

Evolving Education, transforming tomorrows



Annual Report 2011-2012

My friends went to their
Dads & Uncles to get
them Jobs. I stepped in
here. That has made all
the difference

- Shruti, Project Lead

TEST
PREPARATION

TESTING
SERVICES

VOCATIONAL
TRAINING

IT
TRAINING

ADMISSION
GUIDANCE

PROFESSIONAL
DEVELOPMENT

UNIVERSITY
EDUCATION




Technology enabled
education,
expert faculty


24x7
learning


Interactive world-class
content


Continuously
researched training
methodology

Everonn World

E: info@everonnworld.com | W: www.everonnworld.com, Toll Free No: 1800 425 1824

**Board of Directors**

Name	Status
Mrs. Susha John	Whole Time Director
Mr. Dino Varkey	Non-Executive Director and Non Independent Director
Mr. Rakesh Sharma	Non-Executive Director and Non Independent Director
Mr. Nikhil P Gandhi	Non-Executive Director and Non Independent Director
Dr. K. M. Marimuthu	Non-Executive and Independent Director
Mr. Joe Thomas	Non-Executive and Independent Director
Dr. M. S. Vijay Kumar	Non-Executive and Independent Director

Company Secretary

Mr. N P Mathi Lingan

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

Chief Financial Officer

Mr. Ramesh Chandra Gunti Reddy

Auditors

M/s. P. Chandrasekar

Chartered Accountants

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

OUR BANKERS**State Bank of India**

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

IDBI Bank Limited

No.7 South Boag Road
T.Nagar,
Chennai - 600 017.

ICICI Bank Limited

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

Axis Bank Ltd

Ground Floor, Karumuthu Nilayam,
No.192, Anna Salai, Chennai - 600 002.

Yes Bank Limited

Nehru Centre, Ground floor,
Discovery of India, Dr.A.B.Road,
Worli, Mumbai - 400 018

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 - 600002



CONTENTS

1	Notice	3
2	Directors' Report	8
3	Management Discussion & Analysis Report	12
4	Corporate Governance Report	21
5	Auditors' Report - Standalone	34
6	Addendum to Directors' Report	39
7	Financial Statements - Standalone	40
8	Auditors' Report - Consolidated	67
9	Financial Statements - Consolidated	68
10	Subsidiary Company Information as per Section 212 of the Companies Act, 1956	97



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of M/s. Everonn Education Limited will be held on Tuesday, the 25th September, 2012 at 10.00 A.M. at “Beach Park”, #2/226, Chinnandikuppam Road, Vettuvankeni, Chennai - 600 041 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account of the Company for the year ended on that date together with the Reports of Board of Directors and Auditors of the Company.
2. To appoint a Director in place of Mr. Joe Thomas, who retires by rotation.
3. To appoint a Director in place of Dr. M.S. Vijay Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to fix their remuneration:

“**RESOLVED THAT** subject to the provisions of Section 224 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

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

“**RESOLVED THAT Mr. Dino Varkey**, 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 not liable to retire by rotation as per the Articles of Association of the company”.

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

“**RESOLVED THAT Mr. Rakesh Sharma**, 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 not liable to retire by rotation as per the Articles of Association of the company”.

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

Sd/-

N.P. Mathi Lingan
Company Secretary

Place : Chennai
Date : 13th August 2012



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.**
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 setting out all the material facts in respect of Item Nos. 5 & 6 of the Notice is attached.
4. Members are requested to notify their change of address, if any, in case of shares held in electronic form to the concerned depository participant quoting their id number and in case of Shares held in physical form to the Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai - 600 002.
5. Members are requested to bring the Attendance Slip and hand it over at the entrance duly signed by them. Duplicate Admission slips will not be provided at the hall.
6. Members who hold Shares in dematerialized form are requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their folio no. in the attendance slip for attending the Meeting.
7. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking re-appointment at the ensuing Annual General Meeting, forms part of this Notice.
9. Shareholders are advised, in their own interest that all the communications to the company which would have the effect of amending the permanent details of the ledger folio should be signed by all the shareholders.
10. Shareholders may visit Company's website: www.everonn.com and contact us at : e-mail: companysecretary@everonn.com
11. Shareholders who are holding shares in more than one folio are requested to intimate to the Registrar and Share Transfer Agent, the details of all folio numbers for consolidation into a single folio.
12. 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.
13. 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 5**

Mr. Dino Varkey was appointed as an additional Director of the Company with effect from 13th February, 2012 as per the provisions of Section 260 of the Companies Act, 1956, and the 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 a deposit of Rs.500, signifying his intention to propose Mr. Dino Varkey, as Director of the Company

Profile of **Mr. Dino Varkey** as required under Clause 49 of the Listing Agreement forms part of this Notice.

Mr. Dino Varkey is not disqualified from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956. The Company has received Form DD-A from **Mr. Dino Varkey**, 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. Dino Varkey** is in any way concerned or interested in the above resolution.

ITEM 6

Mr. Rakesh Sharma was appointed as an additional Director with effect from 13th February 2012 as per the provisions of Section 260 of the Companies Act, 1956 and the 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 a deposit of Rs.500, signifying his intention to propose **Mr. Rakesh Sharma**, as Director of the Company.

Profile of **Mr. Rakesh Sharma** as required under Clause 49 of the Listing Agreement forms part of this Notice.

Mr. Rakesh Sharma is not disqualified from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956. The Company has received Form DD-A from **Mr. Rakesh Sharma**, 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. Rakesh Sharma** is in any way concerned or interested in the above resolution.

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

Sd/-

N.P. Mathi Lingam
Company Secretary

Place : Chennai
Date : 13th August 2012

**Details of Directors Seeking Appointment / Re-appointment at the 12th Annual General Meeting**

PARTICULARS	Dr. M.S.Vijay Kumar
Date of Birth	26-04-1953
Date of Appointment	08-02-2011
Qualifications	Dr. M.S.Vijay Kumar is a doctorate in Education (Future Studies, focusing on educational computing and planning for technological innovations in education) from the University of Massachusetts, Amherst is preceded by a MS in Industrial Management and a B.Tech. in Chemical Engineering, both from the Indian Institute of Technology (IIT), Madras.
Expertise in specific Functional area	Senior Associate Dean and Director, Office of Educational Innovation and Technology Office of the Dean of Undergraduate Education Massachusetts Institute of Technology. As Senior Associate Dean, Dr. Kumar provides leadership for sustainable technology-enabled educational innovation at MIT.
Number of Directorship	NIL

Details of Directors Seeking Appointment / Re-appointment at the 12th Annual General Meeting

Name of the Director	Mr. Dino Varkey	Mr. Rakesh Sharma
Date of Birth	December 14, 1980	October 9, 1959
Background details	An Honours graduate with a Bachelor's Degree in Business Studies and Economics from University of Sheffield, Mr. Dino Varkey is the Senior Director of GEMS Education. He also serves on the Board of Emirates Healthcare Holdings. As Senior Director, Mr. Dino Varkey spearheads the strategic global business development of GEMS driving the organization's development and aligning the overall corporate vision, and strategic growth objectives. He is active in the ongoing development of strategic relationships across a broad spectrum-government and regulatory, sector specialists and strategic business partners-to ensure that the organization's goals, continued leadership in the sector and aggressive yet sustainable growth on an international scale are achieved. An accomplished public speaker, he is responsible for providing vision, leadership and direction	Mr. Rakesh is a graduate in Commerce and a Fellow member of the ICAI (The Institute of Chartered Accountants of India). He also holds a degree in Law from Delhi University and has attended the Executive Management Programme on Strategy conducted by Michigan Business School and a General Management Programme by IIM, Calcutta, India. He has close to 25 years of exemplary experience in Finance and its allied areas of operations - Business Valuations, Acquisition, and Financial Engineering to find strategic solutions. He was a key member in professionalising and introducing de-centralised business environment by way of Budgets, Approval Authority Matrix etc. Mr. Rakesh joined GEMS in September 2008 and is currently the Chief Executive Officer, GEMS Education, South East Asia & Executive Director and Special Advisor to the Chairman.



	across GEMS divisions and the growing international network of GEMS Schools. Instrumental in providing stability and strategic direction to the organizational change management process he ensures compliance and the efficient implementation of policies and processes.	
Directorship & Membership in other Companies	<p>Everonn Technical Education India Ltd</p> <p>Everonn Business Education Ltd</p> <p>Edifications India Ltd</p> <p>Everonn Knowledge & Education Corridor Ltd</p> <p>Everonn Medical Education Ltd</p> <p>Everonn School Ltd</p> <p>Everonn Infrastructure Ltd</p> <p>Everonn Skill Products Development Ltd</p> <p>Everonn Sport Management Ltd</p> <p>Everonn Educational Resources Solutions Ltd</p> <p>Everonn Skilling India Ltd</p> <p>Everonn Dassani Literate Ltd</p> <p>Everonn Skill Development Ltd</p> <p>Global Education Management Systems Private Ltd</p> <p>Star Hill Real Estate Company Private Ltd</p> <p>Premier Educational Establishments Private Ltd</p> <p>Zanskar Properties Private Ltd</p> <p>VG School Developments Private Ltd</p> <p>The Concorde Residential Schools (Bangalore) Private Ltd</p> <p>Southern Food Products Private Ltd</p> <p>The Concorde Residential Schools (Kerala) Private Ltd</p> <p>Concorde Residential Schools (Madras) Private Ltd</p> <p>VG Educational Properties Private Ltd</p> <p>VG School Properties Private Ltd</p> <p>Varkey School Infrastructure Management Services Private Ltd</p> <p>STS Transport Private Ltd</p>	<p>Everonn Education Limited</p> <p>Everonn Technical Education India Ltd</p> <p>Everonn Business Education Ltd</p> <p>Edifications India Ltd</p> <p>Everonn Knowledge & Education Corridor Ltd</p> <p>Everonn Medical Education Ltd</p> <p>Everonn School Ltd</p> <p>Everonn Infrastructure Ltd</p> <p>Everonn Skill Products Development Ltd</p> <p>Everonn Sport Management Ltd</p> <p>Everonn Educational Resources Solutions Ltd</p> <p>Everonn Skilling India Ltd</p> <p>Everonn Dassani Literate Ltd</p> <p>Everonn Skill Development Ltd</p> <p>Toppers Tutorial Private Ltd</p>
Shareholding in the Company	NIL	NIL



DIRECTORS' REPORT

To the Members,

Your Directors present the Twelfth Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2012.

I. FINANCIAL RESULTS

(Amt. in Rs. Lakhs)

Particulars	Financial Results for the year ended	
	31-March - 2012	31- March - 2011
Income from operations	30,381.52	30,162.93
Other Income	618.16	516.06
Total Revenue	30,999.68	30,678.99
Total expenditure before interest & Depreciation	24,558.90	14,754.35
Operating Profit / (Loss) (EBIDTA)	6,440.78	15,924.63
Interest	3,794.31	2,032.41
Depreciation / Amortization	5112.99	3588.79
Profit / (Loss) before tax	(2466.52)	10,303.43
Provision for tax	(815.54)	3006.90
Profit / (Loss) after tax	(1650.98)	7296.53

II. VARKEY GROUP

During the financial year 2011 – 12, the Company has allotted 26,18,120 equity shares to Varkey Group Limited (VGL) on 16th December 2011 under a Memorandum of Understanding executed between the Company, VGL and SKIL Infrastructure Limited on 19th September 2011. Pursuant to this allotment, VGL has been inducted as a co-promoter of the Company. In accordance with the SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997, Varkey Group Limited, along with Gems Education (Asia) 1 Limited (GEMS), Mr. Sunny Varkey and Mrs. Sherly Varkey made an open offer to the shareholders of the Company for the acquisition of their shares at the price of Rs. 528/- per share. In accordance with the terms and conditions of a letter of offer dated 5th December 2011, GEMS acquired 44,93,962 equity shares from the shareholders of the Company and was inducted as a co-promoter of the Company. The management and control of the Company has been taken over by Varkey Group Limited.

III. SUBSIDIARY COMPANIES

The Company had 13 subsidiaries at the beginning of the year. Two subsidiaries were set up during the year viz.:

- (i) Everonn Skilling India Limited
- (ii) Everonn Skill Products Development Limited

The total number of subsidiaries as on March 31, 2012 is 15.

There has been no material change in the nature of business of the subsidiaries. A statement containing brief financial details of the subsidiaries is included in the Annual Report.