

EVERONN EDUCATION LIMITED

Registered Office: No 82, IV Avenue, Ashok Nagar, Chennai, Tamil Nadu - 600083

Tel: 044-23718202, 23718203, 24715356, 59,

Fax: 044-24717845

NOTICE

Notice is hereby given that an Extra-ordinary General Meeting of the Members of Everonn Education Limited will be held on Thursday, the 6th day of March, 2014 at 11.00 AM at Everonn House, Plot No # 96 - 99, Industrial Estate, Perungudi, Chennai - 600096, Tamilnadu, India to transact the following business:

SPECIAL BUSINESS:

1. To consider, and, if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

Conversion of Loan into equity shares of the Company by way of Preferential Allotment to entity forming part of the "Promoter" and "Promoter Group":

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") including any amendments thereto or re-enactment thereof and all other applicable laws and regulations for the time being in force and the regulations/ guidelines, if any, issued by the Government of India ("GOI") and subject to obtaining the requisite approvals and in terms of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time and issued by the Government of India ("GOI"), the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), Stock Exchanges on which the equity shares allotted pursuant to the proposed issue are proposed to be listed and any other appropriate authorities, institutions or bodies, as may be applicable and the enabling provisions of the listing agreements entered into by the Company with the Stock Exchanges on which the equity shares of the Company are listed (the "Listing Agreements") and the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, SEBI, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such other conditions as may be prescribed/stipulated by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to/accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include any Committee duly constituted by the Board in exercise of its powers), the consent, authority and approval of the shareholders of the Company be and is hereby accorded to the Board to offer, issue and allot, upto **and not exceeding 10,91,303 Equity Shares of Rs. 10/- each** (hereinafter referred to as "Equity Shares"), in one or more **tranches** on such terms and conditions as may be deemed appropriate by the Board for the conversion of outstanding loan into Equity on a preferential basis at the price determined in accordance with Chapter VII of the SEBI ICDR Regulations to The Concorde Residential Schools

(Kerala) Limited, being an entity forming part of the promoters and promoter group of the Company, and as more **particularly** identified in the explanatory statement annexed to this notice ("Preferential Issue"), at its absolute discretion and wherever necessary, in consultation with the lead manager(s) and/or merchant banker(s) and /or advisor(s) and/or such other person(s) in accordance with the applicable laws, rules, regulations and guidelines prevailing in this regard and at an issue price (including such premium) not less than the price to be determined in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations".

"RESOLVED FURTHER THAT the floor price of the Equity Shares to be allotted in terms of the Preferential Issue shall be calculated in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations with reference to the Relevant Date. The "Relevant Date" for the purpose of pricing of the Equity Shares shall be 3rd February 2014, being 30 days prior to 6th March 2014, the date on which the meeting of the general body of shareholders is held in terms of Section 81 (1A) of the Act to consider the proposed issue".

"RESOLVED FURTHER THAT the Equity Shares to be created, offered, issued and allotted pursuant to this resolution be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects, including dividend".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to constitute or form a Committee or delegate all or any of its powers to any Director(s)/Committee duly authorised by the Board or Company Secretary or Chief Financial Officer or other persons duly authorised by the Board, at its absolute discretion to give effect to the aforesaid resolution and is authorised to take all such steps and do such acts, deeds and things as is considered necessary, expedient, usual, proper or incidental in relation to the said matter and to take such action and give such directions as they may consider necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable to settle any question or difficulty which may arise in regard to issue and allotment of the Equity Shares, as the case may be, including but not limited to :

- (a) approving the terms of the preferential issue and issue price (with or without premium), the number of equity shares to be allotted, the basis of allocation and allotment thereof, as the case may be;
- (b) arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of the Equity Shares by the Company;
- (c) affixing the Common Seal of the Company on any agreement(s)/document(s) as may be required to be executed in connection with the above as per the procedure prescribed in the Articles of Association of the Company;
- (d) doing all such acts, deeds, matters and things and executing all such other documents and paying all such fees, as may in its absolute discretion, deem necessary or desirable for the purpose of the proposed issue.

- (e) making all such necessary applications with the stock exchange(s) and other appropriate authorities and making the necessary regulatory filings in this regard; and
- (f) authorising or delegating all or any of the powers herein above conferred to any one or more persons, if need be"

"RESOLVED FURTHER THAT the preferential issue shall be subject to and shall only be made within the permissible limit of acquisition (without attracting an obligation of making an open offer) by the promoter / promoter group within the present financial year, as permitted under the applicable provisions, including Regulation 3 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended".

2. To consider, and, if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

Conversion of Loan into Optionally Convertible Debentures on preferential basis to entity forming part of the "Promoter" and "Promoter Group":

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and other applicable Regulations/ Guidelines, wherever applicable, such other approvals, permissions, sanctions, consents as may be necessary or expedient under the applicable laws, rules and regulations and subject to such terms, conditions, alterations and modifications as may be considered appropriate by the Board of Directors of the Company, (hereinafter referred to as "Board" which shall include any Committee of Directors), the consent of the Company be and is hereby accorded to the Board for the conversion of outstanding loan of The Concorde Residential School (Kerala) Limited being an entity forming part of the promoters and promoter group of the Company into Optionally Convertible Debentures (OCD) of value Rs. 4.33 Crores convertible at the option of the holder into 10,91,303 Equity Shares of Rs. 10/- each at the price determined in accordance with Chapter VII of the SEBI ICDR Regulations."

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

"RESOLVED FURTHER THAT these OCDs shall at the option of the holder be converted into equivalent equity shares in one or more tranches at any time, before expiry of 18 months from the date of allotment or such other shorter period as may be agreed upon between the Company and the holder of the OCDs."

"RESOLVED FURTHER THAT the offer, issue and allotment of the OCDS shall be made within 15 days from the date of passing of this Special Resolution subject however to the applicable statutory regulatory provisions and the SEBI (ICDR) Regulations."

"RESOLVED FURTHER THAT the pricing of the OCDs and the pricing of any equity shares issued upon conversion of the securities shall be made subject to and in compliance with all applicable laws, guidelines, notifications, rules and regulations considering the "Relevant Date" under SEBI Regulations for the purpose of determining the issue price of resultant shares as on 3rd February 2013, being the date, 30 days prior to the date of passing this Resolution."

"RESOLVED FURTHER THAT the Equity shares so issued and allotted upon conversion of the OCDS shall rank *pari passu* with the then existing Equity shares of the Company in all respects including dividend shall be listed on Stock Exchange on which the existing Equity Shares are listed."

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

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

3. To consider, and, if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

Enhancing the existing limit and authorization to mortgage/ hypothecate properties/assets of the Company

"RESOLVED THAT the consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and any other applicable provisions if any and the Memorandum and Articles of Association of the Company, to the Board of Directors of the Company to borrow money from time to time and at its discretion, either from the Company's banker or any other bank, financial institutions or any other lending institutions or Bodies Corporate on such terms and conditions as may be considered suitable by the Board of Directors up to a limit not exceeding in the aggregate of Rs. 1000 Crores notwithstanding that the money to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed

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

"RESERVED FURTHER THAT pursuant to Section 180(1) (a) and other applicable provisions of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company to pledge, mortgage, hypothecate on such terms and conditions and at such time or times as they may think fit either the whole or substantially the whole or any one or more of the Company's undertakings or all its undertakings or major divisions forming a part of whole undertaking including the present and future properties/assets thereto to any Bank/Financial Institution and any other Body Corporate, whether the same be its own subsidiary or otherwise upto an extent of Rs. 1000 Crores."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint a director or directors or committee of directors as they think fit to finalize and execute the above pledge/mortgage/hypothecation and grant power to execute any documents/deeds/papers and writings and to do all such acts, deeds and things as may be necessary or expedient for implementing the same."

By Order of the Board
For Everonn Education Limited

Sd/-
N.P. Mathi Lingan
Company Secretary

Place: Chennai

Date: 6th Feb, 2014

Notes:

1. 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. Proxy Forms in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item No.1 to 3 of the Notice is annexed hereto.
3. 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.
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.

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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. 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.
7. 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.

By Order of the Board
For Everonn Education Limited

Sd/-
N.P. Mathi Lingan
Company Secretary

Place: Chennai

Date: 6th Feb, 2014

EXPLANATORY STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 1: Conversion of Loan into equity shares of the Company by way of Preferential Allotment to entity forming part of the "Promoter" and "Promoter Group":

Objects and purpose of the proposed Preferential Allotment to entity forming part of the "Promoter" and "Promoter Group":

The Company proposes to augment its Equity Capital through a preferential allotment of equity shares. The Company has outstanding loans remaining unpaid to The Concorde Residential School (Kerala) Limited being an entity forming part of the promoters and promoter group. It is proposed to convert a part of the outstanding loan by way of issue of 10,91,303 Equity shares of the Company of Rs.10 each ("Equity Shares") by way of preferential allotment to The Concorde Residential School (Kerala) Limited at the price equal to the floor price to be determined in accordance with Chapter VII of the SEBI ICDR Regulations (such issue of Equity Shares being hereinafter referred to as ("Preferential Issue").

The proposed Preferential Issue is subject to the approval of the shareholders of the Company and other statutory approvals, if any. Since the Company is a listed Company, the proposed Preferential Issue is in terms of the provisions of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (as amended), and other applicable provisions, if any. In terms of the provisions of the Companies Act, 1956, the Companies Act, 2013 and the SEBI ICDR Regulations, the relevant disclosures/details are given below:

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Instrument and Numbers:

The Company is proposing to issue up to 10,91,303 Equity Shares to The Concorde Residential Schools (Kerala) Private Limited, being an entity forming part of "Promoter" and "Promoter Group":

Relevant Date and Issue Price:

The issue price will be determined in accordance with the provisions of Chapter VII of SEBI ICDR Regulations which states that the minimum price should be higher of:

- a) The average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the twenty six weeks preceding the Relevant Date; or
- b) The average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the two weeks preceding the Relevant Date.

The "Relevant Date" for determining the price of the equity shares to be allotted shall be the date which is 30 days prior to the date of passing this resolution by requisite majority of the shareholders by way of Extra-Ordinary General Meeting i.e. 06th March 2014. Accordingly the Relevant Date for the preferential allotment is 03rd February 2014.

The Board believes that the proposed offer, issue and allotment will be in interest of the Company and its shareholders.

Particulars of the Allottee:

The proposed allottee of the Equity Shares is The Concorde Residential Schools (Kerala) Private Limited, an entity forming part of the "Promoter" and "Promoter Group" of the Company. The percentage of post-Preferential Issue that may be held by the proposed allottee consequent to the Preferential Issue is as follows:

Particulars	Pre-Issue		Post-Issue	
	Total number of Equity Shares	% of Total number of Equity Shares	Total number of Equity Shares	% of Total number of Equity Shares
The Concorde Residential Schools (Kerala) Private Limited	10,93,000	5	21,84,303	9.51

Mr. Sunny Varkey, a member of Varkey Family is the natural persons who is ultimate beneficial owners of the shares proposed to be allotted to and/or who ultimately control the proposed allottee i.e. The Concorde Residential Schools (Kerala) Private Limited

Intention of promoter group to subscribe:

As mentioned above, the Preferential Issue is being made to The Concorde Residential Schools (Kerala) Private Limited, an entity, which forms part of the "promoter" and "promoter group" of the Company.

Pre-issue and post-issue shareholding pattern of the Company:

The number of shares and the percentage of shareholding that may be held by the Promoter and Promoter Group of the Company prior to and consequent to the Preferential Issue is as mentioned hereunder:

Details of Promoter and Promoter Group	Pre-Issue as on December 31, 2013		Post-Issue	
	Total number of Equity Shares	% of Total number of Equity Shares	Total number of Equity Shares	% of Total number of Equity Shares
Varkey Group Limited	26,18,120	11.97	26,18,120	11.40
Gems Education Asia 1 Limited	44,93,962	20.55	44,93,962	19.57
The Concorde Residential Schools (Kerala) Private Limited	10,93,000	5	21,84,303	9.51
SKIL Infrastructure Ltd	40,00,000	18.29	40,00,000	17.42
Sunny Varkey	6,26,384	2.86	6,26,384	2.72
Sherly Varkey	5,77,687	2.64	5,77,687	2.51
Total of Promoter and Promoter Group	13,409,153	61.31	1,45,00,456	63.15

The shareholding pattern of Company pre and post preferential issue is as mentioned below:

Category of Shareholder	Pre-Issue as on December 31, 2013		Post-Issue	
	Total number of Equity Shares	% of Total number of Equity Shares	Total number of Equity Shares	% of Total number of Equity Shares
Shareholding of promoter and promoter group				
Varkey Group Limited	26,18,120	11.97	26,18,120	11.40
Gems Education Asia 1 Limited	44,93,962	20.55	44,93,962	19.57
The Concorde Residential Schools (Kerala) Private Limited	10,93,000	5.00	21,84,303	9.51
SKIL Infrastructure Ltd	40,00,000	18.29	40,00,000	17.42
Sunny Varkey	6,26,384	2.86	6,26,384	2.72
Sherly Varkey	5,77,687	2.64	5,77,687	2.64
Total of Promoter and Promoter Group	13,409,153	61.31	1,45,00,456	63.15

Public Shareholding				
Institutional	6,04,216	2.76	6,04,216	2.63
Non-Institutions	78,56,439	35.92	78,56,439	34.21
Total Public Shareholding	84,60,655	38.68	84,60,655	36.85
Total	2,18,69,808	100.00	2,29,61,111	100.00

Proposed time of Allotment:

The allotment of the equity shares in the Preferential Issue will be made within a period of 15 days from the date of passing of the aforesaid special resolution excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

Non transferability of proposed financial instruments:

The Equity Shares proposed to be offered and allotted in the Preferential Issue shall be locked-in for a period of three years from the date of trading permission in accordance with Regulation 78 of Chapter VII of the SEBI ICDR Regulations.

Lock in:

Also, the entire pre-Preferential Issue shareholding of the Allottee shall be under lock-in from the Relevant Date up to a period of six months from the date of the Preferential Issue.

Auditor's Certificate:

M/s. P. Chandrasekar, Chartered Accountants, Bangalore, Statutory Auditors of the Company, will certify that the issue of Equity Shares is being made in accordance with Chapter VII of the SEBI ICDR Regulations. A copy of the said certificate will be open for inspection.

Change in Control:

The proposed allotment of the Equity Shares on a preferential basis if made, will not result in change in the management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

Undertakings:

The Company shall re-compute the price of such equity shares in terms of the provision of the SEBI ICDR Regulations, if so required to do so.

Further, in the event that any monies become payable on account of the re-computation of price as above and the same is not paid within the time period specified for the purpose in the SEBI ICDR Regulations, the equity shares shall continue to remain locked in till such time as the monies are paid by the allottees.

As per Section 81(1A) of the Act, approval of the shareholders of the Company is required for allotment of Equity Shares on preferential basis. Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of Section 81(1A) and other applicable provisions of

the Act, the SEBI ICDR Regulations and in terms of the provisions of the Listing Agreements, to issue and allot Equity Shares under the Preferential Issue as stated in the special resolution.

Resolutions set out in Item No. 2 are enabling resolutions conferring authority on the Board to place equity share capital with entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations, as amended from time to time. The Board will fix the detailed terms of the final size of the proposed issue, exact timing and other related aspects after careful analysis and discussions with lead managers and other advisors, considering prevailing market conditions and in line with the extant guidelines issued by SEBI, Reserve Bank of India or any other statutory and regulatory authorities in this regard.

The proposed Preferential Issue is in the interest of the Company and the shareholders and the Board of Directors recommends the passing of this resolution as mentioned under Item No. 1 as a Special resolution.

Except Mr. Dino Varkey, none of the Directors of the Company and key managerial persons of the Company and their relatives may be deemed to be interested or concerned in the proposal contained in the resolutions.

The Board recommends the resolutions for your approval.

Item No. 2: Conversion of Loan into Optionally Convertible Debentures on preferential basis to entity forming part of the "Promoter" and "Promoter Group"

Objects and purpose of the proposed Conversion of Loan into Optionally Convertible Debentures:

The Company has outstanding loans remaining unpaid to The Concorde Residential School (Kerala) Limited being an entity forming part of the promoters and promoter group. It is proposed to convert a part of the outstanding loan into Optionally Convertible Debentures (OCD) of value Rs. 4.33 Crores convertible at the option of the holder into **10,91,303** Equity Shares of Rs. 10/- each at the price determined in accordance with Chapter VII of the SEBI ICDR Regulations by way of preferential allotment to The Concorde Residential School (Kerala) Limited at the price to be determined in accordance with Chapter VII of the SEBI ICDR Regulations ("Preferential Issue").

The proposed Preferential Issue is subject to the approval of the shareholders of the Company and other statutory approvals, if any. Since the Company is a listed Company, the proposed Preferential Issue is in terms of the provisions of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (as amended), and other applicable provisions, if any. In terms of the provisions of the Companies Act, 1956, the Companies Act, 2013 and the SEBI ICDR Regulations, the relevant disclosures/details are given below:

Instrument and Numbers:

The Company is proposing to issue Optionally Convertible Debentures (OCD) of value Rs. 4.33 Crores convertible at the option of the holder into **10,91,303** Equity Shares of Rs. 10/- each at the price determined in accordance with Chapter VII of the SEBI ICDR Regulations to The Concorde Residential Schools (Kerala) Private Limited, being an entity forming part of "Promoter" and "Promoter Group".

Relevant Date and Issue Price:

The issue price will be determined in accordance with the provisions of Chapter VII of SEBI ICDR Regulations which states that the minimum price should be higher of:

- c) The average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the twenty six weeks preceding the Relevant Date; or
- d) The average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the two weeks preceding the Relevant Date.

The "Relevant Date" for determining the price of the equity shares to be allotted upon conversion of OCD into Equity Shares shall be the date which is 30 days prior to the date of passing this resolution by requisite majority of the shareholders by way of Extra-Ordinary General Meeting i.e. 06th March 2014. Accordingly the Relevant Date for the preferential allotment is 03rd February 2014.

The Board believes that the proposed offer, issue and allotment will be in interest of the Company and its shareholders.

Particulars of the Allottee:

The proposed allottee of the OCD is The Concorde Residential Schools (Kerala) Private Limited, an entity forming part of the "Promoter" and "Promoter Group" of the Company. The percentage of post-Preferential Issue that may be held by the proposed allottee consequent to the conversion will be as follows:

Particulars	Pre-Conversion*		Post-Conversion	
	Total number of Equity Shares	% of Total number of Equity Shares	Total number of Equity Shares	% of Total number of Equity Shares
The Concorde Residential Schools (Kerala) Private Limited	21,84,303	9.51	32,75,606	13.62

*Post allotment of shares as mentioned above in Item 1

1. Mr. Sunny Varkey, a member of Varkey Family is the natural persons who is ultimate beneficial owners of the shares proposed to be allotted to and/or who ultimately control the proposed allottee i.e. The Concorde Residential Schools (Kerala) Private Limited

Intention of promoter group to subscribe:

As mentioned above, the Preferential Issue is being made to The Concorde Residential Schools (Kerala) Private Limited, an entity, which forms part of the "promoter" and "promoter group" of the Company.

Pre-issue and post-issue shareholding pattern of the Company:

The number of shares and the percentage of shareholding that may be held by the Promoter and

Promoter Group of the Company prior to and consequent to the conversion of OCD into Equity will be as mentioned hereunder:

Details of Promoter and Promoter Group	Pre-Conversion*		Post-Conversion	
	Total number of Equity Shares	% of Total number of Equity Shares	Total number of Equity Shares	% of Total number of Equity Shares
Varkey Group Limited	26,18,120	11.40	26,18,120	10.89
Gems Education Asia 1 Limited	44,93,962	19.57	44,93,962	18.68
The Concorde Residential Schools (Kerala) Private Limited	21,84,303	9.51	32,75,606	13.62
SKIL Infrastructure Ltd	40,00,000	17.42	40,00,000	16.63
Sunny Varkey	6,26,384	2.72	6,26,384	2.60
SherlyVarkey	5,77,687	2.51	5,77,687	2.40
Total of Promoter and Promoter Group	1,45,00,456	63.15	1,55,91,759	64.82

*Post allotment of shares as mentioned above in Item 1

The shareholding pattern of Company pre and post conversion of OCD into Equity is as mentioned below:

Category of Shareholder	Pre-Conversion*		Post-Conversion	
	Total number of Equity Shares	% of Total number of Equity Shares	Total number of Equity Shares	% of Total number of Equity Shares
Shareholding of promoter and promoter group				
Varkey Group Limited	26,18,120	11.40	26,18,120	10.89
Gems Education Asia 1 Limited	44,93,962	19.57	44,93,962	18.68
The Concorde Residential Schools (Kerala) Private Limited	21,84,303	9.51	32,75,606	13.62
SKIL Infrastructure Ltd	40,00,000	17.42	40,00,000	16.63
Sunny Varkey	6,26,384	2.72	6,26,384	2.60
SherlyVarkey	5,77,687	2.64	5,77,687	2.40
Total Promoter and Promoter Group Shareholding	1,45,00,456	63.15	1,55,91,759	64.82
Public Shareholding				
Institutional	6,04,216	2.63	6,04,216	2.51
Non-Institutions	78,56,439	34.21	78,56,439	32.66
Total Public Shareholding	84,60,655	36.85	84,60,655	35.18
Grand Total	2,29,61,111	100.00	2,40,52,414	100.00

*Post allotment of shares as mentioned above in Item 1

Proposed time of Allotment:

The conversion of Loan into OCD in the Preferential Issue will be made within a period of 15 days from the date of passing of the aforesaid special resolution excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

Non transferability of proposed financial instruments:

The Equity Shares proposed to be offered and allotted on conversion of OCD in the Preferential Issue shall be locked-in for a period of three years from the date of trading permission in accordance with Regulation 78 of Chapter VII of the SEBI ICDR Regulations.

Lock in:

Also, the entire pre-Preferential Issue shareholding of the Allottees shall be under lock-in from the Relevant Date up to a period of six months from the date of the Preferential Issue.

Auditor's Certificate:

M/s. P. Chandrasekar, Chartered Accountants, Bangalore Statutory Auditors of the Company, will certify that the issue of OCD is being made in accordance with Chapter VII of the SEBI ICDR Regulations. A copy of the said certificate will be open for inspection.

Change in Control:

The proposed allotment of OCD on a preferential basis if made, will not result in change in the management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

Undertakings:

The Company shall re-compute the price of such equity shares in terms of the provision of the SEBI ICDR Regulations, if so required to do so.

Further, in the event that any monies become payable on account of the re-computation of price as above and the same is not paid within the time period specified for the purpose in the SEBI ICDR Regulations, the equity shares shall continue to remain locked in till such time as the monies are paid by the allottees.

As per Section 81(1A) of the Act, approval of the shareholders of the Company is required for allotment of Equity Shares on preferential basis. Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of Section 81(1A) and other applicable provisions of

the Act, the SEBI ICDR Regulations and in terms of the provisions of the Listing Agreements, to issue and allot Equity Shares under the Preferential Issue as stated in the special resolution.

Resolutions set out in Item No. 2 are enabling resolutions conferring authority on the Board to place equity share capital with entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations, as amended from time to time. The Board will fix the detailed terms of the final size of the proposed issue, exact timing and other related aspects after careful analysis and discussions with lead managers and other advisors, considering prevailing market conditions and in line with the extant guidelines issued by SEBI, Reserve Bank of India or any other statutory and regulatory authorities in this regard.

The proposed Preferential Issue is in the interest of the Company and the shareholders and the Board of Directors recommends the passing of this resolution as mentioned under Item No. 2 as a Special resolution.

Except Mr. Dino Varkey, none of the Directors of the Company and key managerial persons of the Company and their relatives may be deemed to be interested or concerned in the proposal contained in the resolutions.

The Board recommends the resolutions for your approval.

Item No. 3: Enhancing the existing limit and authorization to mortgage/ hypothecate properties/assets of the Company

Section 180(1)(c) of the Companies Act, 2013 requires that the Directors of the Company should obtain the consent of the Shareholders in the General Meeting to enable them to borrow moneys where the amount to be borrowed together with the amount already borrowed by the Company will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

The Shareholders are aware that at the Annual General Meeting held on July 27, 2010, an Ordinary Resolution was passed authorising the Board of directors of the Company to borrow from time to time for the purpose of carrying out the business of the Company, subject to the condition that money, so borrowed shall not exceed Rs. 700,00,00,000 (Rupees Seven Hundred Crores only). In view of the increase in the volume of business and taking into account the requirement of additional funds, your Directors feel that they should obtain consent from the Shareholders to borrow more funds. Accordingly, they have thought it desirable to obtain the consent of the Shareholders pursuant to Section 180(1)(c) of the Companies Act, 2013, for the increase in the limit of borrowing powers of the Board of Directors from Rs. 700 Crores to Rs. 1000 Crores, as is now proposed under the Special Resolution and to give the necessary powers to Board of Directors as required under Section 180(1)(c) of the said Act with reference to such enhanced limit.

Further, Section 180(1)(c) of the Companies Act, 2013 requires that the Directors of the Company should obtain the consent of the Shareholders in the General Meeting for mortgaging, hypothecating, or otherwise charging the Companies undertaking(s) and any property or any part thereof to secure such borrowings, upto a continuous limit for the time being and from time to time remaining undischarged of Rs. 1000 Crores.