

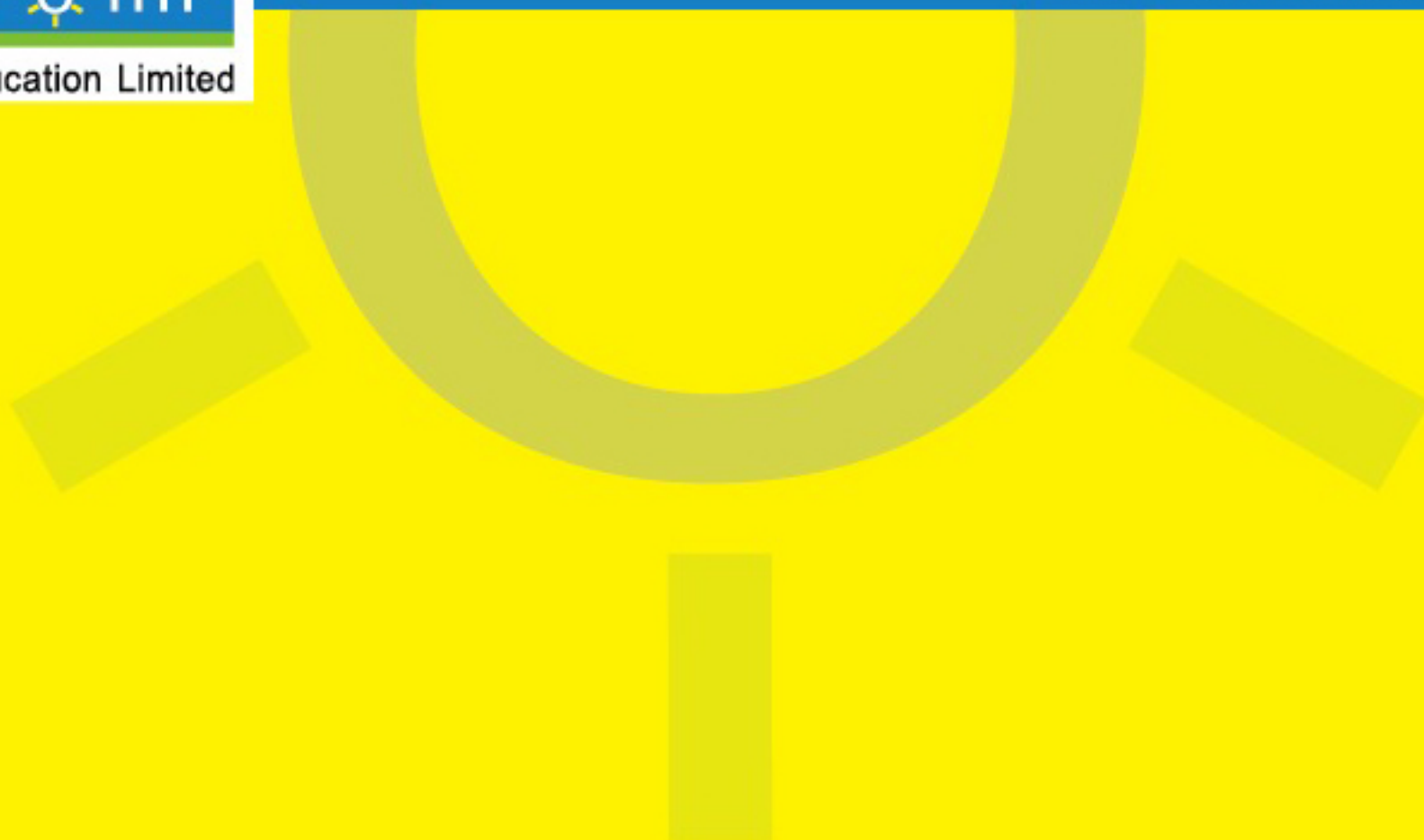


NURTURING THE IDENTITY OF A NEW GENERATION

ANNUAL REPORT 2010-2011

everonn™

Everonn Education Limited



# Calling inspired entrepreneurs.

# Profit from the opportunities in education, rightaway!

**H**ere's an opportunity to profit from the education revolution that's sweeping the nation. Everonn, a publicly listed company on a high growth path, is looking for Edupreneurs - Entrepreneurs in Education, for all key cities in India. You will set up and manage a world-class education services centre backed by Everonn's experience and expertise

### Your investment

Your entrepreneurial drive backed by an investment of Rs. 20 to 55 lakhs.\*

\* Investment amount depends on the city

### Why Everonn

- 24 years of experience in enabling education for millions
- Everonn in Forbes Top 200 'Best Under a Billion' 2010, Asia list
- Presence right across the value chain of Education & Training
- Provides single point entry to capitalize on opportunities across education segments
- Everonn's VSAT network, the world's largest network in education, integrates and deliver programs to the far reaches of the country
- Choice of Product range: Training (IT, Retail, BFSI & Soft Skills), Education (UG & PG University Degree), Testing (in partnership with Global leaders), Coaching (Engineering), Admissions Counselling (International, Domestic)
- Access to leading international and domestic alliances

Awarded the Best Franchisable  
Concept (Education) of the Year 2010  
by Franchise India



For further informations call  
North and West : 09910668553  
South and East : 07299922308

mail partner@everonn.com or  
visit www.edupreneur.co

## India ONN with Everonn

**Board of Directors**

<b>Name</b>	<b>Status</b>
Dr. Jamshed J Irani	Non-Executive Chairman
Mr. P. Kishore	Managing Director
Mrs. Susha 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
Mr. Nikhil P Gandhi	Non-Executive and Non Independent Director
Dr. M. S. Vijay Kumar	Non-Executive and Independent Director

**Company Secretary**

S.Vijayanand

**Chief Financial Officer**

R. Kothandaraman

**Registered Office of the Company**

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

**Corporate Office:**

"Everonn House", Plot No # 96-99 Perungudi 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

**Our Bankers****Axis Bank**Ground Floor, Karumuthu Nilayam,  
No.192, Anna Salai,  
Chennai - 600 002.**Barclays Bank**Dhanyavyaparigal Sangam,  
20/21 Kamarajar Salai,  
Kanchipuram – 631 501.**State Bank of India**Rukmini Lakshmipathy Road,  
Chennai – 600 008.**Indian Bank**15, First Avenue, Ashok Nagar,  
Chennai - 600 083.**Development Credit Bank Limited**61, Nungambakkam High Road,  
Chennai - 600 034.**IDBI Bank Limited**No.7, South Boag Road,  
T. Nagar, Chennai – 600 017.**ICICI Bank Limited**No.110, Nungambakkam High Road,  
Chennai - 600 034.**Standard Chartered Bank**No.19, Rajaji Salai,  
Chennai - 600 001.**Syndicate Bank**38, Anna Salai, Mount Road,  
Chennai – 600 002.**Subsidiaries****Everonn Educational Resources Solutions Limited****Toppers Tutorial Private Limited****Everonn Infrastructure Limited****AEG Skill Update Private Limited****Everonn Skill Development Limited(Indirect Subsidiary)****Everonn Business Education Limited****Everonn Dassani Literate Limited****Everonn School Limited****Everonn Medical Education Limited****Everonn Technical Education India Limited****Edifications India Limited****Everonn Sport Management Limited****Everonn Knowledge & Education Corridor Limited****Registrar & Share Transfer Agent****M/s.Cameo Corporate Services Limited**

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





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## NOTICE TO MEMBERS

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of M/s. Everonn Education Limited will be held on Wednesday, the 3rd day of August, 2011 at 11.00 A.M. at P.Obul Reddy Hall, Sri Thyaga Brahma Gana Sabha, Vani Mahal, G.N.Chetty Road, T.Nagar, Chennai 600 017 to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account of the Company for the year ended as on that date together with the Report of Board of Directors and Auditors of the Company.
2. To declare dividend on equity shares for the financial year 2010-11.
3. To appoint a Director in place of Mr. R.Sankaran, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. K.M.Marimuthu, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors, fix their remuneration and in connection therewith, to pass, with or without modification(s), 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, the retiring Auditors of the Company, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of the Eleventh Annual General Meeting till 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

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**  
**"RESOLVED THAT Dr. Jamshed J Irani,** who has been appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and who holds office up to the date of the ensuing Annual General Meeting

and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation.

7. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT Mr. Nikhil P Gandhi,** who has been appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company not liable to retire by rotation as per the Articles of Association of the Company.

8. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT Dr. M.S.Vijay Kumar,** who has been appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and who holds office up to the date of this ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation

9. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

Appointment and fixation of remuneration of Mr. P Kishore, Managing Director.

**RESOLVED THAT** pursuant to the provisions of Sections 198,269, 309,310, 311 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 including any statutory modifications or re-enactment(s) thereof for the time being in force and all guidelines for managerial remuneration issued by the Central Government



from time to time, and such other consents and approvals as may be required, the consent of the Company be and is hereby accorded for the re-appointment of Mr. P.Kishore as the Managing Director of the Company, with substantial powers of management to be exercised by him, subject to the superintendence, control and direction of the Board of Directors of the Company with effect from 1st April, 2011 for a period of 5 (five) years on such remuneration as detailed below, with a power to the Board of Directors or a Committee thereof, to vary the terms and conditions of appointment and to revise the remuneration from time to time subject to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 and within the limits laid down under Schedule XIII to the Companies Act, 1956.

**(I) Salary**

Salary of Rs.6,20,000 per month in the grade of Rs.6.20 Lakhs to Rs.12 Lakhs per month with the authority to the Board or a Committee thereof to revise the remuneration from time to time, subject to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 and within the limits of Schedule XIII to the Companies Act, 1956. The annual increments which will be effective from 1st April each year will be decided by the Board or a Committee thereof and will be merit based and take into account the Company's performance.

**(II) Perquisites, Allowances, Commission and other benefits**

In addition to salary and commission, Mr. P.Kishore shall be entitled to the perquisites and allowances upto a limit of 150 % of the salary as may be agreed by the Board or Committee thereof with Mr. P.Kishore -Managing Director. The other benefits & commission are as per the terms approved by the Board of Directors.

**(III) Minimum Remuneration**

Notwithstanding anything specified herein above, where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. P. Kishore, the remuneration by way of salary, perquisites and other allowances not exceeding the limits specified under Section II, Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment( s) thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

The appointment is terminable by 6 (six) months' notice or by payment of 6 (six) months' salary in lieu thereof by either party".

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

**Appointment and fixation of remuneration of Mrs. Susha John, Whole-time Director**

**RESOLVED THAT** pursuant to the provisions of Sections 198,269, 309,310, 311 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 including any statutory modifications or reenactment(s) thereof for the time being in force and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, the consent of the Company be and is hereby accorded for the re-appointment of Mrs. Susha John as the Whole-time Director of the Company with effect from 1st April, 2011 for a period of 5 (five) years on such remuneration as detailed below, with a power to the Board of Directors or a Committee thereof, to revise the remuneration from time to time subject to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 and within the limits laid down under Schedule XIII to the Companies Act, 1956.

**(I) Salary**

Salary of Rs.4,20,000 per month in the grade of Rs.4 Lakhs to Rs.8 Lakhs per month with the authority to the Board or a Committee thereof to revise the remuneration from time to time, subject to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 and within the limits of Schedule XIII to the Companies Act, 1956. The annual increments which will be effective from 1st April each year will be decided by the Board or a Committee thereof and will be merit based and take into account the Company's performance.

**(II) Perquisites, Allowances, Commission and other benefits**

In addition to salary and commission, Mrs. Susha John shall be entitled to the perquisites and allowances upto a limit of 150 % of the salary as may be agreed by the Board or a Committee thereof with Mrs. Susha John - Whole-time Director. The other benefits & commission are as per the terms approved by the Board of Directors.



### (III) Minimum Remuneration

Notwithstanding anything specified herein above, where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay to Mrs. Susha John, the remuneration by way of salary, perquisites and other allowances not exceeding the limits specified under Section II, Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

The appointment is terminable by 6 (six) months' notice or by payment of 6 (six) months' salary in lieu thereof by either party."

By Order of the Board,  
For **EVERONN EDUCATION LIMITED**  
Sd/-

S. Vijayanand  
Company Secretary

Place : Chennai  
Date : June 16, 2011.

#### NOTES:

- A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.**
- Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 setting out all the material facts in respect of Item Nos.6,7,8,9 &10 of the Notice is attached.
- 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 Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Ltd. Subramanian Building, No.1, Club House Road, Chennai - 600 002.
- 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.
- Members who hold Shares in dematerialised 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.
- 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.
- The Register of Members and the Share Transfer Books of the Company will remain closed for the purpose of the ensuing Annual General Meeting from 30.07.2011 to 03.08.2011 (both days inclusive) for payment of dividend for the financial year 2010-11.
- Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment & re-appointment at the ensuing Annual General Meeting are contained in the Annexure hereto.
- Shareholders are advised, in their own interest that all the communications to the Company which would have the effect of amending the permanent details of the ledger folio should be signed by all the shareholders.
- Shareholders may visit Company's website: [www.everonn.com](http://www.everonn.com) and contact us at e-mail: [ipo@everonn.com](mailto:ipo@everonn.com)
- Shareholders who are holding shares in more than one folio are requested to intimate to the Registrar and Share Transfer Agent, the details of all folio numbers for consolidation into a single folio.
- Shareholders are requested to check whether they have encashed Dividend Warrants for the earlier year. If the Dividend Warrants have become time-barred / lost, please apply for revalidation / fresh dividend warrant before the last dates indicated below:





Dividend for the year ended	Rate of Dividend	Date of Declaration	Date on which unpaid amount is required to be transferred to IE&PF	Shareholders should apply latest by
2009-10	20%	27/07/2010	03/08/2017	15/07/2017

In terms of Section 205C of the Companies (Amendment) Act, 1999, all dividend amounts, which remain unclaimed and unpaid for a period of seven years, will be transferred to the Investor Education & Protection Fund. Shareholders will not be entitled to claim the dividend amounts once the amounts are transferred to Investor Education & Protection Fund.

14. Shareholders are requested to see **Annexure V** as attached hereto in order to make awareness about the GREEN INITIATIVE IN CORPORATE GOVERNANCE- Electronic Mode of service of documents introduced by the Ministry of Corporate Affairs (MCA ) by issuing General circular no. 17/2011 dated 21.04.2011 and General circular no. 28/2011 dated 20.05.2011.

#### ANNEXURE I

##### Details of Directors seeking re-appointment at the 11<sup>th</sup> Annual General Meeting

Name of the Director	Mr.R.SANKARAN	Dr.K.M.MARIMUTHU
Date of Birth	September 14, 1932	January 15, 1930
Date of Appointment	10th July 2006	10th July 2006
Qualifications	B.Com., F.C.A.	M.Tech., Ph.D
Expertise in specific Functional area	Over 40 years of experience in Financial Management and made substantial contributions in various capacities to the operations and financial performance of various Companies. He was employed in various capacities with Rourkela Steel Plant. He was a Financial Adviser of Hindustan Steel Works Construction Limited and later became Director Finance of ACC Babcock Limited. Lastly, he was employed as Senior Financial Advisor of Tata Steel Limited. He has held Directorships in various TATA Group Companies and other Private and Public Limited Companies.	Holds M.Tech. degree from I.I.T. Kharagpur and Doctorate in Genetics & Cytology from Mc Master, Hamilton, Canada. He was formerly Vice Chancellor of Bharathiar University having the distinction of holding the post for two terms. He has served in various capacities in many universities in India and abroad. He has also held membership in distinguished societies in India and abroad. He has also guided many candidates in getting the Degree of Doctor of Philosophy (Ph.D) in Genetics.
Directorship in other Companies	1. G.K Management Services India Limited 2. Kernex Microsystems (India) Limited	Everonn Educational Resources Solutions Limited

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ITEM 6

Dr. Jamshed J Irani was appointed as an Additional Director of the Company with effect from 9th December, 2010 as per the provisions of Section 260 of the Companies Act, 1956. He holds office as an Additional Director up to the date of the ensuing Annual General Meeting. The Company has received notice as prescribed under section 257 of the Companies Act, 1956 from a member along with a deposit of Rs.500, signifying his intention to propose Dr. Jamshed J Irani, as a Director of the Company.

Profile of Dr. Jamshed J Irani as required under Clause 49 of the Listing Agreement is given as Annexure II to the Notice.



The Board of Directors recommends the passing of this resolution.

None of the Directors' except Dr. Jamshed J Irani is in any way concerned or interested in the above resolution.

#### **ITEM 7**

Mr. Nikhil P Gandhi was appointed as an Additional Director with effect from 9th December, 2010 as per the provisions of Section 260 of the Companies Act, 1956. He holds office as an Additional Director up to the date of the ensuing Annual General Meeting. The Company has received notice as prescribed under section 257 of the Companies Act, 1956 from a member along with a deposit of Rs.500, signifying his intention to propose Mr. Nikhil P Gandhi, as a Director of the Company not liable to retire by rotation as per Articles of Association of the Company.

Profile of Mr. Nikhil P Gandhi as required under Clause 49 of the Listing Agreement is given as Annexure II to the Notice.

The Board of Directors recommends the passing of this resolution.

None of the Director's except Mr. Nikhil P Gandhi is in any way concerned or interested in the above resolution.

#### **ITEM 8**

Dr. M.S.Vijay Kumar was appointed as an Additional Director with effect from 8th February 2011, as per the provisions of Section 260 of the Companies Act, 1956. He holds office as an Additional Director up to the date of the ensuing Annual General Meeting. The Company has received notice as prescribed under Section 257 of the Companies Act, 1956 from a member along with a deposit of Rs.500, signifying his intention to propose Dr. M.S.Vijay Kumar, as a Director of the Company.

Profile of Dr. M.S. Vijay Kumar, as required under Clause 49 of the Listing Agreement is given as Annexure II to the Notice.

The Board of Directors recommends the passing of the resolution.

None of the Directors' except Dr. M.S.Vijay Kumar is in any way concerned or interested in the above resolution.

#### **ITEM 9 & 10**

The Members are aware that Mr. P.Kishore and Mrs. Susha John were re-appointed as the Managing Director and Whole-time Director respectively of the Company for a period of five years with effect from 1st April, 2006 and the consent of the members was obtained at the Extra-Ordinary General Meeting held on 10th June, 2006.

The Board of Directors at their Board Meeting held on 31st March, 2011, have re-appointed Mr. P. Kishore and Mrs. Susha John as the Managing Director and Whole-

time Director respectively of the Company for a further period of five years with effect from 1st April, 2011 to 31st March, 2016 on the terms and conditions including the remuneration as recommended by the Remuneration Committee on 29th March, 2011. The details as required under Schedule XIII of the Companies Act, 1956 are as given below :

### **I. GENERAL INFORMATION BUSINESS OVERVIEW**

#### **1. Nature of Industry**

India has the 3rd largest education system globally and has a network of more than 1 million school and 18000 higher education institutions. India's population in the age group of upto 24 years constitutes 52% of the total population. This showcases that more than half of the country's population falls in the target market for education and related services. The Indian Education Sector is estimated to be USD 28bn in size, and is expected to be at USD 47 bn over a period of 5-6 years. This sector is favoured by encouraging Indian demographics, with 673 Mn (60%) of the population below 30 years of age (median age: 25 years). The high illiteracy (62%) and drop-out rates - 88% of the population enrolls for primary education, albeit only 11% of the total eligible population enrolls for higher education vs. 80% for developed countries underline the need for investment in education sector in India. Private final consumption expenditure on education is on the rise. This shows that with an increase in per capita income, people are willing to spend more on education once their basic needs of food and clothing are satisfied. Exciting prospects lie ahead for the Indian Education sector. We believe that segments like multimedia, pre-schools, K-12 and higher education provide huge opportunities within the education sector. Being in its nascent stage, we expect the sector to grow at a strong pace over the next few years. With robust growth in the service sector in India, it is expected that further proliferation in demand for quality educational services and growth in this sector.

#### **2. Date of commercial Production:**

The Company has started its commercial operations from April 2000.

#### **3. Financial Performance**

As per the Audited Financial Results for the period ended March 31, 2011, the Company made a turnover of Rs. 301.63 Crore and profit after tax of Rs.72.96 Crore.

#### **4. Export performance**

Nil

#### **5. Foreign Investments or Collaborators**

Nil

**II. INFORMATION ABOUT THE APPOINTEE****Mr. P. KISHORE, MANAGING DIRECTOR****1. Background - Details provided in Annexure III.****2. Past remuneration**

He was re-appointed as Managing Director from 1st April 2006 on a remuneration of Rs. 2,50,000/- per month. The Board of Directors at their meeting held on 09.05.2008 has approved the increase in remuneration, Salary of Rs.1,50,000/- per month along with allowances and perquisites up to 150% of salary with effect from 01.04.2008.

**3. Recognition or awards**

Nil

**4. Job profile and his suitability**

As the Managing Director of Everonn Education Limited, Mr. P.Kishore, is involved in the growth of the Company which is presently engaged in imparting IT Education in Government Schools, Virtual and Technology enabled Learning Solutions to colleges and private schools, Knowledge Resource Development, providing virtual education for overseas market, teachers' certificate programs etc.

Apart from imparting IT education in several schools, his dynamic leadership saw the Company enter the virtual space of education and training delivery through the VSAT platform. This initiative made it possible for the Company to take quality education, delivered by iconic faculty at affordable prices pan India, empowering every life it touched.

**5. Remuneration Proposed:**

Salary	Salary of Rs.6,20,000 per month in the grade of Rs.6.20 Lakhs to Rs.12 Lakhs per month with the authority to the Board or a Committee thereof to revise the remuneration from time to time
Perquisites & Allowances	<p>In addition to salary and commission, Mr. P.Kishore shall be entitled to the perquisites and allowances upto a limit of 150 % of the salary as may be agreed by the Board or a Committee thereof with Mr. P.Kishore –Managing Director.</p> <p>Such perquisites and allowances will include such items as accommodation, furnished or otherwise or House Rent Allowances and maintenance allowances in lieu thereof together with reimbursement of expenses on utilities such as gas, electricity, water, furnishings, repairs, servant salaries, medical reimbursement, club fees and leave travel concession/allowances for himself and his family, medical/accident insurance and such other perquisites and allowances as deemed fit by the Board or Remuneration Committee.</p>
Other Benefits	<ol style="list-style-type: none"> <li>1. Company's contribution towards Provident Fund and Family Pension Fund are as per the Rules of the Company.</li> <li>2. Company's contribution towards Superannuation Fund as per the Rules of the Company.</li> <li>3. Gratuity as per the Rules of the Company.</li> <li>4. Earned Leave on full pay and allowances as per the Rules of the Company. Leave accumulated shall be encashable at the end of the tenure. Encashment</li> </ol>



	<p>of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.</p> <p>5. The Company shall provide a car with driver and telephone facility at the residence.</p>
Commission	<p>Such remuneration by way of commission, in addition to the salary, incentive remuneration if any and benefits, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company or a Committee thereof, at the end of each financial year, subject to the overall ceilings stipulated in section 198 and 309 of the Companies Act, 1956.</p>

**6. Comparative Remuneration Profile:** There are only few institutions in the Country of our size. The remuneration for Mr. P.Kishore has been very conservative as compared to others.

**7. Pecuniary Relationship:**

There are no other pecuniary relationships with the Company.

**Mrs. SUSHA JOHN, WHOLE TIME DIRECTOR**

- 1. Background - Details provided in Annexure IV.
- 2. Past remuneration

Mrs. Susha John was re-appointed as the Whole time

Director from 1st April 2006 and the remuneration was revised to Rs. 1,75,000/- per month with effect from 1st April 2007. The Board of Directors at their meeting held on 09.05.2008 has approved the increase in remuneration, Salary of Rs.1,20,000/- per month along with allowances and perquisites up to 150% of salary with effect from 01.04.2008.

**3. Recognition or awards**

NIL

**4. Job profile and her suitability**

Mrs. Susha John is responsible for overall business operations and planning, Government and Private School Contracts, Network operations and Technical Support.

**5. Remuneration Proposed:**

Salary	<p>Salary of Rs.4,20,000 per month in the grade of Rs.4 Lakhs to Rs.8 Lakhs per month with the authority to the Board or a Committee thereof to revise the remuneration from time to time.</p>
Perquisites & Allowances	<p>In addition to salary and commission, Mrs. Susha John shall be entitled to the perquisites and allowances upto a limit of 150 % of the salary as may be agreed by the Board or a Committee thereof with Mrs. Susha John – Whole-time Director.</p> <p>Such perquisites and allowances will include such items as accommodation, furnished or otherwise or House Rent Allowances and maintenance allowances in lieu thereof together with reimbursement of expenses on utilities such as gas, electricity, water, furnishings, repairs, servant</p>



	salaries, medical reimbursement, club fees and leave travel concession/allowances for himself and his family, medical/accident insurance and such other perquisites and allowances as deemed fit by the Board or Remuneration Committee.
Other Benefits	<ol style="list-style-type: none"><li>1. Company's contribution towards Provident Fund and Family Pension Fund are as per the Rules of the Company.</li><li>2. Company's contribution towards Superannuation Fund as per the Rules of the Company.</li><li>3. Gratuity as per the Rules of the Company.</li><li>4. Earned Leave on full pay and allowances as per the Rules of the Company. Leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.</li><li>5. The Company shall provide a car with driver and telephone facility at the residence.</li></ol>
Commission	Such remuneration by way of commission, in addition to the salary, incentive remuneration if any and benefits, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company or a Committee thereof, at the end of each financial year, subject to the overall ceilings stipulated in section 198 and 309 of the Companies Act, 1956.

#### 6. Comparative Remuneration Profile

There are few institutions in the Country of our size. The remuneration for Mrs. Susha John has been very conservative as compared to others.

#### 7. Pecuniary Relationship:

There are no other pecuniary relationships with Company.

#### III. OTHER INFORMATION

The Company expects substantial growth in terms of revenue and profitability in coming years.

#### IV. DISCLOSURES

Information on Remuneration is as given above .

Profile of Mr. P. Kishore and Mrs. Susha John as required under Clause 49 of the Listing Agreement is given as Annexure III & IV to the Notice.

None of the Directors except Mr. P. Kishore and Mrs. Susha John are concerned or interested in the proposed resolutions.

By Order of the Board,  
**For EVERONN EDUCATION LIMITED**  
Sd/-  
S. Vijayanand  
**Company Secretary**

Place : Chennai  
Date : June 16, 2011



## ANNEXURE II - ITEM NOS. 6- 8 OF THE NOTICE

Name of the Director	Dr. Jamshed J. Irani	Mr. Nikhil P Gandhi	Dr. M.S.Vijay Kumar
Date of Birth	02-06-1936	25-04-1959	26-04-1953
Background details	<p>Started his career in 1963 as a Senior Scientific Officer at the BISRA, Sheffield. Post Ph.D. Dr.Jamshed J Irani quickly rose to the position of Head, Physical Metallurgy Division. On return to India in 1968, he joined The Tata Iron and Steel Company Limited (TISCO) as Superintendent to retire as the Managing Director of Tata Steel Limited in 2001.</p> <p>Currently he is on the board of several organizations such as Tata Refractories Limited, Scientific Advisory Committee to the Cabinet (SACC) Government of India, the Central Advisory Board of Education(CABE), Repro India Limited, Indian Institute of Management, Indian Institute of Science (Bangalore), United Nation's Global Compact Board, World Wild Fund for Nature - India (WWF - India) and many more.</p> <p>Adding to the numerous titles and awards received by him, in 1997, Queen Elizabeth II conferred on him a honorary Knighthood (KBE), for his contributions to Indo-British Trade and Co-operation and in 2007, he was honoured by the President of India who conferred on him the award of "Padma Bhushan" for his services to Trade and Industry in the Country.</p>	<p>Received the "Best Young Entrepreneur" award from the Ministry of Chemicals and Petrochemicals, Government of India in 1990 and being conferred as the "Great Son of Soil" by the All India Conference of Intellectuals in 2001, Mr. Nikhil P Gandhi has carved himself a nich in the fields of entrepreneurship and integrated infrastructure.</p> <p>A commerce graduate with over 25 years of experience in various infrastructure development projects, Mr. Nikhil P Gandhi is currently on the board of several other companies such as SKIL Infrastructure Limited,Pipavav Shipyard Limited, KLG Capital Services, Gujarat Pipavav Port Limited, Horizon Infrastructure Limited and more.</p> <p>With high risk taking ability, he has embarked on a multitude of projects of national importance, bringing private sector initiative into a hitherto public domain working for the betterment of the nation.</p>	<p>Senior Associate Dean and Director, Office of Educational Innovation and Technology Office of the Dean of Undergraduate Education, Massachusetts Institute of Technology (MIT). As a Senior Associate Dean, Dr. M.S.Vijay Kumar provides leadership for sustainable technology enabled educational innovation at MIT.</p> <p>Dr. M.S. Vijay Kumar's doctorate in Education (Future Studies, focusing on educational computing and planning for technological innovations in education) from the University of Massachusetts, Amherst is preceded by a MS in Industrial Management and a B. Tech. in Chemical Engineering, both from the Indian Institute of Technology (IIT), Madras. Dr.M.S.Vijay Kumar is honorary advisor to India's National Knowledge Commission and advisor to the Open University of Catalonia. He has been an advisor to UNESCO on their strategies for open educational resources, open technology and policy.</p>



Directorship & Membership in other Companies	<ol style="list-style-type: none"> <li>1. Electrosteel Castings Limited</li> <li>2. Repro India Limited</li> <li>3. Housing Development Finance Corporation Limited</li> <li>4. BOC India Limited</li> <li>5. Tata Refractories Limited</li> <li>6. TRF Limited</li> <li>7. Kansai Nerolac Paints Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. SKIL Infrastructure Limited</li> <li>2. Pipavav Shipyard Limited</li> <li>3. Fastlane Distriparks &amp; Logistics Limited</li> <li>4. Horizon Country Wide Logistics Limited</li> <li>5. New Horizons India Limited</li> <li>6. Horizon Infrastructure Limited</li> <li>7. KLG Capital Services Limited</li> <li>8. JPT Securities Limited</li> <li>9. SKIL Himachal Infrastructure and Tourism Limited</li> <li>10. Mumbai SEZ Limited</li> </ol>	NIL
Shareholding in the Company	NIL	NIL	NIL

**ANNEXURE III - ITEM NO. 9 OF THE NOTICE**

Name of the Director	P. Kishore
Date of Birth	14th October, 1961
Background details	<p>Mr. P. Kishore, 49, a first generation entrepreneur had his formative lessons at Breeks Memorial School, Udagamandalam, followed by collegiate education at Coimbatore. He later enhanced his academic credentials with a Diploma in Commerce. His passion for education finds him in constant learning mode.</p> <p>He started his career with Synergistic Software and Management Consultants in the early eighties but soon his inclination towards entrepreneurial initiatives saw him change track. This saw the birth of Systems International (his first partnership firm). Later on he founded Everonn Education Limited (formerly Everonn Systems India Limited).</p>
Directorship & Membership in other Companies	<ol style="list-style-type: none"> <li>1. Mistair Realtys Private Limited</li> <li>2. CelebrateIndia Tourism Limited</li> <li>3. Toppers Tutorial Private limited</li> <li>4. Everonn Educational Resources Solutions Limited</li> <li>5. Everonn Infrastructure Limited</li> <li>6. AEG Skill Update Private Limited</li> </ol>



Directorship & Membership in other Companies	7. Everonn Skill Development Limited 8. Everonn Business Education Limited 9. Everonn School Limited 10. Everonn Technical Education India Limited 11. Everonn Medical Education Limited 12. Edifications India Limited 13. Everonn Knowledge & Education Corridor Limited 14. Everonn Sport Management Limited 15. Everonn Dassani Literate Limited 16. Vertia Trademarks Advisors Private Limited
Shareholding in the Company	16,35,764

**ANNEXURE IV - ITEM NO.10 OF THE NOTICE**

Name of the Director	Susha John
Date of Birth	15th November, 1964
Background details	<p>Mrs. Susha John, 46, is an MS - Applied Science (IT) from PSG Tech, having 17 years experience in managing IT education businesses.</p> <p>Post Graduate from PSG College of Technology, Coimbatore and has 20 years of experience in ICT Enabled Services, providing Strategic and Operational leadership. Has an eye for detail and executes to perfection.</p>
Directorship & Membership in other Companies	1. Toppers Tutorial Private Limited 2. Everonn Educational Resources Solutions Limited 3. Everonn Infrastructure Limited 4. Everonn Skill Development Limited 5. Everonn Business Education Limited 6. Everonn School Limited 7. Everonn Technical Education India Limited 8. Everonn Medical Education Limited 9. Edifications India Limited 10. Everonn Knowledge & Education Corridor Limited 11. Everonn Sport Management Limited 12. Everonn Dassani Literate Limited
Shareholding in the Company	4,19,985

**ANNEXURE V**

**Green initiative in Corporate Governance - Electronic Mode of service of documents**

To support the Green initiative in Corporate Governance, we propose to send all communications, including Notice of Annual General Meeting and Annual Report of the Company for the year 2010-2011 through electronic mode to your valid e-mail address available in the register of Members of the Company. Physical copies will be sent to those shareholders who do not have valid e-mail address.

This initiative by the Government will not only go a long way in conservation of the environment but also enable you to receive notices/documents, etc. promptly and without loss in postal transit. In order to receive notices/documents of the Company on email, you would be required to update your email with your Depository Participant (DP) with NSDL/CDSL. As and when there are changes in your email address, you are requested to keep your DP informed of the same.

We request your support in this endeavor to receive the e-version of the Annual Report for the year ended 31.03.2011 and also in future. You are requested to register your mail ID with the concerned DP as soon as you receive current Annual Report in physical form. Besides ensuring that your mailbox has adequate free capacities to receive approximately 5 MB of communication.

However, in case you do desire to receive the Annual Report in physical form, you are requested to inform us by sending an email to [everonneducation@cameoindia.com](mailto:everonneducation@cameoindia.com) indicating your decision. You will be entitled to receive a copy of the annual report at free of cost.

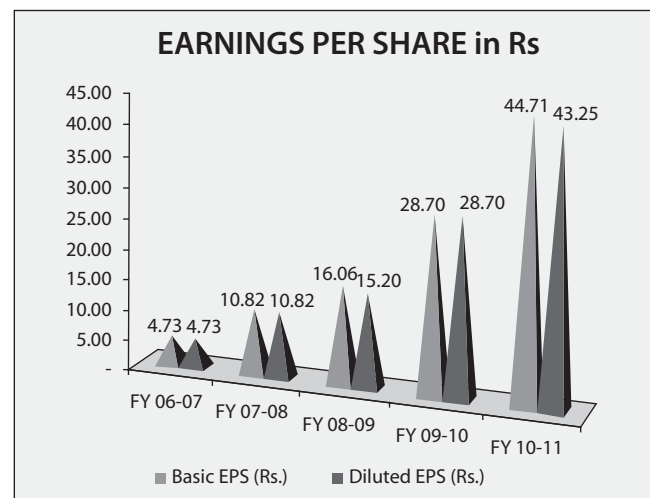
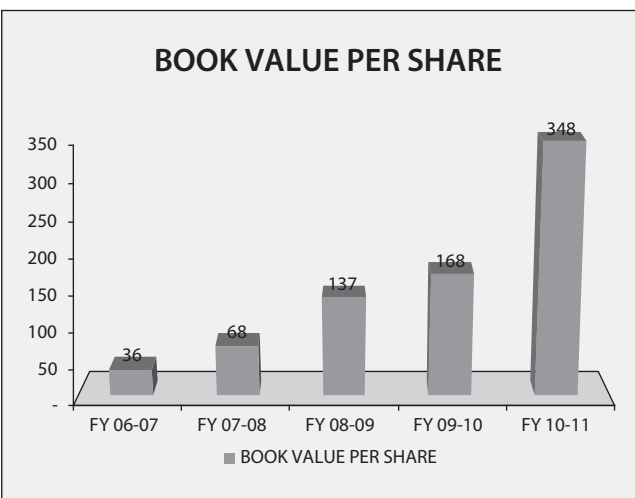
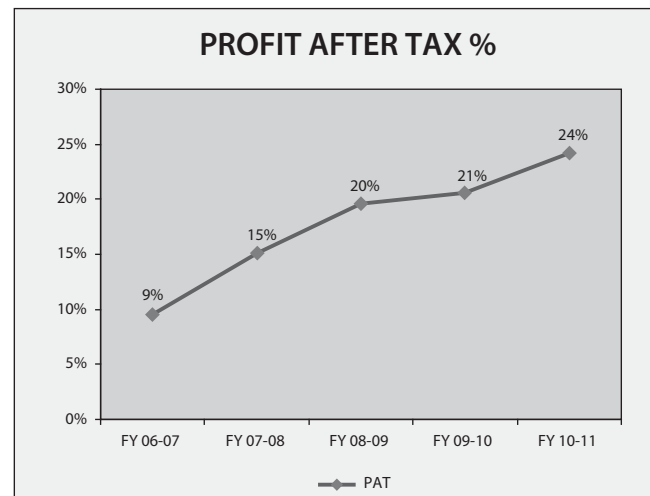
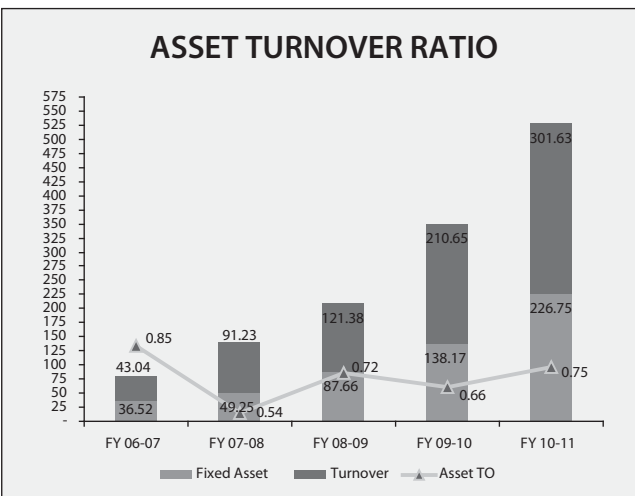
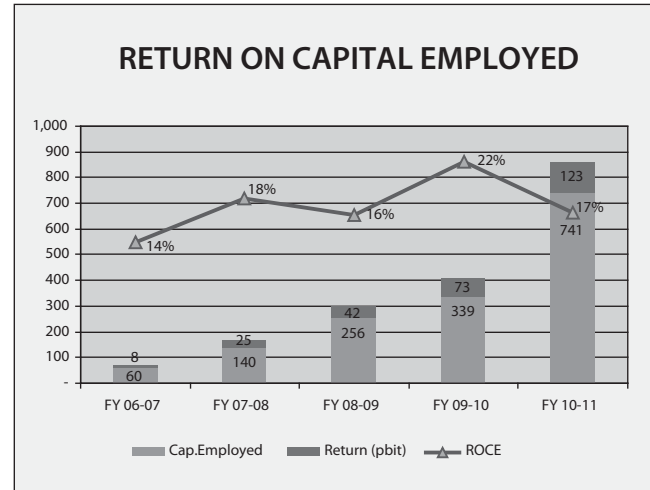
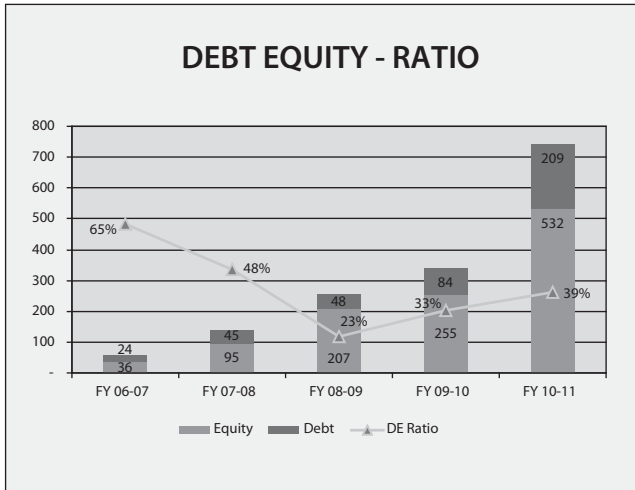
Please note that the Annual Report will also be available on the Company's website [www.everonn.com](http://www.everonn.com) for viewing/downloading. Physical copies of the Annual Report will also be available at our Registered Office in Chennai for inspection during office hours.

We look forward to your whole-hearted response for the success of this green initiative. Assuring you of our best services at all times.



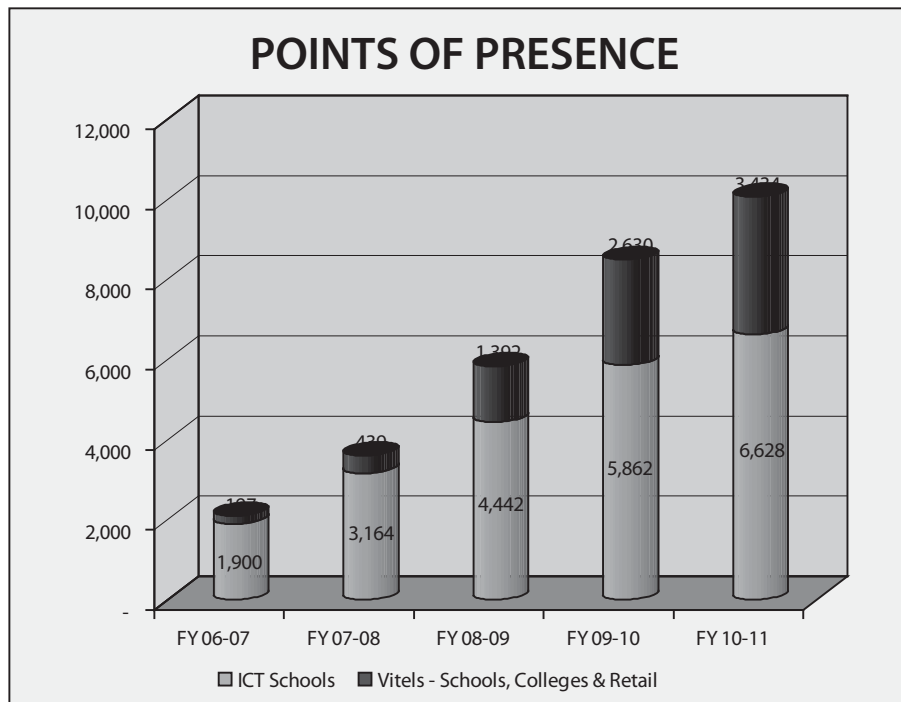
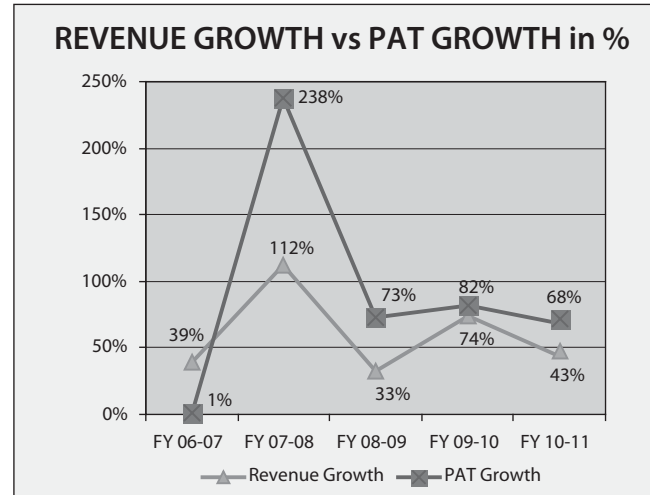
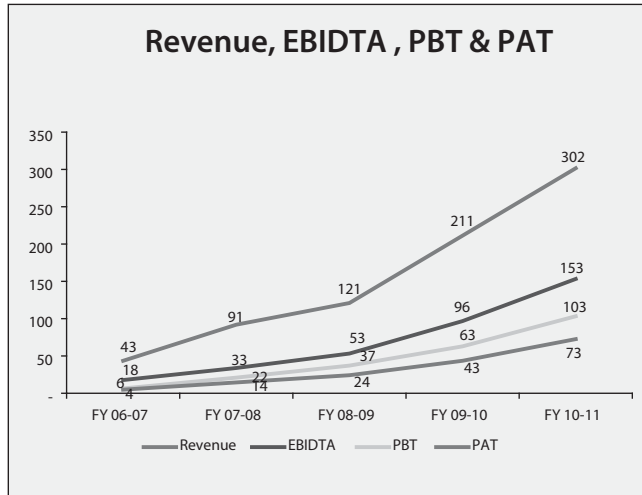


## FINANCIAL HIGHLIGHTS





## FINANCIAL HIGHLIGHTS





# DIRECTORS' REPORT



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eleventh Directors' Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2011.

### I. FINANCIAL RESULTS

Rs. in Lakhs

Particulars	Financial Results for the year ended	
	31-Mar-11	31-Mar-10
Total Revenue	<b>30,162.93</b>	21,065.15
Operating Profit	<b>15,304.01</b>	9,598.42
Depreciation	<b>3,588.8</b>	2,378.34
Interest	<b>1,927.84</b>	1,032.20
Profit/(Loss) before tax	<b>10,303.43</b>	6,264.72
Provision for Taxation	<b>3,006.90</b>	1,924.43
Profit after Tax	<b>7,296.53</b>	4,340.29
Add: Profit brought forward from previous year	<b>7,178.48</b>	4,715.69
Profit available for appropriation	<b>14,475.01</b>	9,055.97
<b>Appropriations</b>		
Transfer to Debenture Redemption Reserve	<b>327.17</b>	1,090.83
Proposed Dividend	<b>479.99</b>	302.41
Tax on Proposed Dividend	<b>79.72</b>	50.23
Transfer to General Reserve	<b>7,000.00</b>	434.03
Balance Carried to Balance sheet	<b>6,588.13</b>	7,178.48

### II. Results of operations

The Company's performance in the year 2010-11 continued its upward trend and showed a healthy growth. The Company earned a total revenue of Rs.30162.93 Lakhs in the year 2010-11 as against Rs.21065.15 Lakhs in the year 2009-10. The Company's total revenue growth has been 43% over the previous year. The operating profit for the year 2010-11 is Rs.15304.01 Lakhs as against Rs.9598.42 Lakhs for the year 2009-10. There is

a significant increase of 59% in the operating profit when compared to the last financial year. The Company has posted a profit after tax of Rs.7296.53 Lakhs in the year 2010-11 as against Rs.4340.29 Lakhs in the year 2009-10, registering a growth of 68% over the previous year.

### III. Appropriations

The Directors have recommended a dividend of Rs.2.50/- per Equity Share (25% on par value of Rs.10/- each) for the financial year ended 31st March, 2011, which on approval at the ensuing Annual General Meeting, will be paid to all those Equity Shareholders whose names appear in the Register of Members as on 29th July, 2011. The total proposed dividend amount including the dividend tax shall be Rs.559.71 Lakhs, for the financial year 2010-11. Dividend (including dividend tax) as a percentage of profit after tax is 7.67% as on March 31, 2011.

The register of members and share transfer books will remain closed from 30th July 2011 to 3rd August 2011, (both days inclusive). The Annual General Meeting of the Company is scheduled to be held on 3rd August, 2011.

Rs.1,76,294/- remains unclaimed in the dividend account towards dividend declared for the financial year 2009-10.

#### Transfer to Reserves:

The Company proposes to transfer Rs.7000.00 Lakhs to the General Reserve out of the profits available for appropriations. An amount of Rs.6588.13 lakhs (Previous Year Rs.7178.48 lakhs) has been proposed to be retained in the Profit and Loss Account.

### IV. OPERATING RESULTS AND BUSINESS OVERVIEW

#### Instructional and Communication Technology [ICT]

The Company acts as an education service provider for computer education, computer literacy, computer-aided learning education in Government schools through turn-key projects on a BOOT (Build Own Operate and Transfer) model and teachers' training projects. The contract is usually for a period of 5 years. The Company is associated with 16 State Governments for implementing computer education in Government Schools. The Company is privileged to be the first private player to set up



studio and provide VSAT enabled education to the Government rural schools. The Company has built a strong brand image with key policy makers for computer education in schools.

During the year, the Company has signed an agreement with the Haryana State Government for implementing computer education in 213 Government schools in Haryana. The Company has also signed an agreement with the State Government of Himachal Pradesh for implementing computer education in 282 schools and also added 65 schools with the existing contract of the Government. The Company has also been awarded ICT contract for training programs in 12 ITI's in Gudchoroli in Maharashtra State.

The Company is currently operating in 6628 schools as compared to 5862 schools in the year 2009-10. The revenue from ICT division is Rs.8527 Lakhs for the year 2010-11.

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

The Company provides Education and Training solutions through satellite based Very Small Aperture Terminal [VSAT] technology. There has been significant growth in this division in terms of increase in the number of private schools as customers from 1017 schools in FY 09-10 to 1455 in FY 10-11, from 1567 colleges in FY 09-10 to 1920 in FY 10-11, and from 46 retail centres in FY 09-10 to 59 in FY 10-11. The Company follows a student pay model in its ViTELS division. The revenue from ViTELS is Rs.21586 Lakhs in 2010-11.

#### **VITELS -iSchool**

iSchool model is an initiative of the Company which combines the orthodox system of learning with digitized content and state-of-the-art teaching tools to make learning an interactive and enriching experience. Besides empowering teachers to help students understand complex and tedious concepts with ease, iSchool model merges all the technological requirements in schools to emerge as the one stop technology solution provider for schools, catering all the private schools across the country and across various boards of education. From digitized curriculum mapped content and VSAT based education to the school management system, iSchool's products are specially crafted to address every educational need of schools. There

has been steady increase in the number of schools signed up under iSchool model with 438 new schools signing up in the FY10-11 reaching the overall presence to 1455 schools.

#### **ViTELS - Colleges**

The College's business of Everonn also known as Everonn Learning Academy (ELA), an initiative of the Company which is recognized for its premium educational and training programs. ELA 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 ensures that students receive comprehensive instructions that help increase their employability and value in the job market. With ELA's comprehensive programs that provide both subject knowledge and excellent soft skills, students can be confident of presenting themselves to prospective employers during interviews, thus making it one step easier to gaining employment at some of the leading companies in the global market.

The growth of this model showed its momentum in FY 10-11 with the number of colleges increasing from 1567 in FY 09-10 to 1920 in FY 10-11.

#### **ViTELS - Retail**

Everonn Kompass is the retail division of the Company which aims at providing a unified collection of industry specific courses and interactive platforms that are devoted to transform learning and education all over India. It offers programs that are exciting, intellectually challenging and industry specific. Everonn Kompass aims to engage, equip and transform students to excel in their chosen career by providing the right blend of knowledge, winning methodology and systematic guidance. The Company has added 13 centres in FY 10-11 increasing its presence to 59 centres.

#### **ViTELS - Web Products**

The Company diversified into the area of Web-Enabled Learning Solutions in order to offer complete educational support solutions to the students across India.

[www.classontheweb.com](http://www.classontheweb.com) hosts 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 level. The largest virtual school in existence [www.classontheweb.com](http://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.

The higher education programs on [www.classontheweb.com](http://www.classontheweb.com) are designed and customized to benefit college students and mid-career professionals enabling them to arm themselves with career oriented certifications for enabling them to secure a significant edge in their career.

[www.schooljobs.in](http://www.schooljobs.in) and [www.collegejobs.co.in](http://www.collegejobs.co.in) are Everonn's answers to the growing need for exclusive recruitment portals catering specifically to educational institutions. Offering exhaustive databases of both teaching and administrative talents, these portals make it easier for schools and colleges to choose their desired candidates without the hassles and confusion faced in regular employment portals.

[www.kampusconnect.com](http://www.kampusconnect.com) a unique online community for college students focuses on study, career and entertainment. Our special focus on career through placement assistance in **Corporate Konnect** is an exclusive feature that benefits this student community.

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

GITT aims to provide comprehensive and world class training programs for teachers, principals and other educational professionals to ensure a higher standard of quality in the education industry. With the Government allocating more funds for education, the problem of non-availability of trained resources will hopefully be addressed. It has thus become important to provide teachers with the necessary training to become more effective in imparting knowledge. With the growing importance and the need for specialisation across the world, the need for better trained teachers is now being felt beyond both national and cultural boundaries, making well trained teachers an invaluable product in a highly competitive world. Comprehensive courses and content offered by Everonn will provide

segment specific guidance to make candidates the best in their chosen fields of expertise.

**V. SUBSIDIARIES**

The Company has thirteen Subsidiary Companies both direct and indirect as on 31<sup>st</sup> March, 2011. The details of the subsidiaries are as follows:

Name of the Subsidiary	Date of becoming Subsidiary	Ownership	Activities
EVERONN EDUCATIONAL RESOURCES SOLUTIONS LIMITED	06-Nov-07	100%	Dealing in technical and non-technical educational aids for students, teachers etc.
TOPPERS TUTORIAL PRIVATE LIMITED	11-Feb-08	100%	To establish and run coaching institutes in fields of science, commerce etc.
EVERONN INFRA-STRUCTURE LIMITED	25-Feb-09	100%	Creating and developing infrastructure for setting up of educational institutions
AEG SKILL UPDATE PRIVATE LIMITED	18-Mar-09	51%	Activities for dissemination of knowledge, literature, skill update, skill development in all educational training
EVERONN SKILL DEVELOPMENT LIMITED ( Indirect Subsidiary)	03-Apr-09	100% held by M/s Edificati- ons India Limited	To Design, develop, conduct, impart, deliver and implement various skill development and skill upgradation training programs,
EVERONN BUSINESS EDUCATION LIMITED	23-Oct-09	100%	To establish, setup and run in any part of India, business schools management institutes wherein business and management education is imparted
EVERONN SCHOOL LIMITED	28-Apr-10	100%	To establish, provide, manage, maintain, conduct, or subsidize, educational Institutions Schools, with/without residential facilities in the fields of General Basics, Primary, Secondary and Higher



Name of the Subsidiary	Date of becoming Subsidiary	Owner-ship	Activities
			Secondary education, humanities, arts, sciences Philosophy.
EVERONN MEDICAL EDUCATION LIMITED	5-May-10	100%	To establish setup, create and run in any part of India, Medical Colleges, Universities, Nursing Schools at undergraduate, graduate, post Graduate and research level in every field of medicines.
EVERONN TECHNICAL EDUCATION INDIA LIMITED	8-Jul-10	100%	To establish setup, create and run in any part of India Engineering Colleges , universities, Technical Schools, colleges, where in Technical, and Engineering education and Technical science at undergraduate, graduate, post Graduate and research level in every field of Technical and science.
EDIFICATIONS INDIA LIMITED	5-Jan-11	100%	To carry on the business of imparting education and undertaking consultancy and job works in all the areas of education.
EVERONN SPORT MANAGEMENT LIMITED	6-Jan-11	100%	To manage schools and colleges in all the fields of sports and physical education and to provide sports training, sports medicine training and manage all sports events at all levels

Name of the Subsidiary	Date of becoming Subsidiary	Owner-ship	Activities
EVERONN KNOWLEDGE & EDUCATION CORRIDOR LIMITED	13-Jan-11	100%	To acquire, establish, promote and run or otherwise manage education zones, centres for imparting training in all fields of education.
EVERONN DASSANI LITERATE LIMITED	24-Feb-11	60%	To create content and knowledge resource for catering to the educational institutions in India and invest in companies engaged in the business of education and allied fields

During the year, M/s. Everonn Skill Development Limited (ESDL), Subsidiary Company has joined hands with the National Skill Development Corporation's (NSDC) mission with the launch of International Skills School to impart skill to people from across nine key sectors to make them employable. ESDL has been mandated by NSDC to train 15 million people (10% of NSDC's overall target of 150 million) by 2022. NSDC will invest 27% as equity in ESDL. The total investment required for setting up 271 multi skill development centers all across the Country would be Rs.153.76 Crores. The NSDC will subscribe to 27% equity in ESDL for Rs.14.15 Crores. In addition, the NSDC would also provide a loan of Rs.101.34 Crores to ESDL. ESDL will be investing Rs.38.27 Crores, as its contribution in the venture.

ESDL will be training 15 million people over the next 12 years through these centres. The average course fee is expected to be approximately Rs. 9,000 per person with the course ranging from 30 days to six months in nine sectors namely Textile and Apparel, Retail, Hospitality, Automobile, Healthcare, Construction, IT and ITES, Basic Engineering, Multimedia. This may translate into an overall



revenue generating potential of approximately Rs.14,250 Crores over the next 12 years.

To begin with, the courses will be offered in the States like Tamil Nadu, Gujarat, Maharashtra, Andhra Pradesh and Karnataka. The training will be imparted through brick and mortar as well as technology enabled delivery wherever necessary. ESDL & NSDC will assist the needy and deserving candidates in availing Bank Loan facility.

## VI. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements has been drawn up in accordance with the applicable accounting standards, forms part of the Annual Report. As per General Circular No.2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, general exemption was granted to all holding companies from the provisions of Section 212 in relation to subsidiaries of holding companies provided certain conditions are fulfilled. Hence, the Company is not attaching the annual accounts of the subsidiary companies along with the accounts of the Company. As instructed in General Circular No.2/2011 dated 8th February, 2011, 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.

## VII. DIRECTORS

The Board consists of eight Directors as at 31st March, 2011. The Board has six Non-Executive Directors, out of whom five are Independent Directors and also the Chairman of the Board is Non-Executive & Independent Director. The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that not less than fifty percent of the Board should comprise of Non-Executive Directors and if the Chairman is an Executive Director, at least half of the Board should be independent.

During the year, the Company has appointed Dr. Jamshed J Irani as an Additional Director and Chairman of the Company, Mr. Nikhil P Gandhi &

Dr. M.S.Vijay Kumar as Additional Directors of the Company.

In accordance with the provisions of the Articles of Association of the Company, two of your Directors, Mr. R.Sankaran and Dr. K.M.Marimuthu, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The profile of Directors seeking appointment/re-appointment is furnished in the Notice of the ensuing Annual General Meeting.

## VIII. AUDITORS

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

## IX. 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 such 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 Rs. '000

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
<b>CIF Value of Imports</b>	-	14,305
<b>Expenditure in Foreign Currency</b>		
Business Associate Expenses	33,377	35,534
Travel and Conveyance	2,324	3,022
Professional Fees	4,956	811
<b>Earnings in Foreign Exchange</b>		
Testing & other Services	1,15,104	67,148



**X. PARTICULARS OF EMPLOYEES**

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 set out as below :

Name	Age	Qualification	Designation	Date of commencement of Employment	Experience (in yrs)	Gross remuneration Rs. in lakhs	Particulars of Last employment
Mr. P.Kishore	49	Diploma in Commerce	Managing Director	19.04.2000	26 yrs	100.12	None
Mrs. Susha John	46	MS -Applied Science (IT)	Whole-time Director	09.08.2001	23 yrs	74.42	None

**XI. FIXED DEPOSITS**

During the year, your Company has not accepted any public deposits.

**XII. LISTING OF SHARES**

The Equity Shares of your Company have been listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Listing fees for the year 2011-12 have already been paid to BSE and NSE. The custodial fees payable to depositories namely NSDL & CDSL for the year 2011-12 have also been remitted by the Company.

**XIII. CORPORATE GOVERNANCE REPORT & 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.

**XIV. CORPORATE SOCIAL RESPONSIBILITY**

Everonn initiated the Everonn India Foundation to uphold the Company's commitment towards spreading quality education across rural India. The foundation will augment its corporate social responsibility initiatives and will focus on building an equitable society for sustainable development and all-around growth. Everonn strongly believes that by giving back to society, it can contribute to a growing economy as well as build stronger and more prosperous communities. Through this

initiative, Everonn's employees and technological strength aim to make a difference in many students' lives and their learning experiences.

**XV. 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;

- a) That the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) 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;
- c) 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;
- d) That the annual accounts were prepared for the financial year ended 31st March 2011 on a going concern basis.

**XVI. STATUTORY DISCLOSURE**

None of the Directors of your Company is disqualified as per the 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.

**XVII. COMPLIANCE CERTIFICATE**

A Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached as annexure to Corporate Governance report.

**XVIII. ACKNOWLEDGEMENT AND APPRECIATION**

Your Directors take this opportunity to express their deep sense of appreciation to 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

Sd/-

**P.Kishore**  
Managing Director

Sd/-

**Susha John**  
Whole-time Director

Place: Chennai

Date: 23<sup>rd</sup> May, 2011



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



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Company Progress

Everonn Education Limited is a **pioneer** in using technological breakthroughs to make quality education a reality even in the most remote parts of the country. The Company is on a continuous quest for the next technological revolution in learning. Everonn's passion for enabling cutting-edge education delivery has seen us grow dramatically in the past two decades. Everonn has been a leader in transforming education in India since inception and will continue as a forerunner in the field for decades to come.

### Industry Overview

India has the 3rd largest education system globally and has a network of more than 1 million schools and 18000 higher education institutions. India's population in the age group of upto 24 years constitutes 52% of the total population. This showcases that more than half of the country's population falls in the target market for education and related services. The Indian education sector is estimated to be USD 28bn in size, and is expected to be at USD 47bn over a period of 5-6 years. This sector is favoured by encouraging Indian demographics, with 673mn (60%) of the population below 30 years of age (median age: 25 years). The high illiteracy (62%) and drop-out rates - 88% of the population enrolls for primary education, albeit only 11% of the total eligible population enrolls for higher education vs. 80% for developed countries underline the need for investment in education sector in India. Private final consumption expenditure on education is on the rise. This shows that with an increase in per capita income, people are willing to spend more on education once their basic needs of food and clothing are satisfied. Exciting prospects lie ahead for the Indian Education sector. We believe that segments like multimedia, pre schools, K-12 and higher education provide huge opportunities within the education sector. Being in its nascent stage, we expect the sector to grow at a strong pace over the next few years. With robust growth in the service sector in India, it is expected that further proliferation in demand for quality educational services and growth in this sector.

### Government Expenditure on Education set to increase

India spends 2 - 4% of their GDP on education along with peers like Brazil, Russia and China. Developed countries spend anywhere between 5-6%. In order to convert the vast young population of India into a resource driven force, India will have to incur far higher

expenditure on education going forward. The Government proposes to increase the education expenditure to 5% of GDP from the current levels of 3%.

The Government has taken several measures to improve education at the elementary level in the country, the major ones being the implementation of the right of children to free and compulsory education (RTE) Act 2009. **The PPP model for education proposed in the Eleventh Five-Year Plan** talks about minimal government and social control over education and there was an emphasis about privatisation, and the commercialisation of education using public funds. The plan proposes setting up 6,000 new model schools in secondary education, affiliated to CBSE. Of these, 2,500 (Jawahar Kendriya Vidyalayas) are to be established in the PPP model. The intention is to set up these schools in the backward regions and remote areas where good schooling facilities do not exist, so that quality education can be made available to students in these regions.

The Government's Planning Commission has decided to set up these schools by 2014 and they will have the capacity to educate 6.5mn students, out of which 2.5mn would be from deprived sections of the society. Each school will have about 2,500 students and 1,000 of whom will be from the backward sections - they will just be charged token fees only. Half of these 1,000 students will be from the scheduled castes/scheduled tribes (SC/ST) background, paying just INR 25 per month, whereas the remaining will be from poor families, requiring to pay just INR 50 per month. The remaining costs of these students will be reimbursed by the Union Government to the schools. The schools are free to admit any one to the remaining 1500 seats and charge any amount of fee. It is estimated that the government will pay INR 100.5bn until 2017 towards these obligations.

The Indian Government aims to improve the Gross Enrolment Ratio (GER) in higher education from 11% in 2009 to 30% in 2020, the corresponding enrolments being 17mn in 2009 to 29mn by 2018, requiring an additional 12mn seats over this period. With the introduction of Foreign Educational Institutions Bill 2010, Foreign Universities and education providers will be allowed to enter India for providing educational services. The bill also allows for tie-ups with current private institutions within the Country. The fees charged by them would not be regulated by the Government. In addition to this, the bill should also help reverse the annual USD 4 bn outflow by 1,60,000 Indians studying abroad.

Restrictive and ambiguous regulations around private participation for instance, the requirement that schools be run as non-profit institutions, have been roadblocks to sector capitalisation. We believe the recent initiatives



by the Government such as the Foreign Educational Institution Bill 2010, are harbingers of potential deregulation and increasing acceptance of private companies in the sector.

#### **Budget allocation - 2011-12 \***

The growth and development of the Company has a significant impact on the Education system and standards it is capable of offering. India has made huge advancement in the Education sector as per the statistics. Every year, the Union Budget makes an attempt as to broaden the education standards in the country. The 2011 Union budget is not any different.

In the Union Budget 2011-12, an amount of Rs.52,057 Crore is set aside for education which is an increase of 24 per cent over the current year. In the Union Budget 2011, conventional programs like Sarva Shiksha Abhiyan and Madhyamik Shiksha Abhiyan have been given importance as they have helped to make remarkable uplift in education. The Sarva Shiksha Abhiyan is intended for the enlargement and growth mainly in the primary education. The aim of this flagship program was to attain universalisation of primary schooling at an acceptable level by 2010. The present rules of Sarva Shiksha Abhiyan have been modified recently by putting into practice the "Right of Children to free and Compulsory Education" which has been enforced from April 1, 2010 onwards.

As for the year 2011-2012, in the Union Budget, the Ministry has put forward a proposal to apportion an amount of Rs.21,000 Crore, which is almost 40% higher than that of the last year, which was of Rs.15,000 Crore in the Budget for 2010-11. An improved centrally sponsored proposal, to introduce Vocational Training Programs at the Secondary Education level, will come in to force from 2011-12 onwards in order to focus on better employability of youth in the country.

The higher education sector has been given huge importance in India, as it is the power tool which helps to build the country's knowledge base. The Union Budget 2011 has given more priority for the improvement of access of higher education to students along with the improvement in equity and excellence. Other main policy initiatives in the Higher and Technical Education are of the general expansion of various universities and colleges. Special Grants have been provided as for the construction and maintenance of Womens' hostels. There will be scholarships to students opting for higher education and many schemes have been implemented to subsidise interest on education loans for professional courses. This has been introduced in order to encourage higher education among students from the economically backward category. There has also suggestions of making new interventions in order to attract and retain talented teaching staff in the higher and technical education sector.

\* Budget Source : Union Budget 2011.

Union Budget 2011 has offered a significant hike for the promotion of education and for the implementation of Vocational Training Programs at the secondary education level which will positively help in increasing the employability of youth community of the country. This will help the country to craft a working class of youth who are competent and will further balance the demand and supply condition. This in turn helps the country to become stable during economic upheavals, besides also propelling it forward in the Endeavour to be a knowledge oriented economy.

#### **Strength**

Everonn's diverse operations are testament to the Company's firm focus and strength. From offering the next-generation in school education through Internet and VSAT, to providing content on the move, via mobile phones, Everonn is on a constant look out for the next technological revolution in education. Be it elementary knowledge or the latest in animation and gaming, Everonn is the one-stop destination for educational excellence. A parallel focus on formal learning has also enabled the Company to continue raising the bar in the Indian education scenario. Everonn's presence and success has been possible only through its unique strength in content creation and technology.

#### **Content**

The quality of content created by the Company and the breadth of coverage in terms of grades covered, types of syllabi and subjects are key factors to the Company's mission of providing quality and affordable education to the students across the country. The quality of the content is ensured to be in conformity with accepted standards by Everonn's strong content development team which consists of subject experts possessing long years of academic and industry related experience. The content so created is constantly upgraded to suit the requirements of the educational institutions and expectations of the student community. The instructional material generated is based on long process of research, best practices and proven educational techniques.

#### **Technology**

Technology plays a pivotal role in imparting quality education that makes a world of difference. It is today, a critical tool in gaining a definitive competitive edge. Everonn is one of the pioneers in using VSAT (Very Small Aperture Terminal) technology to deliver classes to students in even the remotest locations. This unique delivery mechanism ensures reach to a wide spread network of government schools, private schools and colleges, and in the process renders technology as becoming omnipresent. The technical experts of the Company ensure that Everonn's state-of-the-art studios



are fully equipped with the requisite audio, video and computer systems, which enable instructors to effectively impart their instruction and interact with students.

The **Technology-Enabled Virtual Classrooms** focuses on developing technical and managerial competence among students through the development of specialised knowledge and skills through instructions from the best in the field, delivered over a unique virtual platform.

This virtual learning platform at Everonn blends the strengths and advantages of traditional methods of education with cutting-edge technology. Using a powerful interface, it enables a student to share in participatory sessions with other students and instructors all over the country.

Everonn's virtual initiative platform thus redefines the very concept of classroom education, retaining all its benefits while improving its reach and enhancing collaborative group learning. Everonn becomes India's first to Provide "Simultaneous and Seamless" educational content through VSAT, Broadband & Mobile. Everonn recently announced its tie-up with Dialcom Networks (Spain) and Lamhas Satellite Services Ltd. (Mumbai) to deliver educational content simultaneously and seamlessly through unified communication solutions. Besides its pioneering on-line and VSAT-enabled courses, this alliance enables Everonn to deliver educational content on mobile phones, a never-before-seen occurrence in India.

## SUSBSIDIARIES

### Everonn Educational Resources Solutions Limited (EduRes)

The Company focuses on providing best-in-class resources, quality products/services at most competitive prices to schools and colleges by leveraging its relationship with various vendors. It aims to provide best-in-class resources to educational institutions across India, making the learning process easier, effective and enjoyable for students. The Company provides branded school uniforms, books, stationery, computers & accessories, e-learning devices, simulation software, lab equipments, etc.

### Toppers Tutorial Private Limited

The Company is engaged in the business of coaching and training students for IIT-JEE and other entrance exams. The Company aims at imparting coaching programme designed specifically to suit the needs of students aspiring for the entrance exams. Our blended format of teaching helps students to grasp abstract concepts with ease. Digitally enabled lecture platforms allow faculties to use animation, video, audio and other presentation tools to enhance the learning process. This virtual platform blends the strengths and advantages of traditional methods of education with cutting edge technology.

### Everonn Skill Development Limited (ESDL)

The Company aims at imparting industry relevant skills to youth to make them industry ready and skilled personnel using world class content and practices. The Company offers programs in Textile and Apparel, Retail, Tourism and Hospitality, Automotive, Healthcare, Construction, IT and ITES, Basic Engineering, and Media and Entertainment and other life skills. Global accreditation, world class curriculum, Foreign Universities tie ups, well designed courseware & VSAT enabled lectures sets the company a notch above others.

The Company partners with Christiani (Germany); Tafe Queensland (Australia); Canadian College (Vancouver); Interactive Design Institute Limited (Scotland); Dassault Systemes (France). Ignou, Future Group, Rai, Sipcot, Sun Animatics and many other notable names in the world. The Company caters to the skill development needs of school and college students as well as new professionals through courses that enable them to develop or upgrade their talents in a given field.

The Company has joined hands with the National Skill Development Corporation's (NSDC) mission with the launch of **International Skills School** to skill people from across nine key sectors to make them employable. The Company has been mandated by NSDC to train 15 million people (10% of NSDC's overall target of 150 million) by 2022.

To begin with, the courses will be offered in Tamil Nadu, Gujarat, Maharashtra, Andhra Pradesh and Karnataka. Training will be imparted through brick and mortar as well as technology enabled delivery wherever necessary. ESDL & NSDC will assist the needy and deserving candidates in availing bank loan facility.

### Everonn Business Education Limited (EBEL)

The Company caters to the needs of the business education market in India and South Asia and aims to create a wealth of knowledge, skilled managerial manpower and non-replicable intellectual property in the Industry. The Company focuses on creating business schools at under graduate, graduate, post graduate and PhD levels as well as on networking existing business schools through VSAT, Internet, IPTV and 3G technologies. EBEL also creates content and knowledge resources for business schools along with publishing books, journals and periodicals for existing business education students.

### Everonn School Limited (ESL)

Everonn School Limited (ESL) is a wholly owned subsidiary of Everonn Education Limited and caters to the school education segment. Everonn School Limited plans to set up Kindergarten to Class 12 schools across the nation covering all blocks, districts and metros. These



schools will follow various curricula - State Board, CBSE, IB, ICSE etc.

#### **Preschool:**

The Company plans to set up pre-schools under its brand name "**Kinderstand**". Kinderstand is a new age preschool custom built for busy parents who wish the very best for their young ones. Taking into account the time constraints of working parents, we offer flexible and fun learning modules for children in a creative and conducive setting. The chief goal lies in being able to prepare the child to count numbers, learn the alphabets, draw shapes and rattle rhymes while playing hide and seek, hop, skip & jump, as a measure to develop the student in a well-rounded and balanced academic and other activity based learning format. The Company currently has 9 pre-school centres which include one own centre in Chennai and one franchisee centre each in Gobichettipalayam & Puducherry.

#### **K-12 CBSE Schools: Kenbridge Schools**

Kenbridge schools forms a network of K-12 English medium CBSE Schools which offer high quality, technology enabled education to students at the district level. These schools will have state-of-the-art infrastructure, technology enabled classrooms, quality teachers and unique teaching methods that will make these children as competent as their city counterparts. The Company has signed agreement with the land owners and proposed to set up Kenbridge schools in Gulbarga, Raipur, Mayiladuthurai, Vijayawada, Kota, Himmatnagar, Ramanathapuram, Karur and Tirunelveli.

#### **International Schools: Winfinity World Schools**

The Company proposes to set up international schools under the brand name "Winfinity World School." It has been designed to be a unique model of learning institutions which will combine the award of an International Certification based on a holistic learning process. The operational hallmark of Winfinity World Schools would be the concept triangle of "Modern Psycho Pedagogy & Whole brain development, Quality consciousness and technology based learning. The International Schools would offer CIE curriculum throughout grade I to grade XII. It will primarily follow a residential format but also permit day scholars. The Company has signed agreements with the land owners and proposed to set up Winfinity World Schools in Madurai and Coimbatore.

#### **Everonn Medical Education Limited (EMEL)**

Everonn Medical Education Limited sets up Integrated Academic Medical Centres and Centres of Excellence (CoE), managing existing institutions and providing services and advanced medical content to educational institutions and hospitals. The Company aims to produce a skilled workforce of physicians, nurses and paramedics

to ease the shortage of healthcare professionals. With the support of strong and knowledgeable domestic and international partners of proven excellence, the Company will revamp existing standards and impart world class medical education and healthcare delivery in India.

Favorable market dynamics and a sea change in the regulatory climate present the opportune moment to set up medical education institutes. The Indian Government has been unable to cater to the growing needs for healthcare professionals within the country and is encouraging private groups to play a key role in helping solve the macro-problem. The Government is now also seeking the Public-Private Partnership (PPP) route to set up medical, nursing and para-medical colleges. In the next few years, the Company would establish a nation-wide presence and become the largest medical education provider in the country.

#### **Everonn Technical Education India Limited (ETEIL)**

The Company was incorporated as a wholly owned subsidiary of Everonn Education Limited with an objective to impart quality education, advance knowledge and research in science and technology through an innovative and comprehensive curriculum to foster excellence and create highly skilled industry-ready professionals and scholars. The Company was formed to cater to the rising demand for skilled, industry ready engineering graduates in India and the products range from establishing technical institutions and Centers of Excellence to developing industry relevant technical education content to creating an engineering students portal. The Company also provides project/academic/operations and facility management services to existing colleges seeking to improve their operations and teachers training programs for technical education academia.

#### **Everonn Infrastructure Limited**

Everonn Infrastructure Limited is a complete solution provider to meet the infrastructural needs of educational institutions. The Company's services include everything from design and construction of buildings to distribution of educational aids. Its other areas of expertise include school transportation services, disseminating curriculum books and educational aids, health services and certification. Equipped to provide exemplary services at all levels - infrastructure, personnel and resources, Everonn Infrastructure Limited has also built strong relationship with service providers, government bodies and allied Companies to provide best-in-class consultancy services to meet all client requirements.

#### **CORPORATE SOCIAL RESPONSIBILITY**

As part of its commitment to uphold the social cause, Everonn instituted the Everonn India Foundation. Through this initiative, the Company is committed to



uphold its commitment towards establishing quality education networks across rural India, aimed at accelerating growth and development across the lower strata of the society. The foundation will augment its corporate social responsibility initiatives and will focus on building an equitable society for sustainable development and all around growth. Everonn strongly believes that by giving back to society, it can contribute to a growing economy as well as build stronger and more prosperous communities. Through this initiative, Everonn's employees and technological strength aim to make a difference in the lives of many students and their learning experiences.

### OPPORTUNITIES

Our Company believes that the inefficiencies in the current education system, such as lack of infrastructure, low literacy rates, high dropout rates and lack of adequately trained teachers, provide a huge opportunity for private players to plug the gap by addressing the demand through a mix of products and services which will become known for excellence and effectiveness. The Indian middle class is willing to pay for quality education, as it is strongly believed to be an important pre-requisite for securing a job with good pay. As the quality of education in government schools needs improvement, this creates a tremendous opportunity for private players offering quality education. The propensity to pay for this is increasing with time, thus creating a huge and growing market. In addition to the above, this sector is fairly insulated from any potential market downturn.

Low levels of enrolment at the tertiary level provides a huge market for private players in vocational training. India ranks low in terms of the percentage of population with a formal vocational training. Several industries like aviation, retail, finance and IT/ITES are already facing manpower shortages in India as the economy matures. Additionally, the phenomenal growth seen in sectors like infrastructure and telecom over the last few years has created several job opportunities and a huge demand for relevant talent - a gap that can be plugged by private players addressing the demand for education.

### OUTLOOK

Strong macro growth drivers can be witnessed in terms of burgeoning middle class with increasing income levels and an unmet demand for quality education all of which indicate favourable demographics for India's population. While the entry barriers are likely to stay, the recent enactment of the RTE Act by the Government gives every child in the age group of 6-14 years, the right to demand free elementary education. As a result of this, there is vast opportunity for private players to participate and excel in the education dissemination process.

The changing mindset of the government, to encourage private participation should usher a process of accelerated evolution in the Indian Education Sector.

### THREATS & RISKS

- Rising competition in ICT could drive the Company to bid aggressively for contracts which would impact return ratios and cash flows
- The Company's performance depends largely on the Government policies on education and allocation of budgets towards education. Any adverse change in the government's policies towards education and reduction in any allocation of government budget will materially affect the performance of the Company.
- Delay in payments from governments will adversely affect cash flows which has an impact on our working capital requirements. The Company has taken effective steps to follow up with the governments with respect to payments to minimize the time taken to receive the same.
- Delay in the schedule of implementation of government projects might have an adverse impact on our profitability.
- 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 Company is exposed to the risk of piracy and misuse of content developed by us. Acts of piracy will result in loss of revenue.
- Decline in pricing for iSchools, given increasing number of new entrants and price cuts by other competitors, will adversely impact our revenues.
- The Company has no past experience in setting up and managing K-12 schools and business schools.

### PERFORMANCE OF THE COMPANY

The financial performances are covered in the Directors' Report and the same can be referred to in the said report.

#### Internal control systems and their adequacy:

The Internal Control System of the Company is well structured and is commensurate with the size, scale and complexity of its operations. The same is being constantly assessed and strengthened with new/revised





standard operating procedures, tighter internal and Information Technology (IT) controls.

The Company has proper and adequate system of internal controls that all assets are safeguarded and protected against losses from unauthorized use or disposition and all the transactions are authorized, recorded and reported correctly. The Audit Committee of the Company deals with the significant control issue raised by Internal and External Auditors and instructs further areas to be covered. The management duly considers suggestions and recommendations made by the Statutory Auditors, Internal Auditors and Independent Audit Committee of the Board of Directors and takes appropriate steps and necessary actions suggested by them.

### **HUMAN RESOURCE DEVELOPMENT**

Human Resource has a significant role to play in the Company's future. In today's environment managing employees requires a great deal of skill and poses to be a significant challenge, whether it is retention, attracting talent, growth opportunities etc. Your Company believes that a well trained and efficient manpower is the key to the development of an organisation.

Your Company has a favourable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of quality and integrity. Your Company provides a congenial working atmosphere which will foster creative thinking. In order to drive enhanced efficiency and move towards achieving excellence, the Talent Management team has been divided into three broad-based components, namely -

- Talent Development Team: Considering the need for continuous attention on organizational objectives and futuristic goals, the team would focus on strategies for preparing the organization for an exponential level of growth that is planned for the next 5 years.
- Talent Engagement Team: The team will focus on all activities from employee's entry to exit and will include employee relations, personnel administration, performance management and quality practices.
- Talent Acquisition Team: Based on our growth plans and need for effective selection of right talent across the organization, the team is entrusted with the responsibility to focus on talent recruitment across the organization and all employee pre-boarding activities.

Your Company values its human resource as the most significant asset and the key focus is to attract, retain and develop talent as a resource. The total strength of the Company as on 31st March 2011 was 6016.

### **FUTURISTIC STATEMENTS**

Statements in this report describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations that involve risks and uncertainties. Such statements represent the intention of the Management and the efforts being put into place by them to achieve certain goals. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore, the investors are requested to make their own independent assessments and judgements by considering all relevant factors before making any investment decision.



## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-2011

The Corporate Governance Report for the year 2010-2011 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 always focused on good Corporate Governance practices which would ensure efficient conduct of the affairs of the Company and achieve the Company's goal of maximizing values of all its stakeholders. In line with this philosophy, the Company endeavors to maintain transparency at all levels through adoption of best Corporate Governance Practices. Your Company has been continuously committed to maximising the shareholder value on a sustained basis, while catering to the welfare of multiple stakeholders. Your Directors perceive their role as a trustee of the stakeholders in particular and the society at large, inculcating a culture of transparency, accountability and integrity across the Company.

Your Company has been maintaining high standards of auditing, disclosure and reporting. These standards and the innate transparent culture continue to define your Company's Corporate Governance philosophy based on strong systems, policies and procedures.

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, 2011.

### II. BOARD OF DIRECTORS

The Directors of the Company possess highest personal and professional ethics, integrity and values, and are committed to representing the long-term interests of the stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgment on behalf of the Company. Mr. P.Kishore, Managing Director, is entrusted with the day-to-day management of the Company and is ably assisted by Mrs. Susha John, Whole-time Director and Senior executives of the Company under the overall supervision of the Board, to enhance the long-term value of the Company for all its stakeholders.

The Board has an optimum combination of Executive, Non Executive and Independent Directors, which ensures proper governance and management. The Board has six Non-Executive Directors, out of whom five are Independent Directors and also the Chairman of the Board is a Non-Executive & Independent Director. As on 31st March, 2011, the composition of the Company's Board of Directors is in conformity with the prescribed code of Corporate Governance by the concerned Stock Exchanges.

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 the 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
Mr.P.Kishore	Promoter & Executive	Managing Director	Yes	9	13	3	NIL	NIL
Mrs.Susha John	Promoter & Executive	Whole-time Director	Yes	8	11	1	NIL	NIL
Mr.Joe Thomas	Independent & Non Executive	Director	No	6	NIL	3	NIL	NIL
Mr.R.Sankaran	Independent & Non Executive	Director	Yes	9	2	NIL	2	NIL



Name of the 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
Dr.K.M.Marimuthu	Independent & Non-Executive	Director	Yes	9	1	NIL	NIL	NIL
Dr.Jamshed J Irani	Independent & Non-Executive	Chairman	N.A	4	10	NIL	2	5
Mr.Nikhil P Gandhi	Non-Independent & Non-Executive	Director	N.A	NIL	11	5	1	16
Dr.M.S.Vijay Kumar	Independent & Non-Executive	Director	N.A	NIL	NIL	NIL	NIL	NIL

Dr. M.S.Vijay Kumar has participated in the discussions held on 8th February, 2011 and 7th March, 2011 Board Meetings through video conferencing and his presence is not taken into consideration for quorum purposes.

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

During the financial year ended 31st March 2011, 9 (Nine) Board Meetings were held as per the schedule given below

Date of the Board Meeting	Board Strength	No. of the Directors Present
19-May-2010	5	5
19-July-2010	5	5
11-August-2010	5	5
31-August-2010	5	4
27-October-2010	5	5
09-December-2010	7	5
08-February-2011	8	6
07-March-2011	8	5
31-March-2011	8	5

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

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

The Audit Committee comprises of three Non Executive & Independent Directors, one Non Executive Director and one Executive Director. Mr.R.Sankaran, Mr.Joe Thomas, Dr.K.M. Marimuthu, Mr.Nikhil P Gandhi and Mrs. Susha John are the members of the Committee. Mr. R.Sankaran, Non Executive & Independent Director acts as the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee. The Chief Financial Officer (CFO), the Statutory Auditors and the Internal Auditors are permanent invitees to attend the meetings of the Committee.

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

- Review the Companies financial statements, before submission to, and approved by the Board.
- Review the Companies procedures for deducting fraud and whistle blowing and



ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or other matters;

- Review management's and the internal auditor's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management;
- Monitoring the integrity of the Company's internal financial controls;
- Assess the scope and effectiveness of the systems established by the Management;
- Manage and monitor financial and non-financial risk;
- Review the internal audit program and ensure that the internal audit function is efficient and has appropriate standing within the Company;
- Receive a report on the result of the internal auditor's work on a periodical basis;
- Review and monitor management's responsiveness to the internal auditor's findings and recommendations; and
- Monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system

#### b) Meetings and Attendance

The Committee met on five occasions namely 15<sup>th</sup> May 2010, 11<sup>th</sup> August 2010, 27<sup>th</sup> October 2010, 8<sup>th</sup> February 2011 and 23<sup>rd</sup> February 2011, during the financial year 2010-11.

**The time gap between any two meetings was less than four months.**

The attendance of the members at the meetings of the Audit Committee is as follows:

Sl.No	Name of the Member	Meetings Attended
1	Mr.R.Sankaran	5
2	Mr.Joe Thomas	3
3	Dr.K.M.Marimuthu	5
4	Mrs.Susha John	5
5	Mr.Nikhil P Gandhi	0

#### IV. REMUNERATION COMMITTEE

The Remuneration Committee has been constituted to make recommendations to the Board of Directors regarding the appointment/reappointment of the Executive and Non-Executive Directors, the nomination and induction of Board members into various committees and suggest revision in total remuneration package of the Executive Director(s) in consonance with the existing industry practice directed towards rewarding performance, based on review of achievement on a periodical basis.

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

The Remuneration Committee of the Board comprises of the three Non Executive & Independent Directors and one Non Executive Director. The following Directors are members of the Committee:

Sl.No.	Name of the Member	Designation
1	Mr. Joe Thomas	Chairman
2	Mr. R.Sankaran	Member
3	Dr. K.M.Marimuthu	Member
4	Mr. Nikhil P Gandhi	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 the presence of two members. The Company Secretary acts as the Secretary to the Committee.

##### b) Meetings and Attendance

The Committee met on two occasions viz 15<sup>th</sup> May 2010 & 29<sup>th</sup> March 2011 during the year. The attendance of the members at the meetings of the Remuneration Committee is as follows:

Sl.No	Name of the Member	Meetings Attended
1	Mr.Joe Thomas	2
2	Mr.R.Sankaran	2
3	Dr.K.M.Marimuthu	2
4	Mr.Nikhil P Gandhi	0



**c) Remuneration to the Directors**

**Executive Directors**

Remuneration to Executive Directors has been decided based on the years of experience and contribution made by the respective executive directors and is consistent with the existing industry practice. Executive Directors are entitled for the following remuneration :

- (i) Salary and commission not to exceed limits prescribed under the Companies Act, 1956
- (ii) Revised from time to time depending upon the performance of the Company,
- (iii) No Sitting Fees is being paid to them

The Board of Directors subject to the approval of the shareholders has reappointed Mr. P.Kishore as Managing Director and Mrs. Susha John as Whole-time Director for a period of 5 years from 1st April 2011 to 31st March 2016.

Details of the remuneration paid to Executive Directors and their shareholding in the company for the year ended March 31, 2011 is as follows:

(Amount in Rs.)

Sl. No.	Name of the Director	Salary & Allowances (incl. perquisites)	Contribution to provident Fund	Commission	No. of Shares held & Percentage of Share holding
1	Mr.P.Kishore	72,40,200	72,000	27,00,000	1635764 & 8.59%
2	Mrs.Susha John	52,84,596	57,600	21,00,000	419985 & 2.21%
	<b>Total</b>	<b>1,25,24,796</b>	<b>1,29,600</b>	<b>48,00,000</b>	

**Non-Executive Directors**

No Remuneration except sitting fees and commission is payable to the Non-Executive Directors. No sitting fees 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 each of the Non-Executive Directors per meeting is as follows:

Particulars	(Amount in Rs.)
Board	10000/-
Audit Committee	10000/-
Remuneration Committee	10000/-
Finance Committee	10000/-
Shareholders/Investor Grievance & Share Transfer Committee	10000/-
Allotment Committee	10000/-

**Details of sitting fees and commission to Non-Executive Directors** (Amount in Rs.)

Sl. No.	Name of the Director	Sitting Fees	Commission	Share holding
1	Dr.Jamshed J Irani	40,000	1,56,000	Nil
2	Dr.K.M.Marimuthu	2,00,000	7,42,000	Nil
3	Mr.R.Sankaran	2,40,000	9,37,000	Nil
4	Mr.Joe Thomas	1,40,000	5,85,000	1,25,643

**V. SHAREHOLDERS / INVESTOR GRIEVANCE & SHARE TRANSFER COMMITTEE**

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

The Shareholders/Investor Grievance & Share Transfer Committee of the Board comprises of three Non Executive & Independent Directors and one Non Executive Director. The Committee met on three occasions namely, 11th August 2010, 27th October 2010 & 8th February 2011 during the financial year 2010-11. The attendance of the members at the meetings of the Shareholders/ Investor Grievance & Share Transfer Committee is as follows:

Sl. No.	Name of the Member	Designation	Meetings Attended
1	Mr.Joe Thomas	Chairman	3
2	Mr.R.Sankaran	Member	3
3	Dr.K.M.Marimuthu	Member	3
4	Mr.Nikhil P Gandhi	Member	0

The Company attaches highest importance to the Investor relations. The Board of Directors of the Company have constituted the Shareholders/ Investor Grievance & Share Transfer Committee 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. The Committee also scrutinises the performance of the Registrar & Share Transfer Agent and recommends measures for overall improvement of the quality of service.

**b) Name and Designation of Compliance Officer:**

Mr. S. Vijayanand, Company Secretary, acts as the Compliance Officer as per Clause 47 (a) and (f) of the Listing Agreement entered with the Stock Exchanges.

**c) 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 complaints from the shareholders, the details of which are as follows:

Sl. No.	Nature of Complaints	Pending as on 1st April 2010	Complaints Received	Complaints Redressed	Pending as on 31st Mar 2011
1	Non receipt of Refund order & Shares	0	6	6	0
2	Non receipt of Dividend	0	2	1	1
	<b>Total</b>	<b>0</b>	<b>8</b>	<b>7</b>	<b>1</b>

**VI. OTHER COMMITTEES**

**Finance Committee**

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

The Committee comprises of the Managing Director, Whole-time Director, one Non Executive & Independent Director and One Non-Executive Director. The Quorum for the meeting is presence of two members and the Company Secretary is the Secretary to the Committee.

Sl.No.	Name of the Member	Designation
1	Mr. P.Kishore	Chairman
2	Mrs. Susha John	Member
3	Mr. R.Sankaran	Member
4	Mr.Nikhil P Gandhi	Member

The terms of reference of the Committee inter-alia includes

- Opening, Closing or Operation of bank accounts.
- To review the position of funds of the Company, borrow monies required for the purpose of business, negotiate and finalise the terms of borrowings with the lenders, approve borrowings and look into its repayments and also to make loans when there is surplus money available in hand.
- Authorisation to Directors, 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 four occasions namely 14<sup>th</sup> May 2010, 30<sup>th</sup> June 2010, 6<sup>th</sup> August 2010 and 20<sup>th</sup> September 2010 during the year. The attendance of the members at the meetings of the Finance Committee is as follows:

Sl. No.	Name of the Member	Designation	Meetings Attended
1	Mr. P.Kishore	Chairman	4
2	Mrs. Susha John	Member	4
3	Mr. R.Sankaran	Member	4
4	Mr. Nikhil P Gandhi	Member	0

**VII. GENERAL BODY MEETINGS**

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

Date	Meeting	Location	Time	No. of Special Resolutions
27th July, 2010	AGM	The Music Academy, New No.168, TTK Road, Chennai-14.	11.00 AM	3
03rd Aug, 2009	AGM	Everonn House Plot Nos.96-99 Industrial Estate Perungudi, Chennai-96	03.00 PM	3
20th Aug, 2008	AGM	The Music Academy, New No.168, TTK Road, Chennai-14	11.00 AM	2



- b) During the past 3 AGM's 8 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 31<sup>st</sup> March, 2011. None of the ordinary and special resolutions placed at the ensuing Annual General Meeting are required to be passed by the members through 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 interests 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 Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with 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 Financial Results in the prescribed form within the time prescribed under the Act 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., Business Standard (English), Mint (English) and Makkal Kural (Tamil).

Press briefings are held after important occasions namely, 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 Agreement 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	3rd August, 2011
2.	Day	Wednesday
3.	Time	11.00 AM
4.	Venue	P.Obul Reddy Hall, Sri Thyaga Brahma Gana Sabha, Vani Mahal, G.N.Chetty Road, T.Nagar, Chennai-17.

**Financial Calendar for 2011-12 (tentative)**

The Financial year of the Company is 1st April-31st March of every year and the tentative details of the financial calendar for the year 2011-12 are as under:

I Quarter Results for June 2011	On or before 14th August, 2011
II Quarter Results for September 2011	On or before 14th November, 2011
III Quarter Results for December 2011	On or before 14th February, 2012
Financial Results for the year ending 31 <sup>st</sup> March, 2012	On or before 30th May, 2012
12 <sup>th</sup> Annual General Meeting of the Company, for the year ending 31 <sup>st</sup> March, 2012	July / August, 2012

**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/Symbol
Bombay Stock Exchange Limited	Phiroze Jhejeebhoy Towers, Dalal Street, Mumbai – 400 001	532876
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 2011-12 have been paid to the Stock Exchanges, where the Company's Shares are listed.

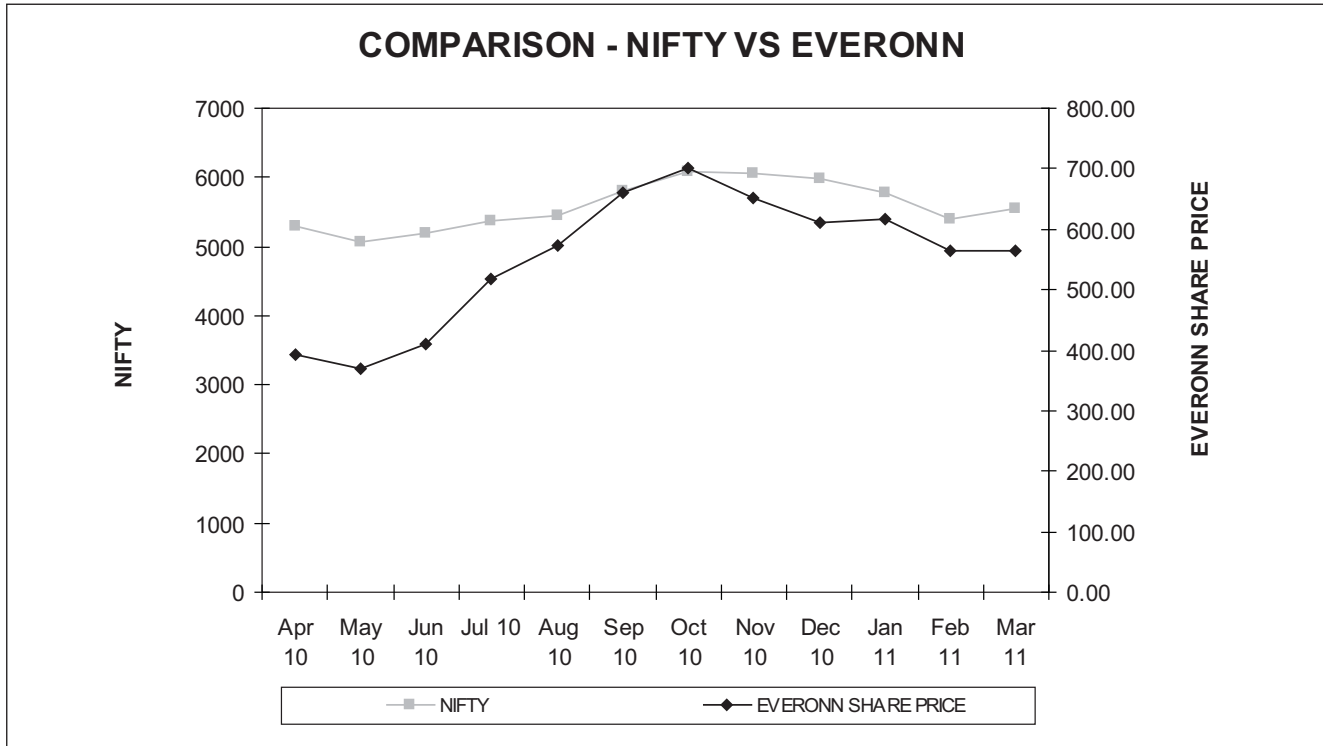
**Details of the Share price movements in the National Stock Exchange of India Limited and Bombay Stock Exchange Limited**

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 10	417.70	371.05	159151	417.80	372.20	77114
2	May 10	412.85	332.05	84020	414.00	334.00	38305
3	Jun 10	464.00	336.60	413029	465.00	335.00	169434
4	Jul 10	613.60	444.00	1688657	613.40	444.50	733874
5	Aug 10	617.40	516.60	734878	617.00	515.85	295907
6	Sep 10	736.00	541.50	653251	735.00	526.65	257537
7	Oct 10	756.00	599.90	195551	756.45	636.45	68350
8	Nov 10	720.00	574.10	140454	714.95	567.00	55732
9	Dec 10	653.80	562.60	160628	663.65	575.00	64318
10	Jan 11	708.40	546.10	491758	707.80	546.15	221619
11	Feb 11	648.00	438.65	798691	648.30	435.25	404527
12	Mar 11	600.70	527.00	254077	600.80	531.10	105952

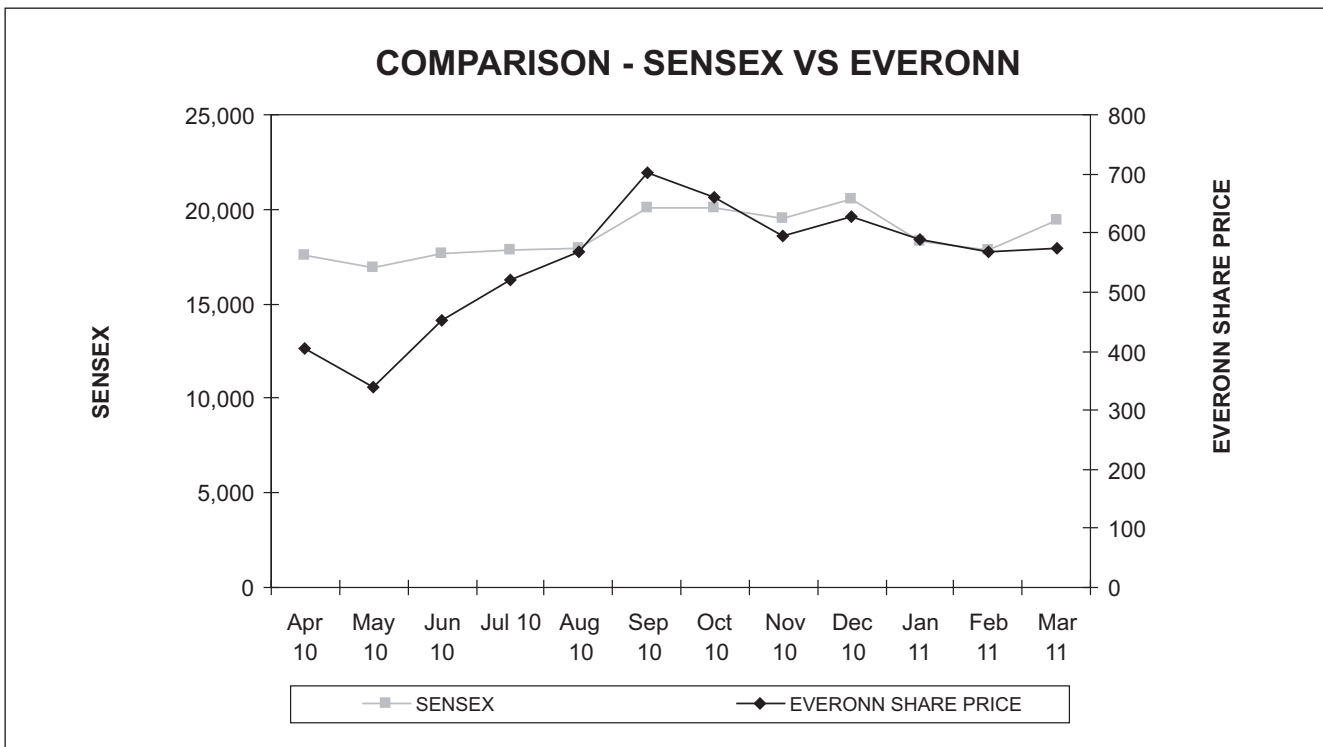




### Relative Performance of Everonn Education Limited's Share Price with NSE's INDEX - NIFTY



### Relative Performance of Everonn Education Limited's Share Price with BSE's INDEX - SENSEX





**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 dematerialisation of 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 2011-12.

**Corporate Identity Number**

The Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, Government of India is L65991TN2000PLC058466 and our Company registration number is 18-58466

With the MCA 21 initiative of the Ministry of Corporate Affairs going live, the Company’s Master Data information and details of the compliance filings made by the Company with the Ministry of Corporate 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 Share Transfer Agent**

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

M/s. Cameo Corporate Services Limited  
Unit: Everonn Education 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 and Share

Transfer Agent. In respect of the Company's shares, which are traded in the dematerialised form, the transfers are processed and approved in electronic form by NSDL/CDSL through their Depository Participants.

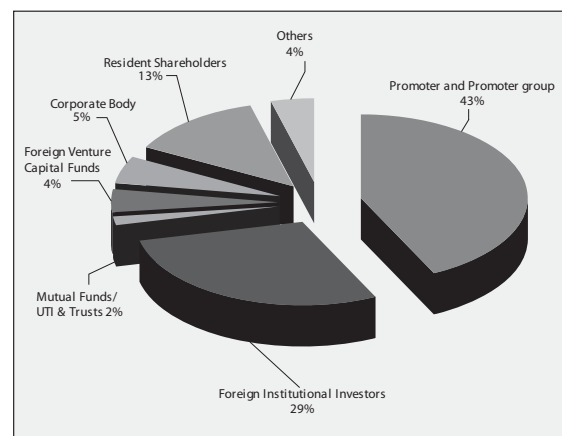
The physical share transfers, transmissions etc., are processed based on number of requests received and keeping in view the prescribed timeline. The shares lodged for physical transfer/transmission/transposition are registered as per the requirement of the listing agreement, if the documents are complete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

To ensure swift processing of the share transfers, transmissions, transposition etc Shareholders/ Investors Grievance & Share Transfer Committee has been formed by the Company.

**Shareholding Pattern and the Distribution of Shareholding as at 31st March, 2011:**

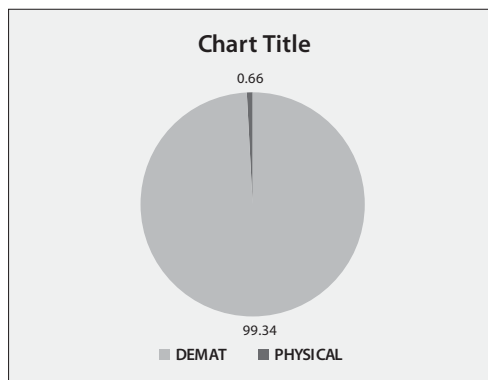
CATEGORY	Percentage
Promoter and Promoter group	42.67
Foreign Institutional Investors	28.62
Mutual Funds/ UTI & Trusts	1.68
Foreign Venture Capital Funds	4.42
Corporate Body	5.28
Resident Shareholders	13.11
Others	4.22
<b>TOTAL</b>	<b>100.00</b>

Number of shareholders as on 31st March 2011 stood at 30862 (Thirty Thousand Eight Hundred and Sixty Two only)



**The Distribution of the Shareholding of the Company as at 31<sup>st</sup> March, 2011, is as follows:**

Share holding Rs. (Nominal Value)	Share Holders		Share Amount	
	Number	% to total	Rs.	% to total
Upto 5000	30185	97.80	1,44,84,900	7.6108
5001-10000	338	1.10	25,45,550	1.3375
10001-20000	152	0.49	22,46,280	1.1802
20001-30000	52	0.17	12,97,700	0.6818
30001-40000	32	0.10	11,18,150	0.5875
40001-50000	12	0.04	5,58,230	0.2933
50001-100000	22	0.07	16,28,870	0.8558
100001 and above	69	0.23	16,64,39,320	87.4528
<b>Total</b>	<b>30862</b>	<b>100</b>	<b>19,03,19,000</b>	<b>100.0000</b>

**Dematerialization of Shares and Liquidity**

The Company has entered into agreements with both National Securities Depository Limited and Central Depository Services (India) Limited to facilitate the shareholders to demat their equity shares with any one of the depositories. The custodial charges for the year 2011-12 have been paid to NSDL and CDSL as per the Listing Agreement. As at 31st March 2011, 1,89,05,696 equity shares representing 99.34% of the Company's total number of shares have been dematerialised.

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

The Company has not issued any ADR/GDR or any convertible warrants during the year ended 31st March 2011.

**Location**

Address for Correspondence & Shareholders queries

**Regd. Office:**

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

(or)

**Corporate Office:**

The Company Secretary,  
Everonn Education Limited,  
"Everonn House",  
Plot Nos.96-99, Industrial Estate,  
Perungudi, Chennai - 600 096.  
Phone : 044-42968400 Fax : 044-42968408

(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 the redressal of investor grievances. The Company has also displayed the email-id on the website; **www.everonn.com**.

**Other Shareholders Information****Appointment/Re-appointment of Directors**

As per the Articles of Association of the Company, one-third of its Directors retire every year and, if eligible, offer themselves for re-election at every Annual General Meeting. Accordingly, Mr. R.Sankaran and Dr. K.M.Marimuthu are liable to retire at the ensuing Annual General Meeting and being eligible, are offering themselves for



re-appointment, in accordance with the provisions of the Companies Act, 1956. The brief resume of each of the Directors who are proposed to be appointed / reappointed is given below:

**Mr. R. Sankaran:** He has over 40 years of experience in Financial Management and made substantial contributions in various capacities to the operations and financial performance of various companies. He was employed in various capacities with Rourkela Steel Plant. He was a Financial Adviser of Hindustan Steel Works Construction Ltd and later became Director Finance of ACC Babcock Ltd. Lastly, he was employed as Senior Financial Advisor - Tata Steel Limited. He has held Directorships in various TATA group companies and other private and public limited companies.

**Dr. K.M. Marimuthu:** With a Master's degree from IIT Kharagpur and a Doctorate in Genetics & Cytology from Mc Master, Hamilton, Canada, Dr. K.M. Marimuthu was formerly the Vice Chancellor of Bharatiar University with the distinction of holding the post for two terms. He has served in many universities in India and abroad and has authored many books and research papers. Dr. K.M. Marimuthu is currently a Professor Emeritus at the University of Madras, Chennai.

#### **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) with 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 is 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](http://www.everonn.com), is in compliance with the provisions of Listing Agreement with the Stock Exchanges.

This Code of Conduct shall apply to all 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, 2011. The declaration from Mr. P. Kishore, Managing Director, regarding the affirmation of the compliance for the year ended 31st March, 2011, is enclosed and forms part of this report.

#### **Prevention of Insider Trading**

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.

#### **Secretarial Standards relating to Board Meetings**

The Secretarial and the operating practices generally followed by our Company are in line with the Standards on Secretarial practice relating to meetings of the Board and Committees stipulated by The Institute of Company Secretaries of India even if such laid down standards are recommendatory in nature.

#### **Equity Shares in Suspense Account**

As per Clause 5A of the Listing Agreement, the Company reports that 600 shares are lying in Everonn Education Limited - Unclaimed Securities Suspense Account as on March 31, 2011.

### **Declaration from the Managing Director**

(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, 2011.

Place : Chennai  
Date : May 23, 2011

**P KISHORE**  
MANAGING DIRECTOR



## **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 for the year ended 31st March 2011 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 Agreement 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  
FRN 000580S

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

Place : Chennai  
Date : May 23, 2011



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## FINANCIAL STATEMENTS 2010-11

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## AUDITORS REPORT

### To the Members of Everonn Education Limited

1. We have audited the attached Balance Sheet of M/s. Everonn Education Limited as at 31st March 2011 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 31.03.2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 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 2011.
    - (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  
FRN 000580S

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

Place : Chennai  
Date : May 23, 2011

**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 parts of the Fixed Assets have not been sold during the year under review affecting going concern.
4. The Company has granted unsecured loans to Subsidiary Companies amounting to Rs.7800.90 Lakhs and the terms and conditions of loans taken by the Company, unsecured, are prima facie not prejudicial to the interest of the Company
5. 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 Companies Act, 1956.
6. 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.
7. 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.
8. 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.
9. 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.
10. In our opinion, the Company has an Internal Audit system commensurate with the size and nature of its business.
11. 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.
12. 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. There are no outstanding dues in respect of the above items which are more than six months as at the balance sheet date.
13. 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.
14. The Company has not incurred cash losses during the year covered by our audit and also during the immediately preceding financial year.
15. 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.
16. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
17. 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.
18. 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.

19. 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.
20. In our opinion, the term loans have been applied for the purpose for which they were raised.
21. 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.
22. The Company has made preferential allotment of shares to parties and companies. The allotments

and pricing of the shares have been made in accordance with the guidelines laid down in this regard by SEBI and hence prices at which shares have been issued are not prima facie, prejudicial to the interest of the Company.

23. According to the information and explanations given to us and based on the records examined by us, the Company has issued debentures during the year.
24. The Company has not raised any money during the year through public issue of any of its securities.
25. According to the information and explanations given to us, there were no cases of fraud on or by the Company noticed or reported during the year.

Place : Chennai  
Date : May 23, 2011

For M/s. P.CHANDRASEKAR  
Chartered Accountants  
FRN 000580S

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



**EVERONN EDUCATION LIMITED**  
**BALANCE SHEET AS AT 31-03-2011**

Amt. in Rs. '000

Particulars	Schedule	As at 31-Mar-11	As at 31-Mar-10
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDER'S FUNDS</b>			
Share Capital	1	1,90,319	1,51,204
Share Warrants	1A	64,568	–
Employee Stock Option Outstanding		10,534	9,599
Reserves and Surplus	2	50,67,557	23,95,607
<b>LOAN FUNDS</b>			
Secured Loans	3	14,82,933	8,39,339
Unsecured Loans	4	6,06,356	–
<b>DEFERRED TAX</b>		<b>2,54,499</b>	<b>1,67,859</b>
<b>TOTAL SOURCES OF FUNDS</b>		<b>76,76,766</b>	<b>35,63,608</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	31,36,683	20,58,966
Less: Depreciation and Amortisation		8,69,218	6,77,290
Net Block		22,67,465	13,81,676
Capital Work-in-Progress		3,85,000	2,45,944
<b>INVESTMENTS</b>	6	<b>9,08,510</b>	<b>1,53,292</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Sundry Debtors	7	17,20,687	11,29,255
Cash and Bank Balances	8	12,16,662	3,84,831
Loans and Advances	9	16,89,534	5,90,136
		46,26,883	21,04,222
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	10	<b>5,11,092</b>	<b>3,21,526</b>
<b>NET CURRENT ASSETS</b>		<b>41,15,791</b>	<b>17,82,696</b>
<b>TOTAL APPLICATION OF FUNDS</b>		<b>76,76,766</b>	<b>35,63,608</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 23, 2011

For and on Behalf of Board of Directors

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



**EVERONN EDUCATION LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2011**

Amt. in Rs. '000

Particulars	Schedule	Year Ended 31-Mar-11	Year Ended 31-Mar-10
<b>INCOME</b>			
Sales and Service Income	11	30,16,293	21,06,515
Other Income	12	51,605	7,686
<b>TOTAL INCOME</b>	<b>A</b>	<b>30,67,898</b>	<b>21,14,201</b>
<b>EXPENDITURE</b>			
Manpower	13	4,23,592	3,14,750
Education and Training expenses	14	8,26,434	6,10,151
Administration and Other expenses	15	2,35,867	2,21,774
Interest and Finance charges	16	1,92,783	1,03,220
Depreciation & Amortisation	5	3,58,879	2,37,834
<b>TOTAL EXPENDITURE</b>	<b>B</b>	<b>20,37,555</b>	<b>14,87,729</b>
<b>Profit Before Taxation</b>	<b>A-B</b>	<b>10,30,343</b>	<b>6,26,472</b>
Provision for taxation			
Current Tax		2,14,050	1,25,150
Deferred Tax		86,640	67,293
<b>Profit After Taxation</b>		<b>7,29,653</b>	<b>4,34,029</b>
Surplus brought forward from last year		7,17,848	4,71,569
<b>Profit available for appropriations</b>		<b>14,47,501</b>	<b>9,05,598</b>
<b>Appropriations :</b>			
Transfer to Debenture Redemption Reserve		32,717	1,09,083
Proposed Dividend		47,999	30,241
Tax on Dividend		7,972	5,023
Transfer to General Reserve		7,00,000	43,403
<b>Balance carried to balance sheet</b>		<b>6,58,813</b>	<b>7,17,848</b>
<b>Earnings per equity share (basic ) Rs.</b>		<b>44.71</b>	<b>28.70</b>
<b>Earnings per equity share (diluted) Rs.</b>		<b>43.25</b>	<b>28.70</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 23, 2011

For and on Behalf of Board of Directors

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



**EVERONN EDUCATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2011**

Particulars	Amt. in Rs. '000	
	As at 31-Mar-11	As at 31-Mar-10
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	10,30,343	6,26,472
Adjustments for :		
Depreciation	3,58,879	2,37,834
Interest on long term loan	15,759	12,742
Employee stock option plan amortisation	935	3,160
Operating profit before working capital changes	14,05,916	8,80,208
Adjustments for :		
Trade and other receivables	(11,90,830)	(3,23,152)
Trade payables and other liabilities	65,765	(1,52,820)
Cash generated from operations	2,80,851	4,04,236
Direct taxes paid / deducted at source	(1,10,956)	(1,10,273)
<b>Net Cash Flow from Operations</b>	<b>1,69,895</b>	<b>2,93,963</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Asset	(13,83,724)	(7,40,661)
Advances given to subsidiary on long term basis	(5,00,000)	–
Investment made during the year	(7,55,218)	87,853
<b>Net Cash Flow from Investment Activities</b>	<b>(26,38,942)</b>	<b>(6,52,808)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital Raised (net of expenses)	21,01,951	–
Increase / (Decrease) in Secured Loans	6,43,594	3,57,657
Increase / (Decrease) in Unsecured Loans	6,06,356	(2,830)
Interest payment	(15,759)	(12,742)
Dividend paid (including dividend tax)	(35,264)	–
<b>Net Cash Flow From Finance Activities</b>	<b>33,00,878</b>	<b>3,42,085</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>8,31,831</b>	<b>(16,760)</b>
<b>Opening balance of Cash and Cash Equivalents</b>	<b>3,84,831</b>	<b>4,01,591</b>
<b>Closing balance of Cash and Cash Equivalents</b>	<b>12,16,662</b>	<b>3,84,831</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 23, 2011

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director

**Susha John**  
Whole-time Director

**S. Vijayanand**  
Company Secretary



**EVERONN EDUCATION LIMITED**  
**SCHEDULES TO BALANCE SHEET AS AT 31-03-2011**

Particulars	Amt. in Rs. '000	
	As at 31-Mar-2011	As at 31-Mar-10
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,50,00,000 (Previous Year 2,00,00,000) Equity Shares of Rs.10/- each	<b>2,50,000</b>	2,00,000
	<b>2,50,000</b>	2,00,000
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
<b>1,90,31,900 (Previous Year 1,51,20,400) Equity Shares of Rs.10/- each fully paid up</b>	<b>1,90,319</b>	1,51,204
<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 Directors' for 1,25,670 equity shares of Rs.10/- each fully paid up at a premium of Rs.10/- per share.		
(3) On 28/06/2006, 2,57,053 equity shares of Rs.10/- each fully paid up were allotted to Everonn Employees 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.		
(5) On 09/12/2010, 39,11,500 equity shares of Rs.10/- each fully paid up were allotted at a premium of Rs.510.87/- on preferential basis.		
<b>Schedule 1A</b>		
<b>SHARE WARRANTS</b>		
<b>EQUITY SHARE WARRANTS</b>		
6,00,000 Partly paid Share Warrants of Rs.430.45/- (Previous Year Nil) each to be converted into Equity Shares of Rs.10/- each at a premium of Rs.420.45/-)	<b>64,568</b>	—
<b>Schedule 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Opening Balance	<b>14,37,604</b>	14,37,604
Add: Amount Received on Equity Shares	<b>19,98,268</b>	—
<b>Total</b>	<b>34,35,872</b>	14,37,604



**EVERONN EDUCATION LIMITED**  
**SCHEDULES TO BALANCE SHEET AS AT 31-03-2011**

Particulars	Amt. in Rs. '000	
	As at 31-Mar-11	As at 31-Mar-10
<b>Schedule 2 (Contd.)</b>		
<b>General Reserve</b>		
Opening balance	54,558	11,155
Add: Transfer from Profit & Loss A/c	7,00,000	43,403
Transfer from Debenture Redemption Reserve	1,41,800	—
<b>Total</b>	<b>8,96,358</b>	<b>54,558</b>
<b>Capital Reserve</b>	<b>76,514</b>	<b>76,514</b>
<b>Debenture Redemption Reserve</b>		
Opening balance	1,09,083	—
Add: Transfer from Profit & Loss A/C	32,717	1,09,083
Less: Transfer to General Reserve	1,41,800	—
<b>Total</b>	<b>—</b>	<b>1,09,083</b>
<b>Surplus in Profit and Loss Account</b>	<b>6,58,813</b>	<b>7,17,848</b>
<b>Total</b>	<b>50,67,557</b>	<b>23,95,607</b>
<b>Schedule 3</b>		
<b>SECURED LOANS</b>		
<b>Debentures</b>	—	1,41,800
(PY 2,00,000 14% Secured Non - Convertible Debentures of Rs.100/- each - Rs.20,000 (000))		
(PY 10,00,000 4% Secured Non - Convertible Debentures of Rs.100/- each - Rs.1,00,000 (000))		
(PY 2,18,000 6% Secured Non - Convertible Debentures of Rs.100/- each - Rs.21,800 (000))		
From Banks		
– Cash Credit / Secured Overdraft	5,86,740	1,162
– Loan against Deposits / Other Secured Loans	2,80,638	3,50,384
– Term Loan	1,00,807	81,333
From Others		
– Term Loan	5,14,748	2,64,660
[Due within One year Rs.2,21,246(000)]		
[Previous Year Rs.76,411(000)]		
<b>Total</b>	<b>14,82,933</b>	<b>8,39,339</b>
<b>Schedule 4</b>		
<b>UNSECURED LOANS</b>		
<b>Debentures</b>	1,26,800	—
2,28,000, 0% Unsecured Fully Convertible Debentures of Rs.100/- each Rs.22,800 (000) (PY NIL)		
10,40,000, 0% Unsecured Fully Convertible Debentures of Rs.100/- each Rs.1,04,000 (000) (PY NIL)		
Others	4,79,556	—
(Commercial Papers-Maximum outstanding at any point of time during the year is Rs.4,79,556 (000))		
<b>Total</b>	<b>6,06,356</b>	<b>—</b>



**EVERONN EDUCATION LIMITED**  
**SCHEDULES TO BALANCE SHEET AS AT 31-03-2011**

Schedule 5

**FIXED ASSETS**

Amt. in Rs. '000

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010	Additions	Deductions	As at 31.03.2011	Upto 01.04.2010	for the year	Deductions	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
<b>Tangible Assets</b>										
Land	33,400	-	-	33,400	-	-	-	-	33,400	33,400
Building	1,57,800	-	-	1,57,800	3,934	7,890	-	11,825	1,45,975	1,53,866
Plant and Machinery	11,38,192	8,45,999	1,33,431	18,50,760	4,63,281	2,17,641	1,33,431	5,47,491	13,03,269	6,74,911
Electrical Fittings	62,579	63,553	3,005	1,23,127	19,399	10,090	3,005	26,484	96,643	43,180
Furniture & Fixtures	3,97,165	1,23,376	8,979	5,11,562	68,547	47,893	8,979	1,07,461	4,04,101	3,28,618
Vehicles	9,142	3,620	-	12,762	3,175	705	-	3,880	8,882	5,967
<b>Intangible Assets</b>										
Software	85,791	11,408	11,071	86,128	39,167	17,809	11,071	45,906	40,222	46,624
Knowledge Resource and Content	1,74,897	1,96,714	10,467	3,61,144	79,787	56,851	10,467	1,26,171	2,34,973	95,110
<b>Total</b>	<b>20,58,966</b>	<b>12,44,670</b>	<b>1,66,953</b>	<b>31,36,683</b>	<b>6,77,290</b>	<b>3,58,879</b>	<b>1,66,953</b>	<b>8,69,218</b>	<b>22,67,465</b>	<b>13,81,676</b>
Previous Year	13,16,075	7,42,891	-	20,58,966	4,39,456	2,37,834	-	6,77,290	13,81,676	8,76,619
Capital WIP	-	-	-	-	-	-	-	-	3,85,000	2,45,944



**EVERONN EDUCATION LIMITED**  
**SCHEDULES TO BALANCE SHEET AS AT 31-03-2011**

Particulars	Amt. in Rs. '000	
	As at 31-Mar-11	As at 31-Mar-10
<b>Schedule 6</b>		
<b>INVESTMENTS</b>		
<b>(A) Long Term, Unquoted, Non Traded &amp; Cost</b>		
(i) Investment in Subsidiaries		
– 1,08,000 Equity Shares (Previous Year 56,000) of Rs.100/- each fully paid up in Toppers Tutorial Private Limited	<b>1,35,000</b>	70,000
– 21,00,000 Equity Shares (Previous Year 21,00,000) of Rs.10/- each fully paid up in Everonn Educational Resources Solutions Limited	<b>41,000</b>	41,000
– 15,50,000 Equity Shares (Previous Year 50,000) of Rs.10/- each fully paid up in Everonn Infrastructure Limited	<b>15,500</b>	500
– 5,100 Equity Shares (Previous Year 5,100) of Rs.10/- each fully paid up in AEG Skill Update Private Limited	<b>51</b>	51
– 40,50,000 Equity Shares (Previous Year 20,50,000) of Rs.10/- each fully paid up in Everonn Skill Development Limited	–	30,500
– 22,50,000 Equity Shares (Previous Year 50,000) of Rs.10/- each fully paid up in Everonn Business Education Limited	<b>2,20,500</b>	500
– 24,50,000 Equity Shares (Previous Year Nil) of Rs.10/- each fully paid up in Everonn School Limited	<b>60,500</b>	–
– 50,000 Equity Shares (Previous Year Nil) of Rs.10/- each fully paid up in Everonn Medical Education Limited	<b>500</b>	–
– 50,000 Equity Shares (Previous Year Nil) of Rs.10/- each fully paid up in Everonn Technical Education India Limited	<b>500</b>	–
– 50,000 Equity Shares (Previous Year Nil) of Rs.10/- each fully paid up in Everonn Sport Management Limited	<b>500</b>	–
– 60,50,000 Equity Shares (Previous Year Nil) of Rs.10/- each fully paid up in Edifications India Limited	<b>2,10,500</b>	–
– 30,000 Equity Shares (Previous Year Nil) of Rs.10/- each fully paid up in Everonn Dassani Literate Limited	<b>300</b>	–
– 50,000 Equity Shares (Previous Year Nil) of Rs.10/- each fully paid up in Everonn Knowledge & Education Corridor Limited	<b>500</b>	–
(ii) Investment in Others		
– 82,530 Equity Shares (Previous Year 82,530 Equity Shares) of Rs. 10/- each fully paid up in DT Media and Entertainment Private Limited	<b>10,729</b>	10,729
– 1,22,500 Equity Shares (Previous Year Nil) of Rs.10/- each fully paid up in Right Track Admizzionz Campuz Private Limited	<b>60,025</b>	–
	<b>7,56,105</b>	<b>1,53,280</b>





**EVERONN EDUCATION LIMITED**  
**SCHEDULES TO BALANCE SHEET AS AT 31-03-2011**

Particulars	As at 31-Mar-11	As at 31-Mar-10																
<b>(B) Current Investment</b>																		
Listed and Quoted (Traded)																		
500 Equity Shares of Rs.10/- each in Indian Overseas Bank	12	12																
Market Value of Investments (IOB Shares) @ Rs.133.35/- amounting to Rs.73,200/- (Previous Year @ Rs.91.95/- amounting to Rs.45,975/-)																		
<b>INVESTMENT IN MUTUAL FUNDS</b>	<b>1,52,393</b>	—																
In Mutual Funds (Net Asset Value (NAV) as on 31.03.11 Rs.1,52,393 ('000) (PY Nil))	<b>1,52,393</b>	—																
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Particulars</th> <th style="text-align: right; border-bottom: 1px solid black;">Amt. Invested Rs.'000</th> <th style="text-align: right; border-bottom: 1px solid black;">No. of Units</th> <th style="text-align: right; border-bottom: 1px solid black;">Market Value Rs.'000</th> </tr> </thead> <tbody> <tr> <td>IDFC Saving Advantage Fund - Daily Dividend</td> <td style="text-align: right;">1,00,000</td> <td style="text-align: right;">1,01,857.622</td> <td style="text-align: right;">1,01,873</td> </tr> <tr> <td>LIC Nomura MF Interval Fund - Dividend</td> <td style="text-align: right;">50,000</td> <td style="text-align: right;">49,99,300.098</td> <td style="text-align: right;">50,520</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>1,50,000</b></td> <td></td> <td style="text-align: right;"><b>1,52,393</b></td> </tr> </tbody> </table>	Particulars	Amt. Invested Rs.'000	No. of Units	Market Value Rs.'000	IDFC Saving Advantage Fund - Daily Dividend	1,00,000	1,01,857.622	1,01,873	LIC Nomura MF Interval Fund - Dividend	50,000	49,99,300.098	50,520	<b>Total</b>	<b>1,50,000</b>		<b>1,52,393</b>		
Particulars	Amt. Invested Rs.'000	No. of Units	Market Value Rs.'000															
IDFC Saving Advantage Fund - Daily Dividend	1,00,000	1,01,857.622	1,01,873															
LIC Nomura MF Interval Fund - Dividend	50,000	49,99,300.098	50,520															
<b>Total</b>	<b>1,50,000</b>		<b>1,52,393</b>															
<b>Total</b>	<b>9,08,510</b>	<b>1,53,292</b>																

**During the year the following Current Investments were Purchased and Sold;**

99978.595 Units of UTI Treasury Advantage Fund at Cost of RS. 100000 (000)  
 99996.51 Units of Axis Treasury Advantage Fund at Cost of RS. 100000 (000)  
 472880.314 Units of ICICI Prudential Flexible Income Plan at Cost of RS. 50000 (000)  
 483123.062 Units of ICICI Prudential Flexible Income Plan at Cost of RS. 50000 (000)  
 9919749.229 Units of HDFC Floating Rate Income Fund at Cost of RS. 100000 (000)  
 4976362.279 Units of Kotak Flexi Debt Scheme at Cost of RS. 50000 (000)  
 5032746.922 Units of Kotak Flexi Debt Scheme at Cost of Rs. 50000 (000)  
 9982929.191 Units of Religare Ultra Short Term Fund at Cost of RS. 100000 (000)  
 9998500.225 Units of IDFC Money Fund Tp Super Inst. Plan at Cost of RS. 100000 (000)  
 9994003.598 Units of SBI SHF Ultra Term Fund Institutional Plan at Cost of RS. 100000 (000)  
 9994003.598 Units of SBI SHF Ultra Term Fund Institutional Plan at Cost of RS. 100000 (000)  
 49931.519 Units of Reliance Liquidity Fund at Cost of RS. 50000 (000)  
 50486.614 Units of Reliance Liquidity Fund at Cost of RS. 50000 (000)  
 4995454.137 Units of Baroda Pioneer Treasury at Cost of RS. 50000 (000)  
 50044.099 Units of Baroda Pioneer Treasury at Cost of Rs. 50089.63952 (000)  
 2985817.368 Units of Kotak Flexi Debt Scheme Institutional at Cost of RS. 30000 (000)  
 1990544.912 Units of Kotak Flexi Debt Scheme Institutional at Cost of RS. 20000 (000)  
 9994503.023 Units of Birla Sun Life Short Term at Cost of RS. 100000 (000)  
 5000000 Units of IDBI Ultra Short Term Fund - Daily Dividend at Cost of RS. 50000 (000)



**EVERONN EDUCATION LIMITED**  
**SCHEDULES TO BALANCE SHEET AS AT 31-03-2011**

Particulars	Amt. in Rs. '000	
	As at 31-Mar-11	As at 31-Mar-10
<b>Schedule 7</b>		
<b>SUNDRY DEBTORS</b>		
[Unsecured & Considered Good]		
More than Six Months	4,14,635	4,44,583
Others	13,06,052	6,84,672
<b>Total</b>	<b>17,20,687</b>	<b>11,29,255</b>
<b>Schedule 8</b>		
<b>CASH &amp; BANK BALANCES</b>		
(a) Cash in Hand	3,796	1,073
(b) Balance with Schedule Banks in		
(i) Current Accounts	10,96,962	2,75,770
(ii) Deposit Accounts (Including Interest accrued)	26,524	21,054
(iii) Margin Account	89,380	86,934
<b>Total</b>	<b>12,16,662</b>	<b>3,84,831</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	14,22,796	5,15,463
(b) Security & Other Deposits	2,04,010	38,238
(c) Advance Income Tax and Tax Deducted at Source	62,728	36,435
<i>Advances include due from Subsidiary Companies Rs.7,80,090 (000)</i>		
<i>PY 74,847 (000)</i>		
<i>Maximum Amount Outstanding during the year Rs.7,80,090 (000),</i>		
<i>PY 74,847 (000)</i>		
<b>Total</b>	<b>16,89,534</b>	<b>5,90,136</b>
<b>Schedule 10</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	12,439	14,633
Security Deposits and Advance against services to be rendered	23,776	20,695
Other Liabilities	1,57,922	93,311
<b>Total</b>	<b>1,94,137</b>	<b>1,28,639</b>
<b>PROVISIONS</b>		
Proposed Dividend	47,999	30,241
Tax on Dividend	7,972	5,023
Provision for Tax	2,57,203	1,54,109
Leave Encashment	3,781	3,514
<b>Total</b>	<b>3,16,955</b>	<b>1,92,887</b>
<b>Total</b>	<b>5,11,092</b>	<b>3,21,526</b>



**EVERONN EDUCATION LIMITED**  
**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31-03-2011**

Particulars	Amt. in Rs. '000	
	Year ended 31-Mar-11	Year ended 31-Mar-10
<b>Schedule 11</b>		
<b>SALES AND SERVICE INCOME</b>		
Education & Training Income	30,16,293	21,06,515
<b>Total</b>	<b>30,16,293</b>	<b>21,06,515</b>
<b>Schedule 12</b>		
<b>OTHER INCOME</b>		
Dividend from Mutual Funds	13,302	4,017
Interest income (Tax deducted at source Rs.3830 (000) ) PY Rs. 597 (000)	38,303	2,985
Miscellaneous Income	—	684
<b>Total</b>	<b>51,605</b>	<b>7,686</b>
<b>Schedule 13</b>		
<b>MANPOWER COSTS</b>		
Salaries	3,95,710	2,88,578
Contribution to Provident and other Funds	16,804	14,691
Staff welfare expenses & others	10,143	8,321
Employee stock option plan compensation	935	3,160
<b>Total</b>	<b>4,23,592</b>	<b>3,14,750</b>
<b>Schedule 14</b>		
<b>EDUCATION AND TRAINING EXPENSES</b>		
Course execution and delivery expenses	8,26,434	6,10,151
<b>Total</b>	<b>8,26,434</b>	<b>6,10,151</b>



**EVERONN EDUCATION LIMITED**  
**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31.03.2011**

Particulars	Amt. in Rs. '000	
	Year ended 31-Mar-11	Year ended 31-Mar-10
<b>Schedule 15</b>		
<b>ADMINISTRATION AND OTHER EXPENSES</b>		
Electricity charges	16,321	19,643
Insurance charges	1,132	2,159
Communication expenses	14,504	18,933
Audit fees	1,226	1,158
Directors sitting fees	640	330
Rates and taxes	16,204	7,625
Legal, professional and consultancy charges	40,506	32,039
Rent	20,353	22,995
Repairs and Maintenance		
- Building	110	305
- Plant & Machinery	12,888	10,441
- Others	16,348	12,435
Travelling and Conveyance	40,715	28,184
Sales promotion and Advertisement expenses	47,960	64,848
Foreign Exchange Loss (Net)	6,409	-
Miscellaneous expenses	551	679
<b>Total</b>	<b>2,35,867</b>	<b>2,21,774</b>
<b>Schedule 16</b>		
<b>INTEREST AND FINANCIAL CHARGES</b>		
Interest on Term Loans	15,759	12,742
Interest on Other Loans	1,87,481	69,337
Bank Charges	30,921	23,972
Less:		
Interest income on deposits (Tax deducted at source Rs.4,447 (000) PY Rs.93 /-(000)	(41,378)	(2,831)
<b>Total</b>	<b>1,92,783</b>	<b>1,03,220</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 23, 2011

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director

**Susha John**  
Whole-time 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 estimates 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 thereon 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 recognised on rendering of services over the period of instruction as per the terms of agreement as the case may be.

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

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

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

Revenue from online educational services is recognised upon receipt of subscription fees. In case of supply to licensee, the revenue is recognised on establishment of right to receive.

Dividend income is recognised when the right to receive payment is established. Interest income is recognised 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 recognised as operating leases. Lease rentals under operating leases are recognised 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 recognised 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 recognised 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 not provided for are disclosed by way of notes.

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

#### **10. Borrowing Costs**

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 recognised 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 recognised 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 recognised 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 recognised 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 assets and liabilities 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 recognised 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 recognised 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 payments. The cash flows from regular revenue generating, investment and financing activities of the Company are segregated.

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

#### **16. Accounting of Claims**

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



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

## II. NOTES TO ACCOUNTS

### 1. Issue of Warrants

During the year, the Company has allotted 6,00,000 convertible equity warrants on 11th August, 2010 to Promoters/Persons forming Promoter Group, entitling each holder to obtain allotment of one equity share against each such warrant at a price of Rs.430.45/-. As per the terms of issue of equity warrant, an amount equivalent to 25% of the issue price aggregating to Rs.64,568 ('000) was received and is retained under share warrants.

As per the terms of issue, the holder of equity warrants will have an option to apply for and be allotted one equity share of the Company per equity warrant at any time after the allotment of equity warrant but on or before the expiry of 18 months from the date of allotment of equity warrant, in one or more tranches.

### 2. Preferential Issue of Shares

During the year, the Company has issued 39,11,500 equity shares of Rs.10/- each at a premium of Rs.510.87/- on preferential basis to M/s. SKIL Infrastructure Limited on 9th December 2010. Post issue of shares, M/s. SKIL Infrastructure Limited is categorised as Co-promoter.

### 3. Contingent liability

Rs. in ' 000

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Bank Guarantee issued by banks	3,74,849	4,24,966
Corporate Guarantee issued on behalf of Subsidiary Companies	4,16,000	—
Corporate Guarantee issued to banks for secured loans to third party	10,11,200	5,91,200
Bills Discounted	—	1,89,896
LC Issued by Banks	—	1,72,215
Taxes, Duties and others	7,400	—

### 4. 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.3,51,076/- (000) (PY Rs.1,91,898/- (000))

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

Rs. in '000

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Within one year	4,85,168	1,76,546
Between one to five years	15,35,215	2,88,979
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 the financial year 2006-07, the Company has established Employee Stock Option Scheme, 2006 under which 2,57,053 equity shares have been allotted for 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 a 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 31.3.2011	Year Ended 31.3.2010
Total grants authorised under the plan	8,56,844	8,56,844
Total options granted under the plan	81,030	81,030
Pricing formula	Rs. 10/- per option	Rs. 10/- per option
Options vested	64,324	50,111
Options exercised	64,324	49,616



Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Total number of equity shares arising as a result of exercise of options	<b>64,324</b>	49,616
Options forfeited/ lapsed	<b>16,706</b>	11,688
variation of terms of options	<b>NA</b>	NA
Money realized by exercise of options*	<b>6,43,240</b>	4,96,160
Total number of options in force as on the date of this report	-	19,726
Employee-wise details of Options Granted		
Senior Managerial Personnel (Directors on Board)	<b>NA</b>	NA
Any other employee receiving grant in any one year of option amounting to 5% or more of the options granted during the year	<b>NA</b>	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.	<b>NA</b>	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)	<b>NA</b>	NA

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Difference if any, between the employee compensation cost calculated using intrinsic value of stock options and the employee compensation cost recognised 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	<b>NA</b>	NA
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	<b>NA</b>	NA

\* The money realised 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 Educational Resources Solutions Limited 2. Toppers Tutorial Private Limited 3. Everonn Infrastructure Limited 4. Everonn Business Education Limited 5. Everonn Medical Education Limited 6. Everonn Technical Education India Limited 7. Everonn School Limited 8. Everonn Knowledge & Education Corridor Limited 9. Edifications India Limited 10. Everonn Sport Management Limited	Wholly-owned Subsidiary Company
11. Everonn Skill Development Limited	Indirect Wholly-owned Subsidiary Company
12. AEG Skill Update Private Limited	Subsidiary Company with 51% of Holding
13. Everonn Dassani Literate Limited	Subsidiary Company with 60% of Holding
14. Skill Infrastructure Limited	Promoter Group Company
15. Tourism Resorts Private Limited 16. Mistair Realtys Private Limited 17. CelebrateIndia Tourism Limited	Enterprise over which some of the directors exercise significant influence
18. Mr. P. Kishore 19. Mrs. Susha John	Key Managerial 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 Managerial Personnel	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Money received against warrants issued (Note 1)	-	-	-	-	64,568	-
Salary, perquisites (Note 2)	-	-	-	-	17,454	11,213
Investments made in Subsidiaries (Note 3)	6,03,300	1,36,000				
Loans Given to 1. Toppers Tutorial Private Limited	67,656	50,433				



Amt in Rs. '000

Nature of Transaction	Subsidiaries		Enterprise over which some of the directors exercise significant influence		Key Managerial Personnel	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
2. Everonn Educational Resources Solutions Limited	–	10,074	–	–	–	–
3. Everonn Infrastructure Limited	30,846	5,066	–	–	–	–
4. Everonn Skill Development Limited	3,27,289	410	–	–	–	–
5. Everonn Business Education Limited	2,27,841	8,854	–	–	–	–
6. Everonn Medical Education Limited	28,231	–	–	–	–	–
7. Everonn Technical Education India Limited	14,194	–	–	–	–	–
8. Everonn School Limited	82,516	–	–	–	–	–
9. AEG Skill Update Private Limited	76	10	–	–	–	–
10. Everonn Knowledge & Education Corridor Limited	1,242	–	–	–	–	–
11. Everonn Sport Management Limited	–	–	–	–	–	–
12. Edifications India Limited	200	–	–	–	–	–
13. Everonn Dassani Literate Limited	–	–	–	–	–	–
Interest Income from Subsidiaries						
1. Toppers Tutorial Private Limited	3,895	2,985				
2. Everonn Infrastructure Limited	926	–	–	–	–	–
3. Everonn Skill Development Limited	8,722	–	–	–	–	–
4. Everonn Business Education Limited	15,295	–	–	–	–	–
5. Everonn Medical Education Limited	1,054	–	–	–	–	–
6. Everonn School Limited	2,665	–	–	–	–	–
7. Everonn Technical Education India Limited	337	–	–	–	–	–

**Notes:**

1. Represents issue of Convertible equity warrants to
  - a. Mr. P.Kishore Rs.53,806 (000) (Previous Year Nil)
  - b. Mrs. Susha John Rs.10,762 (000) (Previous Year Nil)
2. Includes remuneration to
  - a. Mr. P.Kishore Rs.10,012 (000) (Previous Year Rs.5,959 (000))
  - b. Mrs. Susha John Rs.7,442 (000) (Previous Year Rs.4,274 (000))
3. Includes investment made in
  - a. Everonn Infrastructure Limited Rs.15,000 (000) (Previous Year Nil)
  - b. Toppers Tutorial Private Limited Rs.65,000 (000) (Previous Year Rs.65,000 (000))
  - c. Everonn Educational Resources Solutions Limited Rs.Nil (000) (Previous Year Rs.40,000(000))



- d. Everonn Skill Development Limited Rs.30,000 (000) (Previous Year Rs.30,500 (000))  
(During the year 100% shares transferred to M/s. Edifications India Limited (100% Subsidiary Company of the Company)
- e. Everonn Business Education Limited Rs.2,20,000 (000) (Previous Year Rs.500 (000))
- f. Everonn School Limited Rs.60,500 (000) (Previous Year Nil)
- g. Everonn Medical Education Limited Rs.500 (000) (Previous Year Nil)
- h. Everonn Technical Education India Limited Rs.500 (000) (Previous Year Nil)
- i. Everonn Sport Management Limited Rs.500 (000) (Previous Year Nil)
- j. Edifications India Limited Rs.2,10,500 (000) (Previous Year Nil)
- k. Everonn Dassani Literate Limited Rs.300 (000) (Previous Year Nil)
- l. Everonn Knowledge & Education Corridor Limited Rs.500 (000) (Previous Year Nil)

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

Rs. in '000

Particulars	As at Mar 31, 2011		As at Mar 31, 2010	
	Recoverable	Payable	Recoverable	Payable
Subsidiary Company	780,090	–	74,847	–
Key Managerial Personnel	–	3,360	–	4,129

Corporate Guarantee of Rs.5,000 (000) (Previous Year Rs.5,000 (000) ) has been given by M/s. Tourism Resorts (Private) Limited towards Collateral to obtain Term Loan from State Bank of India.

**7. Earnings per share**

Rs. in '000

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Profit attributable to equity shareholders - (A)	7,29,653	4,34,029
Weighted average number of equity shares outstanding during the year (Nos) - (B)	1,63,20,641	1,51,20,400
Add: Effect of potential dilutive shares (being warrants issued) (Nos) - (C)	5,49,559	Nil
Weighted average number of equity shares outstanding considered for determining diluted earnings per share (Nos) - (D)	1,68,70,200	1,51,20,400
Nominal value of equity shares (Rs.)	10.00	10.00
Basic Earnings per share - (A/B) (Rs.)	44.71	28.70
Diluted Earnings per share - (A/D) (Rs.)	43.25	28.70

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

**8. a. Managerial Remuneration to Executive and Non-Executive Directors**

Rs. in '000

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
A. Remuneration to Executive Directors		
Salary and Allowances (including Perquisites)	12,524	8,882
Contribution to Provident Fund	130	141
Commission to Executive Directors	4,800	2190
Total (A)	17,454	11,213
B. Remuneration to Non-Executive Directors		
Sitting Fees paid to Non-Executive Directors	640	330
Commission to Non-Executive Directors	2,420	1,500
Total (B)	3,060	1,830
Total (A+B)	20,514	13,043

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

Rs. in '000

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Profit before Tax	10,30,343	6,26,472
Add: Directors Remuneration	19,874	12,713
Sitting Fees	640	330
Less: Surplus / (Loss) on Fixed Assets	-	-
Net profit under Section 198 of the Companies Act, 1956	10,50,857	6,39,515
Maximum remuneration to Executive Directors @ 10%	1,05,086	63,952
Remuneration paid/provided to Executive Directors	17,454	11,213
Maximum Commission to Non-Executive Directors under Companies Act, 1956 @ 1%	10,509	6,395
Commission to Non-Executive Directors provided	2,420	1,500

**9. Payments to Auditors**

Rs. in '000

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
a) For Statutory Audit	1,000	1,000
b) Reimbursement of Expenses	226	159
<b>Total</b>	<b>1,226</b>	<b>1,159</b>

**10. Acquisitions/Subscriptions**

During the year, the Company has subscribed 52,000 equity shares for a total consideration of Rs.65,000 (000) in its wholly owned subsidiary in Toppers Tutorial Private Limited.

During the year, the Company has subscribed 15,00,000 equity shares for a total consideration of Rs.15,000 (000) in its wholly owned subsidiary in Everonn Infrastructure Limited.

During the year, the Company has subscribed 20,00,000 equity shares for a total consideration of Rs.30,000 (000) in its wholly owned subsidiary in Everonn Skill Development Limited.

During the year, the Company has subscribed 22,00,000 equity shares for a total consideration of Rs.2,20,000

(000) in its wholly owned subsidiary in Everonn Business Education Limited.

During the year, the Company has subscribed 24,50,000 equity shares for a total consideration of Rs.60,500 (000) in its wholly owned subsidiary in Everonn School Limited.

During the year, the Company has subscribed 50,000 equity shares for a total consideration of Rs.500 (000) in its wholly owned subsidiary in Everonn Medical Education Limited.

During the year, the Company has subscribed 50,000 equity shares for a total consideration of Rs.500 (000) in its wholly owned subsidiary in Everonn Technical Education India Limited.

During the year, the Company has subscribed 50,000 equity shares for a total consideration of Rs.500 (000) in its wholly owned subsidiary in Everonn Sport Management Limited.

During the year, the Company has subscribed 60,50,000 equity shares for a total consideration of Rs.2,10,500 (000) in its wholly owned subsidiary in Edifications India Limited.

During the year, the Company has subscribed 50,000 equity shares for a total consideration of Rs.500 (000) in its wholly owned subsidiary in Everonn Knowledge & Education Corridor Limited.

During the year, the Company has subscribed to 60% stake (30,000 equity shares) in Everonn Dassani Literate Limited for a total consideration of Rs.300 (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:

Rs. in '000

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Employer's Contribution to Provident Fund	15,359	12,628



**Defined benefit Plan**

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

Amt. in Rs.

Sl. No.	Particulars	Gratuity Funded For the year ended 31/03/2011	Gratuity Funded For the year ended 31/03/2010
<b>1</b>	<b>Changes in present value of obligations</b>		
	Present value of obligations as at beginning of year	54,70,085	34,27,614
	Interest Cost	4,31,729	2,68,157
	Current Service Cost	27,19,072	20,62,371
	Benefits Paid	(1,46,941)	(1,51,296)
	Actuarial (Gain)/Loss on Obligations	(13,25,390)	(1,36,761)
	Present value of obligations as at end of year	71,48,555	54,70,085
<b>2</b>	<b>Changes in the fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	73,80,750	36,46,851
	Expected return on plan assets	5,84,631	4,28,076
	Contributions	-	35,59,496
	Benefits paid	(1,46,941)	(1,51,296)
	Actuarial Gain / (Loss) on Plan assets	73,443	(1,02,377)
	Fair value of plan assets at the end of year	78,91,883	73,80,750
<b>3</b>	<b>Fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	73,80,750	36,46,851
	Actual return on plan assets	6,58,074	3,25,699
	Contributions	-	35,59,496
	Benefits Paid	(1,46,941)	(1,51,296)
	Fair value of plan assets at the end of year	78,91,883	73,80,750
	Funded status	7,43,328	19,10,665
	Excess of Actual over estimated return on plan assets	73,443	(1,02,377)
<b>4</b>	<b>Actuarial Gain/Loss recognized</b>		
	Actuarial Gain/(Loss) for the year -Obligation	(13,25,390)	(1,36,761)
	Actuarial (Gain)/Loss for the year - Plan assets	(73,443)	1,02,377
	Total (Gain)/Loss for the year	(13,98,833)	(34,384)
	Actuarial (Gain)/Loss recognised in the year	(13,98,833)	(34,384)
<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	71,48,555	54,70,085
	Fair value of plan assets as at the end of the year	78,91,883	73,80,750
	Funded status	7,43,328	19,10,665
	Net Asset/(Liability) recognised in balance sheet	7,43,328	19,10,665



Amt. in Rs.

Sl. No.	Particulars	Gratuity Funded For the year ended 31/03/2011	Gratuity Funded For the year ended 31/03/2010
6	<b>Expenses Recognised in statement of Profit &amp; Loss</b>		
	Current Service cost	27,19,072	20,62,371
	Interest Cost	4,31,729	2,68,157
	Expected return on plan assets	(5,84,631)	(4,28,076)
	Net Actuarial (Gain)/Loss recognised in the year	(13,98,833)	(34,384)
	Difference in opening balance (actuarial valuation)	-	-
	Expenses recognised in statement of Profit & Loss*	11,67,337	18,68,068
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%

b. Unfunded Leave encashment Rs.3,781 (000) (PY Rs.3,514 (000)) based on calculations made by the Management.

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

There are no dues to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 which are identified by the Company based on enquiries with the parties and information available with the Company and 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**

Rs. in '000

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
<b>CIF Value of Imports</b>	-	14,305
<b>Expenditure in Foreign Currency</b>		
Business Associate Expenses	33,377	35,534
Travel and Conveyance	2,324	3,022
Professional Fees	4,956	811
<b>Earnings in Foreign Exchange</b>		
Testing and Other Services	1,15,104	67,148

**16. Deferred Tax**

The deferred tax asset (liability) as at 31st March 2011 Comprises of the tax impact arising from timing differences on account of the following:

Rs. in '000

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Deferred Tax Liability - On account of Timing Differences (A)	2,55,755	1,69,026
Deferred Tax Assets - On account of fiscal disallowances expenses allowable for tax purposes when paid (B)		
Deferred Tax Assets Total (B)	1,256	1,167
Net Deferred Tax Liability (A - B)	2,54,499	1,67,859
Deferred Tax Liability charged To Profit & Loss Account	86,640	67,293

17. The Company has entered into an agreement for purchase of 130,000 sq.ft. of office space at Plot Nos. 96-99, Perungudi Industrial Estate, Chennai 600 096 for a consideration of Rs.55.00 Crores payable after 36 months together with interest @ HDFC base PLR plus additional 3%.

The Company has purchased III floor measuring 43,000 sq.ft. for a consideration of Rs.1,91,200 (000). The Company has advanced Rs.48,811 (000) against acquisition of balance two floors.

18. During the year, the Company has charged interest on advances given to subsidiaries at 10% per annum.

**19. Secured Loans**

- i. The Debentures are secured by way of a first pari-passu charge on certain moveable assets.
- ii. Cash Credit facility availed from banks is secured by Hypothecation of entire current assets, excluding specifically charged assets, on pari pasu 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 M/s. Tourism Resorts (Private) Limited.
- iii. Bank Overdraft is secured against Project Receivables.
- iv. Loans 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 M/s. Tourism Resorts Private Limited.

**20. Net dividend remitted in Foreign Exchange****Amt. in Rs.**

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Period to which it relates	2009-10	Nil
Number of Non-resident shareholders	372	Nil
Number of equity shares held on which dividend was due	56,47,098	Nil
Amount of dividend remitted in foreign exchange	11,36,570	Nil

The Company has remitted dividend in foreign currencies equal to INR 11,36,570 to one Non- resident shareholder.Dividends remitted to Non-resident shareholders in INR to their bank accounts maintained in India are not included in the above table.

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 23, 2011

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director

**Susha John**  
Whole - time Director

**S. Vijayanand**  
Company Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****1. Registration details:**

Registration no.  State code

Balance Sheet date

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

Public issue  Rights issue

Bonus issue  Private placement

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

Total Liabilities  Total Assets

**Sources of Funds**

Paid up Capital  Reserves and Surplus

Secured Loans  Unsecured Loans

Deferred Tax Liability  Share Warrants

Employee Stock Option

**Application of Funds**

Net Fixed Assets  Capital Work-in-Progress

Investments  Net Current Assets

Misc. expenditure  Accumulated Losses

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

Turnover  Total Expenditure

Profit/(Loss) before tax  Profit/(Loss) after tax

Earnings per share (Basic) (Rs.)  Dividend Rate (%)

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

Item Code No.

Product description

**P.Kishore**  
Managing Director

**Susha John**  
Whole-time Director

**S. Vijayanand**  
Company Secretary





## EVERONN EDUCATION LIMITED

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

1. We have audited the attached Consolidated Balance Sheet of M/s. Everonn Education Limited and its subsidiaries and its associates (the "Group"), as at 31<sup>st</sup> March, 2011 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 management of M/s. Everonn Education Limited 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 mis-statement. 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 M/s. 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, 2011;
  - (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 23, 2011



**EVERONN EDUCATION LIMITED**  
**Consolidated Balance Sheet as at March 31, 2011**

Amt. in Rs. '000

Particulars	Schedule	As at 31st March 2011	As at 31st March 2010
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDER'S FUNDS</b>			
Share Capital	1	1,90,319	1,51,204
Share warrants	1A	64,568	—
Employee Stock Option Outstanding		10,534	9,599
Reserves and Surplus	2	50,17,330	23,98,626
<b>MINORITY INTEREST</b>		<b>193</b>	<b>19</b>
<b>LOAN FUNDS</b>			
Secured Loans	3	15,12,773	8,39,339
Unsecured Loans	4	6,06,356	—
<b>DEFERRED TAX LIABILITY</b>		<b>1,82,566</b>	<b>1,53,583</b>
<b>TOTAL SOURCES OF FUNDS</b>		<b>75,84,639</b>	<b>35,52,370</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	38,91,087	21,58,721
Less: Depreciation and Amortisation		9,55,638	7,02,650
Net Block		29,35,449	14,56,071
Capital Work-in-Progress		5,95,431	2,45,944
<b>GOODWILL</b>		<b>4,783</b>	<b>4,783</b>
<b>INVESTMENTS</b>	6	<b>2,23,159</b>	<b>10,741</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Sundry Debtors	7	20,87,631	11,71,487
Cash and Bank Balances	8	14,68,670	4,39,233
Loans and Advances	9	10,15,227	6,05,065
		45,71,528	22,15,785
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	10	<b>7,45,711</b>	<b>3,80,954</b>
<b>NET CURRENT ASSETS</b>		<b>38,25,817</b>	<b>18,34,831</b>
<b>TOTAL APPLICATION OF FUNDS</b>		<b>75,84,639</b>	<b>35,52,370</b>

Significant Accounting Policies &amp; 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 23, 2011

For and on Behalf of Board of Directors

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



**EVERONN EDUCATION LIMITED**  
**Consolidated Profit & Loss Account for the Year ended March 31, 2011**

PARTICULARS	Schedule	Amt. in Rs. '000	
		Year Ended 31st March 2011	Year Ended 31st March 2010
<b>INCOME</b>			
Sales and Service Income	11	42,46,957	29,34,972
Other Income	12	27,433	4,700
<b>TOTAL INCOME</b>	<b>A</b>	<b>42,74,390</b>	<b>29,39,672</b>
<b>EXPENDITURE</b>			
Manpower	13	6,16,721	3,84,401
Purchase of trading items	14A	7,89,232	6,32,810
Education and Training expenses	14B	8,26,434	6,42,687
Administration and Other expenses	15	4,59,800	2,65,446
Interest and Finance charges	16	2,10,519	1,03,693
Depreciation & Amortisation	5	4,19,940	2,52,479
<b>TOTAL EXPENDITURE</b>	<b>B</b>	<b>33,22,646</b>	<b>22,81,516</b>
<b>Profit Before Taxation</b>	<b>A-B</b>	<b>9,51,744</b>	<b>6,58,156</b>
Provision for taxation			
Current Tax		2,46,380	1,41,574
Deferred Tax		28,983	62,121
<b>Profit After Taxation</b>		<b>6,76,381</b>	<b>4,54,461</b>
Minority interest		(26)	(3)
Surplus brought forward from last year		7,20,867	4,54,153
<b>Profit available for appropriations</b>		<b>13,97,274</b>	<b>9,08,617</b>
<b>Appropriations :</b>			
Transfer to Debenture Redemption Reserve		32,717	1,09,083
Proposed Dividend		47,999	30,241
Tax on Dividend (including interest payable)		7,972	5,023
Transfer to General Reserve		7,00,000	43,403
<b>Balance carried to balance sheet</b>		<b>6,08,586</b>	<b>7,20,867</b>
<b>Earnings per equity share (basic) Rs.</b>		<b>41.44</b>	<b>28.70</b>
<b>Earnings per equity share (diluted) Rs.</b>		<b>40.09</b>	<b>28.70</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:26037

Place: Chennai  
Date : May 23, 2011

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director

**Susha John**  
Whole-time Director

**S. Vijayanand**  
Company Secretary



**EVERONN EDUCATION LIMITED**  
**Consolidated Cash Flow Statement for the year ended March 31, 2011**

Particulars	Amt. in Rs. '000	
	As at 31st March 2011	As at 31st March 2010
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	9,51,744	6,58,156
<b>Adjustments for :</b>		
Depreciation	4,19,940	2,52,479
Interest on long term loan	16,152	12,742
Employee stock option plan amortisation	935	3,160
Operating profit before working capital changes	13,88,771	926,537
<b>Adjustments for :</b>		
Trade and other receivables	(13,26,306)	(2,22,046)
Trade payables and other liabilities	2,39,691	(3,42,403)
<b>Cash Generated from Operations</b>	<b>3,02,156</b>	<b>3,62,088</b>
Direct taxes paid / deducted at source	(1,42,021)	(1,10,752)
<b>Net Cash Flow from Operations</b>	<b>1,60,135</b>	<b>2,51,336</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Asset	(22,48,805)	(7,78,676)
Investment made during the year	(2,12,418)	2,23,853
<b>Net Cash Flow from Investing Activities</b>	<b>(24,61,223)</b>	<b>(5,54,823)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital Raised (Net of expenses)	21,02,151	—
Increase/(Decrease) in Secured Loans	6,73,434	3,57,657
Increase/(Decrease) in Unsecured Loans	6,06,356	(4,997)
Interest payment	(16,152)	(12,742)
Dividend paid (including dividend tax)	(35,264)	—
<b>Net Cash Flow from Financing Activities</b>	<b>33,30,525</b>	<b>3,39,918</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>10,29,437</b>	<b>36,431</b>
Opening balance of Cash and Cash Equivalents	4,39,233	4,02,802
<b>Closing balance of Cash and Cash Equivalents</b>	<b>14,68,670</b>	<b>4,39,233</b>

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

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

Place: Chennai  
Date : May 23, 2011

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director

**Susha John**  
Whole-time Director

**S. Vijayanand**  
Company Secretary



**EVERONN EDUCATION LIMITED**  
**Schedules annexed to and forming part of**  
**Consolidated Balance Sheet as at March 31, 2011**

Particulars	Amt. Rs. in '000	
	As at 31st March 2011	As at 31st March 2010
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,50,00,000 (Previous Year 2,00,00,000) Equity Shares of Rs.10/- each	<b>2,50,000</b>	2,00,000
	<u><b>2,50,000</b></u>	<u>2,00,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,90,31,900 (Previous Year 1,51,20,400) Equity Shares of Rs.10/- each fully paid up	<b>1,90,319</b>	1,51,204
<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 Directors' 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 Employees 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.		
(5) On 09/12/2010, 39,11,500 equity shares of Rs.10 each fully paid up were allotted at a premium of Rs.510.87/- on preferential basis.		
<b>Schedule 1A</b>		
<b>SHARE WARRANTS</b>		
<b>EQUITY SHARE WARRANTS</b>		
6,00,000 Partly paid Share Warrants of Rs.430.45/- (Previous Year Nil) each to be converted into Equity Shares of Rs.10/- each at a premium of Rs.420.45/-	<b>64,568</b>	-
	<u><b>64,568</b></u>	<u>-</u>



**EVERONN EDUCATION LIMITED**  
**Schedules annexed to and forming part of**  
**Consolidated Balance Sheet as at March 31, 2011**

Particulars	Amt. in Rs. '000	
	As at 31st March 2011	As at 31st March 2010
<b>Schedule 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Opening Balance	14,37,604	14,37,604
Add: Received on Equity Shares	19,98,268	—
Total	<u>34,35,872</u>	<u>14,37,604</u>
<b>General Reserve</b>		
Opening balance	54,558	11,155
Add: Transfer from Profit & Loss A/c	7,00,000	43,403
Transfer from Debenture Redemption Reserve	1,41,800	—
Total	<u>8,96,358</u>	<u>54,558</u>
<b>Capital Reserve</b>	<u>76,514</u>	<u>76,514</u>
<b>Debenture Redemption Reserve</b>		
Opening Balance	1,09,083	—
Add: Transfer from Profit & Loss A/c	32,717	1,09,083
Less: Transfer to General Reserve	1,41,800	—
Total	<u>—</u>	<u>1,09,083</u>
<b>Surplus in Profit and Loss Account</b>	<u>6,08,586</u>	<u>7,20,867</u>
<b>Total</b>	<u>50,17,330</u>	<u>23,98,626</u>



**EVERONN EDUCATION LIMITED**  
**Schedules annexed to and forming part of**  
**Consolidated Balance Sheet as at March 31, 2011**

Particulars	Amt. in Rs. '000	
	As at 31st March 2011	As at 31st March 2010
<b>Schedule 3</b>		
<b>SECURED LOANS</b>		
Debentures	-	1,41,800
(PY 2,00,000 14% Secured Non - Convertible Debentures of Rs.100/- each - Rs.20,000 (000))		
(PY 10,00,000 4% Secured Non - Convertible Debentures of Rs.100/- each - Rs.1,00,000 (000))		
(PY 2,18,000 6% Secured Non - Convertible Debentures of Rs.100/- each - Rs.21,800 (000))		
From Banks		
- Cash Credit / Secured Overdraft	5,86,739	1,162
- Loan against Deposits / Other Secured Loans	2,80,638	3,50,384
- Term Loan	1,00,807	81,333
From Others		
- Term Loan	5,44,589	2,64,660
[Due within One year Rs.2,21,246(000)]		
[Previous year Rs.76,411(000) ]		
<b>Total</b>	<b>15,12,773</b>	<b>8,39,339</b>
<b>Schedule 4 UNSECURED LOANS</b>		
<b>Debentures</b>		
2,28,000 0% Unsecured Fully Convertible Debentures of Rs.100/- each Rs.22,800 (000)(PY Nil)	1,26,800	-
10,40,000 0% Unsecured Fully Convertible Debentures of Rs.100/- each Rs.1,04,000 (000) (PY Nil)		
Others	4,79,556	-
(Commercial Papers - Maximum outstanding at any point of time during Year is Rs.4,79,556 (000))		
<b>Total</b>	<b>6,06,356</b>	<b>-</b>



## EVERONN EDUCATION LIMITED

Schedules annexed to and forming part of Consolidated Balance Sheet as at March 31, 2011

### Schedule 5

#### FIXED ASSETS

Amt. in Rs. '000

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010	Additions	Deductions	As at 31.03.2011	Upto 01.04.2010	for the year	Deductions	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
<b>Tangible Assets</b>										
Land	33,400	6,610	-	40,010	-	-	-	-	40,010	33,400
Building	1,57,800	40,529	-	1,98,329	3,934	8,220	-	12,154	1,86,175	1,53,866
Plant and Machinery	11,49,443	8,56,726	1,33,431	18,72,738	4,68,479	2,20,277	1,33,431	5,55,325	13,17,413	6,80,964
Electrical Fittings	62,579	65,852	3,005	1,25,426	19,399	10,334	3,005	26,728	98,698	43,180
Furniture & Fixtures	4,31,300	1,28,564	8,979	5,50,885	78,294	52,633	8,979	1,21,948	4,28,937	3,53,006
Vehicles	9,142	3,620	-	12,762	3,175	705	-	3,880	8,882	5,967
<b>Intangible Assets</b>										
Software	95,559	46,768	11,071	1,31,256	39,383	23,715	11,071	52,028	79,228	56,176
Knowledge Resource and Content	2,19,498	7,50,650	10,467	9,59,681	89,986	1,04,056	10,467	1,83,575	7,76,106	1,29,512
<b>Total</b>	<b>21,58,721</b>	<b>18,99,319</b>	<b>1,66,953</b>	<b>38,91,087</b>	<b>7,02,650</b>	<b>4,19,940</b>	<b>1,66,953</b>	<b>9,55,638</b>	<b>29,35,449</b>	<b>14,56,071</b>
Previous Year	13,76,011	782,710	-	21,58,721	4,50,172	2,52,478	-	7,02,650	14,56,071	9,25,842
Capital WIP	-	-	-	-	-	-	-	-	5,95,431	2,45,944





**EVERONN EDUCATION LIMITED**  
**Schedules annexed to and forming part of**  
**Consolidated Balance Sheet as at March 31, 2011**

Amt. in Rs. '000

Particulars	As at 31st March 2011	As at 31st March 2010																
<b>Schedule 6</b>																		
<b>INVESTMENTS</b>																		
<b>(A) Long Term, Unquoted, Non Traded &amp; Cost</b>																		
<b>Investment in</b>																		
82,530 Equity shares (Previous Year 82,530) of Rs.10/- each fully paid up in DT Media and Entertainment Pvt Limited	10,729	10,729																
1,22,500 Equity shares (Previous Year Nil) Right Track Admizzionz Campuz Private Limited	60,025	-																
	<b>70,754</b>	10,729																
<b>(B) Current Investment Listed and Quoted (Traded)</b>																		
500 Equity Shares of Rs.10/- each in Indian Overseas Bank	12	12																
Market Value of Investments (IOB Shares) @ Rs.133,35/- amounting to Rs.73,200/- (Previous year @ Rs.91.95/- amounting to Rs.45,975/- )																		
<b>Investment in Mutual Funds</b>																		
In Mutual Funds (Net Asset Value (NAV) as on 31.03.11 Rs. 1,52,393 (000) (PY Nil)	1,52,393	-																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Amt. Invested Rs.'000</th> <th style="text-align: right;">No. of Units</th> <th style="text-align: right;">Market Value Rs.'000</th> </tr> </thead> <tbody> <tr> <td>IDFC Saving Advantage Fund - Daily Dividend</td> <td style="text-align: right;">1,00,000</td> <td style="text-align: right;">1,01,857.622</td> <td style="text-align: right;">1,01,873</td> </tr> <tr> <td>LIC Nomura MF Interval Fund - Dividend</td> <td style="text-align: right;">50,000</td> <td style="text-align: right;">49,99,300.098</td> <td style="text-align: right;">50,520</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>1,50,000</b></td> <td></td> <td style="text-align: right;"><b>1,52,393</b></td> </tr> </tbody> </table>	Particulars	Amt. Invested Rs.'000	No. of Units	Market Value Rs.'000	IDFC Saving Advantage Fund - Daily Dividend	1,00,000	1,01,857.622	1,01,873	LIC Nomura MF Interval Fund - Dividend	50,000	49,99,300.098	50,520	<b>Total</b>	<b>1,50,000</b>		<b>1,52,393</b>		
Particulars	Amt. Invested Rs.'000	No. of Units	Market Value Rs.'000															
IDFC Saving Advantage Fund - Daily Dividend	1,00,000	1,01,857.622	1,01,873															
LIC Nomura MF Interval Fund - Dividend	50,000	49,99,300.098	50,520															
<b>Total</b>	<b>1,50,000</b>		<b>1,52,393</b>															
<b>Total</b>	<b>2,23,159</b>	<b>10,741</b>																

**During the year the following Current Investments were Purchased and Sold;**

99978.595 Units of UTI Treasury Advantage Fund at Cost of RS. 100000 (000)  
99996.51 Units of Axis Treasury Advantage Fund at Cost of RS. 100000 (000)  
472880.314 Units of ICICI Prudential Flexible Income Plan at Cost of RS. 50000 (000)  
483123.062 Units of ICICI Prudential Flexible Income Plan at Cost of RS. 50000 (000)  
9919749.229 Units of HDFC Floating Rate Income Fund at Cost of RS. 100000 (000)  
4976362.279 Units of Kotak Flexi Debt Scheme at Cost of RS. 50000 (000)  
5032746.922 Units of Kotak Flexi Debt Scheme at Cost of Rs. 50000 (000)  
9982929.191 Units of Religare Ultra Short Term Fund at Cost of RS. 100000 (000)  
9998500.225 Units of IDFC Money Fund Tp Super Inst. Plan at Cost of RS. 100000 (000)  
9994003.598 Units of SBI SHF Ultra Term Fund Institutional Plan at Cost of RS. 100000 (000)  
9994003.598 Units of SBI SHF Ultra Term Fund Institutional Plan at Cost of RS. 100000 (000)  
49931.519 Units of Reliance Liquidity Fund at Cost of RS. 50000 (000)  
50486.614 Units of Reliance Liquidity Fund at Cost of RS. 50000 (000)  
4995454.137 Units of Baroda Pioneer Treasury at Cost of RS. 50000 (000)  
50044.099 Units of Baroda Pioneer Treasury at Cost of Rs. 50089.63952 (000)  
2985817.368 Units of Kotak Flexi Debt Scheme Institutional at Cost of RS. 30000 (000)  
1990544.912 Units of Kotak Flexi Debt Scheme Institutional at Cost of RS. 20000 (000)  
9994503.023 Units of Birla Sun Life Short Term at Cost of RS. 100000 (000)  
5000000 Units of IDBI Ultra Short Term Fund - Daily Dividend at Cost of RS. 50000 (000)



**EVERONN EDUCATION LIMITED**  
**Schedules annexed to and forming part of**  
**Consolidated Balance Sheet as at March 31, 2011**

Particulars	Amt. in Rs. '000	
	As at 31st March 2011	As at 31st March 2010
<b>Schedule 7</b>		
<b>SUNDRY DEBTORS</b>		
[Unsecured & Considered Good]		
More than Six Months	4,40,379	4,44,583
Others	16,47,252	7,26,904
<b>Total</b>	<b>20,87,631</b>	<b>11,71,487</b>
<b>Schedule 8</b>		
<b>CASH &amp; BANK BALANCES</b>		
(a) Cash in Hand	4,139	1,513
(b) Balance with Schedule Banks in		
(i) Current Accounts	13,48,627	3,29,732
(ii) Deposit Accounts (Including Interest accrued)	26,524	21,054
(iii) Margin Account	89,380	86,934
<b>Total</b>	<b>14,68,670</b>	<b>4,39,233</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	7,02,716	5,17,797
(b) Security & Other Deposits	2,49,778	50,829
(c) Advance Income Tax and Tax Deducted at Source	62,733	36,439
<b>Total</b>	<b>10,15,227</b>	<b>6,05,065</b>
<b>Schedule 10</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	1,14,959	37,274
Security Deposits and Advance against services to be rendered	23,776	20,695
Other Liabilities	2,64,590	1,12,440
<b>Total</b>	<b>4,03,325</b>	<b>1,70,409</b>
<b>PROVISIONS</b>		
Proposed Dividend	47,999	30,241
Tax on Dividend	7,972	5,023
Provision for Tax	2,74,892	1,70,533
Leave Encashment	7,879	3,823
Gratuity	3,644	925
<b>Total</b>	<b>3,42,386</b>	<b>2,10,545</b>
<b>Total</b>	<b>7,45,711</b>	<b>3,80,954</b>

**EVERONN EDUCATION LIMITED****Schedules annexed to and forming part of  
Consolidated Profit and Loss Account for the year ended March 31, 2011**

Particulars	Amt. in Rs. '000	
	Year ended 31st March 2011	Year ended 31st March 2010
<b>Schedule 11</b>		
<b>SALES AND SERVICE INCOME</b>		
Education & Training Income	33,42,388	22,37,055
Sale of Hardware	904,569	6,97,917
<b>Total</b>	<b>42,46,957</b>	<b>29,34,972</b>
<b>Schedule 12</b>		
<b>OTHER INCOME</b>		
Dividend from Mutual Funds	13,302	4,017
Interest income (Tax Deducted at source Rs.1,413 (000) (PY Nil))	14,131	—
Miscellaneous Income	—	683
<b>Total</b>	<b>27,433</b>	<b>4,700</b>
<b>Schedule 13</b>		
<b>MANPOWER COSTS</b>		
Salaries	5,77,489	3,53,909
Contribution to Provident and other funds	24,507	18,220
Staff welfare expenses & others	13,777	9,112
Employee stock option plan compensation	948	3,160
<b>Total</b>	<b>6,16,721</b>	<b>3,84,401</b>
<b>Schedule 14</b>		
<b>A COST OF GOODS SOLD</b>		
Opening stock	—	—
Purchase of hardware	7,89,232	6,32,810
Less: Closing stock	—	—
<b>Cost of goods sold</b>	<b>7,89,232</b>	<b>6,32,810</b>
<b>B EDUCATION AND TRAINING EXPENSES</b>		
Course execution and delivery expenses	8,26,434	6,42,687

**EVERONN EDUCATION LIMITED****Schedules annexed to and forming part of****Consolidated Profit & Loss Account for the year ended March 31, 2011**

Amt. in Rs. '000

Particulars	Year ended 31st March 2011	Year ended 31st March 2010
<b>Schedule 15</b>		
<b>ADMINISTRATION AND OTHER EXPENSES</b>		
Electricity charges	26,141	21,824
Insurance charges	1,132	2,161
Communication expenses	24,642	21,248
Audit fees	2,058	1,795
Directors sitting fees	640	330
Rates and taxes	42,537	8,865
Legal, professional and consultancy charges	68,373	37,664
Rent	71,351	39,345
Printing & Stationery	15,765	1,196
Repairs and Maintenance		
- Building	6,502	1,590
- Plant & Machinery	23,725	11,019
- Others	27,414	13,643
Travelling and Conveyance	60,706	33,199
Sales promotion and Advertisement expenses	80,805	70,708
Foreign Exchange Loss (net)	6,427	-
Miscellaneous expenses	1,574	859
Bad debts written off	8	-
<b>Total</b>	<b>4,59,800</b>	<b>2,65,446</b>
<b>Schedule 16</b>		
<b>INTEREST AND FINANCIAL CHARGES</b>		
Interest on Term loans	16,152	12,742
Interest on other loans	1,96,205	69,337
Bank Charges	39,540	24,444
Less: Interest income on deposits (Tax deducted at source Rs.4,447 (000) PY Rs.93 (000))	(41,378)	(2,830)
<b>Total</b>	<b>2,10,519</b>	<b>1,03,693</b>

As per our report of even date

For **M/s.P.Chandrasekar**  
Chartered Accountants**P.Chandrasekaran**  
Partner  
Membership No:26037Place: Chennai  
Date : May 23, 2011

For and on Behalf of Board of Directors

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



## EVERONN EDUCATION LIMITED

### SIGNIFICANT ACCOUNTING POLICIES & NOTES TO CONSOLIDATED 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 M/s.Everonn Education 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 estimates 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

1. 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.

2. The List of Subsidiaries which are included in the consolidated financial statements of the Company and the Company's effective ownership interest therein are as under :

Sl.No	Name of Entity	Country of Incorporation	Percentage of ownership held as at Mar 31, 2011	Percentage of ownership held as at Mar 31, 2010
1.	Everonn Educational Resources Solutions Limited	India	100	100
2.	Toppers Tutorial 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	100
6.	Everonn Business Education Limited	India	100	100
7.	Everonn Technical Education India Limited	India	100	-
8.	Everonn Medical Education Limited	India	100	-
9.	Everonn School Limited	India	100	-
10.	Edifications India Limited	India	100	-
11.	Everonn Sport Management Limited	India	100	-
12.	Everonn Knowledge & Education Corridor Limited	India	100	-
13.	Everonn Dassani Literate Limited	India	60	-

\*Everonn Skill Development Limited is an Indirect wholly-owned Subsidiary.



The above Companies are incorporated in India and the financial statements are drawn up to the same reporting date as that of the Parent Company.

3. The consolidated financial statements have been prepared to comply in material aspects with the accounting standards notified by the Central Government and the relevant provisions of Companies Act, 1956.
4. The consolidated financial statements have been prepared under historical cost convention and on accrual basis.
5. Minority Interest in the net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company shareholders. Minority Interest in the net assets of consolidated subsidiaries consist of
  - a. The amount of equity attributable to minority at the date on which investment in a subsidiary is made.
  - b. The minority share of movements in equity since the date parent subsidiary relationship came into existence.
  - c. Minority interest's share of net profit/(loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax.
6. The financial statements of the Company and its subsidiaries are prepared under uniform accounting policies in accordance with the generally accepted accounting principles in India.

#### 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 capitalised at gross value and interest thereon is charged to revenue. Intangible Assets are stated at cost of acquisition/cost of development less accumulated amortisation.

#### 5. Depreciation and Amortisation

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 amortised over a period of five years.

#### 6. Revenue Recognition

Education and training income is recognised on rendering of services over the period of instruction as per the terms of agreement as the case may be.

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

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

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

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

Dividend income is recognised when the right to receive payment is established. Interest income is recognised 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 recognised as operating leases. Lease rentals under operating leases are recognised 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 recognised 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 not provided for are disclosed by way of notes.

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

## 11. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalised 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 recognised 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 recognised 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 recognised 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 recognised 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 assets and liabilities 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 recognised 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 recognised 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 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.

**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 payments. 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	Percentage of ownership held as at Mar 31,2011	Percentage of ownership held as at Mar31,2010
1.	Everonn Educational Resources Solutions Limited	India	100	100
2.	Toppers Tutorial 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	100
6.	Everonn Business Education Limited	India	100	100
7.	Everonn Technical Education India Limited	India	100	-
8.	Everonn Medical Education Limited	India	100	-
9.	Everonn School Limited	India	100	-

Sl. No.	Name of the Subsidiary	Country of Incorporation	Percentage of ownership held as at Mar 31,2011	Percentage of ownership held as at Mar 31,2010
10.	Edifications India Limited	India	100	-
11.	Everonn Sport Management Limited	India	100	-
12.	Everonn Knowledge & Education Corridor Limited	India	100	-
13.	Everonn Dassani Literate Limited	India	60	-

\*Everonn Skill Development Limited is an Indirect wholly-owned Subsidiary.

**2. Issue of Warrants**

During the year, the Company has allotted 6,00,000 convertible equity warrants on 11th August, 2010 to Promoters/Persons forming Promoter Group, entitling each holder to obtain allotment of one equity share against each such warrant at a price of Rs.430.45/-. As per the terms of issue of equity warrant, an amount equivalent to 25% of the issue price aggregating to Rs.64,568 (000) was received and is retained under share warrants.

As per the terms of issue, holder of equity warrants will have an option to apply for and be allotted one equity share of the Company per equity warrant at any time after the allotment of equity warrant but on or before the expiry of 18 months from the date of allotment of equity warrant, in one or more tranches.

**3. Preferential Issue of Shares**

During the year, the Company has issued 39,11,500 equity shares of Rs.10/- each at a premium of Rs.510.87/- on preferential basis to M/s. SKIL Infrastructure Limited on 9th December 2010. Post issue of shares, M/s. SKIL Infrastructure Limited is categorised as Co-promoter.





**4. Contingent liability** **Amt. in Rs. 000**

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Bank Guarantee issued by banks Company	3,74,849	4,24,966
Corporate Guarantee issued on behalf of Subsidiary Companies	4,16,000	-
Corporate Guarantee issued to banks for secured loans to third party	10,11,200	5,91,200
Bills discounted	-	1,89,896
LC Issued by Banks	-	1,72,215
Taxes, Duties and others	13,800	-
Claims against the Company not acknowledged as debt	99,700	-

**5. 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.4,01,148(000) (PY Rs.2,08,248 (000)).

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

**Amt. in Rs. 000**

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Within one year	4,85,168	1,76,546
Between one to five years	15,35,215	2,88,979
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.

**6. 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 Employees 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 a maximum period of 3 years from the date of vesting.

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

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Total grants authorised under the plan	8,56,844	8,56,844
Total options granted under the plan	81,030	81,030
Pricing formula	Rs. 10/- per option	Rs. 10/- per option
Options vested	64,324	50,111
Options exercised	64,324	49,616
Total number of equity shares arising as a result of exercise of options	64,324	11,688
Options forfeited/ lapsed	16,706	11,688
Variation of terms of options	NA	NA
Money realized by exercise of options*	6,43,240	4,96,160
Total number of options in force as on the date of this report	-	19,726
Employee wise detail of options granted		
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



Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
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 recognised 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
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 realised 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.

## 7. Related party disclosure

### List of Related Parties

Name	Nature of relationship
1. Everonn Educational Resources Solutions Limited	Wholly-owned Subsidiary Company
2. Toppers Tutorial Private Limited	
3. Everonn Infrastructure Limited	
4. Everonn Business Education Limited	
5. Everonn Medical Education Limited	
6. Everonn Technical Education India Limited	
7. Everonn School Limited	
8. Everonn Knowledge & Education Corridor Limited	
9. Edifications India Limited	
10. Everonn Sport Management Limited	
11. Everonn Skill Development Limited	Indirect Wholly owned Subsidiary
12. AEG Skill Update Private Limited	Subsidiary Company with 51% of Holding
13. Everonn Dassani Literate Limited	Subsidiary Company with 60% of Holding
14. SKIL Infrastructure Limited	Promoter Group Company
15. Tourism Resorts Private Limited	Enterprise over which some of the directors exercise significant influence
16. Mistair Realtys Private Limited	
17. CelebrateIndia Tourism Limited	
18. Mr. P.Kishore	Key Managerial Personnel
19. Mrs. Susha John	

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 Managerial Personnel	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Money received against warrants issued (Note 1)	-	-	-	-	64,568	-
Salary, perquisites (Note 2)	-	-	-	-	17,454	11,213
Investments made in Subsidiaries (Note 3)	6,03,300	1,36,000	-	-	-	-
Loans Given to						
1. Toppers Tutorial Private Limited	67,656	50,433	-	-	-	-
2. Everonn Educational Resources Solutions Limited	-	10,074	-	-	-	-
3. Everonn Infrastructure Limited	30,846	5,066	-	-	-	-
4. Everonn Skill Development Limited	3,27,289	410	-	-	-	-
5. Everonn Business Education Limited	2,27,841	8,854	-	-	-	-
6. Everonn Medical Education Limited	28,231	-	-	-	-	-
7. Everonn Technical Education India Limited	14,194	-	-	-	-	-
8. Everonn School Limited	82,516	-	-	-	-	-
9. AEG Skill Update Private Limited	76	10	-	-	-	-
10. Everonn Knowledge & Education Corridor Limited	1,242	-	-	-	-	-
11. Everonn Sport Management Limited	-	-	-	-	-	-
12. Edifications India Limited	200	-	-	-	-	-
13. Everonn Dassani Literate Limited	-	-	-	-	-	-
Interest Income from Subsidiaries						
Toppers Tutorial Private Limited	3,895	2,985	-	-	-	-
Everonn Infrastructure Limited	926	-	-	-	-	-
Everonn Skill Development Limited	8,722	-	-	-	-	-
Everonn Business Education Limited	15,295	-	-	-	-	-
Everonn Medical Education Limited	1,054	-	-	-	-	-
Everonn School Limited	2,665	-	-	-	-	-
Everonn Technical Education India Limited	337	-	-	-	-	-



**Notes:**

1. Represents issue of Convertible equity warrants to
  - a.Mr. P. Kishore Rs.53,806 (000) (Previous Year Nil)
  - b.Mrs. Sussha John Rs.10,762 (000) (Previous Year Nil)
2. Includes remuneration to
  - a.Mr. P. Kishore Rs.10,012 (000) (Previous Year Rs.5,959 (000))
  - b.Mrs. Sussha John Rs.7,442 (000) (Previous Year Rs.4,274 (000))
3. Includes investment made in
  - a. Everonn Infrastructure Limited Rs.15,000 (000) (Previous Year Nil)
  - b. Toppers Tutorial Private Limited Rs.65,000 (000) (Previous Year Rs.65,000 (000))
  - c. Everonn Educational Resources Solutions Limited Rs.Nil (000) (Previous Year Rs.40,000(000))
  - d. Everonn Skill Development Limited Rs.30,000 (000) (Previous Year Rs.30,500 (000))  
(During the year 100% shares transferred to M/s. Edifications India Limited (100% Subsidiary Company of the Company)
  - e. Everonn Business Education Limited Rs.2,20,000 (000) (Previous Year Rs.500 (000))
  - f. Everonn School Limited Rs.60,500 (000) (Previous Year Nil)
  - g. Everonn Medical Education Limited Rs.500 (000) (Previous Year Nil)
  - h. Everonn Technical Education India Limited Rs.500 (000) (Previous Year Nil)
  - i. Everonn Sport Management Limited Rs.500 (000) (Previous Year Nil)
  - j. Edifications India Limited Rs.2,10,500 (000) (Previous Year Nil)
  - k. Everonn Dassani Literate Limited Rs.300 (000) (Previous Year Nil)
  - l. Everonn Knowledge & Education Corridor Limited Rs.500 (000) (Previous Year Nil)

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

**Amt. in Rs. '000**

Particulars	As at Mar 31, 2011		As at Mar 31, 2010	
	Recoverable	Payable	Recoverable	Payable
Subsidiary Company	7,80,090	-	74,847	-
Key Managerial Personnel	-	3,360	-	4,129

Corporate Guarantee of Rs.5,000 (000) (Previous Year Rs.5,000 (000) ) given by M/s. Tourism Resorts Private Limited towards collateral to obtain Term Loan from State Bank of India.

**8. Earnings per Share**

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Profit attributable to equity shareholders -(Rs. 000) -(A)	<b>6,76,385</b>	4,54,461
Weighted average number of Equity Shares outstanding during the year (Nos) - (B)	<b>1,63,20,641</b>	1,51,20,400
Add: Effect of potential dilutive shares (being warrants issued) (Nos) - (C)	<b>5,49,559</b>	Nil
Weighted average number of Equity Shares outstanding considered for determining diluted earnings per share (Nos) - (D)	<b>1,68,70,200</b>	1,51,20,400
Nominal value of Equity Shares (Rs.)	<b>10.00</b>	10.00
Basic Earnings per Share (A/B) (Rs.)	<b>41.44</b>	30.06
Diluted Earnings per Share (A/D) (Rs.)	<b>40.09</b>	30.06

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

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

**Amt. in Rs. '000**

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
A.Remuneration to Executive Directors		
Salary and Allowances (including Perquisites)	<b>12,524</b>	8,882
Contribution to Provident Fund	<b>130</b>	141
Commission to Executive Directors	<b>4,800</b>	2,190
Total (A)	<b>17,454</b>	11,213
B.Remuneration to Non-Executive Directors		
Sitting Fees paid to Non-Executive Directors	<b>640</b>	330
Commission to Non-Executive Directors	<b>2,420</b>	1,500
Total (B)	<b>3,060</b>	1,830
<b>Total (A+B)</b>	<b>20,514</b>	13,043



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

**Amt. in Rs.'000**

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Profit before Tax	<b>10,30,343</b>	6,26,472
Add: Directors Remuneration	<b>19,874</b>	12,713
Sitting Fees	<b>640</b>	330
Less: Surplus / (Loss) on Fixed Assets		
Net profit under Section 198 of the Companies Act, 1956	<b>10,50,857</b>	6,39,515
Maximum remuneration to Executive Directors @ 10%	<b>1,05,086</b>	63,952
Remuneration Provided to Executive Directors	<b>17,454</b>	11,213
Maximum Commission paid/payable to Non-Executive Directors under Companies Act, 1956 @ 1%	<b>10,509</b>	6,395
Commission provided to Non-Executive Directors	<b>2,420</b>	1,500

**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 31/03/2011	Gratuity Funded For the year ended 31/03/2010
<b>1</b>	<b>Changes in present value of obligations</b>		
	Present value of obligations as at beginning of year	<b>63,75,562</b>	34,27,614
	Interest Cost	<b>5,05,767</b>	2,68,157
	Current Service Cost	<b>56,66,064</b>	27,71,294
	Benefits Paid	<b>(1,46,941)</b>	(1,51,296)
	Actuarial (Gain)/Loss on obligations	<b>(16,27,798)</b>	59,793
	Present value of obligations as at end of year	<b>1,07,72,654</b>	63,75,562
<b>2</b>	<b>Changes in the fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	<b>73,80,750</b>	36,46,851
	Expected return on plan assets	<b>5,84,631</b>	4,28,076
	Contributions	-	35,59,496
	Benefits paid	<b>(1,46,941)</b>	(1,51,296)
	Actuarial Gain / (Loss) on plan assets	<b>73,443</b>	(1,02,377)
	Fair value of plan assets at the end of year	<b>78,91,883</b>	73,80,750

**10. Payments to Auditors**

**Amt. in Rs.'000**

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
a) For Statutory Audit	<b>1,762</b>	1,560
b) Reimbursement of Expenses	<b>296</b>	235
<b>Total</b>	<b>2,058</b>	1,795

**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 Standards 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 31.3.2011	Year Ended 31.3.2010
Employer's Contribution to Provident Fund	<b>20,460</b>	15,630



Sl. No.	Particulars	Gratuity Funded For the year ended 31/03/2011	Gratuity Funded For the year ended 31/03/2010
3	<b>Fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	73,80,750	36,46,851
	Actual return on plan assets	6,58,074	3,25,699
	Contributions	-	35,59,496
	Benefits Paid	(1,46,941)	(1,51,296)
	Fair value of plan assets at the end of year	78,91,883	73,80,750
	Funded status	7,43,328	19,10,665
	Excess of Actual over estimated return on plan assets	73,443	(1,02,377)
4	<b>Actuarial Gain/Loss recognised</b>		
	Actuarial Gain/(Loss) for the year -Obligation	(16,27,798)	59,793
	Actuarial (Gain)/Loss for the year - plan assets	(73,443)	1,02,377
	Total (Gain)/Loss for the year	(17,01,241)	1,62,170
	Actuarial (Gain)/Loss recognized in the year	(17,01,241)	1,62,170
5	<b>The amounts to be recognised in the balance sheet and statements of profit and Loss</b>	-	-
	Present value of obligations as at the end of year	1,07,72,654	63,75,562
	Fair value of plan assets as at the end of the year	78,91,883	73,80,750
	Funded status	(28,80,771)	10,05,188
	Net Asset/(Liability) recognised in balance sheet	(28,80,771)	10,05,188
6	<b>Expenses Recognised in statement of Profit &amp; Loss</b>		
	Current Service cost	56,66,064	27,71,294
	Interest Cost	5,05,767	2,68,157
	Expected return on plan assets	(5,84,631)	(4,28,076)
	Net Actuarial (Gain)/Loss recognised in the year	(17,01,241)	162,170
	Difference in opening balance (actuarial valuation)	-	-
	Expenses recognised in statement of Profit & Loss	38,85,959	27,73,545
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%

b. Unfunded Leave encashment Rs.7,879 (000) (PY Rs.3,823(000))

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

There are no dues to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, and which are identified by the Company based on enquiries with the parties and information available with the company and 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**

Particulars	Amt. in Rs. '000	
	Year Ended 31.3.2011	Year Ended 31.3.2010
<b>CIF Value of Imports</b>	<b>538</b>	14,305
<b>Expenditure in Foreign Currency</b>		
Business Associate Expenses	<b>33,377</b>	35,534
Travel and Conveyance	<b>2,324</b>	3,022
Professional Fees	<b>4,956</b>	811
<b>Earnings in Foreign Exchange</b>		
Testing & other Services	<b>1,15,104</b>	67,148

**16. Deferred Tax**

The deferred tax asset (liability) as at 31<sup>st</sup> March 2011 comprises of the tax impact arising from timing differences as stated in the above deferred tax table:

**Deferred Tax Table**

Amt. in Rs. '000

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
Deferred Tax Liability		
- On account of Timing Differences (A)	<b>2,80,708</b>	179,237
Deferred Tax Assets		
- On account of fiscal disallowances Expenses allowable for tax purposes when paid		
Deferred Tax Assets Total (B)	<b>98,142</b>	25,655
Net Deferred Tax Liability (A – B)	<b>1,82,566</b>	153,582
Deferred Tax Liability Charged to Profit & Loss account	<b>28,983</b>	62,121

17. The Company has entered into an agreement for purchase of 130000 Sqft of office space at Plot Nos. 96-99, Perungudi Industrial Estate, Chennai 600 096 for a consideration of Rs.55.00 Cr payable after 36 months together with interest @ HDFC base PLR plus additional 3%.

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**

- The Debentures are secured by way of a first pari-passu charge on certain moveable assets.
- 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 M/s. Tourism Resorts Private Limited.
- Bank Overdraft are secured against Project Receivables.
- Loan against Deposits are secured by related deposits against which loans are raised.
- 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 M/s. Tourism Resorts Private Limited.

19. Profit on sale of assets Nil.

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 23, 2011

For and on Behalf of Board of Directors

**P. Kishore**  
Managing Director

**Susha John**  
Whole-time Director

**S. Vijayanand**  
Company Secretary



**Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies as on March 31, 2011**

**Amt in Rs.'000**

Name of the Subsidiary	Financial Period 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, 2011	21,00,000 equity shares of Rs.10 each fully paid	100%	41,693	Nil	31,517	Nil
Toppers Tutorial Private Limited	Mar 31, 2011	1,08,000 equity shares of Rs.100 each fully paid	100%	28,869	Nil	10,621	Nil
Everonn Infrastructure Limited	Mar 31, 2011	15,50,000 equity shares of Rs.10 each fully paid	100%	(8,873)	Nil	(3,504)	Nil
AEG Skill Update Private Limited	Mar 31, 2011	5,100 equity shares of Rs.10 each fully paid	51%	(20)	Nil	(7)	Nil
Everonn Skill Development Limited(*)	Mar 31, 2011	40,50,000 equity shares of Rs. 10 each fully paid	100%	(9,976)	Nil	(12,893)	Nil
Everonn Business Education Limited	Mar 31, 2011	22,50,000 equity shares of Rs. 10 each fully paid	100%	(48,522)	Nil	(5,302)	Nil





**Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies as on March 31, 2011 (Contd.)**

**Amt in Rs.'000**

Name of the Subsidiary	Financial Period 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 School Limited	Mar 31, 2011	24,50,000 equity shares of Rs.10 each fully paid	100%	(30,156)	Nil	Nil	Nil
Everonn Medical Education Limited	Mar 31, 2011	50,000 equity shares of Rs.100 each fully paid	100%	(16,586)	Nil	Nil	Nil
Everonn Technical Education India Limited	Mar 31, 2011	50,000 equity shares of Rs.10 each fully paid	100%	(9,240)	Nil	Nil	Nil
Edifications India Limited	Mar 31, 2011	60,50,000 equity shares of Rs.10 each fully paid	100%	(41)	Nil	Nil	Nil
Everonn Sport Management Limited	Mar 31, 2011	50,000 equity shares of Rs. 10 each fully paid	100%	(41)	Nil	Nil	Nil



**Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies as on March 31, 2011 (Contd.)**

**Amt in Rs.'000**

Name of the Subsidiary	Financial Period 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 Knowledge & Education Corridor Limited	Mar 31, 2011	50,000 equity shares of Rs. 10 each fully paid	100%	(339)	Nil	Nil	Nil
Everonn Dassani Literate Limited	Mar31, 2011	30,000 quity shares of Rs.10each fully paid	60%	(41)	Nil	Nil	Nil

\* Everonn Skill Development Limited is an Indirect Wholly Owned Subsidiary.



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 Limited	21,000	93,571	1,91,869	77,298	-	9,04,569	62,595	20,902	41,693	-
Toppers Tutorial Private Limited	10,800	1,41,212	2,78,406	1,26,394	-	1,67,859	43,970	15,101	28,869	-
Everonn Infrastructure Limited	15,500	(12,431)	36,564	33,495	-	-	(13,173)	(4,300)	(8,873)	-
AEG Skill Update Private Limited	100	(81)	117	98	-	-	(30)	(10)	(20)	-
Everonn Skill Development Limited (*)	40,500	(2,869)	4,10,198	3,72,567	-	72,360	(14,804)	(4,828)	(9,976)	-
Everonn Business Education Limited	22,500	1,44,176	4,43,861	2,77,185	-	81,103	(72,656)	(24,134)	(48,522)	-
Everonn School Limited	24,500	5,844	1,39,962	1,09,618	-	4,774	(45,156)	(15,000)	(30,156)	-
Everonn Medical Education Limited	500	(16,586)	14,610	30,696	-	-	(24,825)	(8,239)	(16,586)	-
Everonn Technical Education India Limited	500	(9,240)	7,197	15,937	-	-	(13,830)	(4,590)	(9,240)	-
Edifications India Limited	60,500	1,49,959	1,50,020	61	60,500	-	(61)	(20)	(41)	-
Everonn Sport Management Limited	500	(41)	470	11	-	-	(61)	(20)	(41)	-
Everonn Knowledge & Education Corridor Limited	500	(339)	1,414	1,253	-	-	(508)	(169)	(339)	-
Everonn Dassani Literate Limited	500	(41)	470	11	-	-	(61)	(20)	(41)	-

\* Everonn Skill Development Limited is an Indirect Wholly Owned Subsidiary.



**EVERONN EDUCATION LIMITED**

Regd. Office: No.82, IV<sup>th</sup> Avenue, Ashok Nagar, Chennai-600 083



**ATTENDANCE SLIP**

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

NAME AND ADDRESS OF THE SHARE HOLDER .....

Folio No. / DPID – Client ID .....

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

No. of Shares held .....

**ANNUAL GENERAL MEETING**

3<sup>rd</sup> August, 2011 at 11:00 A.M.  
P.Obul Reddy Hall  
"Sri Thyaga Brahma Gana Sabha"  
Vani Mahal, G.N.Chetty Road,,  
T.Nagar, Chennai 600 017.

I hereby record my presence at the meeting.

Signature of Member / Proxy

**EVERONN EDUCATION LIMITED**

Regd. Office: No.82, IV<sup>th</sup> Avenue, Ashok Nagar, Chennai-600 083



**PROXY FORM**

I / We ..... of

..... in the district

of .....

..... or failing him

..... in the district of

..... as my / our Proxy to vote

for me / us and my / our behalf at the Annual General Meeting of the Company to be held on Wednesday, 3<sup>rd</sup> August, 2011 at 11:00 A.M. and at any adjournment thereof.

Signed this .....day of..... 2011.

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

Proxy No. ....

Date of Receipt .....

Affix Re.1/-  
Revenue Stamp  
Signature



# Taking district level education to new heights...



KenBridge Schools is a national chain of K-12, English medium CBSE schools that will be set up across various towns and districts of India. These schools will feature state-of-the-art facilities like technology enabled classrooms with touch based screens, open air amphitheatre for performing arts and drama, subject labs like math lab and language lab, digital libraries, open ground for field games, athletic activities and much more to make learning interesting and exciting for the child.

Teachers at KenBridge Schools will be trained in latest teaching practices and learning methodologies at GITT (Global Institute of Teachers Training), an initiative of Everonn Education Limited.

First phase of construction has been completed across 9 locations and KenBridge Schools have commenced classes from June at Gulbarga, Vijayawada, Tirunelveli, Mayiladuthurai and Karur, while schools at Raipur, Kota, Himatnagar and Ramanathapuram will commence operations from July.

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 already partnered with Everonn Education Limited to set up KenBridge Schools across various locations in India. Everonn will serve as an aggregator, facilitator and manager of this project.

For more details on how to be a co-founder of Kenbridge Schools in your district or town, you may contact at the address given below:



**KENBRIDGE SCHOOLS™**  
INSPIRING TO LEARN



**Registered Office:** No. 82, IV Avenue, Ashok Nagar, Chennai – 600 083.

**Corporate Office:** 'Everonn House', Perungudi Industrial Estate, Chennai – 600 096. Tamil Nadu, India.

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