

# Taking Education to the next Dimension



**Annual Report 2012-13**





## Everonn School Solutions



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**Board of Directors**

<b>Name</b>	<b>Status</b>
Mr. A. Srinivasan	Managing Director
Mr. Dino Varkey	Non-Executive Director and Non Independent Director
Mr. C N Radhakrishnan	Non-Executive Director and Non Independent Director
M. R. Natarajan	Non-Executive and Independent Director
Mr. Lakdawala Turab	Non-Executive and Independent Director

**Company Secretary**

Mr. N P Mathi Lingan

**Chief Financial Officer**

Mr. Ganapathy Puranik

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

Chartered Accountants

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

**Registered Office of the Company**

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

**Corporate Office :**

"Everonn House", Plot No # 96-99 Industrial Estate Perungudi, Chennai - 600 096.

**OUR BANKERS****State Bank of India**Corporate Accounts Group Branch  
64, Grams Road, Chennai - 600 006**Axis Bank Ltd.**Ground Floor, Karumuthu Nilayam,  
No. 192, Anna Salai, Chennai - 600 002.**IDBI Bank Limited**No. 7, South Boag Road  
T. Nagar,  
Chennai- 600 017.**Yes Bank Limited**Nehru Centre, Ground floor,  
Discovery of India, Dr.A.B. Road,**ICICI Bank Limited**No. 25, 1st Avenue, Ashok Nagar,  
Chennai - 600 083.**Standard Chartered Bank**No. 19, Rajaji Salai  
Chennai - 600 001.**SUBSIDIARIES**

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

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

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



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## **NOTICE TO SHAREHOLDERS**

**NOTICE** is hereby given that the Thirteenth Annual General Meeting of the members of Everonn Education Limited will be held on Thursday, the 26<sup>th</sup> September, 2013 at 10.00 A.M. at Everonn House, 96-99, Industrial Estate Perungudi, Perungudi, Chennai - 600 096, to transact the following businesses:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit & Loss Account of the Company for the year ended on that date together with Reports of Board of Directors and Auditors of the Company.
2. To appoint Statutory Auditors and to fix their remuneration in connection therewith to pass, with or without modifications, the following resolutions as an Ordinary Resolutions:

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

### **SPECIAL BUSINESS**

#### **3. Appointment of Mr. A Srinivasan as Managing Director**

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (“Act”), as amended or re-enacted from time to time, read with Schedule XIII of the Act, the Company hereby approves the appointment of Mr. A Srinivasan as the Managing Director of the Company with effect from 3<sup>rd</sup> April, 2013 for a period of 5 (five) years.”

**“FURTHER RESOLVED THAT** Mr. A Srinivasan will not be paid any remuneration for holding the position of Managing Director and the remuneration if any payable in the future will be 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.”

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

#### **4. Ratification of the Appointment of Mr. Rakesh Sharma as Managing Director during the period 4-Oct-2012 to 3-Apr-2013**

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (“Act”), as amended or re-enacted from time to time, read with Schedule XIII of the Act, the Company hereby ratifies the appointment of Mr. Rakesh Sharma as the Managing Director of the Company without any remuneration during the period 4<sup>th</sup> October, 2012 to 3-Apr-2013.”

**5. Appointment of Mr. Natarajan Ranganathan as Director**

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**“RESOLVED THAT Mr. Natarajan Ranganathan**, 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 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 Director of the Company.”

**6. Appointment of Mr. Lakdawala Turab Mohd Hussein as Director**

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**“RESOLVED THAT Mr. Lakdawala Turab Mohd Hussein**, 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 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 Director of the Company.”

**7. Appointment of Mr. C N Radhakrishnan as Director**

To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

**“RESOLVED THAT Mr. C N Radhakrishnan**, 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 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 Director of the Company.

By order of the Board  
For **EVERONN EDUCATION LIMITED**

**Sd/-**

**N.P. Mathi Lingan**  
**Company Secretary**

Place : Chennai  
Date : 14th Aug, 2013



## **NOTES:**

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ("Act") in respect of the business under Item Nos. 3 to 7 above, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 3 to 7 of the Notice, are also annexed.
2. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the 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 FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. The Register of Members and Transfer Books of the Company will be closed from 20<sup>th</sup> September 2013 to 26<sup>th</sup> September 2013, both days inclusive.
4. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai - 600 002 (RTA) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or RTA, for assistance in this regard.
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
9. Shareholders may visit Company's website: [www.everonn.com](http://www.everonn.com) and contact us at e-mail: [companysecretary@everonn.com](mailto:companysecretary@everonn.com)
10. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
11. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications.

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

### **ITEM 3**

The Board of Directors at its meeting held on 3<sup>rd</sup> April 2013 appointed Mr. Srinivasan as the Managing Director (MD) of the Company with effect from 3<sup>rd</sup> April, 2013 for a period of 5 (five) years.

The MD shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the



best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

At present, no remuneration is proposed to be paid to Mr. A Srinivasan for his services pursuant to such appointment as Managing Director of the Company.

Mr. A Srinivasan is having wide knowledge in pharma, logistics, dairy, banking, FMCG, real estates industries and has 3 decades of rich and promising experience in these industries. Mr. A. Srinivasan possesses Masters' degree in Management with Statistics for his foundation.

Profile of Mr. A Srinivasan as required under Clause 49 of the Listing Agreement is given as Annexure to the Notice.

The Board recommends the resolution appointing Mr. A Srinivasan as proposed to be passed as an Ordinary Resolution.

None of the other Directors of the Company are in any way concerned or interested in this resolution, except Mr. A Srinivasan.

#### **ITEM 4**

The Board of Directors of the Company have appointed Mr. Rakesh Sharma as the Managing Director of the Company with effect from 4<sup>th</sup> October, 2012 for a period of 5 (five) years without any remuneration. Subsequently, Mr. Rakesh Sharma, resigned on 3<sup>rd</sup> Apr 2013. The appointment of Managing Director requires the approval of the Shareholders.

Mr. Rakesh Sharma is having 25 years of exemplary experience in Finance and its allied areas of operations - Business Valuations, Acquisition, and Financial Engineering to find strategic solutions. Rakesh is a graduate in Commerce and a Fellow member of ICAI (The Institute of Chartered Accountants of India).

Profile of Mr. Rakesh Sharma as required under Clause 49 of the Listing Agreement is given as Annexure to the Notice.

The Board recommends the shareholders to ratify the appointment of Mr. Rakesh Sharma as Managing Director during the period from 4<sup>th</sup> October, 2012 to 3<sup>rd</sup> Apr 2013 by passing the above resolution as an Ordinary Resolution.

None of the other Directors of the Company are in any way concerned or interested in this resolution.

#### **ITEM 5**

**Mr. Natarajan Ranganathan** was appointed as an additional Director of the Company with effect from 3<sup>rd</sup> April 2013 as per provisions of section 260 of the Act and Articles of Association of the Company. He holds office as an additional Director up to the date of this Annual General Meeting. The Company has received notice as prescribed under section 257 of the Companies Act, 1956 from a member along with deposit of Rs.500, signifying his intention to propose **Mr. Natarajan Ranganathan**, as Director of the Company.

Profile of **Mr. Natarajan Ranganathan** as required under Clause 49 of the Listing Agreement is given as Annexure to the Notice.

**Mr. Natarajan Ranganathan** is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act. The Company has received Form DD-A from **Mr. Natarajan Ranganathan**, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

The Board of Directors recommends the passing of this resolution.

None of the Directors' except **Mr. Natarajan Ranganathan** is in any way concerned or interested in the above resolution.





#### **ITEM 6**

**Mr. Lakdawala Turab Mohd Hussein** was appointed as an additional Director with effect from 22<sup>nd</sup> May 2013 as per provisions of section 260 of the Act and Articles of Association of the Company. He holds office as an additional Director up to the date of this Annual General Meeting. The Company has received notice as prescribed under section 257 of the Companies Act, 1956 from a member along with deposit of Rs.500, signifying his intention to propose **Mr. Lakdawala Turab Mohd Hussein**, as Director of the Company.

Profile of **Mr. Lakdawala Turab Mohd Hussein** as required under Clause 49 of the Listing Agreement is given as Annexure to the Notice.

**Mr. Lakdawala Turab Mohd Hussein** is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act. The Company has received Form DD-A from **Mr. Lakdawala Turab Mohd Hussein**, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

The Board of Directors recommends the passing of this resolution.

None of the Director's except **Mr. Lakdawala Turab Mohd Hussein** is in any way concerned or interested in the above resolution.

#### **ITEM 7**

**Mr. C N Radhakrishnan** was appointed as an additional Director with effect from 30<sup>th</sup> May 2013 as per provisions of section 260 of the Act and Articles of Association of the Company. He holds office as an additional Director up to the date of this Annual General Meeting. The Company has received notice as prescribed under section 257 of the Companies Act, 1956 from a member along with deposit of Rs.500, signifying his intention to propose **Mr. C N Radhakrishnan**, as Director of the Company.

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

**Mr. C N Radhakrishnan** is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act. The Company has received Form DD-A from **Mr. C N Radhakrishnan**, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

The Board of Directors recommends the passing of this resolution.

None of the Director's except **Mr. C N Radhakrishnan** and **Mr. Dino Varkey** are in any way concerned or interested in the above resolution.

By order of the Board  
For **EVERONN EDUCATION LIMITED**

Sd/-

**N.P. Mathi Lingan**  
**Company Secretary**

Place : Chennai  
Date : 14th Aug, 2013

**Details of Directors Seeking Appointment / Re-appointment at 13<sup>th</sup> Annual General Meeting**

<b>1. PARTICULARS</b>	<b>Mr. A Srinivasan</b>
Date of Birth	25-07-1960
Date of Appointment	3 <sup>rd</sup> April 2013
Qualifications	B. Sc in statistics, Masters in Management Studies with specialization in Finance
Expertise in specific Functional area	He has around 30 years of working experience in Pharma, FMCG, predominantly in Banking and Finance sector
Names of companies in which He Holds Directorship	Tempest Advertising Private Limited Inza Customer Relationship Management Services Private Limited Sonnet Strategic Consultancy Private Limited Overseas Property Consultants Private Limited Quant Transactional Services Private Limited Everonn Educational Resources Solutions Limited Everonn Medical Education Limited Everonn School Limited Everonn Skill Products Development Limited Everonn Dassani Literate Limited Everonn Business Education Limited Everonn Infrastructure Limited Everonn Skill Development Limited Toppers Tutorial Private Limited Everonn Sport Management Limited Everonn Skilling India Limited Everonn Knowledge & Education Corridor Limited Edifications India Limited Everonn Technical Education India Limited Everonn Education Limited Aeg Skill Update Private Limited
<b>2. PARTICULARS</b>	<b>Mr. Rakesh Sharma</b>
Date of Birth	09-11-1959
Date of Appointment	4 <sup>th</sup> October, 2013 to 3 <sup>rd</sup> Apr 2013
Qualifications	He is a graduate in Commerce and a Fellow member of ICAI (The Institute of Chartered Accountants of India)
Expertise in specific Functional area	He is having 25 years of exemplary experience in Finance and its allied areas of operations - Business Valuations, Acquisition, and Financial Engineering to find strategic solutions.
Names of companies in which he holds directorship	NIL
<b>3. PARTICULARS</b>	<b>Mr. Natarajan Ranganathan</b>
Date of Birth	10-07-1965
Date of Appointment	03-04-2013
Qualifications	Mr. Natarajan Ranganathan is a member of ICAI (Institute of Cost Accountants of India) and ICSI (Institute of Company Secretaries of India).



<p>Expertise in specific Functional area</p>	<p>Mr. Natarajan has over 20 years experience and serves on the Board of Hurix Systems, Humming Bird Corporate Travel &amp; Stay and Anantara Solutions. Before joining Helion, he was Global CFO and Head of Support Services at Tavant Technologies. During his stint in Tavant he led key initiatives of strengthening and implementing several internal processes related to Finance, HR and IS; and championing organizational improvement programs. He helped Tavant grow to \$60M in revenue.</p> <p>Prior to Tavant, Natarajan was CFO and CIO at Wipro peripherals. He worked for about 10 years in the Wipro group of Companies, in the areas of strategic business planning, financial services accounting, marketing, human resources, information services, finance and resources management, treasury and taxation. He contributed significantly to the profitability through treasury management, controllership and compliances. WeP was awarded the Best IT Usage Award by NASSCOM in the ICT Category in September 2003, an initiative led by him as the CIO. He started his career in 1989 with SRF Limited, a manufacturing company based in Delhi.</p> <p>He is also on the advisory board of SCIT (part of Symbiosis International University).</p>
<p>Names of companies in which He Holds Directorship</p>	<p>Hurix Systems Private Limited            Helion Advisors Private Limited            Tapasya Business Solutions Private Limited            Painted Platters Catering Services Private Limited            Anantara Solutions Private Limited            Humming Bird Travel &amp; Stay Private Limited            Azure Power India Private Limited            Attano Media And Education Private Limited            Azure Power ( Haryana ) Private Limited            Everonn Education Limited</p>
<p>4. PARTICULARS</p>	<p><b>Mr. Lakdawala Turab Mohd Hussein</b></p>
<p>Date of Birth</p>	<p>27-10-1958</p>
<p>Date of Appointment</p>	<p>22-05-2013</p>
<p>Qualifications</p>	<p><b>Mr. Lakdawala Turab Mohd Hussein</b> is a graduate from the Indian Institute of Management, Ahmedabad.</p>
<p>Expertise in specific functional area</p>	<p><b>Mr. Lakdawala Turab Mohd Hussein</b> began his career with Hindustan Lever Ltd. He has about 32 years of experience in the field of communications, advertising and customer relationship management. He has worked extensively in rural and urban India, across product and services segments. This experience has given him the ability to help brands reach both these segments successfully. As an advertising professional he has specialized in brand planning. He has been a pioneer in CRM in the advertising industry, having started work in 1998 in this field. He has been invited to speak at the Administrative Staff College of India, Hyderabad Central University, National Institute of Fashion Technology, Hyderabad Management Association, Costs and Chartered Accountants Conferences and various Rotary Clubs.</p>





Names of companies in which He Holds Directorship	Tempest Advertising Private Limited Inza Customer Relationship Management Services Private Limited Sonnet Strategic Consultancy Private Limited Everonn Education Limited
5. PARTICULARS	<b>Mr. C N Radhakrishnan</b>
Date of Birth	30-11-1956
Date of Appointment	30-05-2013
Qualifications	<b>Mr. CN Radhakrishnan</b> has a BSc in Physics (University of Kerala), MBA in Finance & Systems (XLRI Jamshedpur) and a Post Graduate Diploma in Computer Science (University of Pune).
Expertise in specific Functional area	<p>Mr. C N Radhakrishnan is Senior Director of Varkey Group (VG), and is a member of the Board of GEMS Education and its various subsidiaries. He is also a nominated director on the Board of Emirates Healthcare Holdings Ltd (EHHL), representing VG.</p> <p>Mr. Radhakrishnan has over 30 years of experience working in a variety of organizations in manufacturing, healthcare and education sectors across India, China, Europe and the U.A.E. He has spent the last 13 years in the healthcare and education sectors in Dubai. He joined Varkey Group in Dubai in 1998 as Vice President (Finance &amp; Planning), and since then served VG in various capacities as Director (Finance &amp; Administration), Executive Director of Varkey Group, and the CEO of EHHL after the healthcare business of Varkey Group was restructured as EHHL with Mediclinic and GE as shareholders. Prior to joining Varkey Group in 1998, he was the Chief Operating Officer of a manufacturing group involved in thermoplastic compounds in India.</p>
Number of Directorship	VG School Developments Private Limited VG Educational Properties Private Limited VG School Properties Private Limited Varkey School Infrastructure Management Services Private Limited Zanskar Properties Private Limited Premier Educational Establishments Private Limited Gems Education India Private Limited The Concorde Residential Schools Kerala Private Limited Everonn Education Limited



## DIRECTORS' REPORT

To the Members,

Your Directors submit the Annual Report of the Company along with Audited Financial Statements for the financial year ended March 31, 2013.

### 1. Financial Results

Particulars	Rs. In Lakhs	
	Financial Results for the year ended	
	31-March - 2013	31- March - 2012
Income from operations	11,501.04	30,381.52
Other Income	43.63	618.16
Total Revenue	11,544.67	30,999.68
Total expenditure before interest & Depreciation	17,494.90	23,525.57
Operating Profit/Loss (EBIDTA)	(5,993.85)	6,855.95
Interest	6,769.30	4,827.63
Depreciation/Amortization	4,931.28	5113.00
Profit before exceptional and extraordinary items and tax	(17650.80)	(2466.52)
Less Exceptional items	23,242.65	—
Profit before tax	(40,893.45)	—
Provision for tax	(15351.38)	(815.54)
Profit after tax (PAT)	(25,542.06)	(1,650.98)

### SUBSIDIARY COMPANIES

The Company has 15 subsidiary companies; there has been no material change in the nature of the business of the subsidiaries. A statement containing brief financial details of the subsidiaries is included in the Annual Report.

As required under the Listing Agreements entered into with the Stock Exchanges, a consolidated financial statement of the Company and all its subsidiaries is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 211(3C) of the Act. These financial statements disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiaries companies.

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking



such information at any point of time and are also available for inspection by any member of the Company/ its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection during business hours, as above, at the head offices/registered offices of the respective subsidiary companies. The Company shall furnish a copy of the details of annual accounts of subsidiaries to any member on demand.

## VII. DIRECTORS

The Board has undergone a complete re-constitution with the appointment of new Directors, Board appointed Mr. A Srinivasan, as Managing Director on 3<sup>rd</sup> April 2013, Mr. C.N.Radha Krishnan was appointed as an Additional Director on 30<sup>th</sup> May 2013, Mr. R. Natarajan, was appointed as an additional director on 3<sup>rd</sup> April 2013 and Mr. Turab Lakdawala was appointed as Additional Directors on 22<sup>nd</sup> May 2013.

As per the provisions of Section 260 of the Companies Act, 1956 the additional directors hold office only up to the date of the forthcoming Annual General Meeting (AGM) of the Company and are eligible for appointment as Directors. The Company has received notices under Section 257 of the Act, in respect of the above persons, proposing their appointment as a Director of the Company. Resolutions seeking approval of the members for the appointment of Mr. C.N.Radha Krishnan, Mr. R. Natarajan, and Mr. Turab Lakdawala as Directors of the Company have been incorporated in the Notice of the forthcoming AGM along with brief details about them.

During the year Mr. Rakesh Sharma, Managing Director, Mrs. Susha John, Whole Time Director, Mr. Joe Thomas, Mr. Marimuthu and Dr. M.S.Vijay Kumar, Directors resigned from the Board.

## 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 reappointment.

## 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 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 through out the organization at every stage.
- (iii) The foreign exchange earnings and outflows are detailed below

Amount in '000

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
<b>Expenditure in Foreign Currency</b>		
Business Associate Expenses	24	20,998
Travel and Conveyance	1,035	2,297
Other Expenses	-	1,229
<b>Earnings in Foreign Exchange</b>		
Testing Services	7,023	2,28,865



**X. PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the directors report section. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

**XI. FIXED DEPOSITS**

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

**XII. Listing of Shares**

The Equity Shares of your Company have been listed on National Stock Exchange Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Listing fees for the year 2013-14 have already been paid to BSE and NSE. The custodial fees payable to depositories namely NSDL & CDSL have also been remitted by the Company.

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

Corporate Governance Report and Management Discussion And Analysis Statement are attached to this report.

**XIV. 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 loss 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 31<sup>st</sup> March 2013 on a going concern basis.

**XV. STATUTORY DISCLOSURE**

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

**XVI. COMPLIANCE CERTIFICATE**

A Certificate from the M/s. G L Subramanian, Company Secretary in Practice regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached as annexure to this report.

**XVII. CORPORATE SOCIAL RESPONSIBILITY**

Everonn India Foundation is committed 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 prosperous communities. Through this initiative, Everonn's employees, education content & technological strength aim to make a difference in many students' lives and their learning experiences.

**XVIII. ACKNOWLEDGEMENT AND APPRECIATION**

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

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

For and on Behalf of the Board

**A. Srinivasan**  
Managing Director

**C N Radhakrishnan**  
Director

Place: Chennai  
Date: 14-Aug-2013



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### I. OVERVIEW

The year 2012-2013 saw your company change for good. The first and the foremost change began in the board room. Your company has appointed new MD and CFO besides appointing new directors and senior members to run the top jobs. These members are highly qualified professionals, experts in their own fields, extremely reputed in the sector, and come with a fresh thought process so essential for our company in these challenging times. Your new board members collectively and individually have pledged to lead from the front, make the most out of opportunities, and increase efficiency levels covering the entire spectrum of our business besides assuring to implement good governance practices in the company.

Our promoter group, the Dubai based Varkey Group led GEMS Education - the world's largest K-12 education company with over 50 years of experience in education, has completely backed us in this initiative and our group chairman, the Padmashree awardee Mr. Sunny Varkey, who is also the UNESCO Goodwill Ambassador for Education Partnerships, is been instrumental in bring such positive changes to our company. Mr. Dino Varkey and Mr. Rakesh Sharma, accomplished senior executives from GEMS Education, have been steering our board in the right direction.

All these senior members' efforts and our ability to put in place strong alternate controls have ensured that the company confidently march ahead to be a leading global player in taking education to the next dimension through an innovative blend of institutions and resources for creating empowered future citizens. Our enviable portfolio of education solutions, advanced technology, global world-class content, vast spread network and dedicated employees have remained our pillars of strength and will continue to do so in realizing our vision.

During the year, Everonn undertook an extensive research to analyze our projects, departments and processes' viability and profitability status. It is very essential that we continually reexamine our policies and projects so as to tread the right path of success. The study has indeed provided insightful information. Based on it, we have consciously decided to increase focus on our core competence area such as K12, Skills and Technology business, while to slow down the pace in certain area like higher education. All these efforts will ensure that we remain nimble, agile and efficient and remain profitable.

When it comes to one of our flagship business, ICT, the current year saw some significant momentum. We have been effectively providing computer education, computer literacy and computer-aided learning projects for several Government Schools across the length and breadth of the country. As the Indian government's budget continue to remain positive for the education sector, with good amounts allocated to higher education and school education, our enviable portfolio of ICT solutions, expertise and technology has been enabling us to fortify our leading position in this sector. We have always believed in technology and how it can be a social leveler when it comes to education.

All our efforts in this arena will enable us to remain a leading player in the ICT education sector.





On the other hand, our private sector initiatives such as K-12, Training, Certifications & Test Prep, Teachers' Training and Skill Development have continued to expand in the year that has been assessed. Everonn's KenBridge Schools stand to gain from our promoter's group strength as a leading global player in the K12 segment. The opportunity has enabled us to blend renowned faculties' (GEMS) expertise and superior technology (Everonn's strength) and create a much more competitive chain of Kenbridge Schools across the country. We have been continually revamping and redesigning our business models besides finding opportunities to excel. With a healthy business trend and focused marketing efforts, Everonn is confident that our private sector initiatives will continue to be a profitable venture and compliment existing offerings.

Our growth on the Skill and Vocational Training front during the year stands noteworthy. It is to be noted that the Indian government has set a target to skill 500 million people by 2022. In a country where approximately 12.8 million people join the job market every year, the government has taken several initiatives to skill the workforce and one such is actively involve the private players. Everonn has pioneered several skill development initiatives to tap the creative energy of the Indian youth and is in a leading position to actively partner with the government to pursue its vision. For the company, all these initiatives and partnerships offer excellent growth opportunities in the future.

During the year, Everonn has set up a panel of experts in the education and technology field to explore newer technology and methods to raise the standards of education. Your company's continues to invest in R&D and believes that technology alone can truly negate the social and economic borders of the country.

Much has happened in all our engagements and divisions from the year beginning, but our fundamental strength, challenges and strategic goals remain largely the same. We have continued to invest in the right opportunities, expand our large network, aim at long-term revenues, embrace innovation in our solutions and focus on employee excellence. Tighter cost control measures, cost optimization, better resource productivity and focused approach were the mantra of the year and would continue to be so in the coming years.

Following is a detailed report covering analysis on industry overview, opportunities and threats, outlook, risks and concerns, detailed analysis on operational performance and other major activities of the year 2012- 2013.

### **Industry Overview**

Acting to a report posted on an online media, Education market in India currently stands at a year-on-year (YoY) growth of 15 per cent. However there is a further demand of investments worth US\$ 100 billion by 2014 for construction and provisioning of education facilities especially in K – 12 and higher education segments, according to a report titled 'Indian Education Investment Report 2013'.

The private education sector is estimated to reach US\$ 70 billion by 2013 and US\$ 115 billion by 2018, according to consulting firm Technopak. Technopak sees enrollments in Kindergarten-12th grade (K-12) growing to 351 million, requiring an additional 34 million seats by 2018.



Pre-school business in India is expected to touch Rs 13,300 crore (US\$ 2.20 billion) by 2015-16, out of which branded pre-schools are expected to contribute about Rs 4,500 crore (US\$ 747.66 million), according to a report by Crisil.

Further, according to the report '40 million by 2020: Preparing for a new paradigm in Indian Higher Education' released by Ernst & Young, the higher education sector in India is expected to witness a growth of 18.0 per cent CAGR till 2020. At present, the sector witnesses spends of more than Rs 46,200 crore (US\$ 7.68 billion), which is estimated to grow at an average rate of more than 18.0 per cent to over Rs 232,500 crore (US\$ 38.63 billion) in 10 years.

The education sector has attracted foreign direct investments (FDI) worth Rs 3,332.97 crore (US\$ 552.09 million) during April 2000 to March 2013, according to the data released by the Department of Industrial Policy and Promotion (DIPP).

India plans to enhance its formally skilled workforce through vocational education and training from the current 12 per cent to 25 per cent by 2017, thereby adding about 70 million people in the next five years. Hence, the higher education segment is expected to undergo intense changes and activities in terms of foreign partnerships and foreign players entering the market in the coming years, with Indian players rejuvenating and improvising their methodology, technology and course content to match the competition.

## **II. OPPORTUNITIES AND THREATS**

Opportunities and threats exist for every business. Everonn, being a progressive company understands the nuance of the education sector and in particular that of the Indian Education sector. Your company has ensured that we stand united and bring our best in times of adversity while never miss a chance to make the best out of an opportunity. Nevertheless, our top management had been meticulously forecasting the sector trend and has been building and delivering products and solutions to the entire value-chain addressing the needs of both Government and Private players covering Pre-School, K-12, Vocational Education, ICT, Training, Certification and Testing and Resource mobilization.

We continue to remain well poised to capitalize on the new opportunities that emerge out of highly optimistic market conditions. We are well equipped to employ our extensive Education Content & Technology Competency, which has emerged with the decades of experience and will make all efforts to seize this opportunity and position ourselves ahead.

### **A. Everonn's Strength**

#### **1. Technology**

When it comes to education technology your company is a pioneer. We understand that technology allows students to become much more engaged in constructing their own knowledge and cognitive studies show that ability is key to learning success. That's the reason we have ensured that superior



technology and methods are applied in all our teaching initiatives- from pre-school to B-School to Vocational Training. When others were just beginning to explore the true potential technology offers for teaching and learning, your company has taken a head start in integrating technology into classroom learning so that students can learn easily and quickly, while teachers can teach effectively and effortlessly. We have continued to invest our time and efforts in technology R&D so that we offer world-class standards and sophistication when it comes to education.

Our belief in technology and our continual efforts have catapulted us to be one of the few companies in world with the ability to design ‘wired and wireless knowledge and training delivery platform’ to meet the educational needs of student no matter where they are.

Moreover, we have consciously built an enviable infrastructure and state-of-the art studios to quench our technology quest. The studios are adequately equipped with the requisite audio, video and computer systems, which enable instructors to effectively impart their instruction and interact with students. The digitally enabled ‘**Lecture Platform**’ allows instructors 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. Using a powerful interface, it enables a student to engage in participatory sessions with peers and instructors across the country.

## 2. Content

Maintaining and Delivering deliver high quality content to both students and teachers is the secret of our success. Irrespective of the methods and technology, the content remains the king when it comes to education. Being in the business for decades we understand this universal fact and have ensured that all our efforts are channelized to deliver high quality content. We continue to strive harder and spend several man-hours in R&D before delivering the best and the right content to all our educational initiatives. From nursery rhymes to structured learning content, mapped class-wise, subject-wise and chapter-wise for different boards, to live lab experiments and business concepts, we have meticulously ensured that our content is simple yet rich, elaborate while engaging and most importantly enjoyable yet effective.

Our cohesive team of highly qualified and experienced subject experts, renowned teachers & faculty members, research associates, instructional and multi-media designers and animators work passionately to realize our dream and meet the high quality targets that we have set for ourselves.

Our huge repository of pre-built learning objects combined with our ability to design ‘wired and wireless knowledge and training delivery platform, makes it possible to deliver content to any part of the globe on time. Everonn has reached the milestone of becoming the largest VSAT education network in the world.

## 3. Reach

Your company continues to augment its footprint both vertically and horizontally. Today we have solutions for education in its entirety and provide a blend of traditional and digitized content to the schools, colleges and retail segments across a wide cross segments of learners spread over the



length and breadth of the country. Aiming to educate the mass, while remaining a one-stop education solution provider, Everonn conducts classes in schools and colleges where computer education was an improbable idea, provides infrastructure that is world-class, trains teachers to be more proficient and effective and occupies every space, from Kindergarten to the employed segment. This elevates Everonn to a “360 degree education and training solution provider status”.

Everonn’s growing reach now extends far beyond its regional presence, thanks to the vast reach of the global network of its new promoter group.

#### **4. People**

Your company’s core strength continues to be its employees. We have taken special care to nurture our enviable talent pool and provide ample opportunities to demonstrate their talent, to contribute positively and grow with the organization.

Today, we have thousands of professionals including highly qualified and experienced subject experts, renowned teachers & faculty members, research associates, instructional and multi-media designers and animators, administrators and other corporate professionals stand united to our cause.

#### **5. World-renowned Group**

GEMS Education is our promoter group and it is an international education company with a global network of award winning schools. With over 50 years of experience in education, GEMS provides high quality holistic education to over 110,000 students from over 151 countries. GEMS was founded by educators and run by educators and believe that education is a long-term commitment. GEMS is committed to providing access to quality education to as many children in the world as possible. GEMS operates in both the Private and Public sectors, and has offices in the United Arab Emirates, the United Kingdom, the United States of America, India and Singapore. The Varkey GEMS Foundation is the company’s philanthropic arm and its honorary Chair is former US President, Bill Clinton.

Our groups’ strength and reach is sure guiding Everonn in a big way. Today we have access to their global-class facilities, faculties and teaching methodologies. We are ensuring that we benefit from all these and never to fail apply them whenever an opportunity comes our way.

#### **B. Threat**

Like all other business enterprises, Everonn too has national as well global interests, and is exposed to business risks which may both be internal and external.

The continuing uncertainty in the domestic as well as international economy is a fundamental concern. In the domestic economy, the inflationary pressures, current and fiscal deficits, fluctuating exchange rates pose significant challenges to economic growth.



Frequent changes by national and state boards to their curriculum and teaching methodologies would require us to make constant changes to our content and delivery modalities, which can involve high amounts of investment.

Our revenues are difficult to predict and can vary significantly from period to period, which could cause our share price to decline. We may not be able to sustain our previous profit margins or levels of profitability.

The Government policies on Education have an impact on our performance to a large extent. Therefore, any such changes in Government policies or reallocation of the Government budget away from education services could affect our business prospects.

Our increasing work with governmental agencies may expose us to additional risks. Delay in payments from government contracts may affect business cash flow.

The Company is well aware of these risks and challenges and has put in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

### **III. SERVICE SPECTRUM**

#### **1. Instructional Computing Technology (ICT )**

In the ICT segment, where our focus is on the Government Schools, your company has further cemented its position as a pioneer in delivering complete ICT-enabled education through turn-key projects on a BOOT (Build Own Operate and Transfer) or BOT model. The company has been successfully providing computer education, computer literacy and computer-aided learning projects for several Government Schools across the country. Being the first player to set up studio and provide VSAT enabled education to the Government rural schools, Everonn has initiated several Edutech programs that aim to bridge the education divide that exist between the urban and rural areas and provide an equal opportunity for every learner.

#### **2. School Solutions - iSchool**

School solutions, iSchool aims at redefining the education and learning process. It meticulously combines the orthodox system of learning with digitized content and state-of-the art teaching tools to make learning an interactive and enriching experience. iSchool's multimedia based digital content mapped to a given syllabus presents a unique opportunity for teachers and institutions to transform traditional blackboard and chalk class rooms into interactive sessions, where complex and tedious concepts are better and easily understood by learners.

It provides a broad portfolio of educational solutions from digitized curriculum-mapped content to technology enabled delivery platforms to school management systems addressing the evolving needs in the education sector.





### 3. Technology Solutions

The Technology Solutions at Everonn encompasses of **Knowledge, Software and Platform Solutions.**

Knowledge Solutions comprise of Knowledge Resource Development & Research, Digital Learning and Teacher Training.

**Knowledge Resource Development and Research (KRDR)** is responsible for the research, development and delivery of content and training solutions. KRDR has a well-defined process that helps to cover all aspects of design, development and deployment methodically and successfully. KRDR has resources with extensive exposure to the eLearning and other modern learning methodologies, including mobile, Interactive Whiteboard, other learning systems and social learning. The team is equipped to take up end-to-end product development, right from conceptualisation of solution to graphic development, programming, Learning management solutions deployment and training.

Taking advantage of the company's inherent strength in content building and technology enabled course delivery **Everonn's Digital Learning Solutions** offer complete educational support solutions to cater to the rapidly evolving market demands. The product range includes online courses, live classes, blended delivery as well as applications that can be ported and accessed across various personal device platforms such as tablets and mobiles

**Teacher Training** - Building Next Generation Teachers - Everonn with its basket of generic, segment and subject specific certified training programs/modules shall provide an end-to-end solution to cater to the complete range of educators' needs from the primary to the tertiary education segments. Additional skills in terms of soft skills, personal grooming, education management and leadership skills are also imparted.

#### **Software Solutions provide Office Automation and Institutional Resource Planning**

The application development and software automation division is responsible for the development and delivery of software. Their well-defined process covers all aspects of design, development and deployment. It is qualified to facilitate end-to-end product development right from Requirement Gathering, Analysis, Designing, Development, Testing, Deployment, Training and Maintenance stages.

**Institutional Resource Planning** apart from providing IT solutions to business units and subsidiaries of Everonn develops and deploys custom-made solutions to external clients. It has won prestigious Government contracts for IT solutions on BOT model. It's 'Campus Management Solutions' can integrate Teaching Fraternity, Learning Mass and Parents.

**Platform Solutions** initiates and facilitates the Virtual Learning Environment. They ensure the regular operations of the live and interactive content delivery from Everonn studios and services both internal and external requirements.



#### **4. Vocational Education**

India has set a goal a very ambitious goal for human development – to have a 500 million strong skilled labour by 2022 amongst others. Today, fulfillment of this audacious goal is driven by no less than the Indian Prime Minister's office. The Prime Minister's National Council on Skills Development is pushing for a skilled India through various government mechanisms and NSDC plays a prominent role.

Everonn's contribution towards this nation building exercise saw the advent of Everonn Skill Development Limited (ESDL). ESDL will address this gap by imparting industry relevant skills / vocational training – skill, reskill and up-skill - to students across nine of the 20 high-growth sectors identified by National Skill Development Corporation (NSDC). ESDL offers programmes in Culinary & Hospitality, Gaming & Animation, Nursing, Retail, Apparel & Textiles, Welding Simulation, Electrical & Electronics, Mechatronics and other life skills.

#### **IV. RISKS AND CONCERNS.**

Management of risk includes properly identifying, communicating and controlling the risks which may cause a serious impact to the business. Management is confident that the Company employs effective procedures to address all material risks.

While the Company is anticipating continued growth in EDUCATION and allied services of business, growth will be impacted by several factors including (i) the ability of the Company to secure its educational products at competitive prices (ii) the ability within the market place to manage price increases to cover increased costs and (v) general economic conditions.

The Government of India has instituted several policies to promote the growth and these include interest rate subsidies, duty/tax reimbursement schemes etc. Withdrawal/ termination of any of these policies / schemes may adversely impact the profitability of the Company.

However, the Company has put in place a Risk Management system which has the objective to create about various risks associated with the business of the Company. It defines the risk policies, lays out the risk strategies and methodology to decide on the risk taking ability of the Company. The risk management process involves risk identification, risk measurement, risk prioritization, risk monitoring, risk escalation and risk mitigation.

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

The company has internal control systems and processes that provide reasonable assurance of effective and efficient operations, internal financial control and compliance with laws and regulations. Internal controls comprise of operational procedures, segregation of duties, periodic reconciliations and formal policies and procedures that facilitate complete, accurate and timely processing and recording of transactions and safeguarding of assets.



The Management receives independent feedback from the reports issued by Internal Auditors, Statutory Auditors on the adequacy of the internal controls and endeavors to strengthen the internal control weaknesses. Internal controls are generally adequate for established activities and services. Internal controls are periodically tested, reviewed and enhanced.

The Audit Committee periodically reviews audit plans, observations and recommendations of the Internal Auditors as well as external auditors with reference to significant risk areas and adequacy of internal controls.

The CEO & CFO Certification provided in the CEO & CFO Certification section of the Annual Report discusses the adequacy of our internal control systems and procedures.

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

The Financial performances are covered in the Directors report and the same can be referred to in the said report

## **VII. HUMAN RESOURCES DEVELOPMENT:**

Our major revenue comes from the government towards the talent we engage in developing and delivering IT education. It means we literally bill our talents. Hence managing these talents is critical for sustenance and growth of our business. Business opportunities in education space are immense and our growth largely depends on how much we can leverage the Talents in innovating newer technology based education delivery.

During 2012-13, HR has played a key role in restructuring the leadership team to focus on specific business verticals, rationalizing Talent profile and strength, reorganized business alignment to optimize our talent resources and thereby significant reduction in Talent cost. We have strengthened our Performance Management Process to bring in more transparency and effectiveness, KRA workshop conducted across for better result orientation, grade rationalization exercise done to bring in uniform structure, role clarity, growth path and standardization of levels internally and externally. All people policies in the organization were reviewed to set a base to attract retain and nurture the best talents to meet the growing business demands.

We have plans in place in line with the organizational change envisaged due to the change in promoter and management. The total employees strength of Everonn Group as on 31<sup>st</sup> March 2013 were around 5300 including ICT project staff around 4800.

For and on Behalf of the Board

**A. Srinivasan**  
Managing Director

**C N Radhakrishnan**  
Director

Place: Chennai  
Date: 14-Aug-2013



# CORPORATE GOVERNANCE

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

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

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

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

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. The following is a report on the status and progress on major aspects of Corporate Governance for the year ended 31<sup>st</sup>March, 2013.

### 1. Board of Directors

The Board has an optimum combination of Executive, Non-Executive and Independent Directors, which ensures proper governance and management. As at 31<sup>st</sup>March, 2013, the composition of the Company's Board of Directors is in conformity with the prescribed code of Corporate Governance by the Stock Exchanges.

As mandated under Clause 49 of the Listing Agreement with the Stock Exchanges, none of the Directors is a member of more than ten Board level Committees nor is any of them a Chairman of more than five Board level committees, in which they are members.

#### a) Composition of the Board

Sl.no	Name of the Director	Category
1	Mr. Dino Sunny Varkey	Non-Executive & Non Independent Director
2	Mr. A Srinivasan*	Managing Director
3	Mr. CN Radhakrishnan*	Non-Executive & Non Independent Director
4	Mr. R. Natarajan*	Non-Executive & Independent Director
5	Mr. Turab Lakdawala*	Non-Executive & Independent Director
6	Mr. Rakesh Sharma*	Managing Director*
7	Mr. Sandeep Maniyar*	Non-Executive & Alternate Director
8	Mrs. Susha John#	Whole-time Director
9	Mr. Nikhil P Gandhi#	Non-Executive & Non Independent Director
10	Dr. K M Marimuthu#	Non-Executive & Independent Director
11	Mr. Joe Thomas#	Non-Executive & Independent Director
12	Dr. M S Vijaykumar#	Non-Executive & Independent Director

Note:

\*- Mr. A Srinivasan was appointed as a Managing Director w.e.f 3rd Apr 2013,

- Mr. C N Radhakrishnan was appointed as an Additional Director w.e.f 30th May 2013,

Mr. R Natarajan was appointed as an Additional Director w.e.f 3rd Apr 2013,



- Mr. Turab Lakdawala was appointed as an Additional Director w.e.f 22<sup>nd</sup> May 2013,
- Mr. Rakesh Sharma was appointed as a Managing Director w.e.f 4<sup>th</sup> Oct 2012 subsequently he resigned on 3<sup>rd</sup> Apr 2013 and
- Mr. Sandeep Maniyar was appointed as an Alternate Director to Mr.Rakesh Sharma w.e.f 22<sup>nd</sup>May 2013, he vacated office on 3<sup>rd</sup> Apr 2013 consequent to the resignation of Mr. Rakesh Sharma.
- #- Mrs. Susha John, Whole Time Director resigned from the Board of Everonn Education Limited w.e.f. 4<sup>th</sup>October, 2012
- Mr. Nikhil P Gandhi resigned from the Board of Everonn Education Limited w.e.f 31<sup>st</sup>December 2012.
- Dr. K M Marimuthu resigned from the Board of Everonn Education Limited w.e.f. 3<sup>rd</sup>April, 2013
- Mr. Joe Thomas retired from the Board of Everonn Education Limited in the AGM held on 25<sup>th</sup> Sep 2012
- Dr. M S Vijaykumar, has resigned from the Board of Everonn Education Limited w.e.f. 4<sup>th</sup>Feb, 2013

**b) Board Procedure**

The Board has a formal schedule of matters reserved for its consideration and decision. Agenda papers for the Board/ Committee Meetings containing all necessary information / documents are made available to the Board/ Committee, respectively, in advance to enable the Board /Committee to discharge its responsibilities effectively and take informed decisions. The senior executives make presentations to the Board.

The Board of Directors meet at regular intervals and decisions are taken at the Meetings after detailed discussions and evaluation of the subject. After the Meetings, the Company has a formal system for follow up, review and reporting. The actions taken on the Board/Committee Meetings and decisions arrived at are reported at its next meeting for being reviewed by the Board/Committee(s). Amongst other things, the Board considers the following matters:

- Strategy and Business plans;
- Annual Operating and Expenditure Budgets;
- Statutory Compliances;
- Adoption of Quarterly/Half Yearly/Annual results;
- Minutes of Meetings of the Board Committees; and
- Minutes of Board Meetings of the Subsidiaries

In accordance with the code of Corporate Governance and based on the requirements to focus on special areas, the Board has constituted several Committees to deal with specific matters and delegated powers for different functional areas.

**c) Meetings and Attendance**

The Board met five times during the year on 14<sup>th</sup> May, 2012, 13<sup>th</sup> August, 2012, 10<sup>th</sup> November, 2012, 27<sup>th</sup> December, 2012, 13<sup>th</sup> February, 2013. Details of attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting (AGM) of the Company are as follows:

Sl. No.	Name of the Director	Designation	Attendance		No. of Directorship in other Indian Companies		No. of Committee Positions Held in other Public Companies	
			Board Meeting	Last AGM	Public	Private	Chairman	Member
1	Mr. Dino Sunny Varkey	Non-Executive & Non Independent Director	3	No	14	14	NIL	NIL
2	Mr. Rakesh Sharma	Managing Director	4	Yes	15	NIL	NIL	NIL
3	Mrs. Susha John	Whole-time Director	2	No	NIL	Nil	NIL	NIL
4	Mr. Nikhil P Gandhi	Non-Executive & Non Independent Director	NIL	No	11	5	1	10





5	Dr. K M Marimuthu	Non-Executive & Independent Director	5	Yes	NIL	NIL	NIL	NIL
6	Mr. Joe Thomas	Non-Executive & Independent Director	1	No	NIL	3	NIL	NIL
7	Dr. M S Vijaykumar	Non-Executive & Independent Director	1	No	NIL	NIL	NIL	NIL
8	Mr. R Sankaran	Non-Executive & Independent Director	1	No	1	NIL	NIL	NIL

## 2. Audit Committee

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

### a) Composition

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges read with Section 292A of the Companies Act, 1956 ("Act").

The Audit Committee was comprised of the following members in the beginning of the financial year 2012-13.

Director	Position
<b>Dr. K M Marimuthu</b>	<b>Non-Executive &amp; Independent Director</b>
<b>Mr. Nikhil P Gandhi</b>	<b>Non-Executive &amp; Non Independent Director</b>
<b>Mr. Joe Thomas</b>	<b>Non-Executive &amp; Independent Director</b>
<b>Mrs. Susha John</b>	<b>Chief Executive Officer &amp; Whole-time Director</b>
<b>Mr. R. Sankaran</b>	<b>Non-Executive &amp; Independent Director</b>

The Audit Committee was re-constituted with the following members in the Board Meeting held on 13-Aug-2012 on account of the resignation of Mr. R Sankaran w.e.f 12-Jun-2012:

Director	Position
<b>Dr. K M Marimuthu</b>	<b>Non-Executive &amp; Independent Director</b>
<b>Mr. Nikhil P Gandhi</b>	<b>Non-Executive &amp; Non Independent Director</b>
<b>Mr. Joe Thomas</b>	<b>Non-Executive &amp; Independent Director</b>

The Audit Committee was again re-constituted with the following members in the Board Meeting held on 10-Nov-2012 on account of the resignation of Mr. Joe Thomas w.e.f 25-Sep-2012:

Director	Position
<b>Dr. K M Marimuthu</b>	<b>Non-Executive &amp; Independent Director</b>
<b>Dr. M S Vijaykumar</b>	<b>Non-Executive &amp; Non Independent Director</b>
<b>Mr. Rakesh Sharma</b>	<b>Non-Executive &amp; Independent Director</b>
<b>Mr. Sandeep Maniyar</b>	<b>Alternate Director to Mr. Rakesh Sharma</b>



Again the Audit Committee was re-constituted in the Board Meeting held on 30-May-2013. Currently the Audit Committee is comprised of the following members:

Director	Position
Mr. R. Natarajan	Non-Executive & Independent Director
Mr. Turab Lakdawala	Non-Executive & Independent Director
Mr. CN Radhakrishnan	Non-Executive & Non Independent Director

**b) Terms of Reference in brief**

The primary objective of the Committee is to monitor and provide effective supervision of the financial control and reporting system. The Audit Committee reviews the business of the Company at regular intervals and makes appropriate recommendations to the Board for its approval. The terms of reference of the Committee, which are in line with the requirements of the Clause 49 of the Listing Agreement and the provisions of Section 292A of the Companies Act, 1956, inter-alia comprise of the following:

- Oversight of the Company's Financial Reporting and disclosure of its financial information
- Reviewing with the Management, the Quarterly Financial Results before submission to the Board for its approval
- Reviewing with the Management, the Annual Financial Results / Statements before submission to the Board for its approval
- Reviewing the adequacy of Internal Control Systems
- Discussion with the Internal Auditor on significant findings and follow up thereon
- Reviewing of the Capital Expenditure Plans and the status relating thereto
- Monitoring the Company's Cost Control Measures
- Reviewing of compliance with Accounting Standards and
- Approval of appointment of CFO, before finalization by the Management.

**c) Meetings and attendance**

During the year the Committee met four times, viz., 14<sup>th</sup> May, 2012, 13<sup>th</sup> August, 2012, 10<sup>th</sup> November, 2012, 13<sup>th</sup> February, 2013. The attendance of the members of the Audit Committee are as follows:

Director	Number of Meetings attended
Dr. K M Marimuthu	4
Mr. Nikhil P Gandhi	Nil
Mr. Joe Thomas	1
Mrs. Sussha John	1
Mr. R. Sankaran	1
Dr. M S Vijaykumar	Nil
Mr. Rakesh Sharma	1
Mr. Sandeep Maniyar	1



### 3. Remuneration Committee

#### a) Composition

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

S.No	Director	Position
1	Mr. R. Sankaran	Non-Executive & Independent Director
2	Dr. K M Marimuthu	Non-Executive & Independent Director
3	Mr. Joe Thomas	Non-Executive & Independent Director
4	Mr. Nikhil P Gandhi	Non-Executive & Non Independent Director

Consequent to the resignation of Directors, the Remuneration Committee was re-constituted with the following members in the Board Meeting held on 30-May-2013:

Director	Position
Mr. R. Natarajan	Non-Executive & Independent Director
Mr. TurabLakdawala	Non-Executive & Independent Director
Mr. CN Radhakrishnan	Non-Executive & Non Independent Director

#### b) Terms of Reference in brief

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

- determination of remuneration package of all the Directors of the Company;
- determination of the service contracts, notice period and severance fees;
- determination of eligibility of the Directors for stock options, if any and other modalities relating thereto.
- appointment/ reappointment of the Executive and Non- Executive Directors

#### c) Meetings and Attendance

No meetings were held during the year.

#### d) Remuneration Policy

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

#### e) Remuneration to the Directors

No Remuneration is payable to the Non-Executive Directors except sitting fees. No sitting fee is paid to the Executive Director for attending the Meetings of the Board or the Committees thereof. Further, the members have authorized the Board of Directors of the Company to vary the amount of sitting fees payable to the Directors for attending the Meetings of the Board of Directors and any of the Committees constituted, within such maximum permissible limit as may be prescribed under the Companies Act, 1956, Rules made and Notifications issued thereunder from time to time. As at present, the sitting fees payable to each of the Directors per meeting is as follows:



Sl. no	Name of the Committee	(Amount In Rs.)
1	Board	15,000/-
2	Audit Committee	15,000/-
3	Remuneration Committee	15,000/-
4	Finance Committee	15,000/-
5	Shareholders/ Investor Grievances & Share Transfer Committee	15,000/-

\*The sitting fees was increased to Rs.20,000/- per meeting w.e.f 30-May-2013.

#### 4. Shareholders/ Investor Grievances & Share Transfer Committee

##### a) Composition

The Shareholders / Investor Grievances & Share Transfer Committee of the Board comprises of the following Non-Executive Directors & Executive Director:

S.No	Director	Position
1	Mr. R. Sankaran	Non-Executive & Independent Director
2	Dr. K M Marimuthu	Non-Executive & Independent Director
3	Mr. Joe Thomas	Non-Executive & Independent Director
4	Mr. Nikhil P Gandhi	Non-Executive & Non Independent Director

The Committee was re-constituted with the following members in the Board Meeting held on 10-Nov-2012 on account of the resignation of Mr. R Sankaran w.e.f 12-Jun-2012 and the retirement of Mr. Joe Thomas w.e.f 25-Sep-2012:

S.No	Director	Position
1	Dr. K M Marimuthu	Non-Executive & Independent Director
2	Mr. Nikhil P Gandhi	Non-Executive & Independent Director
3	Mr. Rakesh Sharma	Managing Director
4	Mr. Sandeep Maniyar	Alternate Director to Mr. Rakesh Sharma

Consequent to the resignation of Directors, currently the Committee was re-constituted with the following members in the Board Meeting held on 30-May-2013:

Director	Position
Mr. R. Natarajan	Non-Executive & Independent Director
Mr. Turab Lakdawala	Non-Executive & Independent Director
Mr. A Srinivasan	Managing Director

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

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, dematerialization/Rematerialization 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.

**c) Meetings and Attendance**

During the year the Committee met four times, viz., 14th May, 2012, 13th August, 2012, 10th November, 2012, 13th February, 2013. The attendance of the members of the Shareholders/ Investor Grievances & Share Transfer Committee is as follows:

Director	Number of Meetings attended
Mr. R. Sankaran	1
Dr. K M Marimuthu	4
Mr. Joe Thomas	1
Mr. Nikhil P Gandhi	Nil
Mr. Rakesh Sharma	1
Mr. Sandeep Maniyar	1

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

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

**e) Status of the Shareholders' Complaints:**

The Share holders Committee and the Board reviews the status of Shareholders' Grievances received by the Company together with the status of their redressal at every meeting. The details of complaint resolved during the financial year ended March 31, 2013 are as follows:

Sl. no	Nature of Compliants	Pending as on 1st April 2012	Compliants	Compliants Redresse	Pending as on 31st March 2013
1	Dividend related	Nil	9	9	Nil

**5. OTHER COMMITTEES****A) Finance Committee****a) Composition**

The Finance Committee of the Board comprises of the following Non-Executive Directors & Executive Director. The Company Secretary acts as Secretary to the Committee:

S.No	Director	Position
1	Mr. R. Sankaran*	Non-Executive & Independent Director
2	Mrs. Susha John*	Chief Executive Officer & Whole-time Director
3	Mr. Nikhil P Gandhi*	Non-Executive & Non Independent Director

Note:

\*Mr. R Sankaran has resigned from the Board of Everonn Education Limited w.e.f. 12<sup>th</sup> Jan, 2012





\* Mrs. Susha John, Whole Time Director resigned from the Board of Everonn Education Limited w.e.f. 4th October, 2012

\* Mr. Nikhil P Gandhi resigned from the Board of Everonn Education Limited w.e.f 31st December 2012.

Consequent to the resignation of Directors, currently the Committee was re-constituted with the following members in the Board Meeting held on 30-May-2013:

Director	Position
Mr. R. Natarajan	Non-Executive & Independent Director
Mr. Turab Lakdawala	Non-Executive & Independent Director
Mr. A Srinivasan	Managing Director

#### b) Terms of Reference in brief

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

- Opening, closing or Operation of Bank accounts.

-To review the position of funds of the Company, borrow monies required for the purpose of business, negotiate and finalise the terms of borrowings with the lenders, approve borrowings and look into its repayments and also to make loans when there is surplus money available in hand.

-Authorisation to Directors, employees or others for effective representation before Statutory, Legal, Judicial, Quasi Judicial, Arbitrators, Mediators, Conciliators, Tribunals and all Other Authorities.

#### B) ALLOTMENT COMMITTEE

##### a) Composition

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

S.No	Director	Position
1	Mr. Joe Thomas	Non-Executive & Independent Director
2	Mrs. Susha John	Chief Executive Officer & Whole-time Director
3	Mr. Nikhil P Gandhi	Non-Executive & Non - Independent Director

Note:

- Mr. Joe Thomas retired from the Board of Everonn Education Limited in the AGM held on 25th Sep 2012

- Mrs. Susha John, Whole Time Director resigned from the Board of Everonn Education Limited w.e.f. 4th October, 2012

Mr. Nikhil P Gandhi resigned from the Board of Everonn Education Limited w.e.f 31st December 2012.

Consequent to the resignation of Directors, currently the Committee was re-constituted with the following members in the Board Meeting held on 30-May-2013:

Director	Position
Mr. R. Natarajan	Non-Executive & Independent Director
Mr. Turab Lakdawala	Non-Executive & Independent Director
Mr. A Srinivasan	Managing Director



## b) Terms of Reference in brief

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

## 6. GENERAL BODY MEETINGS

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

Date	Meeting	Location	Time
25th Sep, 2012	AGM	"Beach Park #2/226, Chinnandikuppam Road, Vettuvankeni, Chennai	10.00 AM
29th Jun, 2012	EGM	"Beach Park #2/226, Chinnandikuppam Road, Vettuvankeni, Chennai	9.30 AM
19th Oct, 2011	EGM	"Beach Park #2/226, Chinnandikuppam Road, Vettuvankeni, Chennai	9.30 AM
03rd Aug, 2011	AGM	P.Obul Reddy Hall, Sri Thyaga Brahma GanaSabha, VaniMahal, G.N.Chetty Road, T.Nagar, Chennai 600 017	11.00 AM
27th Jul, 2010	AGM	The Music Academy, New No.168, TTK Road, Chennai - 600 014.	11.00 AM
18th Aug, 2010	EGM	The Music Academy, New No.168, TTK Road, Chennai - 600 014	11.00 AM

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

Year	Annual General Meeting	Sl.No	Particulars of Special Resolution Passed
2011	11th AGM	1	Appointment of Mr. P. Kishore, as Managing Director of the Company in terms of provisions of sections 198,269,309,310,311 read with Schedule XIII of the Companies Act, 1956.
		2	Appointment of Mrs. Sussha John, as Whole Time Director of the Company in terms of provisions of sections 198,269,309,310,311 read with Schedule XIII of the Companies Act, 1956.
2010	10th AGM	1	Pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956 to issue equity warrants to the promoter group.



		2	Pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956 to issue Zero Coupon Fully Convertible Debenture to HT Media Ltd.
		3	Pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956 to issue Zero Coupon Fully Convertible Debenture to DB Corp Ltd.

## 7. POSTAL BALLOT

There were no resolutions that were passed through postal ballot by the members of the Company during the year ended 31st March, 2013. None of the resolutions to be placed at the ensuing Annual General Meeting are required to be passed by the members through Postal Ballot.

## 8. CODE OF CONDUCT

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

All the Board Members and Senior Management Personnel have affirmed compliance to the Code for the year ended on 31st March, 2013.

## 9. DISCLOSURES

### a) Material Related Party Transaction

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

### b) Compliances

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

## 10. Means of Communication

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

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



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

## 11. GENERAL SHAREHOLDER INFORMATION

### a) Details of the forthcoming Thirteenth Annual General Meeting

1. Date : 26th September, 2013
2. Day : Thursday
3. Time : 10.00 AM
4. Venue : 96-99, Industrial Estate Perungudi, Perungudi, Chennai - 600 096.

Financial Calendar:

Year ending: March 31

AGM in: Sep

Date of Book Closure/Record Date: As mentioned in the Notice of the AGM to be held on Sep 26, 2013. As required under Clause 49(IV)(G)(i) of the Listing Agreements entered into with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on Sep 26, 2013.

### b) Listing on Stock Exchanges

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

Name of the Stock Exchange	Address	Stock Code
Bombay Stock Exchange	Phiroze Jheejeebhoy Towers, Dalal Street, Mumbai - 400 001	532786
National Stock Exchange of India Limited	Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	Everonn

### c) Depositories

The equity shares of the Company are admitted in the following Depositories of the country under the International Securities Identification Number (ISIN) INE246B01019. This number is required to be quoted in each transaction relating to the dematerialized equity shares of the Company.

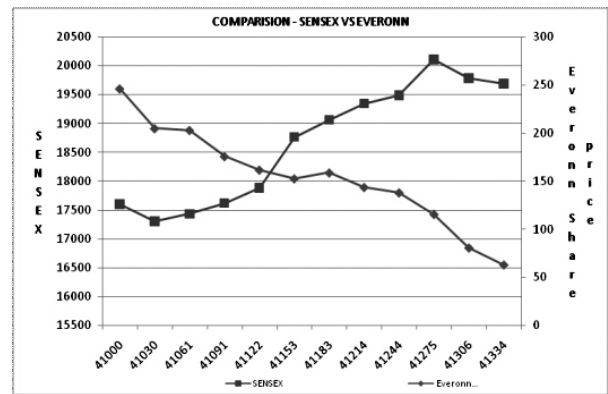
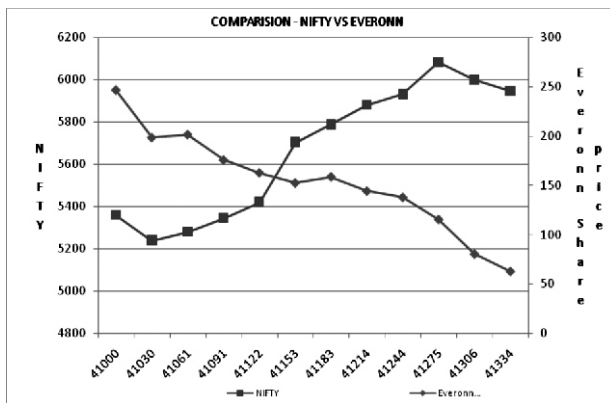
Name of the Depository	Address
National Securities Depository Limited (NSDL)	Trade World, A wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400 013.
Central Depository Services (India) Limited (CDSL)	Phiroze Jheejeebhoy Towers, (CDSL) 16th Floor, Dalal Street, Mumbai - 400 001



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

S. No	Month	NSE			BSE		
		High	Low	Avg. Total Traded Quantity	High	Low	Avg. Total Traded Quantity
1	Apr	271.90	220.95	115,724	272.30	220.00	76,449
2	May	236.80	160.00	276,670	236.60	173.05	219,178
3	Jun	220.50	182.40	214,660	220.75	185.30	162,500
4	Jul	216.50	135.10	267,094	216.60	135.00	183,633
5	Aug	183.60	142.00	847,700	183.55	140.00	571,486
6	Sep	158.40	146.80	288,845	158.40	147.00	170,580
7	Oct	175.95	141.65	479,550	175.85	141.80	299,150
8	Nov	153.95	134.75	212,178	154.00	133.50	129,114
9	Dec	147.90	128.00	308,894	148.00	128.20	179,647
10	Jan	141.35	90.10	469,331	141.40	90.10	354,083
11	Feb	101.40	60.05	599,547	101.35	60.40	482,438
12	Mar	75.35	51.05	501,252	75.40	51.00	379,337

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



**f) Registrar and Share Transfer Agents (RTA)**

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

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



**g) Share Transfer System**

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

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

To ensure swift processing of the share transfers, transmissions, transposition etc and redressal of Shareholders / Investors Grievance.

**h) Shareholding Pattern and the Distribution of Shareholding as at 31st March, 2013**

CLIENT TYPE	% OF HOLDINGS
Promoter and Promoter group	61.31
Resident	23.70
Corporate Body	8.89
Clearing Member	0.41
Foreign Institutional Investors	1.11
Others	1.96
NRI	0.83
Financial Institution /Bank	1.79
<b>Total</b>	<b>100.00</b>

The total number of shareholders as on 31st March 2013 stood at 42,401 (Forty Two Thousand Four Hundred and One).

**The Distribution of the Shareholding of the Company as at 31st March, 2013, is as follows:**

HOLDING	NUMBER	% OF TOTAL	SHARES	% OF TOTAL
between 10 and 5000	40546	95.62	2864535	13.10
between 5001 and 10000	1041	2.46	805469	3.68
between 10001 and 20000	440	1.04	648477	2.96
between 20001 and 30000	118	0.28	303445	1.39
between 30001 and 40000	64	0.15	229998	1.05
between 40001 and 50000	45	0.11	207023	0.96
between 50001 and 100000	77	0.18	552279	2.52
> 100000	70	0.16	16258582	74.34
<b>Total</b>	<b>42401</b>	<b>100</b>	<b>21869808</b>	<b>100</b>

**i) Dematerialization of Shares and Liquidity**

The Company has entered into Agreements with both NSDL and CDSL to facilitate the shareholders to dematerialize their equity shares with any one of the Depositories. The custodial charges for the year 2013-14 have been paid to NSDL and CDSL as per the Listing Agreement.

As at 31st March, 2013, 21,869,205 equity shares representing 99.99% of the Company's total numbers of shares have been dematerialized.

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

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

The Company has not issued any ADR/GDR or any convertible warrants during the year ended 31st March 2013.

**k) Address for Correspondence & Shareholders queries****Regd. Office:**

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

**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

**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. N P MathiLingan, Company Secretary, has been appointed as the Compliance Officer of the Company for the redressal of investor grievances. The Company has also displayed the email-id on the website; [www.everonn.com](http://www.everonn.com).

For and on Behalf of the Board

**A. Srinivasan**  
Managing Director

**C N Radhakrishnan**  
Director

Place: Chennai  
Date: 14-Aug-2013

**CODE OF CONDUCT**

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

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

I confirm that the Company has in respect of the financial year ended March 31, 2013, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**A. Srinivasan**

Managing Director

Date: 14-Aug-2013



## **CERTIFICATE ON CORPORATE GOVERNANCE**

(Under Clause 49 of the Listing Agreement)

To  
The Members of Everonn Education Limited

We have examined the compliance of conditions of Corporate Governance by Everonn Education Limited (the Company) for the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

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

Place : Chennai  
Date : 14th August 2013



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

### Report on the Financial Statements

We have audited the accompanying financial statements of Everonn Education Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended on that date and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### **Basis for Qualified Opinion**

- i) *We draw attention to Note No. 2.41 the company has assessed the carrying value of investment in subsidiaries and advances to subsidiaries taking into account the future operational plans and cash flows as prepared and represented by the management and accordingly no impairment loss has been recognized at this stage.*
- ii) *We draw attention to Note No.2.48 of Financial Statements regarding non ascertaining complete particulars (including interest payable) of dues to micro, small and medium enterprises if any under MSMED Act, 2006, provision if any to be made is not ascertainable at this stage.*
- iii) *We draw attention to Note No.2.50 of Financial Statements with regard to non receipt of Confirmation of balances from Debtors including dues from Government Companies, Creditors, Loans and Advances, Investments and Other Liabilities. These amounts are subject to adjustments, if any, after reconciliation and for identification of doubtful debts/advances, which are not ascertainable at this stage.*
- iv) *We draw attention to Note No 2.51, with regard to review of usefulness of the assets under AS 28, for which provision towards impairment/loss has not been ascertained.*
- v) *We draw attention to Note No. 2.52 the company has received various demand notices of income tax and interest thereon in respect of Assessment Years 2007-08 to 2010-11. The matter pertains to various additions made by the department. The company has disputed the issue and has filed appeal against the above demand by the tax authorities including the stay of demand amounting to ₹ 4,13,174 ('000). The company has received various show cause notices in respect of service tax matters also. The management is of the view that the appropriate adjustments/provisions will be made on the final outcome of these matters and hence no provision has been made for the taxes, penalties, and interests for non/delayed payments of these dues as these amounts are not determined.*





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

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion paragraph**, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter**

- a) Without qualifying our opinion, attention is drawn to accounting policy no. 2.1 of the financials statement on the existence of certain liabilities including banks, and other commitments, which are due for payment during the subsequent financial year and the management plan /action for meeting the same. The company's ability to continue as a going concern is dependent on the successful outcome of the management plans.
- b) We draw attention to Note No: 2.19 Deferred tax asset has been recognized for the year ended 31<sup>st</sup> March,2013, as the company is of the view that there is virtual certainty and has ability to continue as a going concern depends on the successful outcome of the management plans.

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

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 except for the matter described in the Basis for Qualified Opinion paragraph;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
  - d. *except for the effects / possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;*
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**P.Chandrasekaran**  
Partner  
Membership No. 026037

Place : Chennai  
Date : 30<sup>th</sup> May,2013



## ANNEXURE TO AUDITORS REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Everonn Education Limited on the financial statements for the year ended March,31,2013

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

- i. (a) *The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.*  
(b) *The Company has not carried out physical verification of fixed assets during the year. The company does not have a regular program of physical verification of its fixed assets. In our opinion the frequency of physical verification is not reasonable having regard to the size of the company and nature of its assets. Fixed Assets lying with third parties are also subject to confirmation. We are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification.*  
(c) The management has also represented that no substantial part of fixed assets have been disposed off during the year, to affect the going concern.
- ii. Having regard to the nature of the Company's business / activities, clause 4(ii) of CARO is not applicable to the Company as there is no inventory being held by the company.
- iii. (a) According to the information and explanations given to us, during the period under review, the company has availed loans from subsidiaries listed in the Register maintained under section 301 of the Companies Act, 1956, the Outstanding Balance as on 31<sup>st</sup> March 2013 is **Rs.2,47,20,91('000)** and the maximum amount involved during the period is **Rs.2,60,71,89('000)**. *There are no written terms and conditions for repayment and interest on loans.* Hence the availment of loan is prima facie not prejudicial to the interest of the company. In respect of the said loans, the same are repayable on demand and there are no overdue amounts.  
(b) According to the information and explanations given to us, during the period under review, the company has granted loan to Subsidiaries listed in the Register maintained under Section 301 of the Companies Act, 1956. The outstanding balance as on 31<sup>st</sup> March 2013 is **Rs.1,88,18,68('000)** and the maximum amount involved during the period is **Rs.1,88,23,68 ('000.)** *There are no stipulated terms and condition on either the interest rate or the repayment schedule.* However the rate of interest and the interest free nature where applicable and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the company. As there is no written repayment schedule we are unable to comment as to whether the payment of principal amount is regular.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are customized and are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations. Additional strengthening of the internal control procedures with regard to purchase of fixed assets is recommended so as to be commensurate with the current size of the Company and nature of its business. However, the management has represented that it is taking reasonable steps to correct the said weaknesses and *in our opinion, there is a continuing failure to correct major weaknesses in internal control system relating to purchase of fixed assets.*
- v. According to the information and explanations given to us, we are of the opinion that transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been generally so entered.
- vi. The company has not accepted deposits from the public, under the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under. However, temporary loans have been taken from employee welfare trust without adequate records.



- vii.** *The company did not have an internal audit system during the year.*
- viii.** *The maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.*
- ix.** (a) *According to the information and explanations given to us, the company has been generally depositing undisputed statutory dues with few delays including Employees Provident Fund, Employees' State Insurance, Investor Protection fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Income Tax, TDS, Professional Tax and any other statutory dues with the appropriate authorities during the year. There have been significant delays in large number of cases.*
- (b) *According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax etc were in arrears as at 31.03.2013 for a period of more than six months from the date they became payable excepting;*

Particulars	Amount (Rs. in '000)	Period to which it relates
Income Tax	26,02	AY-08-09
Income Tax	16,07,70	AY: 11-12
Service Tax	59,07	YE: March 13
Professional Tax	13,24	YE: March 13
Employee State Insurance	15	YE: March 13

- (c) *According to the information and explanations made available to us and on the basis of examination of records of the Company, the dues of Excise Duty, Sales Tax and Income Tax as at 31<sup>st</sup> March 2013 which have not been deposited on account of any dispute are as follows.*

Name of the Statute (Nature of the Dues)	Forum where matter is pending	Amount (Rs. in '000)
Income Tax AY : 2007-08	CIT(A)	5,23,68
Income Tax AY : 2008-09	CIT(A)	12,27,62
Income Tax AY : 2010-11	CIT(A)	17,17,25
Income Tax AY : 2009-10	CIT(A)	6,63,19
Service Tax Since AY 2006-07	DGCEI	9,42,69

- x.** *In our opinion, the Company did not have accumulated losses at the beginning of the year but has sustained cash losses during the current financial year covered under our audit.*
- xi.** *As per the information and explanations made available to us, the company has been generally regular in repayment of dues to financial institutions or banks for the period ending 31<sup>st</sup> March, 13.*
- xii.** *According to the information and explanations given to us, the company has not granted any loan or advance on the basis of Security by way of pledge of shares, Debentures and other securities.*
- xiii.** *The provisions of Clause 4(xiii) of the Order relating to Chit Funds / Nidhi are not applicable to the company.*
- xiv.** *In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.*
- xv.** *According to the information and explanations given to us, the Company has given guarantee towards loans taken by others from banks and financial institutions, for which no counter guarantee has been obtained from the parties.*



- xvi.** According to the information and explanations given to us, the Company has used the Term Loan availed during the current year for the purpose for which it was availed.
- xvii.** According to the Cash flow statement and other records examined by us and based on the information and explanations given to us, on an overall basis, funds raised on short term basis have not been used for Long term Investment.
- xviii.** According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix.** The Company has not issued debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
- xx.** The Company has not raised any funds by means of public issue during the current year and hence the question of disclosing the end-use of money raised by way of public issue does not arise.
- xxi.** Based on the audit procedures performed and on the basis of representation obtained from the management, we report that no instance of fraud on or by the company have been noted or reported by the management during the year.

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

**P.Chandrasekaran**  
Partner  
Membership No.026037

Chennai  
Date: 30<sup>th</sup> May,2013



## ADDENDUM TO DIRECTORS REPORT

### Management reply to Auditors Qualifications

*We draw attention to Note No. 2.41 the company has assessed the carrying value of investment in subsidiaries and advances to subsidiaries taking into account the future operational plans and cash flows as prepared and represented by the management and accordingly no impairment loss has been recognized at this stage.*

**Reply:** The company has reviewed the entire investments and the business plan of its subsidiaries and looking at the future operating plans and cash flows available, is confident of turning around. Hence no provision is considered for diminution in the value of assets in spite of erosion in the net worth.

*We draw attention to Note No. 2.51 the company has received various demand notices of income tax and interest thereon in respect of Assessment Years 2007-08 to 2010-11. The matter pertains to various additions made by the department. The company has disputed the issue and has filed appeal against the above demand by the tax authorities including the stay of demand.*

**Reply:** Appropriate adjustments/provisions will be made as these matters are pending in various appellates / high courts and under dispute and hence the ascertainment of liability at this stage is not possible.

*We draw attention to Note No 2.50, with regard to review of usefulness of the assets under AS 28, for which provision towards impairment/loss has not been ascertained.*

**Reply:** The impairment study is conducted internally. Considering the vastness of situation of these fixed assets, the process has not been completed and hence no provision for impairment ascertained or provided for.

*We draw attention to Note No.2.48 of Financial Statements regarding non ascertaining complete particulars (including interest payable) of dues to micro, small and medium enterprises if any under MSMED Act, 2006, provision if any to be made is not ascertainable at this stage.*

**Reply:** The Company will initiate necessary actions for identifying the same and complete the same.

*We draw attention to Note No.2.50 of Financial Statements with regard to non-receipt of Confirmation of balances from Debtors including dues from Government Companies, Creditors , Loans and Advances , Investments and Other Liabilities. These amounts are subject to adjustments, if any, after reconciliation and for identification of doubtful debts/advances, which are not ascertainable at this stage*

**Reply:** The review of debtors and creditors and advances are on a continuous process. The company has taken action by providing for doubtful debtors and advances, wherever identified.

As regards the other observations in the annexure to the auditor's report, the company has taken / is taking necessary steps to ensure improvement in the procedure and compliances with relevant law.



**EVERONN EDUCATION LIMITED**  
**BALANCE SHEET AS AT 31-03-2013**

₹ in '000

Particulars	Note No.	AS AT 31-Mar-13	AS AT 31-Mar-12
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE HOLDER'S FUNDS</b>			
Share capital	2.16	2,18,698	2,18,698
Reserves and surplus	2.17	39,04,142	64,58,349
<b>Non-current liabilities</b>			
Long-term borrowings	2.18	10,77,381	5,41,702
Deferred tax liabilities (Net)	2.19	-	1,72,945
Other Long term liabilities	2.20	44,286	41,559
<b>Current liabilities</b>			
Short-term borrowings	2.21	49,83,035	35,99,573
Trade payables	2.22	6,55,203	15,29,199
Other current liabilities	2.23	7,30,413	3,47,576
Short-term provisions	2.24	1,65,796	1,80,389
<b>TOTAL</b>		<b>1,17,78,954</b>	<b>1,30,89,990</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	2.25	15,84,643	19,54,716
- Intangible assets	2.25	1,39,059	2,30,119
- Capital work-in-progress		5,95,875	8,11,949
- Intangible assets under development			
Non-current investments	2.26	25,46,606	25,46,606
Deferred tax assets (net)	2.19	13,62,193	-
Long-term loans and advances	2.27	1,14,173	84,580
Other non-current assets	2.28	5,59,817	7,46,422
<b>Current assets</b>			
Current investments	2.29	12	12
Trade receivables	2.30	21,26,468	34,13,229
Cash and Bank Balances	2.31	45,691	1,81,509
Short-term loans and advances	2.32	27,04,417	31,20,848
<b>TOTAL</b>		<b>1,17,78,954</b>	<b>1,30,89,990</b>

**Summary of significant accounting policies**

2

The accompanying notes are an integral part of the financial statements

As per our report of even date  
for **M/s.P.Chandrasekar**  
Chartered Accountants**P. Chandrasekaran**  
Partner  
Membership No:26037Place : Chennai  
Date : 30-May-2013

For and on Behalf of Board of Directors

**A. Srinivasan**  
Managing Director**C.N. Radhakrishnan**  
Director**N.P. Mathi Lingan**  
Company Secretary



**EVERONN EDUCATION LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2013**

₹ in '000

PARTICULARS	Notes	Year Ended 31-Mar-13	Year Ended 31-Mar-12
Revenue from Operations	2.33	11,50,104	30,38,152
Other Income	2.34	4,363	61,816
<b>TOTAL REVENUE</b>	<b>A</b>	<b><u>11,54,467</u></b>	<b><u>30,99,968</u></b>
<b>Expenses:</b>			
Employee benefits expense	2.35	4,63,037	4,42,859
Finance costs	2.36	6,76,930	4,82,763
Depreciation and amortization expense	2.25	4,93,128	5,11,300
Other Expenses	2.37	12,86,452	19,09,698
<b>TOTAL EXPENSES</b>	<b>B</b>	<b><u>29,19,547</u></b>	<b><u>33,46,620</u></b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>A-B</b>	<b><u>(17,65,080)</u></b>	<b><u>(2,46,652)</u></b>
Exceptional items	2.38	23,24,265	-
<b>Profit before extraordinary items and tax</b>		<b><u>(40,89,345)</u></b>	<b><u>(2,46,652)</u></b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b><u>(40,89,345)</u></b>	<b><u>(2,46,652)</u></b>
Tax Expense			
Deferred tax		<u>(15,35,138)</u>	<u>(81,554)</u>
<b>Profit / (Loss) for the Year from continuing operations</b>		<b><u>(25,54,207)</u></b>	<b><u>(1,65,098)</u></b>
<b>Profit/(loss) from discontinuing operations</b>			
<b>Profit/(loss) from Discontinuing operations (after tax)</b>			
<b>Profit / (Loss) for the Year</b>		<b><u>(25,54,207)</u></b>	<b><u>(1,65,098)</u></b>
<b>Basic earnings per equity share (basic ) Rs.</b>		<b>-116.79</b>	<b>-8.29</b>
<b>Basic earnings per equity share (diluted) Rs.</b>		<b>-116.79</b>	<b>-8.29</b>
<b>Summary of significant accounting policies</b>	2		
The accompanying notes are an integral part of the financial statements			

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

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

Place : Chennai  
Date : 30-May-2013

For and on Behalf of Board of Directors

**A. Srinivasan**  
Managing Director

**C.N. Radhakrishnan**  
Director

**N.P. Mathi Lingan**  
Company Secretary

**EVERONN EDUCATION LIMITED**  
**CASH FLOW STATEMENT THE YEAR ENDED 31-03-2013**

₹ in '000

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(40,89,345)	(2,46,652)
Adjustments for:		
Depreciation	4,93,128	5,11,300
Interest on long term loan	88,204	6,823
	<u>5,81,332</u>	<u>5,18,123</u>
Operating profit before working capital changes	<u>(35,08,013)</u>	<u>2,71,471</u>
Adjustments for :		
Trade and other receivables	18,60,203	(39,54,860)
Trade payables and other liabilities	(3,99,280)	17,24,198
Cash generated from operations	(20,47,090)	(19,59,191)
Direct taxes paid / deducted at source	(1,03,745)	(80,595)
<b>Cash Flow from Operations</b>	<u>(21,50,835)</u>	<u>(20,39,786)</u>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Asset	1,84,080	(8,55,618)
Investment made during the year	-	(16,38,108)
<b>Cash flow from Investment Activities</b>	<u>1,84,080</u>	<u>(24,93,726)</u>
<b>CASH FLOW FROM FINANCE ACTIVITIES</b>		
Share capital Raised (net of exp warrants)	-	15,09,167
Increase / (Decrease ) in Secured Loan	5,35,679	(3,54,492)
Increase / (Decrease ) in Unsecured Loan	13,83,462	24,06,478
Interest payment	(88,204)	(6,823)
Dividend paid (including dividend tax)	-	(55,971)
<b>Cash flow from finance activities</b>	<u>18,30,937</u>	<u>34,98,359</u>
<b>Increase in cash and cash equivalents</b>	<u>(1,35,818)</u>	<u>(10,35,153)</u>
Opening balance of cash and cash equivalents	1,81,509	12,16,662
<b>Closing balance of cash and cash equivalents</b>	<u>45,691</u>	<u>1,81,509</u>

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

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

Place : Chennai  
Date : 30-May-2013

For and on Behalf of Board of Directors

**A. Srinivasan**  
Managing Director

**C.N. Radhakrishnan**  
Director

**N.P. Mathi Lingan**  
Company Secretary



## **1 CORPORATE INFORMATION**

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

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

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

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C)[Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The company is pursuing various options towards fund raising in the form of debt or equity or mix of both, and negotiating with the current lenders and is also reviewing the business plan and firmly believes that with the combination of internal accruals in the next financial year and on achieving successful closure of these options in the coming months it will be able to meet all its obligations. Consequently the management believes that the use of going concern assumption continues to be appropriate in the preparation of these financial statements. Accordingly the assets and liabilities have been recorded in these financial statements on the basis that the company will be able to realize its assets and discharge its liabilities in the normal course of the business.

### **2.2 USE OF ESTIMATES**

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

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

Fixed Assets are carried at cost less accumulated depreciation and impairment loss if any. Cost includes all expenses incurred to bring the assets to its present location and condition. Assets acquired on hire purchase are capitalized at gross value and interest thereon is charged to revenue. Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and impairment loss if any.

### **2.4 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, except

- a) Fixed assets purchased for usage in executing the contractual obligations with the customers under the project are depreciated over the period of contract.
- b) Intangible assets comprising knowledge resource and content are amortized over a period of five years.

Deprecation on addition to the assets is calculated on a monthly pro-rata basis



## 2.5 REVENUE RECOGNITION

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

## 2.6 INVESTMENTS

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

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

## 2.7 LEASES

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

## 2.8 EMPLOYEE BENEFITS

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

### a) **Defined contribution Plan**

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

### b) **Defined Benefit Plan**

#### **Gratuity**

The Company provides for gratuity, defined benefit retirement plan (the “Gratuity Plan”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment.





Company's liability is actuarially determined at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company with SBI Life Insurance Co. Limited is additionally provided for.

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

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

### **Compensated Absences**

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

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

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

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

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

## **2.10 BORROWING COST**

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

## **2.11 TAXES ON INCOME**

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

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



and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

## **2.12 FOREIGN CURRENCY TRANSACTIONS**

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

## **2.13 IMPAIRMENT OF ASSETS**

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

## **2.14 EARNINGS PER SHARE**

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

## **2.15 CASH FLOW STATEMENT**

Cash flows are reported using the indirect method;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 including Demand Deposit accounts, Cash in Hand (including cheques in hand).



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

Particulars	₹ in '000	
	As at Mar 31 2013	As at March 31 2012
<b>2.16 SHARE CAPITAL</b>		
AUTHORISED		
2,50,00,000 (March 31, 2012: 2,50,00,000)		
Equity Shares of Rs.10/- each	<u>2,50,000</u>	<u>2,50,000</u>
ISSUED :		
2,18,69,808 (March 31,2012: 2,18,69,808)		
Equity Shares of Rs.10/- each fully paid up	<u>2,18,698</u>	<u>2,18,698</u>
SUBSCRIBED AND PAID UP :		
2,18,69,808 (March 31,2012: 2,18,69,808)		
Equity Shares of Rs.10/- each fully paid up	<u>2,18,698</u>	<u>2,18,698</u>

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

Particulars	Mar 31, 2013		Mar 31, 2012	
	Number of Shares	₹ Amount	Number of Shares	₹ Amount
Balance as at the beginning of the year	2,18,69,808	21,86,98,080	1,90,31,900	19,03,19,000
Add: 1040000 0% Secured Fully Convertible Debentures of Rs 100 each converted to Equity Shares to HT Media Ltd.			1,67,652	16,76,520
Add: Preferential Allotment Of Equity Shares to Varkey Group Ltd		-	26,18,120	2,61,81,200
Add:22,80,000 No of Zero Coupon full convertible debentures of Rs.10 converted to Equity shares DB Corp Ltd		-	52,136	5,21,360
Shares bought back during the year		-	-	-
<b>Balance as at the end of the year</b>	<b>2,18,69,808</b>	<b>21,86,98,080</b>	<b>2,18,69,808</b>	<b>21,86,98,080</b>

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

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

c) During the previous year 6,00,000 partly paid share warrants of ₹ 420.45/- were forfeited on 10th February 12 due to non exercise of option by the warrant holders.



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

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

Name of Shareholder	As at 31 Mar 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Skil Infrastructure Ltd	40,00,000	18.29	40,00,000	18.29
The Concorde Residential Schools (Kerala) Pvt Ltd	10,93,000	5.00	-	-
P K Padmanabhan	4,62,000	2.11	12,47,784	5.71
Gems Education (Asia) 1 Limited	44,93,962	20.55	44,93,962	20.55
Varkey Group Limited	26,18,120	11.97	26,18,120	11.97

₹ in '000

Particulars	As at Mar 31 2013	As at March 31 2012
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**2.17 RESERVES AND SURPLUS**

**Capital Reserve**

Balance as at the Beginning of the year	1,41,081	76,514
Add: Forfeiture of warrants due to non exercise of options	-	64,568
<b>Balance as at the end of the year</b>	<b>1,41,081</b>	<b>1,41,081</b>

**Employee stock option outstanding**

Balance as at the Beginning of the year	10,534	10,534
Less : Transfer to General Reserve	(10,534)	-
<b>Balance as at the end of the year</b>	<b>-</b>	<b>10,534</b>

**General Reserve**

Balance as at the Beginning of the year	8,96,358	8,96,358
Add: Transferred from surplus in statement of		
Profit and Loss during the year	-	-
Add: Transferred from Employee stock option outstanding	10,534	-
<b>Balance as at the end of the year</b>	<b>9,06,892</b>	<b>8,96,358</b>



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

Particulars	₹ in '000	
	As at Mar 31 2013	As at March 31 2012
<b>Securities Premium Account</b>		
Balance as at the Beginning of the year	49,16,660	34,35,872
Add: Received on issue Equity Shares	-	14,80,788
<b>Balance as at the end of the year</b>	<b>49,16,660</b>	<b>49,16,660</b>
<b>Surplus in Statement of Profit and Loss Account</b>		
Balance as at the beginning of the year	4,93,715	6,58,813
Profit /(Loss) for the year	(25,54,207)	(1,65,098)
Less: Appropriations	-	-
Proposed dividend on Equity Shares	-	-
Dividend distribution tax on proposed dividend on Equity shares	-	-
Transfer to General Reserve	-	-
<b>Balance as at the end of the year</b>	<b>(20,60,492)</b>	<b>4,93,715</b>
<b>Total</b>	<b>39,04,142</b>	<b>64,58,349</b>
<b>2.18 LONG-TERM BORROWING</b>		
Secured		
Term Loans		
From Banks	9,40,000	2,07,434
From Other Parties	1,37,381	3,34,267
<b>Total</b>	<b>10,77,381</b>	<b>5,41,702</b>

**NATURE OF SECURITY**

Term loans from State Bank of India amounting to ₹ 80,000(in '000) (March 31 2012: ₹ 2,00,000(in '000)) including Current maturity are Secured by Land & Building admeasuring approx. 5886 sq.ft at Ooty S.No:1049/3 belonging to Mr.P.Kishore and personal guarantee of Mr.P.Kishore

**TERMS OF REPAYMENT**

6 Half yearly installments with stepped up repayment commencing from Dec'10 to June'13, Jun '12 & Dec '12- ₹ 60,000 (in '000) each , Jun'-13 – ₹ 80,000 (in ₹ 000)





**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

NATURE OF SECURITY	
Term loans from Axis Bank Limited amounting to ₹ 14,00,000 (in '000) (March 31 2012: ₹ 1,27,456 (in '000)) including Current maturity are Secured by First Charge on the Fixed assets of the Company which are funded by the Term Loan. Also Escrow of entire receivables from Gujarat Informatics Ltd (GIL)	16 Quarterly Installments with stepped up repayment commencing from May'13 to Feb'17 (Installment 1 to 6 – ₹ 65,000(in '000) each, Installment 7 to 10 - ₹ 80,000 (in '000) each, Installment 11 to 15 – ₹ 90,000 (in '000) each, Installment 16 – ₹ 40,000 (in '000))
Term loans from CISCO amounting to ₹ 71,313(in'000) (March 31 2012: ₹ 91,055(in'000)) including Current maturity are Secured by Hypothecation of assets acquired for ARSWAN Project.	20 Quarterly installments starts from Aug'09 to May'14 (Installment Amountt : ₹10,066 (in '000))
Term loans from Reliance Capital Ltd amounting to ₹ 1,02,414(in '000) (March 31 2012: ₹1,07,739 (in '000)) including Current maturity are Secured by Mortgage of Immovable Property at Perungudi, Chennai - 600096 and Personal Guarantee of Mr.P.Kishore	120 Equated Monthly Installment of ₹ 1,837 (in '000)/ - starting from Nov'09 to Nov '19
Term loans from Hewlett-Packard financial services India private limited amounting to ₹ 11,279 (in'000) (March 31 2012: ₹ 29,473(in'000))including Current maturity are Secured by Multimedia Content Software	Quarterly payment of Equated installments of ₹ 3,854 (in '000) up to Feb '13.
Term loans from Hewlett-Packard financial services India private limited amounting to amounting to ₹ 1,75,356(in'000) (March 31 2012: ₹ 2,24,912(in'000) including Current maturity are Secured by Multimedia Content software.	Quarterly payment of Equated installments of ₹ 2,22,84 (in '000) up to Aug 14

' in '000

Particulars	As at Mar 31 2013	As at March 31 2012
<b>2.19 Deferred Tax Liabilities / (Asset)</b>		
<b>Deferred Tax Liabilities</b>		
on account of timing difference (A)	2,84,949	2,51,257
<b>Deferred Tax Assets</b>	-	-
on account of fiscal disallowances expenses allowable for tax purposes when paid and loss carry forward	-	-
<b>Deferred Tax Assets Total (B)</b>	16,47,142	78,312
Net Deferred Tax Liability / (Asset ) (A-B)	(13,62,193)	1,72,945
Deferred Tax Charges to Profit & Loss Account	(15,35,138)	(81,554)

Note: Deferred tax asset has been recognized on account of unabsorbed depreciation and business loss for the year ended 31st March,2013.The management is of the opinion that there is a virtual certainty against which such deferred tax will be realized, in view that its ability to continue as a going concern depending on the successful outcome of the management plan



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

₹ in '000

Particulars	As at Mar 31 2013	As at March 31 2012
<b>2.20 Other Long-term liabilities</b>		
Caution Deposit (refer note below)	37,128	31,688
Other deposits	7,158	9,872
<b>Total</b>	<b>44,286</b>	<b>41,559</b>
Note: Received from employees on various onsite projects		
<b>2.21 Short-term borrowings</b>		
Secured:		
Working Capital Loans repayable on demand from banks	21,44,371	17,70,548
Other Loans from Banks	2,22,860	-
Unsecured:		
Loans	-	-
From Banks	98,857	-
From Other Parties	44,856	44,856
From Related Party	6,13,714	-
From Subsidiaries	18,58,377	17,84,170
<b>Total</b>	<b>49,83,035</b>	<b>35,99,573</b>

- a) Working Capital Loans from State bank of India amounting to ₹ 5,57,208 (in '000) (March 31 2012: ₹ 5,55,785 (in '000)) are Secured by Hypothecation of entire current assets, excluding specifically charged assets, on pari-passu basis. Land & Building admeasuring approx. 5886 sq.ft at Ooty S.No:1049/3 belonging to Mr.P.Kishore, and Personal guarantee of Mr.P.Kishore
- b) Working Capital Loans from Standard Chartered Bank amounting to ₹ 2,08,860 (in '000) (March 31 2012: ₹ 1,99,575(in '000)) are Secured by
1. M. Paripassu first charge on the entire current assets of the Company, Present and future
  2. ₹ 5,000(in '000)/- Cash deposit under lien
- c) Working Capital Loans from IDBI Bank amounting to ₹ 1,02,484 (in'000) (March 31 2012:'98,536(in '000))are secured by Paripassu first charge on the entire current assets of the Company.
- d) Working Capital Loans from Axis Bank Limited repayable amounting to ₹ 3,46,798 (in'000) (March 31 2012: ₹ 1,80,672 (in '000))are secured by Paripassu first charge on the entire current assets of the Company
- e) Working capital loan from ICICI bank Ltd amounting to ₹ 6,57,093 (in'000) (March 31 2012; ₹ 6,56,001 ) are secured by Paripassu first charge on the entire current assets of the Company.
- f) Working capital Demand loan from ICICI bank Ltd amounting to ₹ 2,72,625 (in'000) (March 31 2012; Nil ) are secured by Fixed Deposit of Mr.Sunny Varkey.
- g) Loan from Related Party is from four wholly owned subsidiaries does not carry any interest and is repayable on demand.

**Short Term Loans**

## Nature of Security

Term loans from State Bank of India amounting to ₹ 2,20,000 (in '000) (March 31 2012: Nil (in '000)) including Current maturity are Secured by First Paripassu charge on the Fixed assets of the Company along with other lenders

Term loans from The Federal Bank Ltd amounting to ₹ 98,857 (in '000) (March 31 2012: Nil (in '000)) including Current maturity are Secured by land situated at Kerala in the name of MariammanVarkey and personnel guarantee of Sunny Varkey & Mariamman Varkey

**Terms of Repayment**

Tenor of 12 Months from the date of first draw down as a bullet payment. First draw down happened on Dec'12

Tenor of 2 Months from Nov'12 as a lump sum

Particulars	₹ in '000	
	As at Mar 31 2013	As at March 31 2012
<b>2.22 TRADE PAYABLES</b>		
Trade Payables	6,55,203	15,29,199
<b>Total</b>	<b>6,55,203</b>	<b>15,29,199</b>
<b>2.23 OTHER CURRENT LIABILITIES</b>		
Current maturities of Long-term debt (refer note no. 2.18)	54,73,57,247	23,89,10,542
- From Banks	<b>3,40,000</b>	1,20,000
- From Other Parties	<b>2,07,357</b>	1,18,911
Current maturities of finance lease obligations		
Interest accrued but not due on borrowings		
Interest accrued and due on borrowings	<b>52,484</b>	4,073
Income received in advance		
Application money received for allotment of securities and due for refund including interest due		
Advances from Customers		
Employee benefits payable	<b>53,752</b>	45,017
Statutory dues (including Provided Fund and Tax deducted at Source)	<b>37,552</b>	57,512
Other Payable	<b>39,268</b>	2,064
<b>Total</b>	<b>7,30,413</b>	<b>3,47,576</b>
<b>2.24 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits :		
Provision for gratuity	-	-
Other Provisions		
Provision for Litigation/disputes		
Provision for Tax	<b>1,53,458</b>	1,76,608
Provision for Sales Tax	<b>8,557</b>	-
<b>Total</b>	<b>1,65,796</b>	<b>1,80,389</b>

**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

**2.25 FIXED ASSETS**  
**TANGIBLE ASSETS**

₹ in '000

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2012	Additions	Deductions	As at 31-03-2013	Upto 01.04.2012	FOR THE YEAR ENDED	Deductions	Upto 31-03-2013	As at 31-03-2012	As at 31-03-2013
Land	33,400	-	-	33,400	-	-	-	-	33,400	33,400
Building	1,57,800	-	-	1,57,800	19,715	7,890	-	27,605	1,30,195	1,38,085
Plant and Machinery	21,91,374	32,649	104	22,23,919	8,83,913	3,30,806	115	12,14,604	10,09,315	13,07,461
Office Equipment	1,31,127	-	-	1,31,127	45,282	10,837	-	56,120	75,007	85,845
Electrical fittings	5,39,255	835	-	5,40,090	1,58,079	50,353	-	2,08,432	3,31,659	3,81,177
Furniture & Fittings	13,732	-	4,381	9,351	4,984	993	1,692	4,285	5,067	8,748
Vehicles	30,66,688	33,484	4,485	30,95,687	11,11,973	4,00,879	1,807	15,11,046	15,84,643	19,54,716
<b>Total A</b>										
Assets taken on Finance Lease	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	-	-	-	-	-	-	-	-	-	-
<b>Total B</b>										
<b>Total A+B</b>	<b>30,66,688</b>	<b>33,484</b>	<b>4,485</b>	<b>30,95,687</b>	<b>11,11,973</b>	<b>4,00,879</b>	<b>1,807</b>	<b>15,11,046</b>	<b>15,84,643</b>	<b>19,54,716</b>
<b>Previous Year</b>	26,89,411	3,77,277	-	30,66,688	6,97,141	4,14,831	-	11,11,972	19,54,716	19,92,270

**INTANGIBLE ASSETS**

' in '000

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2012	Additions	Deductions	As at 31-03-2013	Upto 01.04.2012	FOR THE YEAR ENDED	Deductions	Upto 31-03-2013	As at 31-03-2012	As at 31-03-2013
Software	91,788	364	-	92,152	67,916	22,350	-	90,265	1,887	23,873
Knowledge Resource and Content	4,06,876	824	-	4,07,700	2,00,629	69,899	-	2,70,528	1,37,172	2,06,246
<b>Total</b>	<b>4,98,664</b>	<b>1,188</b>	<b>-</b>	<b>4,99,852</b>	<b>2,68,545</b>	<b>92,249</b>	<b>-</b>	<b>3,60,793</b>	<b>1,39,059</b>	<b>2,30,119</b>
<b>Previous Year</b>	4,47,272	51,392	-	4,98,664	1,72,077	96,468	-	2,68,545	2,30,119	2,75,195

Furniture & Fixture includes certain assets at leased premises towards improvements which are currently not in use.

**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

₹ in '000

Particulars	As at Mar 31 2013	As at March 31 2012
<b>2.26 NON - CURRENT INVESTMENTS</b>		
Trade Investments		
Unquoted		
(i) Investment in Subsidiaries		
- 108000 Equity shares (March 31,2011, 108000) of Rs.100/- each fully paid up in Toppers Tutorial Private Limited.	1,35,000	1,35,000
- 2100000 Equity Shares (March 31,2011, 2100000) of Rs.10/- each fully paid up in Everonn Educational Resources Solutions Limited.	41,000	41,000
- 1550000 Equity Shares (March 31,2011, 1550000) of Rs.10/- each fully paid up in Everonn Infrastructure Limited.	15,500	15,500
- 5100 Equity Shares (March 31,2011, 5100 ) of Rs.10/- each fully paid up in AEG Skill Update Private Limited.	51	51
- 4050000 Equity Shares (March 31,2011, 2050000 ) of Rs.10/- each fully paid up in Everonn Skill Development Limited.	-	-
- 2250000 Equity Shares (March 31,2011, 2250000) of Rs.10/- each fully paid up in Everonn Business Education Limited.	2,20,500	2,20,500
- 2450000 Equity Shares (March 31,2011, 2450000) of Rs.10/- each fully paid up in Everonn School Limited.	60,500	60,500
- 50000 Equity Shares (March 31,2011, 50000) of Rs.10/- each fully paid up in Everonn Medical Education Limited.	500	500
- 50000 Equity Shares (March 31,2011, 50000) of Rs.10/- each fully paid up in Everonn Technical Education India Limited.	500	500
- 50000 Equity Shares (March 31,2011, 50000) of Rs.10/- each fully paid up in Everonn Sport Management Limited.	500	500
- 46350000 Equity Shares (March 31,2011, 6050000) of Rs.10/- each fully paid up in Edifications India Limited.	20,00,001	20,00,001
- 30000 Equity Shares (March 31,2011, 30000) of Rs.10/- each fully paid up in EveronnDassani Literate Limited.	300	300
- 50000 Equity Shares (March 31,2011, 50000) of Rs.10/- each fully paid up in Everonn Knowledge & Education Corridor Limited.	500	500
- 50000 Equity Shares (March 31,2011, Nil) of Rs.10/- each fully paid up in Everonn Skilling India Limited	500	500
- 50000 Equity Shares (March 31,2011, Nil) of Rs.10/- each fully paid up in Everonn Skill Products Development Limited	500	500
<b>Total A</b>	<b>24,75,852</b>	<b>24,75,852</b>



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

Particulars	₹ in '000	
	As at Mar 31 2013	As at March 31 2012
(ii) Others		
– 82,530 Equity shares (March 31,2011, 82,530 Equity shares) of Rs. 10/- each fully paid up DT Media and Entertainment Private Limited	10,729	10,729
– 1,22,500 Equity shares (March 31,2011, 1,22,500) of Rs. 1/- each fully paid up Right Track AdmizzionzCampuz Private Limited.	60,025	60,025
<b>Total</b>	<b>70,754</b>	<b>70,754</b>
<b>Aggregate amount of unquoted investments (A + B)</b>	<b>25,46,606</b>	<b>25,46,606</b>
<b>2.27 LONG-TERM LOANS AND ADVANCES</b>		
UnSecured, Considered good:		
Security Deposits	1,14,173	84,580
<b>Total</b>	<b>1,14,173</b>	<b>84,580</b>
<b>2.28 OTHER NON-CURRENT ASSETS</b>		
Long term trade receivable unsecured considered good	5,59,817	7,46,422
<b>Total</b>	<b>5,59,817</b>	<b>7,46,422</b>
<b>2.29 CURRENT INVESTMENTS</b>		
At cost or Market value, whichever is less		
Quoted		
500 Equity shares of Rs.10/- each in Indian Overseas Bank Market Value Investments (IOB Shares) @ ₹ 65.05/- amounting to ₹ 32,525/- (March 31,2012, @ ₹ 94.3/- amounting to ₹ 47,150/- )	12	12
<b>Total</b>	<b>12</b>	<b>12</b>





**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

₹ in '000

Particulars	As at Mar 31 2013	As at March 31 2012
<b>2.30 Trade Receivable</b>		
<b>Unsecured, considered Good</b>		
Outstanding for a Year exceeding 6 months from the date they are due for payment	17,77,161	24,63,423
Others	3,49,307	9,49,806
	<b>21,26,468</b>	<b>34,13,229</b>
<b>Unsecured, considered doubtful</b>		
Outstanding for a Year exceeding 6 months from the date they are due for payment	20,85,878	-
Others	-	-
Less : Provision for doubtful debts	(20,85,878)	-
<b>Total</b>	<b>21,26,468</b>	<b>34,13,229</b>
<b>2.31 CASH &amp; BANK BALANCES</b>		
Cash on Hand	1,416	1,871
<b>Bank balances</b>		
in Current Accounts	24,655	79,422
in Deposit Accounts	6,565	9,235
in Margin Account with Banks	13,055	32,294
in Margin Account with lease company	-	58,685
<b>Total</b>	<b>45,691</b>	<b>1,81,509</b>
<b>2.32 Short-term loans and advances</b>		
<b>Unsecured, Considered good:</b>		
Loans and advances to related parties	18,81,871	17,12,407
<b>Other loans and advances</b>		
Advance Income tax including Tax deducted at Source	94,103	87,318
Advance to Suppliers	6,93,159	9,34,571
Prepaid Expenses	-	1,88,981
Gratuity	743	1,526
Others	34,541	1,96,045
<b>Total</b>	<b>27,04,417</b>	<b>31,20,848</b>

**EVERONN EDUCATION LIMITED****SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2013**

₹ in '000

Particulars	As at Mar 31 2013	As at March 31 2012
<b>2.33 REVENUE FROM OPERATIONS</b>		
Education and Training Income	11,50,104	30,38,152
	<b>11,50,104</b>	<b>30,38,152</b>
<b>2.34 OTHER INCOME</b>		
Interest income	4,043	1,643
Dividend Income	-	2,975
Profit on sale of asset	11	-
Foreign Exchange profit	71	57,193
Miscellaneous Income	238	5
<b>Total</b>	<b>4,363</b>	<b>61,816</b>
<b>2.35 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries	4,46,282	4,19,621
Contribution to Provident and Other Funds	13,871	15,183
Staff Welfare Expenses & others	2,884	8,056
<b>Total</b>	<b>4,63,037</b>	<b>4,42,859</b>

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

**Defined Contribution Plan**

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

₹ in '000

Particulars	As at Mar 31 2013	As at March 31 2012
Employer's Contribution to Provident Fund & ESI	13,054	13,683

**Defined benefit Plan**

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



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

₹ in '000

SI.No.	Particulars	Gratuity Funded For the year ended 31/03/2013	Gratuity Funded For the year ended 31/03/2012
1	<b>Changes in present value of obligations</b>		
	Present value of obligations as at beginning of year	7,962	7,149
	Interest cost	487	537
	Current Service Cost	1,542	2,650
	Benefits Paid	(3,741)	(874)
	Actuarial (Gain)/Loss on Obligations	(195)	(1,500)
	Present value of obligations as at end of year	6,054	7,962
2	<b>Changes in the fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	9,786	7,892
	Expected return on plan assets	-	641
	Contributions	-	1,976
	Benefits paid	(3,741)	(874)
	Actuarial Gain / (Loss) on Plan assets	(752)	(152)
	Fair value of plan assets at the end of year	6,797	9,786
3	<b>Fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	9,786	7,892
	Actual return on plan assets	-	641
	Contributions	-	1,976
	Benefits Paid	(3,741)	(874)
	Fair value of plan assets at the end of year	6,797	9,786
	Funded status	743	1,825
	Excess of Actual over estimated return on plan assets	(752)	(152)
4	<b>Actuarial Gain/Loss recognized</b>		
	Actuarial Gain/(Loss) for the year -Obligation	(195)	(1,500)
	Actuarial (Gain)/Loss for the year - Plan assets	(752)	(152)
	Total (Gain)/Loss for the year	(947)	(1,652)
	Actuarial (Gain)/Loss recognized in the year	(947)	(1,652)
5	<b>The amounts to be recognized in the Balance Sheet and Statements of Profit and Loss</b>		
	Present value of obligations as at the end of year	9,786	7,892
	Fair value of plan assets as at the end of the year	6,797	9,786
	Funded status	743	1,825
	Net Asset/(Liability) recognized in balance sheet	743	1,825
6	<b>Expenses Recognized in statement of Profit &amp; Loss</b>		
	Current Service cost	1,542	2,650
	Interest Cost	487	537
	Expected return on plan assets	-	(641)
	Net Actuarial (Gain)/Loss recognized in the year	(947)	(1,652)
	Difference in opening balance (actuarial valuation)	-	-
	Expenses recognized in statement of Profit & Loss*	1,082	894
7	<b>Assumptions used in accounting gratuity plan</b>		
	Discount Rate	8%	8%
	Salary Escalation	4%	4%
	Resignation rate per annum	1%	1%
	Rate of return on Plan Assets	8%	8%



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

- b. Unfunded Leave encashment Rs.3, 781 (000) (March 31 2012: 3,781(000))

Leave encashment has been provided based on management computation and not on actuarial valuation as provided under Accounting Standard 15 however for the current year the provision for leave encashment has not been estimated and provided.

**EMPLOYEE STOCK OPTION PLAN (ESOP)**

During the financial year 2006-07, the Holding Company 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 3 years from the date of vesting. On non-exercise of option, the ESOP has been cancelled and such reserve has now been transferred to General Reserve.

Particulars	₹ in'000	
	Year Ended 31/03/2013	Year Ended 31/03/2012
<b>2.36 Finance Costs</b>		
Interest Expenses	5,11,092	3,79,430
Other borrowing costs	1,65,838	1,20,306
Less:	-	-
Interest Income on deposits	-	(16,973)
Commitment charges on borrowings		
<b>Total</b>	<b>6,76,930</b>	<b>4,82,763</b>
<b>2.37 Other Expenses</b>		
Course execution and delivery expenses	59,906	92,018
Software, hardware and material costs	3,28,593	11,69,865
Electricity Charges	24,079	17,572
Rent	27,931	21,776
Repairs to buildings	1,179	513
Repairs to machinery	33,812	19,455
Repairs to Others	29,099	16,527
Insurance	2,335	1,132
Rates and Taxes	3,266	11,107
Travelling Expenses	16,940	30,008
Director Fees	255	670
Payment to Auditors	-	-
Audit Fee	1,500	1,500
Reimbursement of Expenses	390	107
Professional fees	41,210	64,324
Communication Expenses	21,423	15,610



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

₹ in '000

Particulars	Year Ended 31/03/2013	Year Ended 31/03/2012
Advertisement and Publicity Expenses	1,23,410	50,516
Equipment rental charges	5,69,962	3,96,929
Net loss on foreign currency transaction and translation (other than considered as finance costs)	11	
Miscellaneous Expenses	1,164	57
<b>Total</b>	<b>12,86,452</b>	<b>19,09,698</b>
<b>2.38 Exceptional items</b>		
Exceptional provision for Doubtful trade and other receivables	23,24,265	-
<b>Total</b>	<b>23,24,265</b>	<b>-</b>

**2.39 EARNINGS PER SHARE**

<b>a) Basic</b>			
Profit after tax	A	(25,54,207)	(1,65,098)
Weighted average number of shares outstanding	B	2,18,69,808	1,99,21,478
Basic EPS	A/B	<b>(116.79)</b>	<b>(8.29)</b>
<b>Diluted</b>			
Profit after tax	A	(25,54,207)	(1,65,098)
Add: Effect of potential dilutive shares (being share warrants issued)	B		
Weighted average number of shares outstanding	C	2,18,69,808	1,99,21,478
<b>Diluted EPS</b>	A/C	<b>(116.79)</b>	<b>(8.29)</b>
Face Value per share		10	10

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

The weighted average number of equity shares outstanding at the year end has been considered for calculating the earning per share as per Accounting Standard-20.

The weighted average number of equity shares outstanding at the year end has been considered for calculating the earning per share as per Accounting Standard-20.

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

<b>a)</b>	Claims against the company not acknowledged as debt		
	Income Tax Matters	4,13,174	2,13,467
	Service Tax Matters	91,290	9,400
	Sales Tax matters		-
<b>b)</b>	Corporate Guarantee issued on behalf of Subsidiary Companies	2,67,600	3,67,600
<b>c)</b>	Corporate Guarantee issued to banks for secured loans to third Parties	21,50,601	22,74,571
<b>d)</b>	LC Issued by Banks	-	16,87,759



## EVERONN EDUCATION LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013

- e) In respect of items above, future cash outflows in respect of contingent liabilities is determinable only on receipt of judgments pending at various forum/ settlement of matter. The management believes that, based on legal advice or internal assessment, the outcome of these contingencies will be favorable and the loss is not probable. Accordingly no provisions have been made for the same.
- f) A Civil suit has been filed by The ICFAI Academy for permanent injunction for creating third party rights, or disposing the assets, both tangible and intangible, in the plaintiff's campuses and control offices from the academic year 2011 onwards. The plaintiff has claimed damages of ₹ 5,000('000) along with interest at the rate of 18% p.a and the main injunction is still pending in the High court.
- g) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ Nil (PY (' Nil))
- h) Counter guarantee from third parties have not been taken for the corporate guarantee given to them.
- i) The company has received notices from certain parties alleging defaults and payments due to them by the company. The management is discussing with its legal team for evaluating the same. further any adjustments/disclosures, if required would be made in the financial results of the company as and when the outcome of the above uncertainties is known and the consequential adjustments/disclosures are identified.

#### 2.41 DIMINUTION IN VALUE OF INVESTMENT

The company has an investment of ₹ 25,46,600('000) in its wholly and partially owned subsidiaries and in others has also extended loans and advance of ₹ 18,81,871 ('000) to these subsidiaries as on March, 31, 2013. Thenetworth of these subsidiaries have declined. These investments are for long term and strategic nature, and the management is confident of turning around/recovering the near future. Hence it is decided not to make any provision for diminution in the value of these investments.

#### 2.42 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 ₹ 5,97,893('000) (March 31 2012 ₹ 4,18,705 ('000))

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

Particulars	₹ in '000	
	Year Ended 31-Mar 13	Year Ended 31- Mar 12
Within one year	5,29,324	5,32,354
Between one to five Years	4,61,931	9,91,256
After five Years	-	-

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

#### 2.43 EXPENDITURE IN FOREIGN CURRENCY

Business Associate Expenses	24	20,998
Foreign Travel	1,035	2,297
Other expenses	-	1,229
<b>Total</b>	<b>1,059</b>	<b>24,524</b>





**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

‘in’000

Particulars	Year Ended 31/03/2013	Year Ended 31/03/2012
<b>2.44 DIVIDEND REMITTED IN FOREIGN EXCHANGE</b>		
Dividend paid during the year	-	15,453
Number of non-resident shareholders	-	418
Number of equity shares held by such non-resident shareholders	-	61,81,483
Year to which the dividend relate to	-	2010-11
Dividends remitted to non resident shareholder in INR to their bank accounts maintained in India are not included in the above table		
<b>2.45 EARNINGS IN FOREIGN CURRENCY</b>		
Testing and Other Services	<u>7,023</u>	<u>2,28,865</u>
Total	<u><u>7,023</u></u>	<u><u>2,28,865</u></u>

**2.46 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	Wholly-owned Subsidiary Company
3. Everonn Infrastructure Limited	Wholly-owned Subsidiary Company
4. Everonn Business Education Limited	Wholly-owned Subsidiary Company
5. Everonn Technical Education India Limited	Wholly-owned Subsidiary Company
6. Everonn Medical Education Limited	Wholly-owned Subsidiary Company
7. Everonn School Limited	Wholly-owned Subsidiary Company
8. Edifications India Limited	Wholly-owned Subsidiary Company
9. Everonn Sport Management Limited	Wholly-owned Subsidiary Company
10. Everonn knowledge & Education Corridor Limited	Wholly-owned Subsidiary Company
11. Everonn Skilling India Limited	Wholly-owned Subsidiary Company
12. Everonn Skill Products Development Limited	Wholly-owned Subsidiary Company
13. Everonn Skill Development Limited	Indirect Wholly-owned Subsidiary
14. AEG Skill Update Private Limited	Subsidiary Company with 51% of Holding
15. Everonn Dassani Literate Limited	Subsidiary Company with 60% of Holding
16. Smt. Susha John	Key Managerial Personnel
17. Varkey Group Limited	Enterprises over which some of the directors exercise significant influence
18. SKIL Infrastructure Limited	
19. Gems Education (Asia) 1 Limited	
20. The Concorde Residential Schools (Kerala) private Limited	
21. Premier Educational Establishments Private Limited	
22. Gems Education India Private Limited	
23. Zanskar Properties Private Limited	
24. VG School Developments Private Limited	



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

₹ in '000

**Details of Transaction with the Related Parties**

Nature of Transaction	Subsidiaries		Enterprise over which some of the directors exercise significant influence		Key Managerial Personnel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Investments	-	17,90,501	-	-		
Interest Income	-	45,489	-	-		
Interest Expense	-	84,437	-	-		
Trade Loans Advance	18,81,871	17,12,407	-	-		
Trade Loans Payable	18,58,377	17,84,170	-	-		
Short term borrowing	-	-	6,13,714	-	-	-
Corporate Guarantee	17,38,172	17,53,005	-	-		
Remuneration Paid			-	-	-	25,913

**Disclosure of significant transactions with related parties:**

Type of Transaction	Type of Relationship	Name of the entity	March 31 2013	March 31 2012
Advance Given	Subsidiary	Everonn Educational Resources Solutions Limited	13,452	1,335
		Toppers Tutorial Private Limited	3,05,494	1,94,731
		Everonn Infrastructure Limited	2,69,531	2,52,485
		Everonn Business Education Limited	2,04,211	1,55,061
		Everonn Sport Management Limited		14
		Everonn knowledge & Education Corridor Limited	10,89,093	10,88,377
		Everonn Skilling India Limited		300
		Everonn Skill Products Development Limited		200
		AEG Skill Update Private Limited	87	87
		Everonn Dassani Literate Limited	-	14
	Indirect Subsidiary	Everonn Skill Development Limited	-	19,804
Advance Received	Subsidiary	Everonn Technical Education India Limited	162327	1,75,363
		Everonn Medical Education Limited	475217	4,82,917
		Everonn School Limited 864036	6,62,730	
		Edifications India Limited 348797	4,63,160	
		Everonn Dassani Literate Limited	285	-
		Everonn Skill Development Limited	7229	
		Everonn Sport Management Limited	486	-
Short Term Borrowing	Enterprise over which some of the directors exercise significant influence	The Concorde Residential Schools (Kerala) private Limited	52,414	-
		Premier Educational Establishments Private Ltd	1,98,800	-
		Gems Education India Private Limited	1,47,500	-
		Zanskar Properties private Limited	2,11,500	-
		VG School Developments Private Ltd	3,500	-
Corporate Guarantee on behalf of Subsidiary	Indirect Subsidiary	Everonn Skill Development Limited	2,67,600	3,67,600
	Subsidiary	Everonn School Limited Edifications India Limited	94,552 13,76,019	- 13,85,405



**EVERONN EDUCATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

₹ in '000

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

Name of the entity	Outstanding		Maximum Outstanding during the Year	
	March 31 2013	March 31 March 31	March 31 2013	March 31 2012
Everonn Educational Resources Solutions Limited	13,452	1,335	13452	10,140
Toppers Tutorial Private Limited	305,494	1,94,731	305494	1,94,731
Everonn Infrastructure Limited	269,531	2,52,485	269531	2,52,485
Everonn Business Education Limited	204,211	1,55,061	204211	4,03,569
Everonn Sport Management Limited	(486)	14	(486)	14
Everonn knowledge & Education Corridor Limited	1089,093	10,88,377	1089093	10,88,377
Everonn Skilling India Limited		300	300	300
Everonn Skill Products Development Limited		200	200	200
AEG Skill Update Private Limited	87	87	87	87
Everonn Dassani Literate Limited	(285)	14	(285)	14
Everonn Skill Development Limited	(7,229)	19,804	(7229)	3,40,867
Everonn Technical Education India Limited	(162,327)	(1,75,363)	(175362)	(1,84,400)
Everonn Medical Education Limited	(475,217)	(4,82,917)	(482917)	(4,89,156)
Everonn School Limited	(864,036)	(6,62,730)	(864,036)	(7,37,487)
Edifications India Limited	(348,797)	(4,63,160)	(463160)	(5,04,887)
The Concorde Residential Schools (Kerala) private Limited	(52,414 )	-	(52,414 )	-
Premier Educational Establishments Private Ltd	(1,98,800)	-	(1,98,800)	-
Gems Education India Private Limited	(1,47,500)	-	(1,47,500)	-
Zanskar Properties private Limited	(2,11,500)	-	(2,11,500)	-
VG School Developments Private Ltd	(3,500)	-	(3,500)	-

**2.47 SEGMENT REPORTING**

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

**2.48 DUES TO MICRO AND SMALL ENTERPRISES**

During the year under review, the company has not identified Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, and the resultant interest provision are not ascertainable

**2.49** The company has transactions with "Associated Enterprises" which are subject to Transfer Pricing regulations in India. The Management of the Company is of the opinion that such transactions with the associate enterprise4s are at arms length. Consequently, this will not have nay impact on the financial statements, particularly on account of tax expenses and that of provision for taxation.

**2.50 BALANCE CONFIRMATION**

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



## EVERONN EDUCATION LIMITED

### NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2013

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#### 2.51 IMPAIRMENT OF ASSETS

The company has initiated the process of review of impairment of assets in the respect of the tangible, intangible and other current assets their results in such impairment is awaited, The financial implication if any on the above will be provide appropriately at later stage taking into account the future operational plans and cash flows as prepared by the management.

2.52 The company has received various demand notices of income tax and interest thereon in respect of Assessment Years 2007-08 to 2010-11. The matter pertains to various additions made by the department. The company has disputed the issue and has filed appeal against the above demand by the tax authorities including the stay of demand. The management is of the view that the appropriate adjustments/provisions will be made on the final outcome of these matters and hence no provision has been made for the taxes, penalties, and interests for non/delayed payments of these dues as these amounts are not determined.

2.53 The company has filed a petition with the honorable high court of Chennai for approval of Business Restructuring Reserve up to ₹ 150 Cores, pursuant to the approval by the shareholders in their Extraordinary General Meeting dated 29<sup>th</sup> June 2012.

#### 2.54 PREVIOUS YEAR FIGURES

Previous years figures have been regrouped/re-classified wherever necessary to conform to the current year presentation.

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

**P. Chandrasekaran**  
Partner  
Membership No:26037  
Place : Chennai  
Date : 30-May-2013

For and on Behalf of Board of Directors

**A. Srinivasan**      **C.N. Radhakrishnan**  
Managing Director      Director

**N.P. Mathi Lingan**  
Company Secretary



## INDEPENDENT AUDITORS REPORT

### TO THE BOARD OF DIRECTORS OF EVERONN EDUCATION LIMITED

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **Everonn Education Limited** (the Company”) and its subsidiaries (the “Group”), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management’s Responsibility for the Consolidated Financial Statements**

The Company’s Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

#### **Basis for Qualified Opinion**

- i) *We draw attention to Note No.2.52 of Financial Statements regarding non ascertaining complete particulars (including interest payable) of dues to micro,small and medium enterprises if any under MSMED Act, 2006, provision if any to be made is not ascertainable at this stage.*
- ii) *We draw attention to Note No.2.54 of Financial Statements with regard to non receipt of Confirmation of balances from Debtors including dues from Government Companies, Creditors, Loans and Advances, Investments and Other Liabilities. These amounts are subject to adjustments, if any, after reconciliation and for identification of doubtful debts/advances, which are not ascertainable at this stage.*
- iii) *We draw attention to Note No 2.55, with regard to review of usefulness of the assets under AS 28, for which provision towards impairment/loss has not been ascertained.*
- iv) *We draw attention to Note No. 2.56 the company has received various demand notices of income tax and interest thereon in respect of Assessment Years 2007-08 to 2010-11. The matter pertains to various additions made by the department. The company has disputed the issue and has filed appeal against the above demand by the tax authorities including the stay of demand amounting to ₹ 43,00,27(‘000). The company has received various show cause notices in respect of service tax matters also. The management is of the view that the appropriate adjustments/provisions will be made on the final outcome of these matters and hence no provision has been made for the taxes, penalties, and interests for non/delayed payments of these dues as these amounts are not determined.*

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described under Basis for Qualification**, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**Emphasis of Matter**

- i) Without qualifying our opinion, attention is drawn to accounting policy no. 2.1 of the financials statement on the existence of certain liabilities including banks, and other commitments, which are due for payment during the subsequent financial year and the management plan /action for meeting the same. The company's ability to continue as a going concern is dependent on the successful outcome of the management plans.
- ii) We draw attention to Note No: 2.21 Deferred tax asset has been recognized for the year ended 31st March, 2013, as the company is of the view that there is virtual certainty and has ability to continue as a going concern depends on the successful outcome of the management plans.

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

**P.Chandrasekaran**  
Partner  
Membership No. 026037

Place: Chennai  
Date: 30<sup>th</sup> May,2013





**EVERONN EDUCATION LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31-Mar-13**

Particulars	Notes	₹ in '000	
		AS AT 31-Mar-13	AS AT 31-Mar-12
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE HOLDER'S FUNDS</b>			
Share capital	2.18	2,18,698	2,18,698
Reserves and surplus	2.19	23,87,163	56,68,200
Money received against share warrants			
<b>Minority Interest</b>		<b>178</b>	<b>185</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2.20	24,29,490	23,13,456
Deferred tax liabilities (Net)	2.21		
Other Long term liabilities	2.22	44,286	41,559
Long-term provisions			
<b>Current liabilities</b>			
Short-term borrowings	2.23	31,24,658	18,15,404
Trade payables	2.24	8,46,476	17,56,412
Other current liabilities	2.25	14,89,749	5,30,643
Short-term provisions	2.26	2,50,152	2,33,043
<b>TOTAL</b>		<b>1,07,90,850</b>	<b>1,25,77,600</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	2.27	16,88,604	20,70,448
Intangible assets	2.27	7,21,719	8,23,745
Capital work-in-progress		5,95,875	8,11,949
Intangible assets under development		2,137	2,69,109
Goodwill		4,783	4,783
Non-current investments	2.28	73,254	73,254
Deferred tax assets (net)	2.21	19,84,399	1,29,446
Long-term loans and advances	2.29	12,09,697	11,87,802
Other non-current assets	2.30	5,59,817	7,46,422
<b>Current assets</b>			
Current investments	2.31	12	12
Inventories	2.32	-	3,398
Trade receivables	2.33	24,83,244	39,05,637
Cash and Bank Balances	2.34	81,718	5,04,507
Short-term loans and advances	2.35	13,82,986	19,72,278
Other current assets	2.36	2,605	74,810
<b>TOTAL</b>		<b>1,07,90,850</b>	<b>1,25,77,600</b>

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

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

Place : Chennai  
Date : 30-May-2013

For and on Behalf of Board of Directors

**A. Srinivasan**  
Managing Director

**C.N. Radhakrishnan**  
Director

**N.P. Mathi Lingan**  
Company Secretary



**EVERONN EDUCATION LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-Mar-13'**

Particulars	Notes	₹ in '000	
		AS AT 31-Mar-13	AS AT 31-Mar-12
Revenue from Operations	2.37	12,29,566	35,96,180
Other Income	2.38	16,827	74,424
<b>Total Revenue</b>	<b>A</b>	<b>12,46,393</b>	<b>36,70,604</b>
<b>Expenses:</b>			
Purchase of stock in trade	2.39	9,943	3,05,829
Employee benefits expense	2.40	7,13,246	7,14,579
Finance costs	2.41	10,01,317	7,31,757
Depreciation and amortization expense	2.27	7,88,324	6,82,010
Other Expenses	2.42	15,45,295	24,53,462
<b>Total Expenses</b>	<b>B</b>	<b>40,58,125</b>	<b>48,87,637</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>A-B</b>	<b>(28,11,732)</b>	<b>(12,17,033)</b>
Exceptional items	2.43	23,24,265	-
<b>Profit before extraordinary items and tax</b>		<b>(51,35,997)</b>	<b>(12,17,033)</b>
Extraordinary Items			
<b>Profit before tax</b>		<b>(51,35,997)</b>	<b>(12,17,033)</b>
Tax Expense			
Current tax			
Deferred tax		(18,54,952)	(3,12,007)
Profit / (Loss) for the period from continuing operations		(32,81,045)	(9,05,026)
Profit/(loss) from discontinuing operations			
Tax expense of discontinuing operations			
Profit/(loss) from Discontinuing operations (after tax)			
Minority Interest		(8)	(7)
<b>Profit / (Loss) for the period</b>		<b>(32,81,037)</b>	<b>(9,05,019)</b>
<b>Basic earnings per equity share (basic) ₹</b>		<b>-150.03</b>	<b>-45.43</b>
<b>Basic earnings per equity share (diluted) ₹</b>		<b>-150.03</b>	<b>-45.43</b>

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

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

Place : Chennai  
Date : 30-May-2013

For and on Behalf of Board of Directors

**A. Srinivasan**  
Managing Director

**C.N. Radhakrishnan**  
Director

**N.P. Mathi Lingan**  
Company Secretary

**EVERONN EDUCATION LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-Mar-13**

in '000

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(51,35,996)	(12,17,034)
Adjustments for:		
Depreciation	7,88,324	6,82,010
Interest on long term loan	3,46,633	1,77,352
	<u>11,34,957</u>	<u>8,59,362</u>
Operating profit before working capital changes	<u>(40,01,039)</u>	<u>(3,57,671)</u>
Adjustments for :		
Trade and other receivables	22,51,998	(45,44,038)
Trade payables and other liabilities	1,77,351	9,65,255
Cash generated from operations	<u>(15,71,690)</u>	<u>(39,36,454)</u>
Direct taxes paid / deducted at source	<u>(1,08,345)</u>	<u>(83,595)</u>
<b>Cash Flow from Operations</b>	<u><u>(16,80,035)</u></u>	<u><u>(40,20,049)</u></u>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Asset	1,78,592	(11,26,383)
Advances given to Subsidiary on long term basis	-	-
Investment made during the year	-	1,49,893
<b>Cash flow from Investment Activities</b>	<u>1,78,592</u>	<u>(9,76,490)</u>
<b>CASH FLOW FROM FINANCE ACTIVITIES</b>		
Share capital Raised (net of exp warrants)	-	(1,48,333)
Increase / (Decrease) in Secured Loan	1,16,032	14,88,545
Increase / (Decrease) in Unsecured Loan	13,09,254	29,25,488
Interest payment	(3,46,633)	(1,77,352)
Dividend paid (including dividend tax)	-	(55,971)
<b>Cash flow from finance activities</b>	<u>10,78,654</u>	<u>40,32,378</u>
<b>Increase /(Decrease) in cash and cash equivalents</b>	<u>(4,22,789)</u>	<u>(9,64,162)</u>
Opening balance of cash and cash equivalents	<u>5,04,507</u>	<u>14,68,669</u>
<b>Closing balance of cash and cash equivalents</b>	<u><u>81,718</u></u>	<u><u>5,04,507</u></u>

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

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

Place : Chennai  
Date : 30-May-2013

For and on Behalf of Board of Directors

**A. Srinivasan**  
Managing Director

**C.N. Radhakrishnan**  
Director

**N.P. Mathi Lingan**  
Company Secretary



## **1 CORPORATE INFORMATION**

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

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

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

The Consolidated Financial Statements comprises of the financial statements of Everonn Education Limited (the Holding Company or Parent Company) and its subsidiaries. These Consolidated financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C)[Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities.

The company is pursuing various options towards fund raising in the form of debt or equity or mix of both, and negotiating with the current lenders and is also reviewing the business plan and firmly believes that with the combination of internal accruals in the next financial year and on achieving successful closure of these options in the coming months it will be able to meet all its obligations. Consequently the management believes that the use of going concern assumption continues to be appropriate in the preparation of these financial statements. Accordingly the assets and liabilities have been recorded in these financial statements on the basis that the company will be able to realize its assets and discharge its liabilities in the normal course of the business.

### **2.2 USE OF ESTIMATES**

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

### **2.3 PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements of the Company and its 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.

**List of subsidiaries**

Name of the Subsidiary	% of holding
1. Everonn Educational Resources Solutions Limited	100
2. Toppers Tutorial Private Limited	100
3. Everonn Infrastructure Limited	100
4. Everonn Business Education Limited	100
5. Everonn Technical Education India Limited	100
6. Everonn Medical Education Limited	100
7. Everonn School Limited	100
8. Edifications India Limited	100
9. Everonn Sport Management Limited	100
10. Everonn knowledge & Education Corridor Limited	100
11. Everonn Skilling India Limited	100
12. Everonn Skill Products Development Limited	100
13. Everonn Skill Development Limited*	100
14. AEG Skill Update Private Limited	51
15. EveronnDassani Literate Limited	60

\* *Indirect Subsidiary*

The consolidated financial statements have been prepared to comply in material aspects with the accounting standards notified by Central Government and the relevant provisions of Companies Act, 1956.

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

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

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

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

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

Fixed Assets are carried at cost less accumulated depreciation and impairment loss if any. Cost includes all expenses incurred to bring the assets to its present location and condition. Assets acquired on hire purchase are capitalized at gross value and interest thereon is charged to revenue. Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and impairment loss if any.



## 2.5 DEPRECIATION AND AMORTIZATION

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

- a) Fixed assets purchased for usage in executing the contractual obligations with the customers under the project are depreciated over the period of contract.
- b) Intangible assets comprising knowledge resource and content are amortized over a period of five years.

Deprecation on addition to the assets is calculated on a monthly pro-rata basis

## 2.6 REVENUE RECOGNITION

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

## 2.7 INVESTMENTS

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

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

## 2.8 LEASES

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

## 2.9 EMPLOYEE BENEFITS

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

- a) Defined contribution Plan

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





## b) Defined Benefit Plan

### Gratuity

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

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

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

### Compensated Absences

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

## 2.10 PROVISIONS, CONTINGENCIES AND COMMITMENTS

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

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

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

## 2.11 BORROWING COST

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

## 2.12 TAXES ON INCOME

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

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



### 2.13 FOREIGN CURRENCY TRANSACTIONS

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

### 2.14 IMPAIRMENT OF ASSETS

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

### 2.15 EARNINGS PER SHARE

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

### 2.16 INVENTORIES

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

### 2.17 CASH FLOW STATEMENT

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

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

₹ in '000

Particulars	As at March 31, 2013	As at March 31, 2012
<b>2.18 SHARE CAPITAL</b>		
AUTHORISED		
2,50,00,000 (March 31, 2012: 2,50,00,000)		
Equity Shares of Rs.10/- each	2,50,000	2,50,000
ISSUED :		
2,18,69,808 (March 31,2012: 2,18,69,808)		
Equity Shares of Rs.10/- each fully paid up	2,18,698	2,18,698
SUBSCRIBED AND PAID UP :		
2,18,69,808 (March 31,2012: 2,18,69,808)		
Equity Shares of Rs.10/- each fully paid up	<u>2,18,698</u>	<u>2,18,698</u>

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

Particulars	Mar 31, 2013		Mar 31, 2012	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	2,18,69,808	21,86,98,080	1,90,31,900	19,03,19,000
Add: 1040000 0% Secured Fully Convertible Debentures of Rs 100 each converted to Equity Shares to HT Media Ltd.			1,67,652	16,76,520
Add: Preferential Allotment of Equity Shares to Varkey Group Ltd		-	26,18,120	2,61,81,200
Add: 22,80,000 No of Zero Coupon full convertible debentures of Rs.10 converted to Equity shares DB Corp Ltd		-	52,136	5,21,360
Shares bought back during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>2,18,69,808</b>	<b>21,86,98,080</b>	<b>2,18,69,808</b>	<b>21,86,98,080</b>

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

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

c) During the previous year 6,00,000 partly paid share warrants of ₹420.45/- were forfeited on 10th February 12 due to non exercise of option by the warrant holders.

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

Name of Shareholder	As at 31 Mar 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Skil Infrastructure Ltd	40,00,000	18.29	40,00,000	18.29
The Concorde Residential Schools (Kerala) Pvt Ltd	10,93,000	5.00	-	-
P K Padmanabhan	4,62,000	2.11	12,47,784	5.71
Gems Education (Asia) 1 Limited	44,93,962	20.55	44,93,962	20.55
Varkey Group Limited	26,18,120	11.97	26,18,120	11.97

₹ in '000

Particulars	As at March 31, 2013	As at March 31, 2012
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**2.19 RESERVES AND SURPLUS****Capital Reserve**

Balance as at the Beginning of the year	1,41,081	76,514
Add: Forfeiture of warrants due non exercise of the options	-	64,568
<b>Balance as at the end of the year</b>	<b>1,41,081</b>	<b>1,41,081</b>

**Employee stock option outstanding**

Balance as at the Beginning of the year	10,534	10,534
Less : Transfer to General Reserve	(10,534)	-
<b>Balance as at the end of the year</b>	<b>-</b>	<b>10,534</b>

**General Reserve**

Balance as at the Beginning of the year	8,96,358	8,96,358
Add: Transferred from surplus in statement of Profit and Loss during the year	-	-
Add: Transferred from Employee Stock Option outstanding	10,534	-
<b>Balance as at the end of the year</b>	<b>9,06,892</b>	<b>8,96,358</b>

**Securities Premium Account**

Balance as at the Beginning of the year	49,16,660	34,35,872
Add: Received on Equity Shares	-	14,80,788
<b>Balance as at the end of the year</b>	<b>49,16,660</b>	<b>49,16,660</b>

**Surplus in Statement of Profit and Loss Account**

Balance as at the beginning of the year	(2,96,433)	6,08,586
Profit /(Loss) for the year	(32,81,037)	(9,05,019)
Less: Appropriations		
Transfer to Debenture Redemption Reserve	-	-
Proposed dividend on Equity Shares	-	-
Balance at the end of the year	<b>(35,77,470)</b>	<b>(2,96,433)</b>

**Total****23,87,163****56,68,200****2.20 LONG-TERM BORROWINGS**

## Secured

## Term Loans

From Banks	20,50,704	16,64,220
From Other Parties	3,78,786	6,49,236

**Total****24,29,490****23,13,456**

**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended March 31, 2013**

NATURE OF SECURITY	TERMS OF REPAYMENT
Term loans from State Bank of India amounting to ₹ 80,000(in '000) (March 31 2012: ₹ 2,00,000(in '000)) including Current maturity are Secured by Land & Building admeasuring approx. 5886 sq.ft at Ooty S.No:1049/3 belonging to Mr.P.Kishore and personal guarantee of Mr.P.Kishore	6 Half yearly installments with stepped up repayment commencing from Dec'10 to June'13, Jun '12 & Dec '12- ₹ 60,000 (in '000) each , Jun'-13 - ₹ 80,000 (in '000)
Term loans from Axis Bank Limited amounting to ₹ 1,20,00 (in '000) (March 31 2012: ₹ 1,27,456((in '000)) including Current maturity are Secured by First Charge on the Fixed assets of the Company which are funded by the Term Loan. Also Escrow of entire receivables from Gujarat Informatics Ltd (GIL)	16 Quarterly Installments with stepped up repayment commencing from May'13 to Feb'17 (Inst allment 1 to 6 - ₹ 65,000(in '000) each, Installment 7 to 10 - ₹ 80,000 (in '000) each, Installment 11 to 15 - ₹ 90,000 (in '000) each, Installment 16 - ₹ 40,000 (in '000))
Term loans from CISCO amounting to ₹ 71,313(in'000) (March 31 2012: ₹ 91,055(in'000)) including Current maturity are Secured by Hypothecation of assets acquired for ARSWAN Project.	20 Quarterly installments starts from Aug'09 to May'14 (Installment Amount : ₹ 10,066 (in '000))
Term loans from Reliance Capital Ltd amounting to ₹1,02,414(in '000) (March 31 2012: ₹1,07,739 (in '000)) including Current maturity are Secured by Mortgage of Immovable Property at Perungudi, Chennai - 600096 and Personal Guarantee of Mr.P.Kishore	120 Equated Monthly Installment of ₹1,837 (in '000)/- starting from Nov '09 to Nov '19
Term loans from Hewlett-Packard financial services India private limited amounting to ₹ 11,279 (in'000) (March 31 2012: ₹ 29,473(in'000) including Current maturity are Secured by Multimedia Content Software	Quarterly payment of Equated installments of ₹ 3,854 (in '000) up to Feb '13.
Term loans from Hewlett-Packard financial services India private limited amounting to amounting to ₹ 1,75,356(in'000) (March 31 2012: ₹ 2,24,912(in'000) including Current maturity are Secured by Multimedia Content software.	Quarterly payment of Equated installments of ₹ 22,284 (in '000) up to Aug 14
Term loan from Reliance Capital Ltd amounting to ₹ 25827 ('000)(Mar 12: 25,669 ('000) including current maturity are secured by Mortgage of Immovable Property at Perungudi, Chennai - 600096	125 Monthly Installments commenced from 5.3.11
Term loan from National Skill Development Corp. amounting to ₹ 2,67,600 ('000) (Mar 12 ₹ 2,89,300 ('000) Secured obligations shall inter-alia be secured by creation of senior charge on the Acquired Assets and by creation of senior charge on the project cash flows in favour of the lender in accordance with the terms of the Hypothecation Deed	16 Qtrly Repayment commencing from July 12



## EVERONN EDUCATION LIMITED

### Notes to Consolidated Financial Statements for the year ended March 31, 2013

NATURE OF SECURITY	TERMS OF REPAYMENT
Term loan from Axis Bank Limited amounting to Rs. 86,053 ('000)(Mar 12 Rs. 90,586 ('000)) including current maturity is secured by First Charges on the entire fixed assets of the Company both present and future, first Charges of all Bank accounts, Corporate Guarantee of Holding Company and Personal Guarantee of Mr.P.Kishore	32 Qtrly Repayment commencing after 2 years from Apr '11
Term Loan from ICICI Subservient Charge on immovable assets of Everonn Education Ltd Pledge over 30% shares of the Borrower held by the Holding Company Non Disposal and POA arrangement in respect to 21% of shares of the Borrower Exclusive Charge over DSRA Non Disposal and POA arrangement over 29,91,764 shares of Holding Company held by the Promoters Non Disposal and POA arrangement over 5,00,000 shares of Holding Company EEL held by the Promoters Corporate Guarantee of Holding Company.	12 Qtrly Installments after the Moratorium Period Commence from July '13

₹ in '000

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
<b>2.21 DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
<b>Depreciation timing difference (A)</b>	<b>3,06,413</b>	<b>2,83,127</b>
<b>Deferred Tax Assets</b>		
on account of fiscal disallowances expenses allowable for tax purposes when paid and loss carry forward		
Deferred Tax Assets Total (B)	<u>22,90,812</u>	<u>4,12,573</u>
Net Deferred Tax Liability (A-B)	<u>(19,84,399)</u>	<u>(1,29,446)</u>
Deferred Tax Charges to Profit & Loss Account	<u>(18,54,952)</u>	<u>(3,12,007)</u>
<b>2.22 OTHER LONG-TERM LIABILITIES</b>		
Caution Deposit (refer note below)	37,128	31,688
Other Deposits	<u>7,158</u>	<u>9,872</u>
<b>Total</b>	<u><u>44,286</u></u>	<u><u>41,559</u></u>

Note: Received from employees on various onsite projects



**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended March 31, 2013**

	in '000	
Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
<b>2.23 SHORT-TERM BORROWINGS</b>		
Secured:		
Working Capital Loans repayable on demand from banks	21,44,371	17,70,548
Other loans from Banks	2,22,860	-
Unsecured		
<b>Loans</b>		
From Banks	98,857	-
From Other Parties	44,856	44,856
From Related Party	6,13,714	-
<b>Total</b>	<u>31,24,658</u>	<u>18,15,404</u>

**NATURE OF SECURITY**

- a) Working Capital Loans from State bank of India amounting to ₹ 5,57,208 (in '000) (March 31 2012: ₹ 5,55,785(in '000)) are Secured by Hypothecation of entire current assets, excluding specifically charged assets, on pari-passu basis. Land & Building admeasuring approx. 5886 sq.ft at Ooty S.No:1049/3 belonging to Mr.P.Kishore, and Personal guarantee of Mr.P.Kishore
- b) Working Capital Loans from Standard Chartered Bank amounting to ₹ 2,08,860 (in '000) (March 31 2012: ₹ 1,99,575(in '000)) are Secured by
1. Paripassu first charge on the entire current assets of the Company, Present and future
  2. ₹ 5,000(in '000)/- Cash deposit under lien
- c) Working Capital Loans from IDBI Bank amounting to ₹ 1,02,484 (in'000) (March 31 2012: ₹ 98,536(in '000))are secured by Paripassu first charge on the entire current assets of the Company.
- d) Working Capital Loans from Axis Bank Limited repayable amounting to ₹ 3,46,798 (in'000) (March 31 2012: ₹ 1,80,672 (in '000))are secured by Paripassu first charge on the entire current assets of the Company
- e) Working capital loan from ICICI bank Ltd amounting to ₹ 6,57,093 (in'000) (March 31 2012; ₹ 6,56,001 ) are secured by Paripassu first charge on the entire current assets of the Company.
- f) Working capital Demand loan from ICICI bank Ltd amounting to ₹ 2,72,625 (in'000) (March 31 2012; Nil ) are secured by Fixed Deposit of Mr.Sunny varkey.
- g) Loan from Related Party is from four wholly owned subsidiaries does not carryany interest and is repayable on demand.

**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended March 31, 2013****Short Term Loans**

## Nature of Security

Term loans from State Bank of India amounting to ₹ 2,20,000 (in '000) (March 31 2012: Nil (in '000)) including Current maturity are Secured by First Paripassu charge on the Fixed assets of the Company along with other lenders

Term loans from The Federal Bank Ltd amounting to ₹ 98,857 (in '000) (March 31 2012: Nil (in '000)) including Current maturity are Secured by land situated at Kerala in the name of MariammanVarkey and personnel guarantee of Sunny Varkey & MariammanVarkey

**Terms of Repayment**

Tenor of 12 Months from the date of first draw down as a bullet payment. First draw down happened on Dec'12

Tenor of 2 Months from Nov'12 as a lump sum

	₹ in '000	
Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
<b>2.24 TRADE PAYABLES</b>		
Trade Payables	8,46,476	17,56,412
<b>Total</b>	<b>8,46,476</b>	<b>17,56,412</b>
<b>2.25 OTHER CURRENT LIABILITIES</b>		
Current maturities of Long-term debt	9,45,462	3,18,818
Interest accrued and but not due on borrowings	-	20,671
Interest accrued and due on borrowings	94,570	23,821
Application money received for allotment of securities and due for refund including interest due	2,50,000	-
Employee benefits payable	76,446	73,041
Statutory dues (including Provided Fund and Tax deducted at Source)	74,945	84,097
Other Payable	48,326	10,195
<b>Total</b>	<b>14,89,749</b>	<b>5,30,643</b>
<b>2.26 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits:		
Provision for Leave Encashment and gratuity	9,709	12,958
Provision for Tax	1,66,552	1,91,302
Provision for Sales Tax	8,557	-
Other Provision	65,334	28,783
<b>Total</b>	<b>2,50,152</b>	<b>2,33,043</b>

## EVERONN EDUCATION LIMITED

Notes to Consolidated Financial Statements for the year ended March 31, 2013

### 2.27 FIXED ASSETS TANGIBLE ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Up to 01.04.2012	For the year ended	Deductions	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
Land	40,010	-	-	40,010	-	--	-	-	40,010	40,010
Building	1,98,329	-	-	1,98,329	22,071	9,916	-	31,987	1,66,342	1,76,258
Plant and machinery	22,29,740	37,131	104	22,66,767	8,96,909	3,37,581	115	12,34,375	10,32,393	13,32,831
Electrical fittings	1,45,821	64	-	1,45,885	47,373	11,829	-	59,202	86,683	98,448
Furniture & Fittings	5,89,412	1,180	-	5,90,593	1,75,611	57,188	-	2,32,799	3,57,794	4,13,802
Vehicles	14,095	-	4,381	9,175	4,997	1,028	1,692	4,332	5,382	9,099
Total	32,17,407	38,375	4,485	32,51,299	11,46,961	4,17,542	1,807	15,62,695	16,88,604	20,70,448
Previous Year	28,00,150	4,17,258	-	32,17,408	7,20,035	4,26,926	-	11,46,960	20,70,449	20,80,115

### INTANGIBLE ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	Up to 01.04.2012	For the year ended	Deductions	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
Software	1,38,785	960	-	1,39,745	82,592	31,837	-	1,14,430	25,316	56,193
Knowledge Resource and Content	11,75,646	2,67,796	-	14,43,442	4,08,094	3,38,945	-	7,47,039	6,96,403	7,67,552
Total	13,14,431	2,68,756	-	15,83,187	4,90,686	3,70,782	-	8,61,469	7,21,719	8,23,745
Previous Year	10,90,937	2,23,496	-	13,14,432	2,35,603	2,55,084	-	4,90,686	8,23,745	8,55,334

**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended March 31, 2013**

Particulars	₹ in '000	
	Year Ended 31-Mar-13	Year Ended 31-Mar-12
<b>2.28 NON - CURRENT INVESTMENTS</b>		
Trade Investments		
Unquoted		
(i) Long Term, Unquoted, Non Traded & Cost		
- 82,530 Equity shares (March 31,2012, 82,530 Equity shares) of ₹ 10/- each fully paid up in DT Media and Entertainment Private Limited	10,729	10,729
- 1,22,500 Equity shares (March 31,2012, 1,22,500) of ₹ 10/- each fully paid up in Right Track Admizzionz Campuz Private Limited.	60,025	60,025
- 25,000 Debentures (March 31,2011, 2500) of ₹ 100/- each fully paid up Music Univ India Pvt Ltd.	2,500	2,500
<b>Total</b>	<b>73,254</b>	<b>73,254</b>
<b>2.29 LONG-TERM LOANS AND ADVANCES</b>		
Unsecured, Considered good:		
Security Deposits	1,34,697	1,12,498
Capital Advances	10,75,000	10,75,000
Others	-	304
<b>Total</b>	<b>12,09,697</b>	<b>11,87,802</b>
<b>2.30 OTHER NON-CURRENT ASSETS</b>		
Long term trade receivable unsecured considered good	5,59,817	7,46,422
<b>Total</b>	<b>5,59,817</b>	<b>7,46,422</b>
<b>2.31 CURRENT INVESTMENTS</b>		
At cost or Market value, whichever is less		
Quoted		
500 Equity shares of ₹10/- each in Indian Overseas Bank	12	12
Market Value Investments (IOB Shares) @ ₹ 94.3/- amounting to ₹ 47,150/- (March 31,2012, @ ₹ 133.35/- amounting to ₹ 73,200/-)		
Aggregate amount of quoted investments	12	12



₹ in '000

Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
<b>2.32 INVENTORIES</b>		
Stock in trade	-	3,398
<b>Total</b>	-	3,398
<b>2.33 TRADE RECEIVABLE</b>		
Unsecured, considered Good		
Outstanding for a Year exceeding 6 months from the date they are due for payment	21,15,200	29,33,717
Others	3,68,045	9,71,920
	<u>24,83,244</u>	<u>39,05,637</u>
Unsecured, considered doubtful	-	-
Outstanding for a Year exceeding 6 months from the date they are due for payment	20,86,411	2,34,963
Others	-	-
Less : Provision for doubtful debts	(20,86,411)	(2,34,963)
<b>Total</b>	<u>24,83,244</u>	<u>39,05,637</u>
<b>2.34 CASH &amp; BANK BALANCES</b>		
Cash on Hand	1,596	2,343
Bank balances	-	-
in Current Accounts	56,125	1,24,279
in Deposit Accounts	10,942	2,86,905
in Margin Account with Banks	13,055	32,294
in Margin Account with Leasing Company	-	58,685
<b>Total</b>	<u>81,718</u>	<u>5,04,507</u>
<b>2.35 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured, Considered good:		
Other loans and advances		
Advance Income tax including Tax deducted at Source	1,07,896	99,520
Advance to Suppliers	6,93,159	9,34,571
Prepaid Expenses	-	1,88,981
Gratuity	743	1,526
Others	5,81,189	7,47,680
<b>Total</b>	<u>13,82,986</u>	<u>19,72,278</u>

**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended March 31, 2013**

Particulars	₹ in '000	
	Year Ended 31-Mar-13	Year Ended 31-Mar-12
<b>2.36 OTHER CURRENT ASSETS</b>		
Unsecured Considered good:		
Others	2,605	74,810
<b>Total</b>	<b>2,605</b>	<b>74,810</b>
<b>2.37 REVENUE FROM OPERATIONS</b>		
Education & Training Income	12,21,688	34,14,038
Sale of Hardware	7,878	1,82,142
<b>Total</b>	<b>12,29,566</b>	<b>35,96,180</b>
<b>2.38 OTHER INCOME</b>		
Interest income	4,940	2,975
Dividend Income	-	1,643
Profit on sale of asset	7,656	10,889
Foreign Exchange profit	4,160	1,724
Miscellaneous Income	71	57,193
<b>Total</b>	<b>16,827</b>	<b>74,424</b>
<b>2.39 PURCHASE OF STOCK IN TRADE</b>		
Opening stock	3,398	-
Purchase of Trading Items	6,546	3,09,227
Less Closing Stock	-	(3,398)
Cost of Goods sold	9,943	3,05,829
<b>Total</b>	<b>19,887</b>	<b>6,11,658</b>
<b>2.40 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries	6,91,571	6,72,160
Contribution to Provident and Other Funds	16,738	26,021
Staff Welfare Expenses & others	4,937	16,398
<b>Total</b>	<b>7,13,246</b>	<b>7,14,579</b>

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

**Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under: ₹ in '000

Particulars	As at Mar 31 2013	As at March 31 2012
Employer's Contribution to Provident Fund	18163	23085



**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended March 31, 2013****Defined benefit Plan**

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

₹in '000

Sl. No.	Particulars	Gratuity Funded For the year ended 31/03/2013	Gratuity Funded For the year ended 31/03/2012
<b>1</b>	<b>Changes in present value of obligations</b>		
	Present value of obligations as at beginning of year	12,810	10,793
	Interest cost	871	828
	Current Service Cost	2,501	6,259
	Benefits Paid	(3,741)	(874)
	Actuarial (Gain)/Loss on Obligations	(4,366)	(2,367)
	Present value of obligations as at end of year	7,885	12,810
<b>2</b>	<b>Changes in the fair value of plan assets</b>	-	-
	Fair value of plan assets at beginning of year	9,786	7,892
	Expected return on plan assets	-	641
	Contributions	-	1,976
	Benefits paid	(3,741)	(874)
	Actuarial Gain / (Loss) on Plan assets	752	152
	Fair value of plan assets at the end of year	6,797	9,786
<b>3</b>	<b>Fair value of plan assets</b>	-	-
	Fair value of plan assets at beginning of year	9,786	7,892
	Actual return on plan assets	-	752
	Contributions	-	1,976
	Benefits Paid	(3,741)	(874)
	Fair value of plan assets at the end of year	6,797	9,786
	Funded status	743	1,825
	Excess of Actual over estimated return on plan assets	752	152
<b>4</b>	<b>Actuarial Gain/Loss recognized</b>	-	-
	Actuarial Gain/(Loss) for the year -Obligation	(195)	(1,500)
	Actuarial (Gain)/Loss for the year - Plan assets	752	152
	Total (Gain)/Loss for the year	(947)	(1,652)
	Actuarial (Gain)/Loss recognized in the year	(947)	(1,652)
<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	11,230	11,483
	Fair value of plan assets as at the end of the year	6,797	9,786
	Funded status	743	1,825
	Net Asset/(Liability) recognized in balance sheet	(1,088)	(3,024)
<b>6</b>	<b>Expenses Recognised in statement of Profit &amp; Loss</b>	-	-
	Current Service cost	2,501	5,150
	Interest Cost	871	1,938
	Expected return on plan assets	-	641
	Net Actuarial (Gain)/Loss recognised in the year	(4,972)	(4,348)
	Difference in opening balance (actuarial valuation)	-	-
	Expenses recognised in statement of Profit & Loss*	(3,764)	310
<b>7</b>	<b>Assumptions used in accounting gratuity plan</b>		
	Discount Rate	8%	8%
	Salary Escalation	4%	4%
	Resignation rate per annum	1%	1%
	Rate of return on Plan Assets	8%	8%

**EVERONN EDUCATION LIMITED****Notes to Consolidated Financial Statements for the year ended March 31, 2013**

b. Unfunded Leave encashment ₹ 7,822 (000) (March 31 2012: 8,042(000))

Leave encashment has been provided based on management computation and not on actuarial valuation as provided under Accounting Standard 15 however for the current year the provision for leave encashment has not been estimated and provided.

**EMPLOYEE STOCK OPTION PLAN (ESOP)**

During the financial year 2006-07, the Holding Company 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 3 years from the date of vesting. On non-exercise of option, the ESOP has been cancelled and such reserve has now been transferred to General Reserve.

	₹ in '000	
Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
<b>2.41 FINANCE COSTS</b>		
Interest Expense	7,86,284	5,35,214
Other Borrowing Costs	2,15,033	2,13,516
Less:		
Interest income on deposits	-	(16,973)
<b>Total</b>	<b>10,01,317</b>	<b>7,31,757</b>
<b>2.42 OTHER EXPENSES</b>		
Course execution and delivery expenses	1,64,786	1,55,900
Software, hardware and material costs	3,28,593	11,69,865
Electricity Charges	28,896	30,211
Rent	62,210	85,350
Printing and Stationery	8,007	11,008
Repairs to buildings	1,198	984
Repairs to machinery	34,971	22,882
Repairs to Others	40,640	34,082
Insurance	2,376	1,175
Rates and Taxes	5,626	18,909
Travelling Expenses	27,914	52,423
Director Fees	255	670
Payment to Auditors	-	-
Audit Fee	2,475	2,313
Reimbursement of Expenses	390	107
Professional fees	69,802	1,14,890
Communication Expenses	25,751	26,915
Advertisement and Publicity Expenses	1,68,334	93,166
Equipment rental charges	5,69,962	3,96,929
Net loss on foreign currency transaction and translation (other than considered as finance costs)	-	11
Miscellaneous Expenses	1,203	710
Provision for Bad and Doubtful debts	1,907	2,34,963
<b>Total</b>	<b>15,45,295</b>	<b>24,53,462</b>



₹ in '000

Particulars		Year Ended 31-Mar-13	Year Ended 31-Mar-12
<b>2.43 EXCEPTIONAL ITEMS</b>			
Exceptional provision for Doubtful trade and other receivables		23,24,265	-
<b>Total</b>		<b>23,24,265</b>	<b>-</b>
<b>2.44 EARNINGS PER SHARE</b>			
<b>a) Basic</b>			
Profit after tax	A	(32,81,036)	-9,05,026
Weighted average number of shares outstanding	B	2,18,69,808	1,99,21,478
Basic EPS	A/B	(150.03)	(45.43)
<b>Diluted</b>			
Profit after tax	A	(32,81,036)	-9,05,026
Add: Effect of potential dilutive shares (being share warrants issued)	B	-	-
Weighted average number of shares outstanding	C	2,18,69,808	1,99,21,478
<b>Diluted EPS ₹</b>	A/C	<b>(150.03)</b>	<b>-45.43</b>
Face Value per share ₹		10	10

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

**2.45 CONTINGENT LIABILITIES AND COMMITMENTS**

- a) Claims against the company not acknowledged as debt
- |                     |          |          |
|---------------------|----------|----------|
| Income Tax Matters  | 4,30,027 | 2,29,853 |
| Service Tax Matters | 1,30,117 | 9,400    |
| Sales Tax matters   | 18,300   | 27,539   |
- b) Corporate Guarantee issued to banks for secured loans to third Party 21,50,601 22,74,571
- c) LC Issued by Banks - 16,87,759
- d) In respect of items above, future cash outflows in respect of contingent liabilities is determinable only on receipt of judgments pending at various forum/ settlement of matter. The management believes that, based on legal advice or internal assessment, the outcome of these contingencies will be favorable and the loss is not probable. Accordingly no provisions have been made for the same.
- e) In respect of items above, future cash outflows in respect of contingent liabilities is determinable only on receipt of judgments pending at various forum/ settlement of matter. The management believes that, based on legal advice or internal assessment, the outcome of these contingencies will be favorable and the loss is not probable. Accordingly no provisions have been made for the same.
- f) A Civil suit has been filed by The ICFAI Academy for permanent injunction for creating third party rights, or disposing the assets, both tangible and intangible, in the plaintiff's campuses and control offices from the academic year 2011 onwards. The plaintiff has claimed damages of ₹ 5,000('000) along with interest at the rate of 18% p.a and the main injunction is still pending in the High court.
- g) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 35,65,000 ₹ (000) (PY (₹ Nil))
- h) Counter guarantee from third parties have not been taken for the corporate guarantee given to them.



Particulars	Year Ended 31-Mar-13	Year Ended 31-Mar-12
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#### 2.46 OPERATING LEASES

The company has entered into operating lease arrangement for its office facilities and equipments. These Leases are for a period ranging from 1 to 5 years with an option to the company for renewing at the end of the initial term. Equipment rental / Rental for operating leases is added in Profit and Loss account for the year ₹4,82,279('000) (March 31 2012 ₹ 4,01,481('000))

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

Within one year	6,03,118	6,30,622
Between one to five Years	4,80,380	11,15,941
After five Years	-	-

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

#### 2.47 EXPENDITURE IN FOREIGN CURRENCY

Amt in ₹ '000

Particulars	Year Ended 31-Mar 13	Year Ended 31-Mar 12
CIF Value of Imports		12,832
Expenditure in Foreign Currency		
Business Associate Expenses	24	21,500
Foreign Travel	1,035	4,507
Other expenses	-	3,011
<b>Total</b>	<b>1,059</b>	<b>29,018</b>

#### 2.48 DIVIDEND REMITTED IN FOREIGN EXCHANGE

Amt in ₹ '000

Particulars	Year Ended 31-Mar 13	Year Ended 31-Mar 12
Dividend paid during the year	-	15,453
Number of non-resident shareholders	-	418
Number of equity shares held by such non-resident shareholders	-	61,81,483
Year to which the dividend relate to	-	2010-11

Dividends remitted to non resident shareholder in INR to their bank accounts maintained in India are not included in the above table

#### 2.49 EARNINGS IN FOREIGN CURRENCY

Amt in ₹ '000

Particulars	Year Ended 31-Mar 13	Year Ended 31-Mar 12
Testing and Other Services	7023	2,28,865



**2.50 RELATED PARTY DISCLOSURE**

**List of Related Parties**

Name	Nature of relationship
1. Varkey Group Limited	Enterprise over which some of the Directors exercise significant influence.
2. SKIL Infrastructure Limited	
3. Smt. Susha John	
4. Gems Education (Asia) 1 Limited	
5. The Concorde Residential Schools (Kerala) Private Limited	
6. Premier Educational Establishments Private Ltd	
7. Gems Education India Private Limited	
8. Zanskar Properties private Limited	
9. VG School Developments Private Ltd	

Details of Transaction with the Related Parties

Amt in ₹ '000

Nature of Transaction	Enterprise over which some of the directors exercise significant influence		Key Managerial Personnel	
	2012-13	2011-12	2012-13	2011-12
Short term borrowing	6,13,714	-	--	
Corporate Guarantee	-	-		
Remuneration Paid	-	--		25,913

Disclosure of significant transactions with related parties:

Type of Transaction	Type of Relationship	Name of the entity	March 31 2013	March 31 2012
Short Term Borrowing	Enterprise over which some of the directors exercise significant influence	The Concorde Residential Schools (Kerala) Private Limited	32,414	-
		Premier Educational Establishments Private Ltd	1,98,800	-
		Gems Education India Private Limited	1,47,500	-
		Zanskar Properties private Limited	2,11,500	-
		VG School Developments Private Ltd	3,500	-

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

Name of the entity	Outstanding		Maximum Outstanding during the Year	
	March 31 2013	March 31 2012	March 31 2013	March 31 2012
The Concorde Residential Schools (Kerala) private Limited	32,414	-	32,414	-
Premier Educational Establishments Private Ltd	1,98,800	-	1,98,800	-
Gems Education India Private Limited	1,47,500	-	1,47,500	-
Zanskar Properties private Limited	2,11,500	-	2,11,500	-
VG School Developments Private Ltd	3,500	-	3,500	-



## 2.51 SEGMENT REPORTING

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

## 2.52 DUES TO MICRO AND SMALL ENTERPRISES

During the year under review, the company has not identified Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, and the resultant interest provision are not ascertainable.

## 2.53

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

## 2.54 BALANCE CONFIRMATION

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

## 2.55 IMPAIRMENT OF ASSETS

The company has initiated the process of review of impairment of assets in respect of the tangible, intangible and other current assets their results in such impairment is awaited, The financial implication if any on the above will be provide appropriately at later stage taking into account the future operational plans and cash flows as prepared by the management.

## 2.56

The company has received various demand notices of income tax and interest thereon in respect of Assessment Years 2007-08 to 2010-11. The matter pertains to various additions made by the department. The company has disputed the issue and has filed appeal against the above demand by the tax authorities including the stay of demand. The company has received various show cause notices in respect of service tax matters also. The management is of the view that the appropriate adjustments/provisions will be made on the final outcome of these matters and hence no provision has been made for the taxes, penalties, and interests for non/delayed payments of these dues as these amounts are not determined.

## 2.57

The company has filed a petition with the honorable high court of Chennai for approval of business restructuring reserve up to ₹ 150 Cores, pursuant to the approval by the shareholders in their extraordinary general meeting dated 29th June 2012.

## 2.58 PREVIOUS YEAR FIGURES

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

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

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

Place : Chennai  
Date : 30-May-2013

For and on Behalf of Board of Directors

**A. Srinivasan**  
Managing Director

**C.N. Radhakrishnan**  
Director

**N.P. Mathi Lingan**  
Company Secretary



**EVERONN EDUCATION LIMITED**  
**Financial Summary of Subsidiary Companies as at March 31, 2013**  
**(Pursuant to General Circular No. 2/2011 dated February 8, 2011 issue.**

₹ in '000

Name of the Subsidiary	Currency	Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit / (Loss) Before Taxation	Provision for Tax/ Deferred tax charge/ Credit	Profit After Tax	Proposed dividend
Everonn Educational Resources Solutions Ltd	INR	21,000	79,994	1,45,247	44,253	-	7,878	(15,592)	(4,757)	(10,835)	-
Toppers Tutorial Pvt Ltd	INR	10,800	(1,19,017)	2,57,353	3,65,570	-	27,537	(1,55,707)	(46,747)	(1,08,960)	-
Everonn Infrastructure Limited	INR	15,500	(39,000)	2,60,345	2,83,845	-	-	(18,043)	(5,274)	(12,769)	-
AEG Skill Update Private Limited	INR	100	(98)	125	122	-	-	(12)	(4)	(8)	-
Everonn Skill Development Ltd (*)	INR	3,82,574	(2,59,844)	4,59,371	95,236	-	28,110	(1,70,950)	(42,589)	(1,28,361)	-
Everonn Business Education Ltd	INR	22,500	(1,91,726)	8,40,360	10,09,586	-	11,625	(1,94,407)	(63,050)	(1,31,357)	-
Everonn School Ltd	INR	24,500	(1,60,082)	10,33,483	10,83,011	-	4,299	(2,08,279)	(71,706)	(1,36,573)	-
Everonn Medical Education Ltd	INR	500	(38,583)	4,94,981	5,33,065	-	-	(7,291)	(1,513)	(5,778)	-
Everonn Technical Education India Ltd	INR	500	(32,400)	1,78,087	2,09,988	-	14	(12,144)	(3,283)	(8,861)	-
Edifications India Ltd.	INR	5,71,786	10,79,437	31,26,336	4,40,464	4,05,074	-	(2,62,708)	(80,388)	(1,82,320)	-
Everonn Sport Management Ltd.	INR	500	(58)	514	72	-	-	(12)	(4)	(8)	-
Everonn Knowledge & Education Corridor Ltd.	INR	500	(13,972)	10,81,172	10,94,644	-	-	(1,454)	(449)	(1,005)	-
Everonn Dassani Literate Ltd.	INR	500	(58)	464	22	-	-	(13)	(4)	(8)	-
Everonn Skilling India Ltd	INR	500	(23)	501	25	-	-	(23)	(7)	(15)	-
Everonn Still Products Development Ltd.	INR	500	19	509	29	-	-	(16)	(5)	(10)	-

Note \* Everonn Skill development is an Indirect Subsidiary



**EVERONN EDUCATION LIMITED**

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



**Everonn Education Limited**

ATTENDANCE SLIP

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

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

Folio No. / DPI\*D - Client ID .....

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

No. of Shares held .....

**ANNUAL GENERAL MEETING**

26th September 2013 at 10 a.m.  
'Everon House', Perungudi Industrial Estate  
Chennai - 600 096.

I hereby record my presence at the meeting

Signature of Member / Proxy



**EVERONN EDUCATION LIMITED**

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

**Everonn Education Limited**

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 Copany to be held on Tuesday 26th September 2013  
at 10.00 A.M. and at any adjournment thereof.

Signed this day of ..... day of ..... 2013

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

Proxy No. ....

Date of Receipt .....

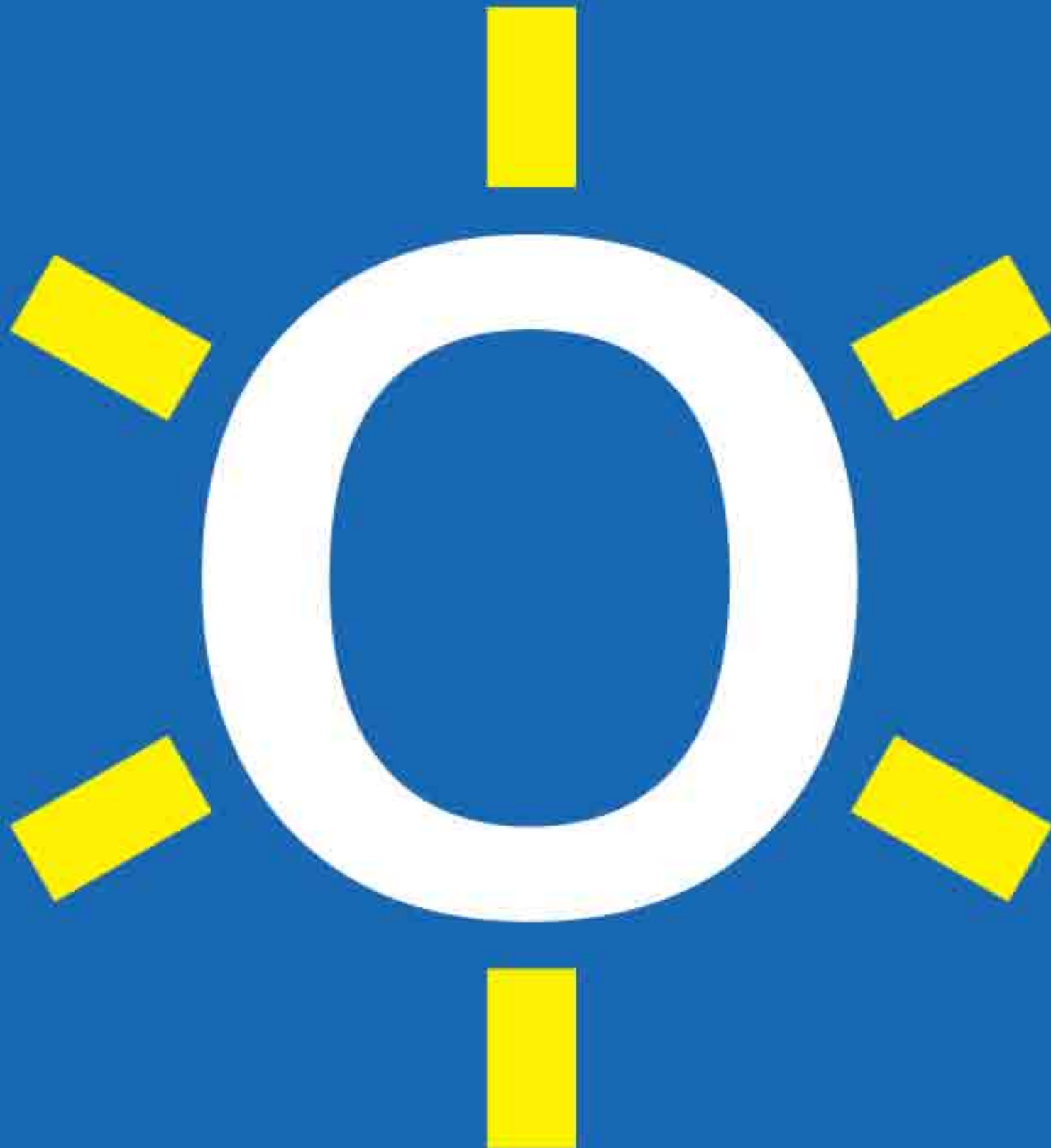
Affix Re.1/-  
Revenue Stamp  
Signature





*Education beyond boundaries*





Regd Off: No.82, IV Avenue, Ashok Nagar, Chennai – 600 083.  
Corp Off: Everonn House , Plot # 96-99, Industrial Estate, Perungudi, Chennai - 600096  
Tel: +91-44-42968400, Fax No: +91-44-24962800  
Fax:+91-44-24746425, E-mail: everonn@everonn.com  
Website :www.everonn.com

**If undelivered, please return to:**

M/s. Cameo Corporate Services Ltd. (Unit: Everonn), Subramanian Building, No.1, Club House Road, Chennai - 600 002

**FORM B**

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

[Pursuant to Clause 31 of the Listing Agreement]

1. Name of the company  
Everonn Education Limited
2. Annual financial statements for the year ended  
31-Mar-2013
3. Type of Audit qualification  
Qualified
4. Frequency of qualification  
Second Year

**Auditors Qualification & Management Reply:**

*We draw attention to Note No. 2.41 the company has assessed the carrying value of investment in subsidiaries and advances to subsidiaries taking into account the future operational plans and cash flows as prepared and represented by the management and accordingly no impairment loss has been recognized at this stage.*

**Reply:**The Company has reviewed the entire investments and the business plan of its subsidiaries and looking at the future operating plans and cash flows available, is confident of turning around. Hence no provision is considered for diminution in the value of assets in spite of erosion in the net worth.

*We draw attention to Note No. 2.51 the company has received various demand notices of income tax and interest thereon in respect of Assessment Years 2007-08 to 2010-11. The matter pertains to various additions made by the department. The company has disputed the issue and has filed appeal against the above demand by the tax authorities including the stay of demand.*

[An ISO 9001-2008 Certified Company]

**Corp. Office:** 'Everonn House', Perungudi Industrial Estate, Chennai - 600 096. India.  
Tel: +91-44-23718202, +91-44-42968400 Fax: +91-44-24746425.

**Regd. Off** : 82, IV Avenue, Ashok Nagar, Chennai - 600 083. e-mail: everonn@everonn.com website: www.everonn.com



**Reply:** Appropriate adjustments/provisions will be made as these matters are pending in various appellate / high courts and under dispute and hence the ascertainment of liability at this stage is not possible.

*We draw attention to Note No 2.50, with regard to review of usefulness of the assets under AS 28, for which provision towards impairment/loss has not been ascertained.*

**Reply:** The impairment study is conducted internally. Considering the vastness of situation of these fixed assets, the process has not been completed and hence no provision for impairment ascertained or provided for.

*We draw attention to Note No.2.48 of Financial Statements regarding non ascertaining complete particulars (including interest payable) of dues to micro, small and medium enterprises if any under MSMED Act, 2006, provision if any to be made is not ascertainable at this stage.*

**Reply:** The Company will initiate necessary actions for identifying the same and complete the same.

*We draw attention to Note No.2.50 of Financial Statements with regard to non-receipt of Confirmation of balances from Debtors including dues from Government Companies, Creditors , Loans and Advances , Investments and Other Liabilities. These amounts are subject to adjustments, if any, after reconciliation and for identification of doubtful debts/advances, which are not ascertainable at this stage*

**Reply:** The review of debtors and creditors and advances are on a continuous process. The company has taken action by providing for doubtful debtors and advances, wherever identified.

As regards the other observations in the annexure to the auditor's report, the company has taken / is taking necessary steps to ensure improvement in the procedure and compliances with relevant law.

**For Everonn Education Limited**



**A Srinivasan**  
Managing Director



**Ganapathy Puranik**  
CFO

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