



Everonn Education Limited

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

NOTICE OF EXTRA ORDINARY GENERAL MEETING

NOTICE is hereby given that the Extra Ordinary General Meeting of the Members of Everonn Education Limited will be held at 9.30 A.M on Wednesday, the 19th day of October, 2011 at “Beach Park #2/226, Chinnandikuppam Road, Vettuvankeni, Chennai- 600 041 to transact the following business.

SPECIAL BUSINESS

ITEM 1: ISSUE AND ALLOTMENT OF EQUITY SHARES ON PREFERENTIAL BASIS

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

“**RESOLVED THAT** in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the existing regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (hereinafter referred to as “the Regulations”) and other applicable guidelines/regulations issued by the Securities and Exchange Board of India (“SEBI”) and subject to all necessary approvals, consents, permissions and /or sanctions of the Government of India and any other statutory or regulatory authorities and other applicable laws and the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such terms and conditions as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which expression shall include any Committee constituted for the time being, thereof) and subject to such terms, conditions and modifications as the Board may in its discretion impose or agree to, the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised to offer, issue and allot on a preferential basis upto 26,18,120 Equity Shares of the face value Rs.10/- each for cash at a price of Rs.528/- per share (including a premium of Rs.518/- per share) aggregating to Rs.138,23,67,360/-, being the price higher than the price determined in accordance with the Regulations, to M/s. Varkey Group Limited.

RESOLVED FURTHER THAT Equity Shares so issued shall (i) rank pari passu in all respects with the existing Equity Shares of the Company, including entitlement to dividend, (ii) the said Equity Shares shall be listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued, however not exceeding 26,18,120 equity shares.

RESOLVED FURTHER THAT the Board/any Committee thereof be authorised to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of the Equity Shares, including reduction of the size of the issue, as it may deem expedient.

RESOLVED FURTHER THAT the Relevant Date for the preferential issue, in relation to the aforesaid Equity Shares, for the purpose of determining the issue price under the Regulations is 19th September 2011, being the date 30 days prior to the date on which the Extra-Ordinary General Meeting of the members of the Company will be held to consider the preferential issue.

RESOLVED FURTHER THAT consent for issuance of Equity Shares as aforesaid shall also constitute approval of the shareholders of the Company in terms of Regulation 23(1)(b) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board or any Committee be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilisation of the issue proceeds, sign all documents and undertakings as may be required and generally to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board or any Committee in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the Company to give effect to this resolution.”

ITEM 2: APPROVAL TO RAISE THE CEILING LIMIT FOR TOTAL NRI INVESTMENT IN THE COMPANY FROM 10% TO 24%

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

“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956, Foreign Exchange Management Act, 1999, FEM (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, the applicable Rules, Guidelines, Regulations, Notifications and Circulars, if any, of the Reserve Bank of India and applicable Master Circulars and the Consolidated FDI Policy issued by the Ministry of Commerce & Industry from time to time, and subject to the approval of the Reserve Bank of India and any other regulatory authority as may be necessary, the limit for the total holding of securities in the Company by all NRIs put together under the Portfolio Investment Scheme, be enhanced from 10% to 24% of the aggregate paid up share capital of the Company.

RESOLVED FURTHER THAT such increased limits of the holdings of NRIs be subject to such conditions as may be imposed by Reserve Bank of India or any other statutory authority whose permission or sanction may be required under any Law.

RESOLVED FURTHER THAT the Board/any Committee of the Board of Directors of the Company be and is hereby authorised to agree to and to make and accept all such conditions, modifications and alterations stipulated by any relevant authorities while according approvals or consents, as may be required/considered necessary, proper or expedient, and to take all such actions/steps as may be necessary, desirable or expedient, including to take further consent/authority/approval of members through postal ballot/s, if required/necessary, under any law/s or otherwise, and, to resolve and settle all questions and difficulties that may arise, and, to do all acts, deeds, matters and things which are incidental and consequential, as the Board/any Committee may at its absolute discretion deem necessary or desirable for such purposes and, to execute such documents or writings as the Board/any Committee may consider necessary or proper or incidental to give effect to this Resolution.”

By order of the Board
For Everonn Education Limited

-Sd/-
Susha John
CEO & Whole-time Director

Place: Mumbai
Date: 19th September, 2011

NOTES:

1. MEMBER IS ENTITLED TO ATTEND THE MEETING AND VOTE THEREAT AND IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. FORM OF PROXY IS ENCLOSED WITH THIS NOTICE. A DULY FILLED IN FORM OF PROXY SHOULD BE LODGED AT LEAST 48 HOURS BEFORE THE MEETING WITH THE COMPANY.
2. Explanatory statement pursuant to section 173(2) of the Act with regard to the special business is annexed hereto.
3. M/s. P.Chandrasekar, Chartered Accountants, the Statutory Auditors of the Company, have certified that the said preferential issue is in accordance with the requirements contained in the Regulations and the said Certificate will be placed before the Extra-ordinary General Meeting. The Memorandum & Articles of Association of the Company, Auditors' Certificate and other documents referred to in the proposed resolution in the Explanatory Statement are open for inspection at the Registered Office of the Company on any working day except Public Holidays, Saturdays and Sundays between 3.00 p.m. and 5.00 p.m. upto the date of the Extra-ordinary General Meeting and will also be placed before the Extra-ordinary General Meeting.
4. Members are requested to notify change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID. No. and in case of physical shares, to the Registrar and Share Transfer Agent quoting their Folio Numbers.

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

Item No. 1**Issue and allotment of Equity Shares on Preferential basis**

Your Company proposes to issue shares to M/s. Varkey Group Limited who has agreed to acquire 26,18,120 equity shares representing 12% of the post preferential issue equity capital of the Company for the purposes and objectives set out herein below. As per the provisions of section 81(1A) of the Companies Act, 1956, the issuance of shares on preferential basis will require the approval of the shareholders by way of a special resolution passed at a general meeting.

Object of the Issue

The Company has witnessed significant growth in the last three years. The Company has formulated expansion plans in terms of enhancing its capacities and geographical presence. Taking into account the opportunities as stated above, the Company would like to induct a strategic partner as a co-promoter to take advantage of business synergies.

Change of Control

Upon the completion of the proposed allotment and considering that Mr. Sunny Varkey and Mrs. Sherly Varkey, persons acting in concert with the proposed allottee will own more than 15% of the post preferential issue equity capital of the Company. The proposed allottee is accordingly required to make an open offer ("**Open Offer**") in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 ("**SEBI Takeover Regulations**"). There would be a change in control in the management of the Company after the completion of the Open Offer and the proposed allotment.

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

None of the present promoters, directors or key managerial personnel of the Company are subscribing to the preferential issue. However, upon completion of the Open Offer formalities and the proposed allotment, M/s. Varkey Group Limited will be inducted as a co-promoter of the Company.

Shareholding pattern before and after the offer

	Category	Pre-preferential issue Shareholding (as of 16 th September 2011)		Post-preferential issue Shareholding (after Conversion of Warrants)*		Post-preferential issue Shareholding (after allotment of shares)#	
		No.	%	No.	%	No.	%
A	Promoter's Holding						
	Promoter and Promoter Group	81,17,898	42.28	87,17,898	44.03	1,13,36,018	50.57
	Sub Total	81,17,898	42.28	87,17,898	44.03	1,13,36,018	50.57
B	Non Promoters Holding						
	Mutual Fund	70,700	0.37	70,700	0.36	70,700	0.32
	Banks	60,491	0.32	60,491	0.31	60,491	0.27
	FII's	30,15,493	15.71	30,15,493	15.23	30,15,493	13.47
	Body Corporates	25,25,114	13.15	25,25,114	12.75	25,25,114	11.28
	Residents Individuals	31,35,369	16.33	31,35,369	15.84	31,35,369	14.00
	NRI	1,68,102	0.88	1,68,102	0.85	1,68,102	0.75
	Overseas Body Corporate	5,68,285	2.96	5,68,285	2.87	5,68,285	2.54
	Clearing Members	11,50,478	5.99	11,50,478	5.81	11,50,478	5.14
	Trusts	1,80,636	0.94	1,80,636	0.91	1,80,636	0.81
	H.U.F.	2,06,736	1.08	2,06,736	1.04	2,06,736	0.92
	Others	250	0.00	250	0.00	250	0.00
	Sub Total	1,10,81,654	57.72	1,10,81,654	55.97	1,10,81,654	49.43
	Grand Total	1,91,99,552	100.00	1,97,99,552	100.00	2,24,17,672	100.00

* Assuming full conversion of 600,000 Equity Warrants allotted to promoters & person from promoter group into Equity shares.

The Company has issued and allotted Fully Convertible Debentures for Rs 2,28,00,000 to M/s. DB Corp Ltd. The pricing of the equity shares to be issued upon conversion of securities shall be determined at the time of conversion of such instrument. Hence, we are not in a position to specify the % total no. of shares of the Company assuming full conversion of outstanding securities.

Note: Varkey Group Limited is required to make an open offer under the SEBI Takeover Regulations for at least 20% of the emerging voting capital (as expanded pursuant to the proposed preferential allotment of equity shares and conversion of 600,000 equity warrants) and 23.35% of the existing paid up share capital of the Company as per the terms of the SEBI Takeover Regulations. There is no certainty as to the number of Equity Shares which may be offered to the Acquirer in the Open Offer. In the event of acquisition of any Equity Shares of the Company pursuant to such Open Offer, the shareholding pattern in the above table would undergo changes to that extent after the acquisition of the Equity Shares in the Open Offer.

Time of completion

The Company will complete the allotment of shares within a period of 15 days from the date of passing of the special resolution by the shareholders or where the allotment on preferential basis requires any approval by any regulatory authority or Central Government, the allotment of shares will be completed within 15 days from the date of such approval.

Identity of the proposed allottee and the percentage of post preferential issue equity capital

Name of the Proposed Allottee	Number of Shares	Percentage Holding of the Post Preferential Issue Equity Capital
M/s. Varkey Group Limited , a Company incorporated in the British Virgin Islands, is a member of the Varkey group, an international group that owns and operates high performing schools. It also offers consulting services to both the public and private sectors.	26,18,120	12%

Pricing of Preferential Issue

The above Equity Shares will be issued and allotted at a price not less than the higher of the following in terms of the Regulations:-

- The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date; or
- The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date;

The relevant date for the purpose of this clause means the date thirty days prior to the date on which the meeting of general body of shareholders is held in terms of Section 81 [1A] of the Companies Act, 1956 (including any amendment to or re-enactment thereof) to consider the proposed issue, which relevant date, in the present case, is 19th September, 2011.

The Stock Exchange for the purpose of this clause means any of the recognized stock exchanges in which the shares are listed and in which the highest trading volume in respect of shares of the company has been recorded during the preceding six months prior to the relevant date, in the present case being the National Stock Exchange of India Limited.

The price per share calculated in accordance with the Regulations works out to Rs.527.75 and the allotment will be made at Rs.528/- per share.

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

The Company hereby undertakes that

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

Lock – In

The equity shares to be allotted to M/s. Varkey Group Limited under the proposed offering shall be subject to lock-in in accordance with the Regulations.

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

Certificate

The certificate from M/s. P.Chandrasekar, Statutory Auditors of the Company certifying that the issue is being made in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be available for inspection during office hours at the registered office of the Company and shall also be placed before the shareholders at the meeting.

Section 81 of the Companies Act, 1956 provides, *inter alia*, that whenever it is proposed to issue further shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said Section, unless shareholders decide otherwise in the general meeting by way of a Special Resolution.

The Regulations require that when a listed company proposes to make a preferential allotment of equity shares, the notice of the meeting, including the explanatory statement, must make the disclosures mentioned above.

Regulation 23(1)(b) of the SEBI Takeover Regulations provides that unless the approval of the general body of shareholders is obtained after the date of the public announcement of offer, the Board of Directors of the Company shall not, during the offer period, issue or allot any authorized but un-issued securities carrying voting rights during the offer period.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, Chapter VII of the Regulations, Regulation 23(1)(b) of the SEBI Takeover Regulations and in terms of the provisions of the Listing Agreement to issue and allot Equity Shares as stated in the Special Resolution.

The Directors recommend the passing of the resolution. None of the Directors of the Company are concerned or interested in the resolution.

Item No. 2

Increase of Limits for investment by NRIs:

As per the provisions of the FEM (Transfer or Issue of Security by a person Resident outside India) Regulations, 2000, applicable Master Circulars and the Consolidated FDI Policy, the holding of the shares by NRIs is subject to a limit of 10% of the paid up share capital of a company. The Regulations and applicable Master Circulars and the Consolidated FDI Policy also provide that the limit for the holdings of all NRIs put together can be increased upto 24% by obtaining an approval from the RBI subject to special resolution to that effect being passed by the shareholders in a general meeting.

Your Directors wish to permit the maximum permissible investment and also ensure compliance with the aforesaid Regulations and applicable Master Circulars and the Consolidated FDI Policy by enabling investment by NRIs upto a level of 24% of the paid up share capital of the Company. The proposed Resolution seeks your approval for increase of such limits for the Board to proceed to make an application to the RBI.

Your Directors recommend that the Resolution be passed.

None of the Directors is interested in the proposed Resolution.

By order of the Board
For Everonn Education Limited

-Sd/-
Susha John
CEO & Whole-time Director

Place: Mumbai
Date: 19th September, 2011

EVERONN EDUCATION LIMITED

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

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ATTENDANCE SLIP

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

NAME AND ADDRESS OF THE SHARE HOLDER

Folio No. / DPID – Client ID

NAME OF THE PROXY (IN CAPITAL LETTERS)

No. of Shares held

EXTRA-ORDINARY GENERAL MEETING

19th October, 2011 at 9:30 A.M.

Beach Park

#2/226, Chinnandikuppam Road,

Vettuvankeni,

Chennai- 600 041

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

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 Extra-Ordinary General Meeting of the Company to be held on Wednesday, 19th October, 2011 at 9:30 A.M. and at any adjournment thereof.

Signed this day of..... 2011.

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

Proxy No.

Date of Receipt

Affix Re.1/-
Revenue Stamp
Signature

BOOK-POST

If undelivered, please return to :

Cameo Corporate Services Ltd.

(Unit : Everonn Education Limited)

Subramanian Building,

#1, Club House Road,

Chennai - 600 002.