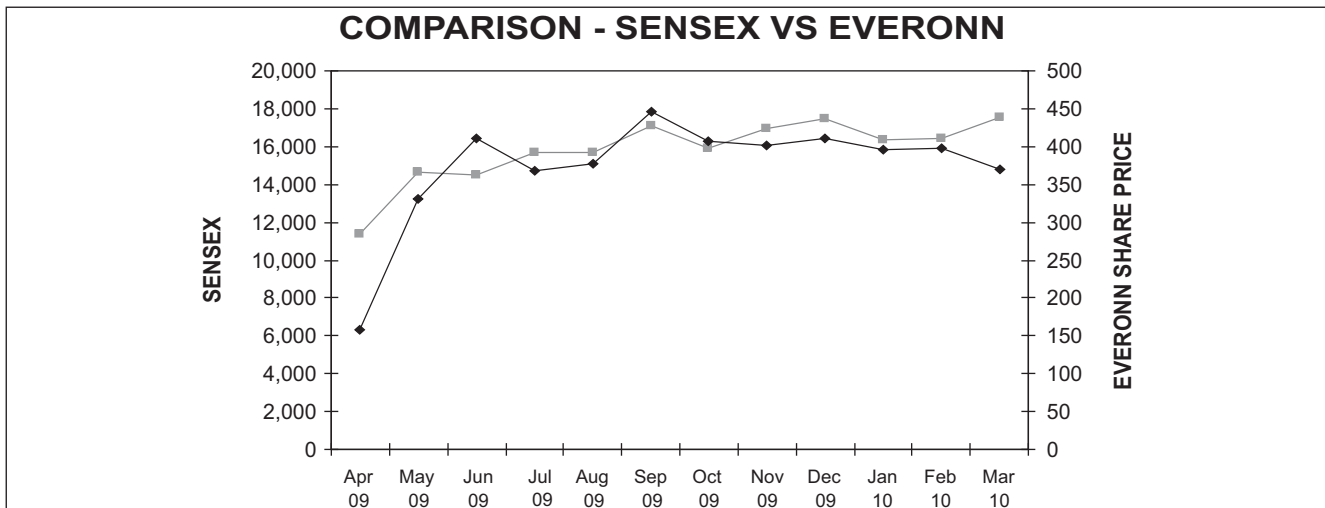


**Details of the Share price movements in the National Stock Exchange of India Limited and Bombay Stock exchange Limited**

S. No.	Month	NSE Prices (In Rs.)			BSE Prices (In Rs.)		
		High	Low	Average Total no of shares traded	High	Low	Average Total no of shares traded
1	Apr 09	195.00	131.00	1300750.00	194.45	131.00	717957.00
2	May 09	355.40	160.00	1287284.00	355.50	161.65	612542.60
3	Jun 09	489.00	310.00	2072564.00	477.00	317.00	901068.60
4	Jul 09	460.45	277.25	1477601.00	459.90	279.15	645313.50
5	Aug 09	414.75	324.00	693555.00	414.40	323.80	338507.10
6	Sep 09	449.00	376.00	811909.20	449.90	375.50	365231.30
7	Oct 09	479.90	400.00	524013.30	479.80	401.00	223804.80
8	Nov 09	439.50	365.30	190299.30	438.50	367.00	73058.65
9	Dec 09	428.30	390.60	138146.14	428.85	390.60	54000.59
10	Jan 10	461.75	363.00	368218.60	462.50	360.20	176929.40
11	Feb 10	420.00	375.00	267824.40	420.10	376.00	124264.60
12	Mar 10	406.40	364.00	19288.80	406.75	363.35	86797.33

**Relative Performance of Everonn Education Limited's Share Price with NSE's INDEX - NIFTY**



**Relative Performance of Everonn Education Limited's Share Price with BSE's INDEX - NIFTY****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	4 <sup>th</sup> Floor, Kamala Mills Compound, Senapathi Bapat Marg, Lower Parel, Mumbai – 400 013
Central Depository Services (India) Limited	28 <sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

The Company has paid the custodial charges to the respective depositories for the financial year 2009-10.

**Corporate Identity Number**

The Corporate Identity Number (CIN), allotted by the Ministry of Company Affairs, Government of India is L65991TN2000PLCO58466 and our Company registration number is 18-58466

With the MCA21 initiative of the Ministry of Company Affairs going live, the Company's Master Data information and details of the compliance filings made by the Company with the Ministry of Company Affairs, Government of India, may be viewed by the members and other stake holders at [www.mca.gov.in](http://www.mca.gov.in) using the above mentioned CIN.

**Registrar and Transfer Agent**

M/s. Cameo Corporate Services Limited, Chennai, is the Registrar and Share Transfer Agents (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: Everonn Systems India Limited  
Subramanian Building, No.1, Club House Road, Mount Road, Chennai - 600 002.  
Tel: 044-28460390 Fax: 044-28460129

**Share Transfer System**

The requests for physical share Transfers, Transmissions, Transposition etc., are received by the Company or by the Registrar's and Share Transfer Agents. In respect of the Company's Shares, which are traded in the dematerialisation 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 shares transfers, Transmissions, Transposition etc Shareholders / investor grievance committee.

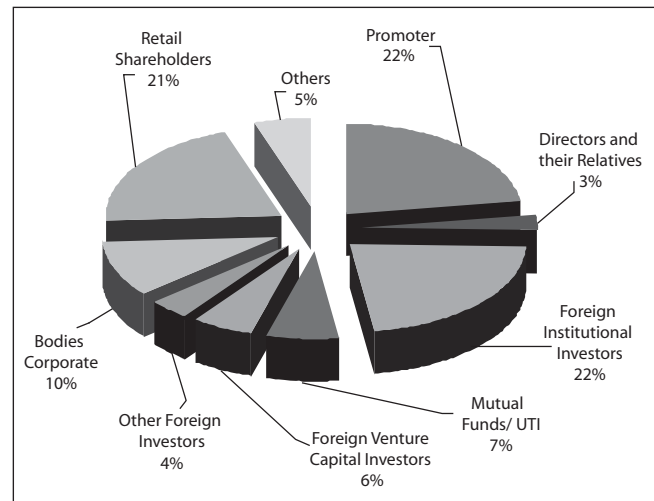




**Shareholding Pattern and the Distribution of Shareholding as at 31<sup>st</sup> March, 2010:**

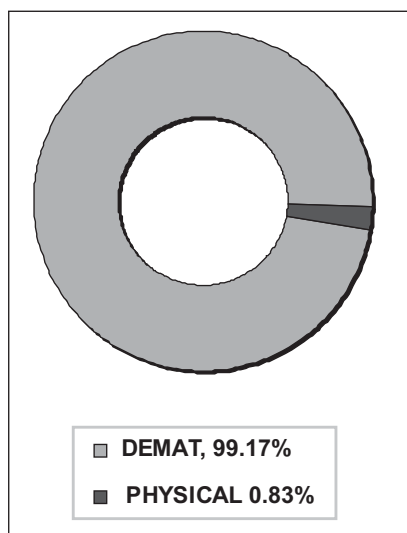
Number of shareholders as on 31st March 2010 stood at 41554 (Forty One Thousand Five Hundred and Fifty Four)

CATEGORY	Percentage
Promoter	22.79
Directors and their Relatives	2.78
Foreign Institutional Investors	22.07
Mutual Funds/ UTI	6.86
Foreign Venture Capital Investors	5.56
Other Foreign Investors	3.76
Bodies Corporate	10.28
Retail Shareholders	20.71
Others	5.19
<b>TOTAL</b>	<b>100</b>



**The Distribution of the Shareholding of the Company as at 31<sup>st</sup> March, 2010, is as follows:**

Share holding Rs. (Nominal Value)	Share Holders		Share Amount	
	Number	% to total	Rs.	% to total
Upto 5000	40537	97.5525	22622170	14.9613
5001-10000	573	1.3789	4458950	2.9489
10001-20000	217	0.5222	3230320	2.1363
20001-30000	61	0.1467	1562130	1.0331
30001-40000	39	0.0938	1354190	0.8956
40001-50000	28	0.0673	1290900	0.8537
50001-100000	34	0.0818	2615890	1.73
100001 and above	65	0.1564	114069450	75.4407
<b>Total</b>	<b>41554</b>	<b>100.0000</b>	<b>151204000</b>	<b>100.0000</b>



**Equity Shares in Suspense Account**

As per Clause 5A of the Listing Agreement, the Company reports that 650 shares are lying in Everonn Education Ltd - Unclaimed Securities Suspense Account as on March 31, 2010.

**Dematerialization of Shares and Liquidity**

The Company has entered into agreements with both National Securities Depository Limited and Central Depository Services (India) Ltd to facilitate the shareholders to demat their equity shares with any one of the depositories. The custodial charges for the year 2009-10 have been paid to NSDL and CDSL as per the Listing Agreement. As at 31st March 2010, 14994432 equity shares representing 99.17% of the Company's total numbers of shares have been dematerialized.

In view of the, SEBI's direction, that 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.



The Company has not issued any ADR/GDR or any convertible warrants during the year ended March 31st 2010.

**Location**

Address for Correspondence & Shareholders queries

**Regd Office:**

The Company Secretary  
No.82, IVth Avenue, Ashok Nagar,  
Chennai - 600083.

(or)

**Corporate Office:**

The Company Secretary  
"Everonn House"  
Plot No.96-99, Industrial Estate,  
Perungudi, Chennai - 600 096.  
Phone : 044-23718202 Fax : 044-24746425

(or)

**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 id for registering investor complaints:**

As required under sub clause 47(f) of the Listing Agreement, a separate email id; **ipo@everonn.com**, has been created by the Company for the purpose of registering the complaints by the investors. Mr.S.Vijayanand, Company Secretary, has been appointed as the Compliance Officer of the Company for redressal of investor grievances. The Company has also displayed the email id on the website: **www.everonn.com**.

**Other Shareholders Information****Secretarial Audit**

A secretarial audit is done every quarter by the practicing Company Secretary to reconcile the total admitted capital with National Securities Depository

Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

**Compliance Certificate**

Compliance Certificate from our Statutory Auditors, M/s. P Chandrasekar - Chartered Accountants given at the end of this Corporate Governance Report.

**XI. CODE OF CONDUCT**

The Board of Directors of the Company has laid down the code of conduct for all the Board Members and the Senior Management of the Company and the same has been posted on the website of the Company; **www.everonn.com**, in the compliance with the provisions of Listing Agreement with the Stock Exchanges.

This Code of Conduct shall apply to the Directors and Senior Management personnel of Everonn Education Limited, who shall affirm compliance with this Code on an annual basis as at the end of each financial year.

All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the applicable code of conduct for the year ended 31st March, 2010. The declaration from Mr.P.Kishore, Managing Director, regarding the affirmation of the compliance for the year ended 31st March, 2010, is enclosed and forms part of this report.

The Company has also framed a code of conduct for prevention of Insider Trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all the Directors / Officers and Designated Employees. The Code regulates dealing in shares by the persons having access to the unpublished price sensitive information.

**Declaration from the Managing Director & CEO**

(Under clause 49(D)(ii) of the Listing Agreement)

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31<sup>st</sup> March, 2010.

Place : Chennai  
Date : May 19, 2010

**P KISHORE**  
MANAGING DIRECTOR & CEO



## **AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

(Under Clause 49 of the Listing Agreement)

To  
The Members of Everonn Education Limited

We have examined the compliance of the conditions of Corporate Governance by Everonn Education Limited (the Company), for the year ended 31st March 2010 with the relevant records and documents maintained by the Company and furnished to us for our examination and the report on Corporate Governance as approved by the Board of Directors.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges.

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. P.Chandrasekar**  
Chartered Accountants

**P.Chandrasekaran**  
Partner  
Membership No:26037

Place : Chennai  
Date : May 19, 2010



---

**STANDALONE  
FINANCIAL STATEMENTS**

---



## AUDITORS REPORT

### To the Shareholders of Everonn Education Limited

1. We have audited the attached Balance Sheet of **M/s. Everonn Education Limited** as at 31<sup>st</sup> March 2010 and the Profit and Loss Account and also the Cash flow Statement for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
  2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
  3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
  4. Further to our comments in the annexure referred to above, we report that:
    - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Profit and Loss account and Cash flow statement referred to in this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash flow statement dealt with by this report comply with the Accounting Standards prescribed by the Institute of Chartered Accountants of India and referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of the written representations received from directors as on 31.03.2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Accounting policies and the notes there on give the information required by the Companies Act 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:
    - i) in the case of Balance Sheet of the state of affairs of the company as at 31st March 2010.
    - ii) ii) in the case of Profit and Loss account, of the profit for the year ended on that date, and
    - iii) in the case of Cash flow statement of the cash flows for the year ended on that date.

For M/s P.CHANDRASEKAR  
Chartered Accountants

**P.CHANDRASEKARAN**  
Partner  
M.No.26037

Place : Chennai  
Date : May 19, 2010



## ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. Fixed Assets have been physically verified by the Management during the year and there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As reported to us no material discrepancies have been noticed on such verification.
3. Substantial part of the Fixed Assets have not been sold during the year under review affecting going concern.
4. The company's inventories are inspected periodically by the Company's Management.
5. The procedures of physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
6. The company has maintained proper records of Inventory. The discrepancies noticed on verification between the Physical stocks and the book records were not material and have been properly dealt with in the books of account.
7. The Company has granted, secured or unsecured loans to six companies, firms or other parties covered in the register maintained under section 301 of the Act. Act amounting to Rs. 748.47 Lakhs and the terms and conditions of loans taken by the company, unsecured, are prima facie not prejudicial to the interest of the company
8. The company has not taken interest free unsecured loans from any company, firms or other parties covered in the register maintained under section 301 of the Act .
9. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of Inventory, fixed assets and with regard to rendering services. No major weaknesses in internal controls were observed.
10. According to the information and explanations given to us, and based on our verification, we are of the opinion that there are no transactions that were required to be entered in the register maintained under section 301 of the companies Act 1956.
11. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year.
12. The company has not accepted any deposits from the public during the year requiring the compliance of provisions of Section 58A and Section 58AA or any other relevant provisions of the companies act 1956.
13. In our opinion the company has an Internal Audit system commensurate with the size and nature of its business.
14. The Central Government has not prescribed the Maintenance of cost records under Section 209 (1) (d) of the Companies Act,1956 for any of the products of the company.
15. As per the information and explanations made available to us and also based on the records made available to us, in our opinion the Company is regular in depositing the undisputed statutory dues including ESI, Income Tax, Sales Tax, Fringe Benefit Tax, Service Tax and other statutory dues, excepting Provident Fund in few cases there were delays in remittance. There are no outstanding dues in respect of the above items which are more than six months as at the balance sheet date.
16. According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
17. The company has not incurred cash losses during the year covered by our audit and also during the immediately preceding financial year.
18. As per the information and explanations made available to us the company has not defaulted in repayment of dues to any financial institutions, bank or debenture holder.



19. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
20. The company is not a chit fund or a nidhi / mutual benefit fund / society and therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
21. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments and therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
22. In our opinion and according to the information and explanations given to us, the company has given guarantee for loans taken by others from Banks and Financial Institutions.
23. In our opinion, the term loans have been applied for the purpose for which they were raised.
24. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
25. The Company has not made preferential allotment of shares to parties and companies .

**For M/s P.CHANDRASEKAR**  
Chartered Accountants

Place : Chennai  
Date : May 19, 2010

**P.CHANDRASEKARAN**  
Partner  
M.No.26037

**EVERONN EDUCATION LIMITED****Balance Sheet as at March 31, 2010**

Rs in '000

Particulars	Schedule	As at 31st March 2010	As at 31st March 2009
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDER'S FUNDS</b>			
Share Capital	1	151,204	151,204
Share Warrants	1A	–	76,514
Employee stock option outstanding		9,599	6,439
Reserves and surplus	2	2,395,607	1,920,327
<b>LOAN FUNDS</b>			
Secured loans	3	839,339	481,682
Unsecured loans	4	–	2,830
<b>DEFERRED TAX LIABILITY</b>		<b>167,859</b>	<b>100,566</b>
<b>TOTAL SOURCES OF FUNDS</b>		<b><u>3,563,608</u></b>	<b><u>2,739,562</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross block	5	2,058,966	1,316,075
Less: Depreciation and Amortization		677,290	439,456
Net block		<u>1,381,676</u>	<u>876,619</u>
Capital Work in Progress		245,944	248,174
<b>INVESTMENTS</b>	6	<b>153,292</b>	<b>241,145</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Sundry debtors	7	1,129,255	621,498
Cash and bank balances	8	384,831	401,591
Loans and advances	9	590,136	762,140
		2,104,222	1,785,229
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	10	<b>321,526</b>	<b>411,605</b>
<b>NET CURRENT ASSETS</b>		<b>1,782,696</b>	<b>1,373,624</b>
<b>TOTAL APPLICATION OF FUNDS</b>		<b><u>3,563,608</u></b>	<b><u>2,739,562</u></b>
Significant Accounting Policies & Notes on Accounts	Refer Schedule No.17		

As per our report of even date

For **M/s.P.Chandrasekar**  
Chartered Accountants**P.Chandrasekaran**  
Partner  
Membership No:26037Place : Chennai  
Date : May 19, 2010

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director**Susha John**  
Director**S. Vijayanand**  
Company Secretary



**EVERONN EDUCATION LIMITED****Profit & Loss Account for the Year ended March 31, 2010**

Rs in '000

Particulars	Schedule	Year ended 31st March 2010	Year ended 31st March 2009
<b>INCOME</b>			
Sales and Service Income	11	2,106,515	1,213,794
Other Income	12	7,686	39,011
<b>TOTAL INCOME</b>	<b>A</b>	<b>2,114,201</b>	<b>1,252,805</b>
<b>EXPENDITURE</b>			
Manpower	13	314,750	254,166
Education and Training expenses	14	610,151	291,545
Administration and Other expenses	15	221,774	135,031
Interest and Finance charges	16	103,220	51,818
Depreciation & Amortisation	5	237,834	153,244
<b>TOTAL EXPENDITURE</b>	<b>B</b>	<b>1,487,729</b>	<b>885,804</b>
<b>Profit Before Taxation</b>	<b>A-B</b>	<b>626,472</b>	<b>367,001</b>
Provision for taxation			
Current Tax		125,150	85,369
Deferred Tax		67,293	40,292
Fringe Benefit Tax		—	2,917
<b>Profit After Taxation</b>		<b>434,029</b>	<b>238,423</b>
Surplus brought forward from last year		471,569	233,146
<b>Profit available for appropriations</b>		<b>905,598</b>	<b>471,569</b>
<b>Appropriation :</b>			
Transfer to Debenture Redemption Reserve		109,083	—
Proposed Dividend		30,241	—
Tax on dividend		5,023	—
Transfer to general reserve		43,403	—
<b>Balance carried to balance sheet</b>		<b>717,848</b>	<b>471,569</b>
<b>Basic earnings per equity share (basic ) Rs.</b>		<b>28.70</b>	16.06
<b>Basic earnings per equity share (diluted) Rs.</b>		<b>28.70</b>	15.20
<b>Significant Accounting Policies &amp; Notes on Accounts</b>			

Refer  
Schedule No.17

As per our report of even date

For **M/s.P.Chandrasekar**  
Chartered Accountants**P.Chandrasekaran**  
Partner  
Membership No:26037Place : Chennai  
Date : May 19, 2010

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director**Susha John**  
Director**S. Vijayanand**  
Company Secretary

**EVERONN EDUCATION LIMITED****Cash Flow Statement for the year ended March 31, 2010**

Rs in '000

Particulars	As at 31st March 2010	As at 31st March 2009
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	626,472	367,001
<b>Adjustments for :</b>		
Depreciation	237,834	153,244
Interest on long term loan	12,742	26,703
Profit / Loss on sale of asset	-	(3,300)
Employee stock option plan amortisation	3,160	3,461
	<b>253,736</b>	180,108
Operating profit before working capital changes	<b>880,208</b>	547,109
<b>Adjustments for :</b>		
Trade and other receivables	(323,152)	(820,460)
Trade payables and other liabilities	(152,820)	161,601
Cash generated from operations	<b>404,236</b>	(111,750)
Direct taxes paid / deducted at source	(110,273)	(31,430)
<b>Net Cash Flow from Operations</b>	<b>293,963</b>	(143,180)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
<b>Purchase of Fixed Asset</b>	<b>(740,661)</b>	(758,863)
Sale of fixed assets		103,022
Investment made during the year	<b>87,853</b>	(148,259)
<b>Net Cash Flow from Investment Activities</b>	<b>(652,808)</b>	(804,100)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share capital Raised (net of exp)		963,087
Increase / (Decrease) in Secured Loan	<b>357,657</b>	29,590
Increase / (Decrease) in Unsecured Loan	<b>(2,830)</b>	(1,701)
Interest payment	<b>(12,742)</b>	(26,703)
Dividend paid (including dividend tax)		
<b>Net Cash Flow From Finance Activities</b>	<b>342,085</b>	964,273
<b>Increase in Cash and Cash Equivalents</b>	<b>(16,760)</b>	16,993
<b>Opening balance of Cash and Cash Equivalents</b>	<b>401,591</b>	384,598
<b>Closing balance of Cash and Cash Equivalents</b>	<b>384,831</b>	401,591

As per our report of even date

For **M/s.P.Chandrasekar**  
Chartered Accountants**P.Chandrasekaran**  
Partner  
Membership No:26037Place : Chennai  
Date : May 19, 2010

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director**Susha John**  
Director**S. Vijayanand**  
Company Secretary

**EVERONN EDUCATION LIMITED****Schedules annexed to and forming part of Balance Sheet as at March 31, 2010**

Rs in '000

Particulars	As at 31st March 2010	As at 31st March 2009
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,00,00,000 (Previous Year 2,00,00,000) Equity Shares of Rs.10/- each	<u>200,000</u>	<u>200,000</u>
	<u>200,000</u>	<u>200,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,51,20,400 (Previous Year 1,51,20,400) Equity Shares of Rs.10/- each fully paid up	151,204	151,204
<b>Of the above:</b>		
(1) 68,54,748 equity shares were issued as bonus shares by Capitalization of Securities Premium account on 31/05/2006.		
(2) On 31/05/2006 Preferential allotment was made to Director's for 1,25,670 shares of Rs.10/- each fully paid up at a premium of Rs.10/- per share.		
(3) On 28/06/2006 2,57,053 shares of Rs.10/- each fully paid up were allotted to Everonn Employee Welfare Trust at par.		
(4) On 17/06/2008, 12,69,219 equity shares of Rs.10 each fully paid up were allotted at a premium of Rs. 710.04/- on preferential basis.		
<b>Schedule 1A</b>		
<b>SHARE WARRANTS</b>		
<b>EQUITY SHARE WARRANTS</b>		
(Previous Year 10,62,634 Partly paid Share warrants of Rs.720.04/- each to be converted into Equity Shares of Rs.10/- each at a premium of Rs.710.04/-)	-	76,514
	<u>-</u>	<u>76,514</u>
	<u>-</u>	<u>76,514</u>
<b>Schedule 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Opening Balance	1,437,604	563,722
Add: Amount Received on Equity Shares	-	901,196
	1,437,604	1,464,918
Less: Share issue expense adjusted	-	27,314
<b>Total</b>	<u>1,437,604</u>	<u>1,437,604</u>

**EVERONN EDUCATION LIMITED****Schedules annexed to and forming part of Balance Sheet as at March 31, 2010**

Particulars	Rs in '000	
	As at 31st March 2010	As at 31st March 2009
<b>Schedule 2 (Contd.)</b>		
<b>General Reserve</b>		
Opening balance	11,155	11,155
Add: Transfer from Profit & Loss A/c	43,403	—
<b>Total</b>	<b>54,558</b>	<b>11,155</b>
<b>Capital Reserve</b>	<b>76,514</b>	<b>—</b>
Debenture Redemption Reserve	109,083	—
<b>Surplus in Profit and Loss Account</b>	<b>717,848</b>	<b>471,569</b>
<b>Total Reserves and Surplus</b>	<b>2,395,607</b>	<b>1,920,327</b>
<b>Schedule 3</b>		
<b>SECURED LOANS</b>		
Debentures	141,800	—
200000 14% Secured Non - Convertible Debentures of Rs. 100 each - Rs. 20000 (000) (PY Nil)		
1000000 4% Secured Non - Convertible Debentures of Rs. 100 each - Rs. 100000 (000) (PY Nil)		
218000 6% Secured Non - Convertible Debentures of Rs. 100 each - Rs. 21800 (000) (PY Nil)		
From Banks		
— Cash Credit / Secured Overdraft	1,162	202,938
— Loan against Deposits / Other Secured loans	350,384	137,732
— Term Loan	81,333	141,012
From Others		
— Term Loan	264,660	—
[Due within One year Rs.76411(000)]		
[Previous year Rs.108953(000)]		
<b>Total Secured Loan</b>	<b>839,339</b>	<b>481,682</b>
<b>Schedule 4</b>		
<b>UNSECURED LOANS</b>		
Term loan from Others	—	2,830
<b>Total Unsecured Loan</b>	<b>—</b>	<b>2,830</b>



## EVERONN EDUCATION LIMITED

### Schedules annexed to and forming part of Balance Sheet as at March 31, 2010

Schedule 5

**FIXED ASSETS**

Rs in '000

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2009	Additions	Deductions	As at 31.03.2010	Upto 01.04.2009	for the year	Deductions	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
<b>Tangible Assets</b>										
Land	-	33,400		33,400					33,400	-
Building	-	157,800		157,800		3,934		3,934	153,866	-
Plant and machinery	858,775	279,417		1,138,192	311,434	151,847		463,281	674,911	547,341
Electrical fittings	44,185	18,394		62,579	12,466	6,933		19,399	43,180	31,719
Furniture & Fittings	197,448	199,717		397,165	35,281	33,266		68,547	328,618	162,167
Vehicles	9,142	-		9,142	2,470	705		3,175	5,967	6,672
<b>Intangible Assets</b>										
Software	51,494	34,297		85,791	26,847	12,320		39,167	46,624	24,647
"Knowledge Resource and Content"	155,031	19,866		174,897	50,958	28,829		79,787	95,110	104,073
<b>Total</b>	<b>1,316,075</b>	<b>742,891</b>	-	<b>2,058,966</b>	<b>439,456</b>	<b>237,834</b>	-	<b>677,290</b>	<b>1,381,676</b>	<b>876,619</b>
Previous Year	779,109	637,078	100,112	1,316,075	286,602	153,244	390	439,456	876,619	492,507
Capital WIP	-	-	-	-	-	-	-	-	245,944	248,174

**EVERONN EDUCATION LIMITED****Schedules annexed to and forming part of Balance Sheet as at March 31, 2010**

Rs in '000

Particulars	As at 31st March 2010	As at 31st March 2009
<b>Schedule 6</b>		
<b>INVESTMENTS</b>		
<b>(A) Long Term, Unquoted, Non Trade &amp; Cost</b>		
(i) Investment in Subsidiaries		
– 56000 Equity shares (Previous year 4000) of Rs.10/- each fully paid up in Toppers Tutorial Private Limited	<b>70,000</b>	5,000
– 2100000 Equity Shares (Previous year 100000) of Rs.10/- each fully paid up in Everonn Educational Resources Solutions Limited	<b>41,000</b>	1,000
– 50000 Equity Shares (Previous year 50000) of Rs.10/- each fully paid up in Everonn Infrastructure Limited	<b>500</b>	500
– 5100 Equity Shares (Previous year 5100) of Rs.10/- each fully paid up in AEG Skill Update Private Limited	<b>51</b>	51
– 2050000 Equity Shares (Previous year Nil) of Rs.10/- each fully paid up in Everonn Skill Development Limited	<b>30,500</b>	–
– 50000 Equity Shares (Previous year Nil) of Rs.10/- each fully paid up in Everonn Business Education Limited	<b>500</b>	
(ii) Investment in Others		
– 82530 Equity shares (Previous Year Nil) of Rs. 10/- each fully paid up DT Media and Entertainment Private Limited	<b>10,729</b>	
	<b>153,280</b>	6,551
<b>(B) Current Investment</b>		
Listed and Quoted (Trade)		
500 Equity shares of Rs.10/- each in Indian Overseas Bank	<b>12</b>	12
Market Value Investments (IOB Shares) @ Rs.91.95/- amounting to Rs. 45975/- (Previous year @ Rs.45.60/- amounting to Rs. 22800/-)		
<b>INVESTMENTS IN MUTUAL FUNDS</b>		
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - DAILY DIVIDEND (21146.465 UNITS @ RS.105.7350 SOLD DURING THE YEAR)	<b>NIL</b>	2172
RELIANCE LIQUID PLUS FUND - RETAIL OPTION (1505863 UNITS @ RS.1000.8857 WERE SOLD DURING THE YEAR)	<b>NIL</b>	1465
RELIANCE MONEY MANAGER FUND (889418.587 UNITS @ RS.10.2031 AND 12745.483 UNITS @ RS.1001.1364 WERE SOLD DURING THE YEAR)	<b>NIL</b>	62233

**VERONN EDUCATION LIMITED****Schedules annexed to and forming part of Balance Sheet as at March 31, 2010**

Rs in '000

<b>Particulars</b>	<b>As at 31st March 2010</b>	<b>As at 31st March 2009</b>
ICICI PRUDENTIAL INSTITUTIONAL LIQUID PLAN - SUPER INSTITUTIONAL DAILY DIVIDEND (1125405.201 UNITS @ RS.10.0022 WERE SOLD DURING THE YEAR)	<b>NIL</b>	11011
RELIANCE MONEY MANAGER FUND		
1. 3321207.913 UNITS @ RS.15.2872 SOLD DURING THE YEAR.		
2. 32615.371 UNITS @ RS.1001.1364 SOLD DURING THE YEAR	<b>NIL</b>	83424
RELIANCE INTERVAL FUND - QUARTERLY PLAN (5310673.424 @ RS.10.0242 SOLD DURING THE YEAR)	<b>NIL</b>	53235
UTI TREASURY ADVANTAGE FUND (10401.147 UNITS @ 1001.4773 WERE SOLD DURING THE YEAR)	<b>NIL</b>	10417
JP MORGAN TREASURY FUND (1061530.339 UNITS @ RS.10.0089 WERE SOLD DURING THE YEAR)	<b>NIL</b>	10625
<b>INVESTMENT IN MUTUAL FUNDS</b>	<b>—</b>	<b>234,582</b>
In Mutual Funds (Net Asset Value (NAV) as on 31.03.09 Rs. 234582 ('000))	<b>—</b>	<b>234,582</b>
<b>Total Investments</b>	<b>153,292</b>	<b>241,145</b>

**EVERONN EDUCATION LIMITED****Schedules annexed to and forming part of Balance Sheet as at March 31, 2010**

Rs in '000

<b>Particulars</b>	<b>As at 31st March 2010</b>	<b>As at 31st March 2009</b>
<b>Schedule 7</b>		
<b>SUNDRY DEBTORS</b>		
[Unsecured considered Good]		
More than Six Months	<b>444,583</b>	247,798
Others	<b>684,672</b>	373,700
<b>Total Sundry Debtors</b>	<b>1,129,255</b>	621,498
<b>Schedule 8</b>		
<b>CASH &amp; BANK BALANCES</b>		
(a) Cash on Hand	<b>1,073</b>	1,766
(b) Balance with Schedule Banks in		
(i) Current Accounts	<b>275,770</b>	83,867
(ii) Deposit Accounts (Including Interest accrued)	<b>21,054</b>	203,872
(iii) Margin Account	<b>86,934</b>	112,086
<b>Total Cash and Bank Balances</b>	<b>384,831</b>	401,591
<b>Schedule 9</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured considered good)		
(a) Advances recoverable in cash (or) in kind (or) for value to be received	<b>515,463</b>	679,955
(b) Security & Other Deposits	<b>38,237</b>	56,314
(c) Advance Income Tax and Tax Deducted at Source	<b>36,436</b>	25,871
Advances include due from Subsidiary companies Rs. 74847 ('000) PY: 201968 ('000)		
<i>Maximum Amount Outstanding during the year Rs.74847 ('000), PY: 201968 ('000)</i>		
<b>Total Loans and Advances</b>	<b>590,136</b>	762,140



**EVERONN EDUCATION LIMITED****Schedules annexed to and forming part of Balance Sheet as at March 31, 2010****Rs in '000**

<b>Particulars</b>	<b>As at 31st March 2010</b>	<b>As at 31st March 2009</b>
<b>Schedule 10</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	14,633	155,042
Security Deposits and Advance against services to be rendered	20,695	17,792
Other Liabilities	93,311	106,968
Total Current Liabilities	<u>128,639</u>	<u>279,802</u>
<b>PROVISIONS</b>		
Proposed Dividend	30,241	
Tax on Dividend	5,023	
Current Tax	154,109	126,632
Fringe Benefit Tax	–	2,917
Leave Encashment	3,514	2,254
Gratuity	–	–
	<u>192,887</u>	<u>131,803</u>
<b>Total Current Liabilities and Provisions</b>	<u>321,526</u>	<u>411,605</u>
<b>DEFERRED TAX LIABILITY</b>	167,859	100,566
<b>MISC EXP (TO THE EXTENT NOT W/OFF OR ADJUSTED)</b>	–	

**EVERONN EDUCATION LIMITED****Schedules forming part of Profit & Loss Account  
for the year ended March 31.03.2010**

Rs in '000

<b>Particulars</b>	<b>Year ended 31st March 2010</b>	<b>Year ended 31st March 2009</b>
<b>Schedule 11</b>		
<b>SALES AND SERVICE INCOME</b>		
Education & Training Income	2,106,515	1,213,794
<b>Total</b>	<b>2,106,515</b>	<b>1,213,794</b>
<b>Schedule 12</b>		
<b>OTHER INCOME</b>		
Dividend from Mutual Funds	4017	35,192
Profit on sale of asset	—	3,300
Interest income	2,985	
Miscellaneous Income	684	519
<b>Total</b>	<b>7,686</b>	<b>39,011</b>
<b>Schedule 13</b>		
<b>MANPOWER COSTS</b>		
Salaries	288,578	229,603
Contribution to Provident and other Funds	14,691	12,159
Staff welfare expenses & others	8,321	8,944
Employee stock option plan compensation	3,160	3,460
<b>Total</b>	<b>314,750</b>	<b>254,166</b>
<b>Schedule 14</b>		
<b>EDUCATION AND TRAINING EXPENSES</b>		
Course execution and delivery expenses	610,151	291,545
<b>Total</b>	<b>610,151</b>	<b>291,545</b>

**EVERONN EDUCATION LIMITED****Schedules annexed to and forming part of Profit & Loss Account  
for the year ended March 31, 2010**

Rs in '000

Particulars	Year ended 31st March 2010	Year ended 31st March 2009
<b>Schedule 15</b>		
<b>ADMINISTRATION AND OTHER EXPENSES</b>		
Electricity charges	19,643	9930
Insurance charges	2,159	870
Communication expenses	18,933	16,554
Audit fees	1,158	685
Directors sitting fees	330	370
Rates and taxes	7,625	3,383
Legal, professional and consultancy charges	32,039	17,152
Rent	22,995	19,154
Repairs and Maintenance		
- Building	305	627
- Plant & Machinery	10,441	6,949
- Others	12,435	5,567
Travelling and Conveyance	28,184	34,802
Sales promotion and Advertisement expenses	64,848	18,258
Miscellaneous expenses	679	368
Baddebts written off	—	362
<b>Total Administration and Other Expenses</b>	<b>221,774</b>	<b>135,031</b>
<b>Schedule 16</b>		
<b>INTEREST AND FINANCIAL CHARGES</b>		
Interest on Term loans	12,742	26,703
Interest on other loans	69,337	30,943
Bank Charges	23,972	10,777
Less:		
Interest income on deposits (Tax deducted at source Rs. 93('000) PY Rs.548/-('000))	2,831	16,605
<b>Total</b>	<b>103,220</b>	<b>51,818</b>

As per our report of even date

For **M/s.P.Chandrasekar**  
Chartered Accountants**P.Chandrasekaran**  
Partner  
Membership No:26037Place : Chennai  
Date : May 19, 2010

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director**Susha John**  
Director**S. Vijayanand**  
Company Secretary



## EVERONN EDUCATION LIMITED

### SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

#### Schedule 17

#### I. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Preparation of Financial statements

Financial Statements are prepared on an accrual basis, under historical cost convention and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and as per the requirements of the Companies Act, 1956.

##### 2. Use of Estimates

The preparation of financial statements requires the management of the company to make estimate and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year.

##### 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. Capital Work-in-Progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the reporting date. Assets acquired on hire purchase are capitalized at gross value and interest there-on is charged to revenue. Intangible assets are stated at cost of acquisition/ cost of development less accumulated amortization.

##### 4. Depreciation and Amortization

Depreciation on fixed assets other than purchased for usage in executing the contractual obligations with the customers under the project is provided on Straight Line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956.

Fixed assets purchased for usage in executing the contractual obligations with the customers under the project are depreciated over the period of contract.

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

##### 5. Revenue Recognition

Education and training income is recognized on rendering of services over the period of instruction.

In respect of fixed price contracts, revenue is recognized as per the proportionate completion method.

Revenue in respect of sale of courseware content and knowledge resource is recognized on the basis of dispatch/delivery to the customers.

Revenue in respect of sale of hardware is recognized when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

Revenue from online educational services is recognized upon receipt of subscription fees.

Dividend income is recognized when the right to receive payment is established. Interest income is recognized on time proportion basis.

##### 6. Investments

Long-term investments are carried at cost less provision for other than temporary diminution in the carrying value of each investment. Current investments are stated at the lower of cost or quoted/ fair value computed category wise.

##### 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 a straight-line basis over the lease term.

##### 8. Employee Benefits

a. Short term employee benefits are charged off at the undiscounted amount in the year in which related service is rendered.

b. Post employment and other long term employee benefits are charged off in the year in which the employee has rendered the service. The amount charged off is recognized at the present value of the amount payable determined using actuarial valuation technique. Actuarial gain and loss in respect of post employment and other long term benefits are charged to profit and loss account.



## 9. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

Contingent liabilities are not provided for and are disclosed by way of notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

## 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.

## 11. Taxation

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 income 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 by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis.

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.

## 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.

## 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.

## 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 equity shares that could have been issued up on conversion of all dilutive potential equity shares.

## 15. 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 payment. The cash flows from regular revenue generating investment and financing activities of the Company are segregated.

## 16. Share Issue Expenses

Expenditure relating to issue of shares is adjusted against the Securities Premium Account.

**II. NOTES TO ACCOUNTS**

Rs. in' 000

**1. Forfeiture of Warrants**

During the year ended Mar. 31, 2009, the company had allotted 1062634 convertible equity warrants to Non-Promoters and Promoter/Person from Promoter group, entitling each holder to obtain allotment of one equity share against each such warrant at a price of Rs. 720.04. As per the terms of issue of equity warrants an amount equivalent to 10% of the issue price aggregating to Rs. 76514 ('000) was received and is retained under share warrants. The holder of the said equity warrants have had an option to apply for and be allotted one equity share of the company per equity warrant at the time after the allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. Further in case the investors do not opt for conversion of the warrants, the upfront amount so paid stands forfeited by the Company and all the rights attached to the warrants lapse automatically.

None of the warrant holders exercised the option to convert any of the aforesaid warrants till the last date of conversion within 18 months from their respective entitlements. Accordingly, during the financial year under review, the Company forfeited the amount of Rs. 76514 ('000) paid on the warrants due to non exercise of the option by the warrant holders. This amount has been credited to Capital Reserve Account.

**2. Contingent liability**

Rs. in' 000

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Bank guarantee issued by banks	424,966	319,210
LC Issued by Banks	172,215	-
Corporate Guarantee issued to banks for secured loans to third party	591,200	-
Bills discounted	189,896	-

**3. 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 Rs. 191,898/- ('000's ) (PY Rs. 65,272/- ('000's ))

The future minimum lease payments under non-cancelable operating leases are as follows:

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
With in one years	176,546	67,595
Due in a period between one to five years	288,979	87,867
Due after five years		

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

**4. Employee Stock Option Scheme (ESOP)**

During 2006-07, the company established Employee Stock Option Scheme 2006 under which 2,57,053 equity shares have been allotted at Rs,10 each at par to Everonn Employee Welfare Trust, a trust specifically formed for this purpose with an option vesting period of 8 years. As per the scheme, the compensation committee grants options to the employees deemed eligible for this purpose. The options are granted at par and the shares granted vest over a period of 1 to 3 years and can be exercised over maximum period of 8 years from the date of vesting

Employees Stock Option details as on the date of Balance Sheet are:

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Total grants authorised under the plan	856844	856844
Total options granted under the plan	81030	81030
Pricing formula	Rs. 10/- per option	Rs. 10/- per option
Options vested	50111	30472
Options exercised	49616	30472
Total number of equity shares arising as a result of exercise of options	49616	30472
Options forfeited/ lapsed	11688	4850
variation of terms of options	NA	NA
Money realized by exercise of options*	496160	304720*



Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Total number of options in force as on the date of this report	19726	45708
<b>EMPLOYEE WISE DETAIL OF OPTIONS GRANTED</b>		
Senior Managerial Personnel (Directors on Board)	NA	NA
Any other employee receiving grant in any one year of option amounting to 5% or more of the options granted during the year	NA	NA
Identified employees who are granted options during any one year, equal to or exceeding 1% of the total issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NA	NA
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS-20-Earnings Per Share)	NA	NA
Difference, if any, between the employee compensation cost calculated using intrinsic value of stock options and the employee compensation cost recognized if the fair value of the options had been used and the impact of this difference on profits and EPS of the Company.	NA	NA
Weighted average exercise price and weighted average fair value of options whose exercise price equals or exceeds or is less than market price of the stock	NA	NA

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Description of method and significant assumptions used during the year to estimate fair value of options, including following weighted average information: i) Risk free interest rate ii) Expected life (in years) iii) expected volatility iv) expected dividend yield v) Price of the underlying share in the market at the time of option grant	NA	NA

\* The money realized by exercise of options by the employees has been transferred to the Everonn Employees Welfare Trust as shares given to the employees were transferred from the Trust.

### 5. Related party disclosure

#### List of Related Parties

Name	Nature of relationship
1. Everonn Education Resources Solutions Limited 2. Toppers Tutorials Private Limited 3. Everonn Infrastructure Limited 4. Everonn Skill Development Limited 5. Everonn Business Education Limited	Wholly owned Subsidiary Company
1. AEG Skill Update Pvt Limited	Subsidiary Company with 51% of Holding
1. Tourism Resorts (Pvt) Limited 2. Mistair Realtys (Pvt) Limited 3. Celebrate India Tourism Limited	Enterprise over which some of the directors exercise significant influence
1. Shri. P.Kishore 2. Smt. Susha John	Key Management Personnel

Note: Related parties are as identified by the Company based on information available and relied upon by the Auditors



**Details of Transaction with the Related Parties**

**Amt in Rs. '000**

Nature of Transaction	Subsidiaries		Enterprise over which some of the directors exercise significant influence		Key Management Personnel	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Money received against warrants issued (Note 1)						50,403
Salary, perquisites (Note 2)					11,213	11,634
Investments made in Subsidiaries (Note 3)	1,36,000	551				
Loans Given to						
1. Toppers Tutorials Private Ltd.,	50,433	82,939				
2. Everonn Educational Resources Ltd.,	10,074	118,981				
3. Everonn Infrastructure Ltd.,	5,066					
4. Everonn Skill Development Ltd.,	410					
5. Everonn Business Education Ltd.,	8,854					
6. AEG Skill Update Private Ltd.,	10					
Interest Income from Subsidiaries						
Toppers Tutorials Private Ltd.,	2,985					

**Notes:**

1. 1.Represents issue of Convertible equity warrants to
  - a. Mr. P. Kishore Rs.Nil (Previous Year Rs.28,802 ('000))
  - b. Ms. Susha John Rs.Nil (Previous Year Rs.8,640 ('000))
  - c. Mr. R. Kannan Rs.Nil (Previous Year Rs.12,961 ('000))
2. Includes remuneration to
  - a. Mr. P. Kishore Rs.5,959 ('000) (Previous Year Rs.4,280 ('000))
  - b. Ms. Susha John Rs.4,274 ('000) (Previous Year Rs.3,074 ('000))
  - c. Mr. R. Kannan Rs.979 ('000) (Previous Year Rs.4,280 ('000))
3. Includes investment made in
  - a. AEG Skill Update Private Ltd., Rs. Nil (Previous Year Rs. 51 ('000))
  - b. Everonn Infrastructure Ltd., Rs.Nil (Previous Year Rs. 500 ('000))
  - c. Toppers Tutorials Private Ltd., Rs.65,000 ('000) (Previous Year Nil)
  - d. Everonn Educational Resources Ltd., Rs.40,000 ('000) (Previous Year Nil)
  - e. Everonn Skill Development Ltd., Rs.30,500 ('000) (Previous Year Nil)
  - f. Everonn Business Education Ltd., Rs.500 ('000) (Previous Year Nil)

**Outstanding balances (in respect of Related Parties)**

**Amt in Rs. '000**

Particulars	As at Mar 31, 2010		As at Mar 31, 2009	
	Recoverable	Payable	Recoverable	Payable
Subsidiary Company	74,847		201,968	
Key Managerial Personnel		4,129		1,054

Corporate Guarantee of Rs. 5,000 ('000) (previous year Rs. 5,000 ('000) ) has been given by M/s. Tourism Resorts (Pvt) Ltd., towards Collateral to obtain Term Loan from State Bank of India





**7. Earnings per share**

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Profit attributable to equity shareholders - (Rs. 000) - (A)	<b>434,029</b>	238,423
Weighted average number of equity shares outstanding during the year (Nos) - (B)	<b>15,120,400</b>	14,849,170
Add: Effect of potential dilutive shares (being warrants issued) (Nos) - (C)	<b>Nil</b>	835,551
Weighted average number of equity shares outstanding considered for determining diluted earnings per share (Nos) - (D)	<b>15,120,400</b>	15,684,721
Nominal value of equity shares (Rs.)	<b>10.00</b>	10.00
Basic earnings per share (A/B) (Rs.)	<b>28.70</b>	16.06
Diluted Earnings per share (Rs.) (A/D) (Rs.)	<b>28.70</b>	15.20

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

**8. a. Managerial Remuneration to Managing Directors and Whole-time Director**

**Amt in Rs.'000**

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
A. Remuneration to Whole-time Directors		
Salary and Allowances (including perquisites)	<b>8,882</b>	11,432
Contribution to Provident Fund	<b>141</b>	202
Commission to Executive Directors	<b>2190</b>	-
Total (A)	<b>11,213</b>	11,634
B. Remuneration to Non-Executive Directors		
Sitting Fees paid to Non-executive Directors	<b>330</b>	370
Commission to Non-executive Directors	<b>1,500</b>	900
Total (B)	<b>1,830</b>	1,270
Total (A+B)	<b>13,043</b>	12,904

**b. Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956**

**Amt in Rs.'000**

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Profit before tax	<b>626,472</b>	367,001
Add: Directors Remuneration	<b>12,713</b>	12,534
Sitting Fees	<b>330</b>	370
Less: Surplus / (Loss) on Fixed Assets		3,300
Net profit under Section 198 of the Companies Act, 1956	<b>639,515</b>	376,604
Maximum remuneration to whole time directors @ 10%	<b>63,952</b>	37,660
Remuneration Provided to Whole time Directors	<b>11,213</b>	11,634
Maximum Commission to Non-Executive Directors under Companies Act @ 1%	<b>6,395</b>	3,766
Commission provided	<b>1,500</b>	900

**9. Payments to Auditors**

**Amt in Rs.'000**

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
a) For Statutory Audit	<b>1,000</b>	600
b) Reimbursement of Expenses	<b>159</b>	85
<b>Total</b>	<b>1,159</b>	685

10. Estimated value of contract remaining to be executed on capital account and not provided for is Rs. Nil (previous year Rs. 140,000 ('000)).

11. Circulation of Confirmation of balances from Debtors and Creditors has been made during the year but in few cases the same is yet to be received from customers / parties

**12. Employee Benefits**

The disclosures required 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:

**Amt in Rs.'000**

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Employer's Contribution to Provident Fund	<b>12,628</b>	10,649

**Defined benefit Plan**

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

Amt in Rs.

Sl. No.	Particulars	Gratuity Funded For the year ended 31/03/2010	Gratuity Funded For the year ended 31/03/2009
<b>1</b>	<b>Changes in present value of obligations</b>		
	Present value of obligations as at beginning of year	3,427,614	2,009,278
	Interest cost	268,157	160,742
	Current Service Cost	2,062,371	734,144
	Benefits Paid	(151,296)	(21,313)
	Actuarial (gain)/Loss on Obligations	(136,761)	544,763
	Present value of obligations as at end of year	5,470,085	3,427,614
<b>2</b>	<b>Changes in the fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	3,646,851	1,738,783
	Expected return on plan assets	428,076	209,750
	Contributions	3,559,496	1,787,500
	Benefits paid	(151,296)	(21,313)
	Actuarial Gain / (Loss) on Plan assets	(102,377)	(67,869)
	Fair value of plan assets at the end of year	7,380,750	3,646,851
<b>3</b>	<b>Fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	3,646,851	1,738,783
	Actual return on plan assets	325,699	141,881
	Contributions	3,559,496	1,787,500
	Benefits Paid	(151,296)	(21,313)
	Fair value of plan assets at the end of year	7,380,750	3,646,851
	Funded status	1,910,665	219,237
	Excess of Actual over estimated return on plan assets	(102,377)	(67,869)
<b>4</b>	<b>Actuarial Gain/Loss recognized</b>		
	Actuarial gain/(Loss) for the year -Obligation	(136,761)	544,763
	Actuarial (gain)/Loss for the year - Plan assets	102,377	67,869
	Total (gain)/Loss for the year	(34,384)	612,632
	Actuarial (gain)/Loss recognized in the year	(34,384)	612,632
<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	5,470,085	3,427,614
	Fair value of plan assets as at the end of the year	7,380,750	3,646,851
	Funded status	1,910,665	219,237
	Net Asset/(liability) recognized in balance sheet	1,910,665	219,237



Sl. No.	Particulars	Gratuity Funded For the year ended 31/03/2010	Gratuity Funded For the year ended 31/03/2009
<b>6</b>	<b>Expenses Recognised in statement of Profit &amp; Loss</b>		
	Current Service cost	<b>2,062,371</b>	734,144
	Interest Cost	<b>268,157</b>	160,742
	Expected return on plan assets	<b>(428,076)</b>	(209,750)
	Net Actuarial (gain)/loss recognised in the year	<b>(34,384)</b>	612,632
	Difference in opening balance (actuarial valuation)	-	-
	Expenses recognised in statement of Profit & Loss*	<b>1,868,068</b>	1,297,768
<b>7</b>	<b>Assumptions used in accounting gratuity plan</b>		
	Discount Rate	<b>8%</b>	8%
	Salary Escalation	<b>4%</b>	4%
	Rate of return on Plan Assets	<b>8%</b>	8%

b. Unfunded Leave encashment Rs. 3,514 ('000)  
(PY Rs. 2,254 ('000))

**13. Disclosures under Micro Small and Medium Enterprises Development Act 2006**

The dues to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, are identified by the company based on enquiries with the parties and information available with the company are relied upon by the auditors.

14. 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.

**15. Other Information pursuant to Schedule VI of the Companies, Act, 1956**

Amt in '000s

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
<b>CIF Value of Imports</b>	<b>14,305</b>	2,220
<b>Expenditure in Foreign Currency</b>		
Business Associate Expenses	<b>35,534</b>	27,805
Travel and Conveyance	<b>3,022</b>	5,896
Professional Fees	<b>811</b>	719
<b>Earnings in Foreign Exchange</b>		
Testing Services	<b>67,148</b>	14,585

**16. Deferred Tax**

The deferred tax asset (liability) as at 31st March 2010 Comprises of the tax impact arising from timing differences on account of the following:

Amt in Rs. '000s

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Deferred Tax Liability		
- On account of Timing Differences (A)	<b>169,026</b>	100,800
Deferred Tax Assets		
- On account of fiscal disallowances Expenses allowable for tax purposes when paid		
Total (B)	<b>1,167</b>	235
Net Deferred Tax Liability (A – B)	<b>167,859</b>	100,565
Deferred Tax Liability Charged To Profit & Loss account	<b>67,294</b>	40,292

17. The company has entered into an agreement for purchase of 130000 Sqft of office space at 96-99, Industrial Estate, Perungudi, Chennai-600 096, for a consideration of Rs. 55.00 Cr payable after 36 months together with interest thereon.

The company has so far advanced Rs. 110000 (000) against the above purchase/acquisition.

The Company has purchased III Floor measuring 43,000 Sqft., for a consideration of Rs.191200('000). The Company has advanced Rs.48811('000) against acquisition of Balance two floors.



18. During the year the company has charged interest on advances given to subsidiaries in the current year at 10% per annum

**19. Secured Loans**

i. During the year the company has issued following debentures

200000 14% Secured Non - Convertible Debentures of Rs.100 each Rs. 20000 (000) (PY Nil)

1000000 4% Secured Non - Convertible Debentures of Rs.100 each Rs. 100000 (000) (PY Nil)

218000 6% Secured Non - Convertible Debentures of Rs.100 each Rs. 21800 (000) (PY Nil)

The above debentures are secured by way of a first pari passu charge on certain movable assets.

ii. Cash Credit facility availed from banks is secured by Hypothecation of entire current assets, excluding specifically charged assets, on pari passu basis with the lending banks, First charge on the company's entire fixed assets excluding assets specifically charged. The Loan is also secured by immovable properties of third parties, and personal Property of the Managing Director. The Loan is further secured by the Personal Guarantee of the Managing Director

and Corporate guarantee of Tourism Resorts private Limited.

iii. Bank Overdraft is secured against Project Receivables.

iv. Loan against Deposits are secured by related deposits against which loans are raised.

v. Term Loans from various banks are secured by exclusive first charge on the equipments and other fixed assets(Including Intangible assets) created out of the respective loans.Term Loan from state Bank of India is secured by First charge on the company's entire fixed assets excluding assets specifically charged and hypothecation of receivable relating to the projects to be financed and further secured by immovable properties of third parties, and personal Property of the Managing Director, and also by the Personal Guarantee of the Managing Director and Corporate guarantee of Tourism Resorts private Limited.

20. Profit on sale of assets includes (Rs. Nil) (Previous year Rs.3300 (000) being profit on sale of assets on account of sale and lease back transaction entered by the company during the year.

21. Previous Years figures have been regrouped to conform to the classifications for the current year.

As per our report of even date

For **M/s. P. Chandrasekar**  
Chartered Accountants

**P. Chandrasekaran**  
Partner  
Membership No:26037

Place : Chennai  
Date : May 19, 2010

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director

**Susha John**  
Director

**S. Vijayanand**  
Company Secretary



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Information as required under Part IV of the Schedule VI of the Companies Act, 1956)

### 1. Registration details:

Registration no.  State code   
 Balance Sheet date

### 2. Capital Raised during the year (Amount in Thousands)

Public issue   
 Bonus issue   
 Rights issue   
 Private placement

### 3. Position of Mobilisation and Deployment of Funds (Amount in Thousands)

Total liabilities  Total assets

#### Sources of Funds

Paid up capital   
 Secured loans   
 Deferred tax liability   
 Reserves and Surplus   
 Unsecured Loans

#### Application of Funds

Net fixed assets   
 Investments   
 Misc. expenditure   
 Capital work-in-progress   
 Net current assets   
 Accumulated Losses

### 4. Performance of the company (Amount in Thousands)

Turnover   
 Profit/Loss before tax   
 Earnings per share (Basic) (Rs.)   
 Total expenditure   
 Profit/Loss after tax   
 Dividend Rate (%)

### 5. Generic Names of three principal Products/Services of Company (as per monetary terms)

Item Code No.   
 Product description

For and on Behalf of the Board

**P.Kishore**  
Managing Director

**S. Vijayanand**  
Company Secretary

**Susha John**  
Director



---

**CONSOLIDATED  
FINANCIAL STATEMENTS**

---



## EVERONN EDUCATION LIMITED

### AUDITORS REPORT OF EVERONN EDUCATION LIMITED

1. We have audited the attached consolidated Balance Sheet of Everonn Education Limited and its subsidiaries and its associates (the "Group"), as at 31<sup>st</sup> March, 2010 and the consolidated Profit and Loss Account and consolidated Cash Flow Statement for the year ended on that date together with notes thereon and attached thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Everonn Education Limited management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by Everonn Education Limited management and as per information and explanations given to us, in accordance with the requirements of Accounting standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 23, "Accounting for investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.
4. Based on our audit and on consideration of the reports of the other auditors on separate financial statements (refer Paragraph 3 above) and on other information of the components, in our opinion and to the best of our information and explanations given to us, the attached consolidated financial statements together with notes thereon and attached thereto, give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (i) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2010;
  - (ii) in case of the Consolidated Profit and Loss Account, of the consolidate results of operations of the Group for the year ended on that date; and
  - (iii) in case of the Consolidated Cash Flow Statement, of the consolidate cash flows of the Group for the year ended on that date.

---

For **M/s P.CHANDRASEKAR**  
*Chartered Accountants*

**P.CHANDRASEKARAN**  
*Partner*  
M.No.26037

Place : Chennai  
Date : May 19, 2010



**EVERONN EDUCATION LIMITED**  
**Consolidated Balance Sheet as at March 31, 2010**

Rs. in '000

Particulars	Schedule	As at 31st March 2010	As at 31st March 2009
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDER'S FUNDS</b>			
Share capital	1	151,204	151,204
Share warrants	1A	-	76,514
Employee stock option outstanding		9,599	6,439
Reserves and surplus	2	2,398,626	1,902,912
<b>MINORITY INTEREST</b>		19	23
<b>LOAN FUNDS</b>			
Secured loans	3	839,339	481,682
Unsecured loans	4	-	4,997
<b>DEFERRED TAX LIABILITY</b>		153,583	91,462
<b>TOTAL SOURCES OF FUNDS</b>		<u>3,552,370</u>	<u>2,715,233</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	5		
Gross block		2,158,721	1,376,014
Less: Depreciation and Amortization		702,650	450,171
Net block		<u>1,456,071</u>	<u>925,843</u>
Capital Work in Progress		245,944	249,974
<b>GOODWILL</b>		4,783	4,783
<b>INVESTMENTS</b>	6	10,741	234,594
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Sundry debtors	7	1,171,487	763,655
Cash and bank balances	8	439,233	402,802
Loans and advances	9	605,065	575,951
		2,215,785	1,742,408
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	10	380,954	442,369
<b>NET CURRENT ASSETS</b>		1,834,831	1,300,039
<b>TOTAL APPLICATION OF FUNDS</b>		<u>3,552,370</u>	<u>2,715,233</u>
Significant Accounting Policies & Notes on Accounts	Refer Schedule No.17		

As per our report of even date

For **M/s.P.Chandrasekar**  
Chartered Accountants

**P.Chandrasekaran**  
Partner  
Membership No:26037

Place: Chennai  
Date : May 19, 2010

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director

**Susha John**  
Director

**S. Vijayanand**  
Company Secretary





**EVERONN EDUCATION LIMITED**  
**Consolidated Profit & Loss Account for the Year ended March 31, 2010**

Rs. in '000

Particulars	Schedule	Year ended 31st March 2010	Year ended 31st March 2009
<b>INCOME</b>			
Sales and Service Income	11	2,934,972	1,446,865
Other Income	12	4,700	39,010
<b>TOTAL INCOME</b>	<b>A</b>	<b>2,939,672</b>	<b>1,485,875</b>
<b>EXPENDITURE</b>			
Purchase of trading items		632,810	218,209
Manpower	13	384,401	277,244
Education and Training expenses	14	642,687	291,987
Administration and Other expenses	15	265,446	147,276
Interest and Finance charges	16	103,693	51,835
Depreciation & Amortisation	5	252,479	158,558
<b>TOTAL EXPENDITURE</b>	<b>B</b>	<b>2,281,516</b>	<b>1,145,109</b>
<b>Profit Before Taxation</b>	<b>A-B</b>	<b>658,156</b>	<b>340,766</b>
Provision for taxation			
Current Tax		141,574	85,602
Deferred Tax		62,121	31,192
Fringe Benefit Tax		-	3,141
<b>Profit After Taxation</b>		<b>454,461</b>	<b>220,831</b>
Minority interest		(3)	(26)
Surplus brought forward from last year		454,154	233,295
<b>Profit available for appropriations</b>		<b>908,618</b>	<b>454,154</b>
<b>Appropriation :</b>		<b>-</b>	
Transfer to Debenture Redemption Reserve		109,083	-
Proposed Dividend		30,241	-
Tax on dividend(including interest payable)		5,023	-
Transfer to general reserve		43,403	-
<b>Balance carried to balance sheet</b>		<b>720,868</b>	<b>454,154</b>
<b>Basic earnings per equity share (basic ) Rs.</b>		<b>30.06</b>	<b>14.87</b>
<b>Basic earnings per equity share (diluted) Rs.</b>		<b>30.06</b>	<b>14.08</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	Refer Schedule No.17		

As per our report of even date

For **M/s.P.Chandrasekar**  
Chartered Accountants**P.Chandrasekaran**  
Partner  
Membership No:26037Place: Chennai  
Date : May 19, 2010

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director**Susha John**  
Director**S. Vijayanand**  
Company Secretary



**EVERONN EDUCATION LIMITED**  
**Consolidated Cash Flow Statement for the year ended March 31, 2010**

Rs. in '000

Particulars	As at 31st March 2010	As at 31st March 2009
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	658,156	340,766
<b>Adjustments for :</b>		
Depreciation	252,479	158,558
Interest on long term loan	12,742	26,703
Profit / Loss on sale of asset	-	(3,300)
Employee stock option plan amortisation	3,160	3,460
Operating profit before working capital changes	926,537	526,181
<b>Adjustments for :</b>		
Trade and other receivables	(222,046)	(977,873)
Trade payables and other liabilities	(342,403)	393,303
<b>Cash Generated from Operations</b>	<b>362,088</b>	<b>(58,383)</b>
Direct taxes paid / deducted at source	(110,752)	(31,430)
<b>Net Cash Flow from Operations</b>	<b>251,336</b>	<b>(89,813)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Asset	(778,676)	(812,652)
Sale of fixed assets	-	103,022
Investment made during the year	223,853	(148,260)
<b>Net Cash Flow from Investing Activities</b>	<b>(554,823)</b>	<b>(857,890)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share capital Raised (Net of Expenditure)	-	963,687
Increase/(Decrease) in Secured loans	357,657	29,097
Increase/(Decrease) in Unsecured loans	(4,997)	(1,207)
Interest payment	(12,742)	(26,703)
Dividend paid (including dividend tax)	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>339,918</b>	<b>964,874</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>36,431</b>	<b>17,171</b>
Opening balance of Cash and Cash Equivalents	402,802	385,631
<b>Closing balance of Cash and Cash Equivalents</b>	<b>439,233</b>	<b>402,802</b>

As per our report of even date

For **M/s.P.Chandrasekar**  
Chartered Accountants

**P.Chandrasekaran**  
Partner  
Membership No:26037

Place: Chennai  
Date : May 19, 2010

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director

**Susha John**  
Director

**S. Vijayanand**  
Company Secretary



**EVERONN EDUCATION LIMITED**  
**Schedules annexed to and forming part of**  
**Consolidated Balance Sheet as at March 31, 2010**

Rs. in '000

Particulars	As at 31st March 2010	As at 31st March 2009
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,00,00,000 (Previous Year 2,00,00,000) Equity Shares of Rs.10/- each	<u>200,000</u>	<u>200,000</u>
	<u>200,000</u>	<u>200,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,51,20,400 (Previous Year 1,51,20,400) Equity Shares of Rs.10/- each fully paid up	151,204	151,204
<b>Of the above:</b>		
(1) 68,54,748 equity shares were issued as bonus shares by Capitalization of Securities Premium account on 31/05/2006.		
(2) On 31/05/2006 Preferential allotment was made to Director's for 1,25,670 shares of Rs.10/- each fully paid up at a premium of Rs.10/- per share.		
(3) On 28/06/2006 2,57,053 shares of Rs.10/- each fully paid up were allotted to Everonn Employee Welfare Trust at par.		
(4) On 17/06/2008, 12,69,219 equity shares of Rs.10 each fully paid up were allotted at a premium of Rs. 710.04/- on preferential basis		
<b>Schedule 1A</b>		
<b>SHARE WARRANTS</b>		
<b>EQUITY SHARE WARRANTS</b>		
10,62,634 Partly paid Share warrants of Rs.720.04/- each to be converted into Equity Shares of Rs.10/- each at a premium of Rs.710.04/-	-	76,514
	-	<u>76,514</u>



**EVERONN EDUCATION LIMITED**  
Schedules annexed to and forming part of  
Consolidated Balance Sheet as at March 31, 2010

Rs. in '000

Particulars	As at 31st March 2010	As at 31st March 2009
<b>Schedule 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Opening Balance	1,437,603	563,722
Add: Equity Share Warrants transferred on non-conversion on due dates	-	901,196
	<u>1,437,603</u>	<u>1,464,918</u>
Less: Share issue expense adjusted	-	27,315
Total	<u>1,437,603</u>	<u>1,437,603</u>
<b>General Reserve</b>		
Opening balance	11,155	11,155
Add: Transfer from Profit & Loss A/c	43,403	-
Total	<u>54,558</u>	<u>11,155</u>
<b>Capital Reserve</b>		
	76,514	-
<b>Debenture Redemption Reserve</b>		
	109,083	-
<b>Surplus in Profit and Loss Account</b>		
	<u>720,868</u>	<u>454,154</u>
<b>Total Reserves and Surplus</b>	<u>2,398,626</u>	<u>1,902,912</u>
<b>Schedule 3</b>		
<b>SECURED LOANS</b>		
Debentures	141,800	-
200000 14% Secured Non - Convertible Debentures of Rs.100 each - Rs. 20000 (000) (PY Nil)		
1000000 4% Secured Non - Convertible Debentures of Rs. 100 each - Rs. 100000 (000) (PY Nil)		
218000 6% Secured Non - Convertible Debentures of Rs. 100 each - Rs. 21800 (000) (PY Nil)		
From Banks		
- Cash Credit / Secured Overdraft	1,162	202,895
- Loan against Deposits	350,384	121,294
- Term Loan	81,333	157,493
From Others		
- Term Loan	264,660	-
[Due within One year Rs.76411(000) ]		
[Previous year Rs.108953(000)]		
<b>Total Secured Loan</b>	<u>839,339</u>	<u>481,682</u>
<b>Schedule 4</b>		
<b>UNSECURED LOANS</b>		
Term loan from Others	-	4,997
[Loan repayable within one year Nil ]		
[Previous yearRs.'(000s) Rs.2,052/-]		
<b>Total Unsecured Loan</b>	<u>-</u>	<u>4,997</u>



## EVERONN EDUCATION LIMITED

### Schedules annexed to and forming part of Consolidated Balance Sheet as at March 31, 2010

Schedule 5

**FIXED ASSETS**

Rs in '000

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2009	Additions	Deductions	As at 31.03.2010	Upto 01.04.2009	for the year	Deductions	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
<b>Tangible Assets</b>										
Land	-	33,400	-	33,400	-	-	-	-	33,400	-
Building	-	157,800	-	157,800	-	3,934	-	3,934	153,866	-
Plant and Machinery	864,348	285,098	-	1,149,443	315,472	153,007	-	468,479	680,965	548,868
Electrical Fittings	44,185	18,395	-	62,579	12,466	6,933	-	19,399	43,180	31,719
Furniture & Fittings	216,239	215,060	-	431,300	41,444	36,850	-	78,294	353,006	174,795
Vehicles	9,142	-	-	9,142	2,470	705	-	3,175	5,966	6,671
<b>Intangible Assets</b>										
Software	51,494	44,065	-	95,559	26,847	12,536	-	39,383	56,176	24,647
Knowledge Resource and Content	190,606	28,892	-	219,498	51,472	38,513	-	89,986	129,512	139,134
<b>Total</b>	<b>1,376,014</b>	<b>782,710</b>	-	<b>2,158,721</b>	<b>450,171</b>	<b>252,478</b>	-	<b>702,650</b>	<b>1,456,071</b>	<b>925,834</b>
Previous Year	787,059	689,067	100,112	1,376,014	292,014	158,558	390	450,182	925,832	495,045
Capital WIP									245,944	249,974



**EVERONN EDUCATION LIMITED**  
**Schedules annexed to and forming part of**  
**Consolidated Balance Sheet as at March 31, 2010**

Rs. in '000

Particulars	As at 31st March 2010	As at 31st March 2009
<b>Schedule 6</b>		
<b>INVESTMENTS</b>		
<b>(A) Long Term, Unquoted, Non Trade &amp; Cost</b>		
82530 Equity shares (Previous Year Nil) of Rs. 10/- each fully paid up in DT Media and Entertainment Pvt Limited	10,729	-
<b>(B) Current Investment Listed and Quoted (Trade)</b>		
500 Equity shares of Rs.10/- each in Indian Overseas Bank Market Value Investments (IOB Shares) @ Rs.91.95/- amounting to Rs. 45975/- (Previous year @ Rs.45.60/- amounting to Rs. 22800/- )	12	12
<b>INVESTMENTS IN MUTUAL FUNDS</b>		
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - DAILY DIVIDEND (21146.465 UNITS @ RS.105.7350 SOLD DURING THE YEAR)	NIL	2172
RELIANCE LIQUID PLUS FUND - RETAIL OPTION (1505863 UNITS @ RS.1000.8857 WERE SOLD DURING THE YEAR)	NIL	1465
RELIANCE MONEY MANAGER FUND (889418.587 UNITS @ RS.10.2031 AND 12745.483 UNITS @ RS.1001.1364 WERE SOLD DURING THE YEAR)	NIL	62233
ICICI PRUDENTIAL INSTITUTIONAL LIQUID PLAN - SUPER INSTITUTIONAL DAILY DIVIDEND (1125405.201 UNITS @ RS.10.0022 WERE SOLD DURING THE YEAR)	NIL	11011
RELIANCE MONEY MANAGER FUND		
1. 3321207.913 UNITS @ RS.15.2872 SOLD DURING THE YEAR.		
2. 32615.371 UNITS @ RS.1001.1364 SOLD DURING THE YEAR	NIL	83424
RELIANCE INTERVAL FUND - QUARTERLY PLAN (5310673.424 @ RS.10.0242 SOLD DURING THE YEAR)	NIL	53235
UTI TREASURY ADVANTAGE FUND (10401.147 UNITS @ 1001.4773 WERE SOLD DURING THE YEAR)	NIL	10417
JP MORGAN TREASURY FUND (1061530.339 UNITS @ RS.10.0089 WERE SOLD DURING THE YEAR)	NIL	10625
<b>Investment in Mutual Funds</b> (Net Asset Value (NAV) as on 31.03.09 Rs. 234582 ('000))	-	234,582
<b>Total Investments</b>	<b>10,741</b>	<b>234,594</b>



**EVERONN EDUCATION LIMITED**  
**Schedules annexed to and forming part of**  
**Consolidated Balance Sheet as at March 31, 2010**

Rs. in '000

Particulars	As at 31st March 2010	As at 31st March 2009
<b>Schedule 7</b>		
<b>SUNDRY DEBTORS</b>		
[Unsecured considered Good]		
More than Six Months	444,583	247,797
Others	726,904	515,858
<b>Total Sundry Debtors</b>	<b>1,171,487</b>	<b>763,655</b>
<b>Schedule 8</b>		
<b>CASH &amp; BANK BALANCES</b>		
(a) Cash on Hand	1,513	2,297
(b) Balance with Schedule Banks in		
(i) Current Accounts	329,732	84,547
(ii) Deposit Accounts (Including Interest accrued)	21,054	203,872
(iii) Margin Account	86,934	112,086
<b>Total Cash and Bank Balances</b>	<b>439,233</b>	<b>402,802</b>
<b>Schedule 9</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured considered good)		
(a) Advances recoverable in cash (or) in kind (or) for value to be received	517,797	489,502
(b) Security & Other Deposits	50,829	60,578
(c) Advance Income Tax and Tax Deducted at Source	36,439	25,871
<b>Total Loans and Advances</b>	<b>605,065</b>	<b>575,951</b>
<b>Schedule 10</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	37,274	173,946
Security Deposits and Advance against services to be rendered	20,695	17,792
Other Liabilities	112,440	118,348
<b>Total Current Liabilities</b>	<b>170,409</b>	<b>310,086</b>
<b>PROVISIONS</b>		
Proposed Dividend	30,241	-
Dividend tax	5,023	-
Current Tax	170,533	126,865



**EVERONN EDUCATION LIMITED**  
**Schedules annexed to and forming part of**  
**Consolidated Profit & Loss Account for the year ended March 31, 2010**

Particulars	Year ended 31st March 2010	Year ended 31st March 2009
		Rs. in '000
Fringe Benefit Tax	-	3,164
Leave Encashment	3,823	2,254
Gratuity	925	-
	<b>210,545</b>	132,283
<b>Total Current Liabilities and Provisions</b>	<b>380,954</b>	442,369
<b>Schedule 11</b>		
<b>SALES AND SERVICE INCOME</b>		
Education & Training Income	2,237,055	1,218,099
Sale of Hardware	697,917	228,766
<b>Total</b>	<b>2,934,972</b>	1,446,865
<b>Schedule 12</b>		
<b>OTHER INCOME</b>		
Dividend from Mutual Funds	4,017	35,191
Profit on sale of asset	-	3,300
Unclaimed balance write back	-	-
Miscellaneous Income	683	519
<b>Total</b>	<b>4,700</b>	39,010
<b>Schedule 13</b>		
<b>MANPOWER COSTS</b>		
Salaries	353,909	251,120
Contribution to Provident and other funds	18,220	13,113
Staff welfare expenses & others	9,112	9,551
Employee stock option plan compensation	3,160	3,460
<b>Total</b>	<b>384,401</b>	277,244
<b>Schedule 14</b>		
<b>EDUCATION AND TRAINING EXPENSES</b>		
<b>a. Cost of goods sold</b>		
Add : Purchase of hardware	632,810	218,209
<b>Cost of goods sold (a)</b>	632,810	218,209
<b>b. Course execution and delivery expenses (b)</b>	642,687	291,987
<b>Total Education and Training Expenses (a+b)</b>	<b>1,275,497</b>	<b>510,196</b>





**EVERONN EDUCATION LIMITED**  
**Schedules annexed to and forming part of**  
**Consolidated Profit & Loss Account for the year ended March 31, 2010**

Rs. in '000

Particulars	Year ended 31st March 2010	Year ended 31st March 2009
<b>Schedule 15</b>		
<b>ADMINISTRATION AND OTHER EXPENSES</b>		
Electricity charges	21,824	10,157
Insurance charges	2161	870
Communication expenses	21,248	17,137
Audit fees	1,795	785
Directors sitting fees	330	370
Rates and taxes	8,865	3,674
Legal, professional and consultancy charges	37,664	17,339
Rent	39,345	25,134
Printing & Stationery	1,196	134
Repairs and Maintenance	-	-
- Building	1,590	1,048
- Plant & Machinery	11,019	6,949
- Others	13,643	5,821
Travelling and Conveyance	33,199	37,022
Sales promotion and Advertisement expenses	70,708	20,050
Miscellaneous expenses	859	424
Write off / (write back) for doubtful debts	-	362
<b>Total Administration and Other Expenses</b>	<b>265,446</b>	<b>147,276</b>
<b>Schedule 16</b>		
<b>INTEREST AND FINANCIAL CHARGES</b>		
Interest on Term loans	12,742	26,703
Interest on other loans	69,337	30,943
Bank Charges	24,444	10,794
Less: Interest income on deposits	2,830	16,605
<b>Total</b>	<b>103,693</b>	<b>51,835</b>

As per our report of even date

For **M/s.P.Chandrasekar**  
Chartered Accountants**P.Chandrasekaran**  
Partner  
Membership No:26037Place: Chennai  
Date : May 19, 2010

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director**Susha John**  
Director**S. Vijayanand**  
Company Secretary



## EVERONN EDUCATION LIMITED

### SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

#### Schedule 17

#### I. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Preparation of Consolidated Financial statements

The consolidated financial statements comprises of the financial statements of Everonn Education India Limited (the Holding Company or Parent Company) and its subsidiaries. The Consolidated Financial Statements are prepared on an accrual basis, under historical cost convention and in accordance with the Accounting Standards issued by the Institute of chartered accountants of India and as per the requirements of the Companies Act, 1956.

##### 2. Use of Estimates

The preparation of financial statements requires the management of the company to make estimate and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year.

##### 3. Principles of Consolidation

The Consolidated Financial Statements of the Company and its wholly owned 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.

The following entities are considered in the consolidated financial statements.

##### 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. Capital Work-in-Progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the reporting date. Assets acquired on hire purchase are capitalized at gross value and interest there on is charged to revenue. Intangible assets are stated at cost of acquisition / cost of development less accumulated amortization.

Sl.No	Name of Entity	Country of Incorporation	Percentage of ownership held at Mar 31, 2010	Percentage of ownership held at Mar 31, 2009
1.	Everonn Educational Resources Solutions Limited	India	100	100
2.	Toppers Tutorials Private Limited	India	100	100
3.	Everonn Infrastructure Limited	India	100	100
4.	AEG Skill Update Private Limited	India	51	51
5.	Everonn Skill Development Limited	India	100	-
6.	Everonn Business Education Limited	India	100	-



## 5. Depreciation and Amortization

Depreciation on fixed assets other than purchased for usage in executing the contractual obligations with the customers under the project is provided on Straight Line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956.

Fixed assets purchased for usage in executing the contractual obligations with the customers under the project are depreciated over the period of contract.

Intangible assets comprising knowledge resource and content are amortized over period of five years

## 6. Revenue Recognition

Education and training income is recognized on rendering of services over the period of instruction.

In respect of fixed price contracts, revenue is recognized as per the proportionate completion method.

Revenue in respect of sale of courseware content and knowledge resource is recognized on the basis of dispatch/delivery to the customers.

Revenue in respect of sale of hardware is recognized when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contact.

Revenue from online educational services is recognized upon receipt of subscription fees.

Dividend income is recognized when the right to receive payment is established. Interest income is recognized on time proportion basis.

## 7. Investments

Long-term investments are carried at cost less provision for other than temporary diminution in the carrying value of each investment. Current investments are stated at the lower of cost or quoted/ fair value computed category wise.

## 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 a straight-line basis over the lease term.

## 9. Employee Benefits

- a. Short term employee benefits are charged off at the undiscounted amount in the year in which related service is rendered.
- b. Post employment and other long term employee benefits are charged off in the year in which the employee has rendered the service. The amount charged off is recognized at the present value of the amount payable determined using actuarial valuation technique. Actuarial gain and loss in respect of post employment and other long term benefits are charged to profit and loss account.

## 10. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

Contingent liabilities are not provided for and are disclosed by way of notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

## 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 as 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.

## 12. Taxation

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 income 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 by the balance sheet date.



In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis.

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.

### 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.

### 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.

### 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 basis earnings per share and also the weighted average number of equity shares that could have been issued up on conversion of all dilutive potential equity shares.

### 16. 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 payment. The cash flows from regular revenue generating investment and financing activities of the Company are segregated.

### 17. Share Issue Expenses

Expenditure relating to issue of shares is adjusted against the Securities Premium Account.

## II. NOTES TO ACCOUNTS

### 1. Details of Subsidiaries in Consolidated Financial Statements

The consolidated financial statements comprise the results of Everonn Education Limited (Parent) and the following subsidiaries.

Sl. No.	Name of the Subsidiary	Country of Incorporation	Proportion of Ownership
1.	Everonn Educational Resources Solutions Limited	India	100%
2.	Toppers Tutorial Private Limited	India	100%
3.	Everonn Infrastructure Limited	India	100%
4.	AEG Skill Update Private Limited	India	51%
5.	Everonn Skill Development Limited	India	100%
6.	Everonn Business Education Limited	India	100%

### 2. Forfeiture of Warrants

During the year ended Mar 31, 2009, the Holding Company had allotted 1062634 convertible equity warrants to Non-Promoters and Promoter/



Person from Promoter group, entitling each holder to obtain allotment of one equity share against each such warrant at a price of Rs. 720.04. As per the terms of issue of equity warrants an amount equivalent to 10% of the issue price aggregating to Rs. 76514 ('000) was received and is retained under share warrants. The holder of the said equity warrants have had an option to apply for and be allotted one equity share of the company per equity warrant at the time after the allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. Further in case the investors do not opt for conversion of the warrants, the upfront amount so paid stands forfeited by the Company and all the rights attached to the warrants lapse automatically.

None of the warrant holders exercised the option to convert any of the aforesaid warrants till the last date of conversion within 18 months from their respective entitlements. Accordingly, during the financial year under review, the Company forfeited the amounts of Rs. 76514 ('000) paid on the warrants due to non exercise of the option by the warrant holders. This amount has been credited to Capital Reserve Account.

## 2. Contingent liability

Rs. in '000

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Bank guarantee issued by banks	424,966	319,210
LC Issued by Banks	172,215	-
Corporate Guarantee issued to banks for secured loans to third party	591,200	-
Bills discounted	189,896	-

## 4. Operating Leases

The Company and its subsidiaries have 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 Rs. 208248/- ('000's ) (PY Rs. 71253/- ('000's ))

The future minimum lease payments under non-cancelable operating leases are as follows:

Rs. in' 000

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
With in one years	176,546	67,595
Due in a period between one to five years	288,979	87,867
Due after five years		

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

## 5. Employee Stock Option Scheme (ESOP)

During 2006-07, the holding company established Employee Stock Option Scheme 2006 under which 2,57,053 equity shares have been allotted at Rs,10 each at par to Everonn Employee Welfare Trust a trust specifically formed for this purpose with an option vesting period of 8 years. As per the scheme, the compensation committee grants options to the employees deemed eligible for this purpose. The options are granted at par and the shares granted vest over a period of 1 to 3 years and can be exercised over maximum period of 3 years from the date of vesting

Employees Stock Option details as on the Balance Sheet are:

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Total grants authorised under the plan	856844	856844
Total options granted under the plan	81030	81030
Pricing formula	Rs. 10/- per option	Rs. 10/- per option
Options vested	50111	30472
Options exercised	49616	30472
Total number of equity shares arising as a result of exercise of options	49616	30472
Options forfeited/ lapsed	11688	4850
variation of terms of options	NA	NA



Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Money realized by exercise of options*	496160	304720*
Total number of options in force as on the date of this report	19726	45708
<b>EMPLOYEE WISE DETAIL OF OPTIONS GRANTED</b>		
Senior Managerial Personnel (Directors on Board)	NA	NA
Any other employee receiving grant in any one year of option amounting to 5% or more of the options granted during the year	NA	NA
Identified employees who are granted options during any one year, equal to or exceeding 1% of the total issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NA	NA
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS-20-Earnings Per Share)	NA	NA
Difference, if any, between the employees compensation cost calculated using intrinsic value of stock options and the employee compensation cost recognized if the fair value of the options had been used and the impact of this difference on profits and EPS of the Company.	NA	NA
Weighted average exercise price and weighted average fair value of options whose exercise price equals or exceeds or is less than market price of the stock	NA	NA

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Description of method and significant assumptions used during the year to estimate fair value of options, including following weighted average information:		
i) Risk free interest rate		
ii) Expected life (in years)		
iii) expected volatility		
iv) expected dividend yield		
v) Price of the underlying share in the market at the time of option grant	NA	NA

\* The money realized by exercise of options by the employees has been transferred to the Everonn Employees Welfare Trust as shares given to the employees were transferred from the Trust.

## 6. Related party disclosure

### List of Related Parties

Name	Nature of relationship
1. Everonn Education Resources Solutions Limited	Wholly owned Subsidiary Company
2. Toppers Tutorials Private Limited	
3. Everonn Infrastructure Limited	
4. Everonn Skill Development Limited	
5. Everonn Business Education Limited	
1. AEG Skill Update Private Limited	Subsidiary Company with 51% of Holding
1. Tourism Resorts (Pvt) Limited 2. Mistair Realtys (Pvt) Limited 3. Celebrate India Tourism Limited	Enterprise over which some of the directors exercise significant influence
1. Shri. P.Kishore 2. Smt. Susha John	Key Management Personnel

Note: Related parties are as identified by the Company based on information available and relied up by the Auditors



**Details of Transaction with the Related Parties**

**Amt in Rs. '000**

Nature of Transaction	Subsidiaries		Enterprise over which some of the directors exercise significant influence		Key Management Personnel	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Money received against warrants issued (Note 1)						50,403
Salary, perquisites (Note 2)					112,13	11,634
Investments made in Subsidiaries (Note 3)	1,36,000	551				
Loans Given to						
1. Toppers Tutorials Pvt. Ltd.,	50,433	82,939				
2. Everonn Educational Resources Solutions Ltd.,	10,074	118,981				
3. Everonn Infrastructure Ltd.,	5,066					
4. Everonn Skill Development Ltd.,	410					
5. Everonn Business Education Ltd.,	8,854					
6. AEG Skill Update Pvt. Ltd.,	10					
Interest Income from Subsidiaries Toppers Tutorials Pvt. Ltd.,	2986					

**Notes:**

1. Represents issue of Convertible equity warrants to
  - a. Mr. P. Kishore Rs. Nil (Previous Year Rs.28,802 ('000))
  - b. Ms. Susha John Rs. Nil (Previous Year Rs.8,640 ('000))
  - c. Mr. R. Kannan Rs. Nil (Previous Year Rs.12,961 ('000))
2. Includes remuneration to
  - a. Mr. P. Kishore Rs. 5,959 ('000) (Previous Year Rs. 3,000 ('000))
  - b. Ms. Susha John Rs. 4,274 ('000) (Previous Year Rs. 2,101 ('000))
  - c. Mr. R. Kannan Rs. 979 ('000) (Previous Year Rs. 3,000 ('000))
3. Includes investment made in
  - a. AEG Skill Update Private Limited Rs. Nil (Previous Year Rs. 51 ('000))
  - b. Everonn Infrastructure Limited Rs. Nil (Previous Year Rs.500 ('000))
  - c. Toppers Tutorials Private Limited Rs.65,000 ('000) (Previous Year Nil)
  - d. Everonn Educational Resources Solutions Limited Rs.40,000 ('000) (Previous Year Nil)
  - e. Everonn Skill Development Limited Rs.30,500 ('000) (Previous Year Nil)
  - f. Everonn Business Education Limited Rs.500 ('000) (Previous Year Nil)

**Outstanding balances (in respect of related parties)**

**Amt in Rs. '000**

Particulars	As at Mar 31, 2010		As at Mar 31, 2009	
	Recoverable	Payable	Recoverable	Payable
Subsidiary Company	74,847		201,968	
Key Managerial Personnel		4,129		1,054

Corporate Guarantee of Rs. 5,000 ('000) (previous year Rs. 5,000 ('000) ) given by M/s. Tourism Resorts (Pvt) Ltd., towards Collateral to obtain Term Loan from State Bank of India.



**7. Earnings per share**

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Profit attributable to equity shareholders - (Rs. 000) - (A)	454,461	220,806
Weighted average number of equity shares outstanding during the year (Nos) - (B)	15,120,400	14,849,170
Add: Effect of potential dilutive shares (being warrants issued) (Nos) - (C)	Nil	835,551
Weighted average number of equity shares outstanding considered for determining diluted earnings per share (Nos) - (D)	15,120,400	15,684,721
Nominal value of equity shares (Rs.)	10.00	10.00
Basic earnings per share (A/B) (Rs.)	30.06	14.87
Diluted Earnings per share (Rs.) (A/D) (Rs.)	30.06	14.08

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

**8. a. Directors Remuneration (Holding Company)**

Amt in Rs.'000

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
A. Remuneration to Whole-time Directors		
Salary and Allowances (including perquisites)	8882	11,432
Contribution of Provident Fund	141	202
Commission to Executive Directors	2190	
Total (A)	11213	11,634
B. Remuneration to Non-Executive Directors		
Sitting Fees paid to Non-executive Directors	330	370
Commission to Non-executive Directors	1500	900
Total (B)	1830	1,270
Total (A+B)	13043	12,904

**b. Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956**

Amt in Rs.'000

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Profit before tax	626,472	367,000
Add: Directors Remuneration	12,713	12,534
Sitting Fees	330	370
Less: Surplus / (Loss) on Fixed Assets		3,300
Net profit under Section 198 of the Companies Act, 1956	639,515	376,604
Maximum remuneration to whole time directors @ 10%	63,952	37,660
Remuneration Provided to Whole time Directors	11,213	11,634
Maximum Commission to Non-Executive Directors under Companies Act @ 1%	6,395	3,766
Commission provided	1500	900

**9. Payments to Auditors**

Amt in Rs.'000

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
a) For Statutory Audit and Tax Audit	1560	700
b) Reimbursement of Expenses	235	85
<b>Total</b>	<b>1795</b>	<b>785</b>

10. Estimated value of contract remaining to be executed on capital account and not provided for is Rs. Nil (Previous Year Rs.140,000 ('000)).

11. Circulation of Confirmation of balances from Debtors and Creditors have been made during the year but in few cases the same is yet to be received from customers / parties.

**12. Employee Benefits**

The disclosures required 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:

Amt in Rs.'000

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Employer's Contribution to Provident Fund	15,630	11,603





**Defined benefit Plan**

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

**Amt in Rs.**

Sl. No.	Particulars	Gratuity Funded For the year ended 31/03/2010	Gratuity Funded For the year ended 31/03/2009
<b>1</b>	<b>Changes in present value of obligations</b>		
	Present value of obligations as at beginning of year	3,427,614	2,009,278
	Interest cost	268,157	160,742
	Current Service Cost	2,771,294	734,144
	Benefits Paid	(151,296)	(21,313)
	Actuarial (gain)/Loss on obligations	59,793	544,763
	Present value of obligations as at end of year	6,375,562	3,427,614
<b>2</b>	<b>Changes in the fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	3,646,851	1,738,783
	Expected return on plan assets	428,076	209,750
	Contributions	3,559,496	1,787,500
	Benefits paid	(151,296)	(21,313)
	Actuarial Gain / (Loss) on Plan assets	(102,377)	(67,869)
	Fair value of plan assets at the end of year	7,380,750	3,646,851
<b>3</b>	<b>Fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	3,646,851	1,738,783
	Actual return on plan assets	325,699	141,881
	Contributions	3,559,496	1,787,500
	Benefits Paid	(151,296)	(21,313)
	Fair value of plan assets at the end of year	7,380,750	3,646,851
	Funded status	1,910,665	219,237
	Excess of Actual over estimated return on plan assets	(102,377)	(67,869)
<b>4</b>	<b>Actuarial Gain/Loss recognized</b>		
	Actuarial gain/(Loss) for the year -Obligation	59,793	544,763
	Actuarial (gain)/Loss for the year - plan assets	102,377	67,869
	Total (gain)/Loss for the year	162,170	612,632
	Actuarial (gain)/Loss recognized in the year	162,170	612,632
<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	6,375,562	3,427,614
	Fair value of plan assets as at the end of the year	7,380,750	3,646,851
	Funded status	1,005,188	219,237
	Net Asset/(liability) recognized in balance sheet	1,005,188	219,237



Amt in Rs.'000

Sl. No.	Particulars	Gratuity Funded For the year ended 31/03/2010	Gratuity Funded For the year ended 31/03/2009
6	<b>Expenses Recognised in statement of Profit &amp; Loss</b>		
	Current Service cost	2,771,294	499,382
	Interest Cost	268,157	105,195
	Expected return on plan assets	(428,076)	(69,551)
	Net Actuarial (gain)/Loss recognised in the year	162,170	159,314
	Difference in opening balance (actuarial valuation)	-	201112
	Expenses recognised in statement of Profit & loss*	2,773,545	895,451
7	<b>Assumptions used in accounting gratuity plan</b>		
	Discount Rate	8%	8%
	Salary Escalation	4%	4%
	Rate of return on Plan Assets	8%	8%

The Holding companies Employees gratuity fund scheme managed by SBI Life Insurance Co Ltd., is a defined benefit plan.

b. Unfunded Leave encashment Rs. 3,833 ('000) (PY Rs. 2,254 ('000))

### 13. Disclosures under Micro Small and Medium Enterprises Development Act 2006

The dues to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, are identified by the company based on enquiries with the parties and information available with the company are relied upon by the auditors.

14. 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.

### 15. Other Information pursuant to Schedule VI of the Companies, Act, 1956

Amt in Rs. '000s

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
<b>CIF Value of Imports</b>	14,305	2,220
<b>Expenditure in Foreign Currency</b>		
Business Associate Expenses	35,534	27,805
Travel and Conveyance	3,022	5,896
Professional Fees	811	719
<b>Earnings in Foreign Exchange</b>		
Testing Services	67,148	14,585

### 16. Deferred Tax

The deferred tax asset (liability) as at 31<sup>st</sup> March 2010 comprises of the tax impact arising from timing differences on account of the following:

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
Deferred Tax Liability		
- On account of Timing Differences (A)	179,237	112,104
Deferred Tax Assets		
- On account of fiscal disallowances Expenses allowable for tax purposes when paid		
Deferred Tax Assets Total (B)	25,655	20,641
Net Deferred Tax Liability (A – B)	<u>153,582</u>	<u>91,463</u>
Deferred Tax Liability Charged To Profit & Loss account	62,221	31,192

17. The company has entered into an agreement for purchase of 130000 Sqft of office space at 89-99, Industrial Estate, Perungudi, Chennai for a consideration of Rs. 55.00 Cr payable after 36 months together with interest @ Hdfc base PLR plus additional 3%.



The company has so far advanced Rs. 110000 (000) against the above purchase/acquisition.

The Company has purchased III Floor measuring 43,000 Sqft., for a consideration of Rs.191200('000). The Company has advanced Rs.48811('000) against acquisition of Balance two floors.

### 18. Secured Loans

- i. During the year the company has issued following debentures

200000 14% Secured Non - Convertible Debentures of Rs. 100 each Rs. 20000 (000) (PY Nil)

1000000 4% Secured Non - Convertible Debentures of Rs. 100 each Rs. 100000 (000) (PY Nil)

218000 6% Secured Non - Convertible Debentures of Rs. 100 each Rs. 21800 (000) (PY Nil)

The above debentures are secured by way of a first pari passu charge on certain movable assets.

- ii. Cash Credit facility availed from banks is secured by Hypothecation of entire current assets, excluding specifically charged assets, on pari passu basis with the lending banks, First charge on the company's entire fixed assets excluding assets specifically charged. The Loan is also secured by immovable properties of third parties, and personal Property of the Managing Director. The Loan is further secured by the Personal Guarantee of the Managing Director

and Corporate guarantee of Tourism Resorts private Limited.

- iii. Bank Overdraft are secured against Project Receivables.
- iv. Loan against Deposits are secured by related deposits against which loans are raised.
- v. Term Loans from various banks are secured by exclusive first charge on the equipments and other fixed assets (Including Intangible assets) created out of the respective loans. Term Loan from state Bank of India is secured by First charge on the company's entire fixed assets excluding assets specifically charged and hypothecation of receivable relating to the projects to be financed and further secured by immovable properties of third parties, and personal Property of the Managing Director, and also by the Personal Guarantee of the Managing Director and Corporate guarantee of Tourism Resorts private Limited.
19. Profit on sale of assets includes Nil (Previous year Rs.3300 (000)) being profit on sale of assets on account of sale and lease back transaction entered by the company during the year.
20. Previous Years figures have been regrouped to conform to the classifications for the current year.

As per our report of even date

For **M/s.P.Chandrasekar**  
Chartered Accountants

**P.Chandrasekaran**  
Partner  
Membership No:26037

Place: Chennai  
Date : May 19, 2010

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director

**Susha John**  
Director

**S. Vijayanand**  
Company Secretary



**Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies as on March 31, 2010**

**Amt in Rs.'000**

Name of the Subsidiary	Financial year ending of the subsidiary	Number of equity shares held	Extent of holding	For Financial Year of the Subsidiary		For the Previous Financial Years since it became a Subsidiary	
				Profit / (losses) so far it concerns the members of the holding company and not dealt with in the books of accounts of the holding company	Profit / (losses) so far it concerns the members of the holding company and dealt with in the books of accounts of the holding company	Profit / (losses) so far it concerns the members of the holding company and not dealt with in the books of accounts of the holding company	Profit / (losses) so far it concerns the members of the holding company and dealt with in the books of accounts of the holding company
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Everonn Educational Resources Solutions Limited	Mar 31, 2010	2100000 equity shares of Rs.10 each fully paid	100%	31517	Nil	378	Nil
Toppers Tutorial Private Limited	Mar 31, 2010	56000 equity shares of Rs.100 each fully paid	100%	10621	Nil	(17859)	Nil
Everonn Infrastructure Limited	Mar 31, 2010	50000 equity shares of Rs.10 each fully paid	100%	(3504)	Nil	(54)	Nil
AEG Skill Update Private Limited	Mar 31, 2010	5100 equity shares of Rs.10 each fully paid	51%	(7)	Nil	(54)	Nil
Everonn Skill Development Limited	Mar 31, 2010	2050000 equity shares of Rs. 10 each fully paid	100%	(12893)	Nil	Nil	Nil
Everonn Business Education Limited	Mar 31, 2010	50000 equity shares of Rs. 10 each fully paid	100%	(5302)	Nil	Nil	Nil



Amt in Rs.'000

Name of the Company	Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Proposed Dividend
Everonn Educational Resources Solutions Ltd.,	21000	51878	73051	73051	-	697917	48067	16550	31517	-
Toppers Tutorials Pvt. Ltd.,	5600	52543	58143	58143	-	130539	16148	5527	10621	-
Everonn Infrastructure Ltd.,	500	(3558)	500	500	-	-	(5274)	(1770)	(3504)	-
AEG Skill Update Pvt. Ltd.,	100	(61)	100	100	-	-	(11)	(4)	(7)	-
Everonn Skill Development Ltd.,	20500	(2893)	30500	30500	-	-	(19306)	(6413)	(12893)	-
Everonn Business Education Ltd.,	500	(5302)	500	500	-	-	(7940)	(2638)	(5302)	-









Grow Share **EDGE** **LEADERSHIP**



**EXPOSURE**  
**BRILLIANCE**  
**CAREER**  
**KNOWLEDGE**

Only at the **Global School of Business**

**Admissions Open**

**BBA | MBA**  
**PGPM+MBA | APIC MBA**  
**EMBA**

- Degree from NAAC accredited university
- Recognised by UGC • Industrial tours across the globe

Take on the world of Global Management. The Global School of Business(GSB) offers you a world with no boundaries- Global Curriculum, Global Faculty, Global Exposure and Global Opportunity. Your path to global success starts here!

**Program Highlights:**

- Experienced International Faculty
- World Class Pedagogy
- International Standard Curriculum
- Universal Skills
- Leadership Edge
- Global Recognition
- Placement Assistance
- Education Loan Facility

**Global School of Business**

Everonn House, Plot 96-99, Industrial Estate, Perungudi, Chennai- 600096 [www.gsb.ac.in](http://www.gsb.ac.in)

**For details- Call 95431 37936 or SMS <GSB> 54567 or email: [info@gsb.ac.in](mailto:info@gsb.ac.in)**

everonn

# K - Life

**K - 12**  
2 - 17 Years

**Vocational**  
13 Years & Above

**Higher Education**  
17 Years & Above



CONTENT

FACULTY

TECHNOLOGY

REACH

everonn

Everonn Education Limited

*Education beyond boundaries*

**Regd Off:** No.82, IVth Avenue. Ashok Nagar Chennai - 600083 Tamilnadu, India.

**Corp Off :** "Everonn House" Plot No: 96 - 99, Industrial Estate Perungudi, Chennai - 600096 Tamilnadu, India.

Phone No: +91- 44- 23718202, 42968400, Fax No: +91- 44- 42968732. website: [www.everonn.com](http://www.everonn.com)

## **CORRIGENDUM**

The shareholders are hereby informed of the following amendments in respect of the Annual Report of the Company for the year 2009-2010.

1. In Page No.4, Item No 6, 1<sup>st</sup> para 26<sup>th</sup> line has to be replaced with the words “**up to Rs. 10, 40, 00,000 (Rupees Ten Crore and Forty Lakhs only)**”.
2. In Page No: 4, Item No.6, 4<sup>th</sup> para has to be replaced with “ **RESOLVED FURTHER THAT** the pricing of the Fully Convertible Debentures and the pricing of the equity shares issued upon conversion of the securities shall be made subject to and in compliance with all applicable laws, guidelines, notifications, rules and regulations considering the “Relevant Date” under SEBI regulations for the purpose of determining the issue of resultant shares as 31<sup>st</sup> March, 2011 and these Fully Convertible Debentures shall at the option of the holder, be converted into equivalent equity shares in one or more tranches at any time after 30 days from the relevant date but before expiry of 18 months from the date of allotment.”
3. In Page No: 5, Item No.7, 4<sup>th</sup> para has to be replaced with “ **RESOLVED FURTHER THAT** the pricing of the Fully Convertible Debentures and the pricing of the equity shares issued upon conversion of the securities shall be made subject to and in compliance with all applicable laws, guidelines, notifications, rules and regulations considering the “Relevant Date” under SEBI regulations for the purpose of determining the issue of resultant shares as 30<sup>th</sup> November 2011 and these Fully Convertible Debentures shall at the option of the holder, be converted into equivalent equity shares in one or more tranches at any time after 30 days from the relevant date but before expiry of 18 months from the date of allotment.”
4. In Page No.5, Item No 7, 1<sup>st</sup> para 26<sup>th</sup> line has to be replaced with the words “**up to Rs. 7, 78, 00,000 (Rupees Seven Crore and Seventy Eight Lakhs only)**”.
5. Under the head **Directors’ Report** in page No. 17, Point No III sub heading **Results of operations** 9<sup>th</sup> line should be read as **68`% instead of 80%**.
6. Under the head **Directors’ Report** in page No. 20, **point** No XII sub heading **Employee Particulars** 4<sup>th</sup> row, 1<sup>st</sup> column has to be replaced with the words “**Mr. Prasanna Shenoy**”
7. Under the head **Directors’ Report** in page No. 20, **point** No XII sub heading **Employee Particulars** 5<sup>th</sup> row, 8<sup>th</sup> column has to be replaced with the words “**Professor of Marketing at Indian Institute of Management Indore and also an Officiating Director at IIM Indore**”
8. Under the head **Directors’ Report** in page No. 20, Point No XVI sub heading **Directors’ Responsibility Statement** 22<sup>nd</sup> line should be read as **31<sup>st</sup> March 2010 instead of 31<sup>st</sup> March 2008.**
9. Under the head Corporate Governance Report in Page No. 34 Point No C, sub heading **Remuneration to Directors** 1<sup>st</sup> line has to be replaced with the words “**No remuneration except sitting fees and Commission are payable**”. In the same Point No C. last four lines has to be replaced with the words “**The details of remuneration paid to Managing Director, Whole Time Director & Independent Directors during the year ended 31<sup>st</sup> March, 2010, have been provided under Notes on Accounts**”.
10. Under the head Auditors Report in page No. 45 point No. 22 has to be replaced with the words “**In our opinion and according to the explanations given to us, the Company has given guarantee for loans taken by others from Banks and Financial Institutions.**”