LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This letter of offer ("Letter of Offer") is being sent to you as a shareholder of Everonn Education Limited ("Shareholders"). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or the Manager/Registrar to the Offer. In case you have recently sold your shares in Everonn Education Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgment, Form of Withdrawal and Transfer Deed to the member of the stock exchange through whom the said sale was effected.

CASH OFFER BY

Varkey Group Limited (the "Acquirer")

Registered Office: PO Box 3340, Road Town, Tortola, British Virgin Islands, Tel. No.: 001 284 494 6004, Fax No.: 001 284 494 6404

along with the following Persons Acting in Concert ("PACs")

GEMS Education (Asia) 1 Limited

Registered Office: DTOS Ltd., 10th Floor, Raffles Tower, 19 Cybercity, Ebene, Republic of Mauritius

Mr. Sunny Varkey

Indian citizen residing at Villa No. 65, 32 A Street, Umm Sequim 3, PO Box 8607, Dubai, UAE, Tel. No.: 009714 3403359, Fax No.: 009714 3403377

Mrs. Sherly Varkey

Indian citizen residing at Villa No. 65, 32 A Street, Umm Sequim 3, PO Box 8607, Dubai, UAE, Tel. No.: 009714 3403359, Fax No.: 009714 3403377

to acquire 4,493,962 fully paid up equity shares of face value of Rs. 10 each, representing 20% of the Emerging Voting Capital ("Offer") of

Everonn Education Limited ("Target Company")

Registered Office: No. 82, IV Avenue, Ashok Nagar, Chennai - 600 083, Tel. No.: 044-2371 8202-03/ 2471 5356-59; Fax No.: 044-2471 7845

at Rs. 528/- (Rupees Five Hundred and Twenty Eight only) per fully paid up equity share of face value Rs. 10 each

pursuant to Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, as applicable to this Offer (the "SEBI (SAST) Regulations")

ATTENTION:

1. This Offer is being made by the Acquirer, along with the PACs, pursuant to and in accordance with the provisions of Regulations 10 and 12 and other applicable provisions of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer and is not subject to a minimum level of acceptance by the Shareholders of the Target Company.
3. This Offer is not a competitive bid.
4. The Offer is subject to the receipt of the approval from the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 and/or the rules and regulations framed thereunder to acquire Shares from non-resident Shareholders. An application dated December 1, 2011 has been filed with RBI for approval to acquire the Shares from non-resident Shareholders who tender their Shares pursuant to the Offer, where the transfer of such Shares is not under the automatic route. To the best of knowledge and belief of the Acquirer and the PACs, as of the date of this Letter of Offer, there are no other statutory approvals required. The Offer would be subject to all other statutory approvals that may become applicable at a later date before closure of the Offer.
5. In case of delay in the receipt of the aforesaid statutory approvals, SEBI has the power to grant an extension of time to the Acquirer and the PACs for payment of consideration to the Shareholders who have validly tendered their Shares, subject to the Acquirer and the PACs agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations, provided that if the Acquirer and the PACs are diligent in pursuing the statutory approvals to the satisfaction of SEBI, the Acquirer and the PACs will have an option not to pay interest, subject to concurrence of SEBI. Further, if the delay occurs on account of willful default by the Acquirer and the PACs in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.
6. Shareholders who have accepted the Offer by tendering the requisite documents, in accordance with the terms of the Public Announcement / Letter of Offer, can withdraw the same up to 3 working days prior to the date of closure of the Offer. Requests for such withdrawals should reach the Registrar to the Offer or their collection centre on or before 5 p.m. on Wednesday, December 28, 2011.
7. The Acquirer is permitted to increase the Offer Price and/ or the number of Shares proposed to be acquired by the Acquirer and the PACs. Such upward revision made in accordance with Regulation 26 of the SEBI (SAST) Regulations will not be later than Thursday, December 22, 2011, which is 7 working days prior to the date of closure of the Offer (i.e. Saturday, December 31, 2011). If the Offer Price is revised upward, such revised price will be payable to all the Shareholders of the Target Company who have accepted the Offer and submitted their Shares at any time during the Offer period to the extent their Shares have been verified and accepted by the Acquirer and the PACs. In the event of such revision, a public announcement will be made in the same newspapers where the Public Announcement appeared (mentioned in paragraph 2.2.1 of this Letter of Offer).
8. The Acquirer may withdraw the Offer in accordance with the conditions specified in Regulation 27 of the SEBI (SAST) Regulations. In the event of such withdrawal, the same would be notified by way of a public announcement in the same newspapers in which the Public Announcement was published.
9. **There has been no competitive bid as on the date of this Letter of Offer. If there is a competitive bid(s):**
   (i) the public offers under all the subsisting bids shall close on the same date; and
   (ii) as the Offer Price cannot be revised during 7 working days prior to the date of closure of the Offer, it would, therefore, be in the interest of Shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.
10. The Public Announcement, this Letter of Offer, Form of Acceptance cum Acknowledgment and Form of Withdrawal is also available on the website of the Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in. A copy of the Form of Acceptance cum Acknowledgment can also be obtained from the Registrar to the Offer commencing on the date of the dispatch of the Letter of Offer. All future correspondence, if any, should be addressed to the Registrar to the Offer at the address mentioned below.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ICICI Securities **ICICI Securities Limited** ICICI Centre, H.T. Parekh Marg, Churchgate Mumbai 400 020, India Tel: +91 22 2288 2460, Fax: +91 22 2282 6580 E-mail: everonn.openoffer@icicisecurities.com SEBI Registration No: INM000011179 Contact Person: Mr. Thomas Vincent	KARVY Computershare **Karvy Computershare Private Limited** Plot nos. 17-24, Vithalrao Nagar Madhapur, Hyderabad - 500 081. Tel: +91 40 44655000 / 23420815-23, Fax: +91 40 23431551 E-mail: murali@karvy.com SEBI Registration Number: INR000000221 Contact Person: Mr. M. Murali Krishna/ Mr. Williams
OFFER OPENS: Monday, December 12, 2011	**OFFER CLOSES: Saturday, December 31, 2011**

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

	Activity	Original Schedule	Revised Schedule
1	Date of the Public Announcement	Friday, September 23, 2011	Friday, September 23, 2011
2	Last date for a competitive bid	Friday, October 14, 2011	Friday, October 14, 2011
3	Specified Date*	Friday, October 21, 2011	Friday, October 21, 2011
4	Date by which Letter of Offer is to be dispatched to Shareholders of the Target Company	Thursday, November 3, 2011	Wednesday, December 7, 2011
5	**Date of opening of the Offer**	**Wednesday, November 16, 2011**	**Monday, December 12, 2011**
6	Last date for revising the Offer Price / Offer Size	Thursday, November 24, 2011	Thursday, December 22, 2011
7	Last date for withdrawing acceptance from the Offer	Wednesday, November 30, 2011	Wednesday, December 28, 2011
8	**Date of closure of the Offer**	**Monday, December 5, 2011**	**Saturday, December 31, 2011**
9	Last date of communicating rejection/acceptance and payment of consideration for accepted Shares and/or Share certificate / demat delivery instruction for rejected Shares will be dispatched/issued	Tuesday, December 20, 2011	Saturday, January 14, 2012

**Specified date is only for the purpose of determining the names of the Shareholders of the Target Company as on such date to whom the Letter of Offer would be sent. All Shareholders (registered or unregistered), except the PACs and the parties to the MoU, who own the Shares of the Target Company are eligible to participate in the Offer any time before the closure of the Offer.*

RISK FACTORS

I. Risk Factors relating to the Acquirer and PACs

(i) The Acquirer and PACs cannot provide any assurance with respect to the market price of the Shares of the Target Company before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

(ii) The Acquirer and PACs make no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

II. Risk Factors associated with the Offer

(i) The Offer is subject to the Acquirer and the PACs obtaining all necessary statutory approvals including the approval from RBI under the Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations made there under. An application has been filed with RBI for approval to acquire Shares from the non-resident Shareholders who tender their Shares pursuant to the Offer, where the transfer of such Shares is not under the automatic route. The RBI may refuse to grant approval or the approval of RBI may be a conditional approval requiring the Acquirer and the PACs or any of them to again approach RBI for approval after the details of the non-resident Shareholders, who have tendered the Shares, are available. The acceptance of such Shares shall be subject to the terms of the RBI approval or if RBI approval is denied, then such tendered Shares shall not be accepted in the Offer.

(ii) In the event of regulatory approvals not being received in a timely manner or there is any litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders of the Target Company whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirer and the PACs may be delayed.

(iii) In case of delay in receipt of the statutory approval(s), SEBI has the power to grant an extension of time to the Acquirer and the PACs for payment of consideration to the Shareholders of the Target Company, subject to the Acquirer and the PACs agreeing to pay interest for the delay beyond fifteen days as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations.

(iv) Further, Shareholders should note that after the last date of withdrawal i.e. Wednesday, December 28, 2011, Shareholders who have lodged their Shares would not be able to withdraw their Shares even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered Shares and documents would be held by the Registrar to the Offer, till the process of acceptance of tenders and the payment of consideration is completed. The Shareholders will not be able to trade in such Shares which are in the custody of the Registrar to the Offer.

(v) In the event of oversubscription in the Offer, the acceptance of the Shares tendered will be on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations and will be contingent on the level of subscription and hence there is no certainty that all the Shares tendered by the Shareholders in the Offer will be accepted.

(vi) The Acquirer, PACs and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Public Announcement or this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer, PACs and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.

III. Risks related to the transaction

(i) The Offer is subject to completion risks as would be applicable to similar transactions.

(ii) The transaction is subject to the terms of the Memorandum of Understanding (as defined below) entered into between the Target Company, the Acquirer and SKIL (as defined below).

The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer and the PACs, but are only indicative. They do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in the Offer. The Shareholders are advised to consult their stockbroker, investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "Rs." are to the Indian National Rupees and all references to "AED" are to the United Arab Emirates Dirham.

In this Letter of Offer, any discrepancy in any table between the total and sums of amounts listed are due to rounding off.

DEFINITIONS

Unless the context otherwise indicates or requires in this Letter of Offer, the following terms have the meanings given below.

Acquirer	Varkey Group Limited, a company registered under the laws of British Virgin Islands and having its registered office at PO Box 3340, Road Town, Tortola, British Virgin Islands
AED	United Arab Emirates Dirham
Board	Board of directors of the Target Company
Act	Companies Act, 1956
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Draft Letter of Offer	Draft letter of offer dated October 7, 2011 filed with SEBI
DC	Direct Credit
DP	Depository Participant
NECS	National Electronic Clearing Services
Emerging Voting Capital	Shall have the meaning assigned to it in paragraph 5.6
Escrow Account	Shall have the meaning assigned to it in paragraph 6.2.2
Escrow Agreement	Shall have the meaning assigned to it in paragraph 6.2.2
FEMA	Foreign Exchange Management Act, 1999
FII	Foreign Institutional Investors
Form of Acceptance/FOA	Form of Acceptance cum Acknowledgement
FY	Financial year ended March 31
GEMS Asia	GEMS Education (Asia) 1 Limited, a company registered under the laws of Mauritius and having its registered office at DTOS Ltd., 10th Floor, Raffles Tower, 19 Cybercity, Ebene, Republic of Mauritius
Listing Agreements	The listing agreements entered into with NSE and BSE by the Target Company
Manager/Manager to the Offer	ICICI Securities Limited
Memorandum of Understanding/MoU	The binding memorandum of understanding dated September 19, 2011 entered into between the Acquirer, the Target Company and SKIL (as a Confirming Party) to issue and allot to the Acquirer 2,618,120 Shares at a price of Rs. 528/- each on a preferential allotment basis
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NRI	Non-Resident Indians
OCB	Overseas Corporate Bodies
Offer	This mandatory offer being made by the Acquirer and the PACs to acquire 4,493,962 Shares, representing 20% of the Emerging Voting Capital of the Target Company at a price of Rs. 528/- (Rupees Five Hundred and Twenty Eight only) per Share, payable in cash as set out in this Letter of Offer
Offer Price	Rs. 528/- (Rupees Five Hundred and Twenty Eight only) per Share in terms of Regulation 20 of the SEBI (SAST) Regulations
Offer Size	4,493,962 Shares, representing 20% of the Emerging Voting Capital of the Target Company (as defined in paragraph 5.6) to be acquired from the public Shareholders of the Target Company at the Offer Price payable in cash
PACs	GEMS Asia, and Mr. Sunny Varkey and Mrs. Sherly Varkey, each an individual and each a citizen of India having their address at Villa No. 65, 32 A Street, Umm Sequim 3, PO Box 8607, Dubai, UAE
Persons eligible to participate in Offer	All Shareholders (except the PACs and parties to the MoU), whose names appear in the register of Shareholders on the Specified Date and also persons who own Shares any time prior to the closure of the Offer, whether or not they are registered Shareholders, are eligible

	to participate in the Offer
Preferential Allotment	Preferential allotment shall have the meaning as set out in paragraph 2.1.5
Public Announcement/PA	Public Announcement as appeared in the newspapers on 23 September 2011 on behalf of the Acquirer and PACs which was published in Business Standard (all editions), Pratahkal (all editions), Makkal Kural (Chennai edition) and Navshakti (Mumbai edition).
Purchase Shares	2,618,120 Shares at a price of Rs. 528/- each to be issued on a preferential basis to the Acquirer pursuant to the MoU
RBI	Reserve Bank of India
Registrar/Registrar to the Offer	Karvy Computershare Private Limited
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereto, as applicable to the Open Offer
SEBI Act	Securities and Exchange Board of India Act, 1992
Share(s)	Fully paid up equity share(s) of the Target Company, having a face value of Rs. 10/- each
Shareholder(s)	All owners (registered or unregistered) of Shares
SKIL	SKIL Infrastructure Limited, an existing promoter of the Target Company
Specified Date	Friday, October 21, 2011
Target Company	Everonn Education Limited
TCC	Tax Clearance Certificate
UAE	United Arab Emirates

Note: All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meaning ascribed thereto in the SEBI (SAST) Regulations unless specified.

All the information unless otherwise specifically stated in this Letter of Offer are up to and as of date of the Public Announcement.

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1 DISCLAIMER

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF EVERONN EDUCATION LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR PACS OR THE TARGET COMPANY WHOSE SHARES / CONTROL ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND PACS DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, ICICI SECURITIES LIMITED, THE MANAGER TO THE OFFER HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED OCTOBER 7, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

The Acquirer, PACs and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer or in the Public Announcement or in any advertisement or other announcement issued by, or at the instance of the Acquirer, PACs or the Manager to the Offer, and any person placing reliance on any other source of information for purpose of this Offer or in relation thereto would be doing so entirely at his / her / their own risk.

2 DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1 The Acquirer to this Offer is Varkey Group Limited (“**Acquirer**”) and the PACs to this Offer are GEMS Asia, Mr. Sunny Varkey and Mrs. Sherly Varkey. The Shares under the open offer will be acquired by the Acquirer and the PACs. In terms of the applicability of Regulation 2(1)(e)(2) of SEBI (SAST) Regulations, all the subsidiaries of Acquirer are deemed to be acting in concert with the Acquirer. The subsidiaries of the Acquirer are GEMS Global Limited, VG America Holdings Inc., GEMS MENASA (Cayman) Limited, Gems Ex MENASA Limited, VG Education Supplies & Services Limited, Threads Holding Limited and School Infrastructure (Cayman) Limited. Further details of these subsidiaries are given in paragraph 3.1.13.

2.1.2 This Offer is being made under Regulations 10 and 12 of the SEBI (SAST) Regulations pursuant to the execution of a Memorandum of Understanding dated September 19, 2011 entered into between the Acquirer and the Target Company and as confirmed by SKIL (“**MoU**”) in relation to the subscription of 2,618,120 Shares of the Target Company through Preferential Allotment aggregating to 12.00% of the post preferential issuance equity capital of the Target Company, at a price of Rs. 528/- (Rupees Five Hundred and Twenty Eight only) per Share in cash, aggregating to Rs. 1,382,367,360/- (Rupees One Billion Three Hundred Eighty Two Million Three Hundred Sixty Seven Thousand Three Hundred and Sixty only).

2.1.3 As on the date of the PA, Mr. Sunny Varkey and Mrs. Sherly Varkey together held 804,443 Shares representing 4.19% of the paid up equity shareholding of the Target Company, which they had acquired at an average acquisition price of Rs. 313.98 per Share and highest acquisition price of Rs. 333.05 per Share. As on the date of this Letter of Offer, Mr. Sunny Varkey and Mrs. Sherly Varkey together hold 1,204,071 Shares representing 6.27% of the paid up equity shareholding of the Target Company, which they have acquired at an average acquisition price of Rs. 349.46 per Share and highest acquisition price of Rs. 423.95 per Share. GEMS Asia does not hold any Shares of Target Company as of the date of this Letter of Offer.

2.1.4 In view of the above stated intention of the Acquirer to acquire 2,618,120 Shares of the Target Company through Preferential Allotment representing 12.00% of the post preferential issuance equity capital of the Target Company and the shareholding of Mr. Sunny Varkey and Mrs. Sherly Varkey as on the date of the PA, there would be a substantial acquisition of Shares and change in control of the Target Company. Hence the present Offer is being made by the Acquirer and the PACs under Regulations 10 and 12 of the SEBI (SAST) Regulations.

2.1.5 The Board in their meeting held on September 19, 2011 has duly authorised the issue of 2,618,120 Shares of the Target Company through preferential allotment aggregating to 12.00% of the post preferential issuance equity capital of the Target Company, at the price of Rs. 528/- (Rupees Five Hundred and Twenty Eight only) per Share in cash, aggregating to Rs. 1,382,367,360/- (Rupees One Billion Three Hundred Eighty Two Million Three Hundred Sixty Seven Thousand Three Hundred and Sixty only) to the Acquirer ("**Preferential Allotment**"). An extra ordinary general meeting of the Target Company was convened on October 19, 2011 wherein the Preferential Allotment was approved through a special resolution in accordance with the provisions of Section 81(1A) of the Companies Act, 1956 and other applicable provisions including those of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI (ICDR) Regulations**").

2.1.6 The Acquirer and the PACs hereby make this Offer to the remaining Shareholders of the Target Company (other than the parties to the MoU) to acquire 4,493,962 Shares ("**Offer Size**") of the Target Company representing 20% of Emerging Voting Capital (detailed in paragraph 5.6 below) at the price of Rs. 528/- (Rupees Five Hundred and Twenty Eight only) ("**Offer Price**") per Share in cash, aggregating to Rs. 2,372,811,936/- (Rupees Two Billion Three Hundred Seventy Two Million Eight Hundred and Eleven Thousand Nine Hundred and Thirty Six only) payable in cash, in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions mentioned in the PA and in this Letter of Offer.

2.1.7 Salient Features of the MoU are as follows:

(a) The Acquirer, along with PACs, intends to become a co-promoter of the Target Company and acquire a shareholding of approximately 30-35% of the Target Company.

(b) The process of this acquisition by the Acquirer and the PACs, based on the current legal and regulatory framework in India, is as follows:
- Subscription by the Acquirer of 2,618,120 Shares of the Target Company through Preferential Allotment upto 12% of the post preferential issuance equity capital of the Target Company;
- Acquire Shares in accordance with the extant regulations, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

(c) The Acquirer shall have the right to appoint two nominees to the Board in accordance with applicable regulations and the Target Company shall take necessary steps in this regard.

(d) The Chairman of the Target Company shall be an independent person of eminence in the education space in India.

(e) The Acquirer shall control the day to day management of the Target Company on the basis of its vast experience in education business. The existing senior management and executives of the Target Company will be retained subject to them meeting the performance parameters. The Acquirer shall have the right to appoint key executives, managing director, chief executive officer, chief operating officer and other senior management personnel. The Acquirer and SKIL shall independently have the right to approve (which shall not be unreasonably withheld) the chief financial officer.

(f) SKIL and the Acquirer will independently contribute and augment the existing infrastructure elements of the education business with those contributed by the present management and bring the experience of design/infrastructure specifications and building schools of high quality. The Acquirer through various vehicles shall provide its experience in other education services including consultancy to improve the Government owned schools, school support services like transport, uniform, catering, sports, parent engagement programmes, ICT, Education ERP and other similar activities.

(g) The Acquirer and SKIL shall independently use their independent resources to endeavour that the Target Company obtains the requisite local State and Central Government approvals, registrations etc., and more specifically in getting enhanced business from them in the knowledge and education sector including the NSDC and other programmes as well as setting up and development of infrastructure for the related skilling programmes.

(h) The Target Company shall operate under an annual business plan which will be presented and approved by the Board of the Target Company.

(i) The Target Company confirms that the transaction as proposed by the MoU has been discussed by the management of the Target Company with the family members of Mr. P. Kishore, the original promoter, and the Kishore family and associates have agreed to the induction of the Acquirer as a co-promoter.

2.1.8 The members of the P. Kishore Group, who are the original promoters of the Target Company, are not party to this MoU nor have any rights or obligations been imposed on them in the MoU. Hence, in terms of Regulation 22(3) of the SEBI (SAST) Regulations, this Letter of Offer shall be sent to the members of the P. Kishore Group who held shares of the Target Company as on the Specified Date *viz.* Mr. P. Kishore, Mr. P. K. Padmanabhan, Mrs. Jayalakshmi Padmanabhan, Mr. Sarvotham Padmanabhan, Mrs. Jansi Kishore, Ms. Keerthi Kishore and Celebrate India Tourism Limited, who collectively hold 3,700,413 Shares of the Target Company as on the date of this Letter of Offer. However, Mr. P. Kishore has provided the Acquirer, on behalf of the aforementioned seven members of the P. Kishore Group, with a letter of undertaking confirming that they would not participate in the Offer and that they have waived all rights and claims vested in them as shareholders of the Target Company in relation to the Offer.

2.1.9 As on date of the PA and this Letter of Offer, none of the directors on the Board represent the Acquirer or the PACs. However, subject to the compliance of the provisions of SEBI (SAST) Regulations, the Companies Act, 1956 and/or any other applicable law, it is proposed that upon the completion of the Offer, the Acquirer shall seek appointment of 2 nominee directors on the Board and the Target Company shall take effective steps to induct them on its Board.

2.1.10 Neither of the Acquirer, the PACs or the Target Company has been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto.

2.2 Details of the Proposed Offer

2.2.1 The Public Announcement for the Offer appeared on 23 September, 2011 in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations.

Publications	**Edition**	**Language**
Business Standard	All editions	English
Pratahkal	All editions	Hindi
Makkal Kural	Chennai edition	Tamil
Navshakti	Mumbai edition	Marathi

(*The Public Announcement is also available at the SEBI website: www.sebi.gov.in*)

2.2.2 The Offer is being made by the Acquirer and the PACs as a result of the proposed acquisition of the Purchase Shares of the Target Company at a price of Rs. 528/- each per Share through Preferential Allotment aggregating to 12.00% of the post preferential issuance equity capital of the Target Company and the PACs holding 804,443 Shares of the Target Company as on the date of the PA representing 4.19% of the paid up equity capital of the Target Company. The Board has approved the proposed Preferential Allotment to the Acquirer and the Shareholders have approved the Preferential Allotment in an extra ordinary general meeting pursuant to section 81 (1A) of the Act, held on October 19, 2011. In view of the above, the Offer is a mandatory Offer under regulation 10 and regulation 12 of the SEBI (SAST) Regulations.

2.2.3 The Acquirer and the PACs are making an Offer to acquire 4,493,962 Shares of the Target Company representing 20% of Emerging Voting Capital of the Target Company in terms of Regulation 21(1) of the SEBI (SAST) Regulations, at a price of Rs. 528/- (Rupees Five Hundred and Twenty Eight only) per Share payable in cash, subject to the terms and conditions set out in the PA and the Letter of Offer.

2.2.4 For the purpose of this Offer, GEMS Asia, Mr. Sunny Varkey and Mrs. Sherly Varkey are persons acting in concert with the Acquirer, within the meaning of regulation 2(1)(e)(1) of the SEBI (SAST) Regulations. Apart from the PACs, while there may be persons including the subsidiaries of the Acquirer "deemed to be acting in concert" with the Acquirer in terms of 2(1)(e)(2) of the SEBI (SAST) Regulations, there are no other persons acting in concert for the purpose of this Offer. The Shares tendered and accepted under the Offer will be acquired by the Acquirer and the PACs.

2.2.5 This Offer is being made to all the remaining Shareholders of the Target Company (other than the PACs and the parties to the MoU). The Acquirer and the PACs will acquire 4,493,962 Shares of the Target Company that are validly tendered as per terms of the Offer.

2.2.6 As on the date of the Letter of Offer, the issued, subscribed and paid-up equity share capital of the Target Company is Rs. 191,995,520/- (Rupees One Hundred and Ninety One Million Nine Hundred and Ninety Five Thousand Five Hundred and Twenty only) divided into 19,199,552 fully paid up equity shares of face value of Rs. 10/- each.

2.2.7 There are no partly paid-up Shares or securities convertible into Shares of the Target Company, except the following:

(a) Conversion of 600,000 warrants allotted to some of the promoters of the Target Company, convertible at the option of the holder into one Share each at Rs. 430.45 per warrant and optionally convertible in one or more tranches before the maturity date, February 10, 2012. If the holders exercise their right of conversion in full, 600,000 Shares would be issued to the holders; and

(b) Conversion of zero coupon fully convertible debentures of Rs. 22,800,000 (Rupees Twenty Two Million Eight Hundred Thousand) issued on preferential basis to a non promoter, namely DB Corp Limited, convertible into 52,136 Shares at Rs. 437.31 per Share, being the price determined by the SEBI (ICDR) Regulations, convertible after 30 days from the relevant date but before expiry of 18 months from the date of allotment, in one or more tranches. The "relevant date" for calculation of pricing for the fully convertible debentures was November 30, 2011.

2.2.8 This Offer is subject to the receipt of statutory approvals mentioned in paragraph 7.1. In terms of Regulation 27 of the SEBI (SAST) Regulations, if any of the requisite statutory approvals are refused, the Offer would stand withdrawn.

2.2.9 This Offer is not conditional upon any minimum level of acceptance by the Shareholders of the Target Company.

2.2.10 The Acquirer does not hold any Shares in the Target Company as on the date of the PA and as on the date of this Letter of Offer and has not acquired any Shares of the Target Company during the 12 months period prior to the date of the PA, save and except those to be acquired under the MoU, as stated in paragraph 2.1.2 above. Mr. Sunny Varkey and Mrs. Sherly Varkey, who are also the promoters and directors of the Acquirer, however held 804,443 Shares of the Target Company as on the date of the PA representing 4.19% of the paid up equity capital of the Target Company. Further, since the date of the PA, Mr. Sunny Varkey and Mrs. Sherly Varkey have further purchased 399,628 Shares of the Target Company through open market purchases in compliance with Regulation 20(7) and Regulation 22(17) of the SEBI (SAST) Regulations at an average acquisition price of Rs. 420.88 per Share and a maximum acquisition price of Rs. 423.95 per Share. Therefore, as on the date of this Letter of Offer, Mr. Sunny Varkey and Mrs. Sherly Varkey together hold 1,204,071 Shares representing 6.27% of the paid up equity shareholding of the Target Company. GEMS Asia does not hold any Shares of Target Company as on the date of this Letter of Offer.

2.2.11 This is not a competitive bid. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Shares of the Target Company.

2.2.12 Shares that are subject to any charge, lien or encumbrance, any court order/any other attachment/dispute are liable to be rejected in the Offer. Applications in respect of Shares of the Target Company that are subject matter of litigation wherein the Shareholders of the Target Company may be prohibited from transferring the Shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these Shares are not received together with the Shares tendered under the Offer. The Acquirer and the PACs will acquire the Shares together with all rights attached thereto, including the rights to all dividends, bonus and rights subsequently declared. The Shares will be acquired by the Acquirer and the PACs as fully paid up. The tender by any Shareholder of any Shares in the Offer must be absolute, unconditional and unqualified. Locked-in Shares acquired in the Offer will be subject to the continuation of lock-in period remaining in the hands of Acquirer and the PACs, in accordance with applicable SEBI Regulations and guidelines.

2.2.13 The Manager to the Offer does not hold any Shares in the Target Company as at the date of the PA and as on the date of this Letter of Offer. The Manager to the Offer will not deal with the Shares of the Target Company until the expiry of fifteen days from the date of closure of the Offer.

2.3 Objects of the acquisition/Offer and future plans

2.3.1 The Offer is being made in compliance with Regulations 10 and 12 and other applicable provisions of SEBI (SAST) Regulations, for the purpose of substantial acquisition of shares and voting rights, accompanied with change in control and management of the Target Company, as set out in paragraphs 2.1.2, 2.1.3 and 2.1.4 above, thereby enabling the Acquirer and the PACs to exercise joint control over the Target Company (along with the existing promoters). The Acquirer will seek appointment of two directors on the Board, in accordance with the provisions contained in the MoU, Act, SEBI (SAST) Regulations and other applicable laws.

2.3.2 The Acquirer has substantial interests in the education sector, principally under the brand name "GEMS Education". The Acquirer, through its subsidiaries, operates and manages high performing schools and offers education services in the public and private sectors in a number of different regions across the globe. The Acquirer is the one of the largest providers of K-12 private schools in the world.

2.3.3 The Acquirer recognizes that the Target Company is one of the leaders in the preparation of content and distance education and is well established in providing services in the sector through its ICT, VITELS and other product services.

2.3.4 The combination of the Acquirer's market leading position in bricks and mortar education globally together with the Target Company's market leading position in content preparation and distance education will provide considerable scope for synergy. This is exemplified by the potential benefits from bringing together the Target Company's technology and content expertise with the Acquirer's access to a large number of teaching professionals and a significant student body.

2.3.5 The Acquirer would support the existing business of the Target Company. The Acquirer would become the co-promoter of the Target Company and intends to expand the existing education business of the Target Company and strengthen its position in the industry.

2.3.6 As on the date of this Letter of Offer, the Acquirer does not have any plans to make any major change to the existing line of business of the Target Company or its subsidiaries or to dispose off or otherwise encumber any assets of the Target Company in the next 24 months, except in the ordinary course of business. The Board shall take appropriate decisions in these matters in the ordinary course of business of the Target Company or to the extent required for the purpose of restructuring, joint venture, rationalization of assets, investments or liabilities of the Target Company for commercial reasons, and operational efficiencies and on account of regulatory approvals.

2.3.7 Other than as aforesaid, the Acquirer undertakes that it shall not sell, dispose of or otherwise encumber any substantial asset of the Target Company without the prior approval of the Shareholders of the Target Company.

3 BACKGROUND OF THE ACQUIRER AND PACS

3.1 Varkey Group Limited (Acquirer)

3.1.1 Varkey Group Limited, the Acquirer was incorporated on June 7, 2006 under the laws of British Virgin Islands as S. V. Investment Holdings Limited. The name of the Acquirer was changed to Varkey Group Limited on December 1, 2008. The registered office address of the Acquirer is PO Box 3340, Road Town, Tortola, British Virgin Islands, Tel. No.: 001 284 494 6004, Fax No.: 001 284 494 6404. The corporate office address of the Acquirer is PO Box 8607, Dubai, United Arab Emirates, Tel. No.: 009714 3477770, Fax No.: 009714 3403377.

3.1.2 The Acquirer is part of a global education conglomerate that owns, operates and manages high performing schools and offers education services in public and private sectors under the brand name 'GEMS Education' amongst others. It is one of the largest private K12 school operators in the world. The promoter of the Acquirer, Mr. Sunny Varkey, who is one of the PACs, has decades of experience in owning, managing and operating K12 schools.

3.1.3 The promoters and directors of the Acquirer are Mr. Sunny Varkey and Mrs. Sherly Varkey, who are also among the PACs. The Acquirer has not entered into any agreement with the PACs in relation to the Offer.

3.1.4 The Acquirer and its promoters / directors have not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") as amended or under any other regulation made under the SEBI Act.

3.1.5 The shares of the Acquirer are not listed on any stock exchange. The Acquirer does not have any partly paid up shares or outstanding convertible instruments.

3.1.6 100% of the share capital of the Acquirer is held by Mr. Sunny Varkey and Mrs. Sherly Varkey, and the Acquirer has not allotted any shares to Mutual Funds / Financial Institutions / Banks / Public. Details of the shareholders of the Acquirer as on the date of this Letter of Offer are tabled below:

Name of the shareholder	Number of shares held	% of issued share capital
Sunny Varkey	100	90.90%
Sherly Varkey	10	9.10%
Total	**110**	**100.00%**

3.1.7 There is no system of par value / face value of shares in the British Virgin Islands, where the Acquirer is incorporated. Therefore, the total paid up capital of the Acquirer is not determinable.

3.1.8 The financial details of the Acquirer are prepared in accordance with the laws of the British Virgin Islands which do not necessitate a compulsory annual audit of a company. Therefore, the Acquirer has conducted an audit of its financial details for the first time for the financial year ended March 31, 2010. The consolidated financial highlights of the Acquirer for the last two completed financial years as derived from its audited financial statements of FY2010 and the limited review of its financial statements of FY2011 are as follows:

(AED – United Arab Emirates Dirham)

	Year ended March 31, 2010 (AED '000)	*Year ended March 31, 2010 (Rs. In Crores)*	*Year ended March 31, 2011 (AED '000)*	*Year ended March 31, 2011 (Rs. in Crores)*
Profit & Loss Statement				
Income from operations	1,236,005	1,595	1,377,978	1,707
Other Income	43,755	57	81,050	100
Total Income	1,279,760	1,652	1,459,028	1,807
Total Expenditure	(1,065,736)	(1,376)	(1,168,666)	(1,448)
Profit Before Depreciation, Interest and Tax	214,024	276	290,362	359
Depreciation	(117,226)	(151)	(125,926)	(156)
Interest	(31,747)	(41)	(64,755)	(80)

Profit Before Tax	65,051	84	99,681	123
Provision for Tax	(477)	(1)	(556)	(1)
Profit After Tax	**64,574**	**83**	**99,125**	**122**
Balance Sheet Statement				
Sources of funds				
Paid up share capital	1	1	1	1
Reserves and surplus (excl. revaluation reserves but incl. shareholder current account)	371,762	454	334,957	413
Net worth	**371,763**	**455**	**334,958**	**414**
Secured loans	576,672	707	785,452	968
Unsecured loans	145,481	178	187,004	231
Total	**1,093,916**	**1,340**	**1,307,414**	**1,613**
Uses of funds				
Net fixed assets	1,058,188	1,296	1,210,253	1,492
Investments	210,279	258	238,815	294
Net current assets	(174,551)	(214)	(141,654)	(173)
Total miscellaneous expenditure not written off	0	0	0	0
Total	**1,093,916**	**1,340**	**1,307,414**	**1,613**
Other Financial Data				
Number of outstanding shares (No.)	110	110	110	110
Earning Per Share*	587	1	901	1
Return on Net worth** (%)	17%	17%	29%	29%
Book Value per Share***	3,380	4	3,045	4

** Earning Per Share calculated as Profit After Tax / Number of outstanding shares as at the end of the year*
***Return on Net worth calculated as Profit After Tax / Net worth as at the end of the year*
****Book Value per Share calculated as Net Worth / Number of outstanding shares as at the end of the year*
Note: The above figures have been converted into INR using the rate Rs 12.2497 to AED 1 for FY2010 and Rs 12.3278 to AED 1 for FY2011 for balance sheet amounts and Rs 12.9073 to AED 1 for FY2010 (being the average rate for the year ended March 31, 2010) and Rs 12.3884 to AED 1 for FY2011 (being the average rate for the year ended March 31, 2011) for other amounts

3.1.9 Primary reasons for the increase in total income and profit after tax in FY2011 as compared to FY2010 are due to increase in student strength, increase in fees, increase in transport business and the commencement of two new schools in FY2011.

3.1.10 As on the date of this Letter of Offer, the Acquirer does not have any major contingent liabilities.

3.1.11 The names, addresses, experience and qualifications of the board of directors of the Acquirer as on the date of this Letter of Offer are as follows:

Name of the Director	Date of Appointment	Qualification & Experience	Residential Address
Sunny Varkey	June 7, 2006	Mr. Sunny Varkey is a Management Graduate and has over 30 years of experience in managing, operating and owning schools.	Villa No. 65, 32 A Street, Umm Sequim 3, PO Box 8607, Dubai, UAE
Sherly Varkey	November 30, 2008	Mrs. Sherly Varkey is a Graduate.	Villa No. 65, 32 A Street, Umm Sequim 3, PO Box 8607, Dubai, UAE

3.1.12 None of the directors of the Acquirer are on the Board of the Target Company.

3.1.13 Details of the companies promoted by the Acquirer are as follows:

								Rs. in Millions
Name of Company	**Date of Incorporation**	**Nature Of Business**	**Equity capital + Reserves (excl. revaluation reserves)**	**Total Income**	**Profit / (loss) after tax (PAT)**	**Earnings per share (EPS) in Rs.**	**Net Asset Value (NAV) per share in Rs.**	**Whether a Sick Industrial Company**
GEMS Global Limited	09-Sep-2010	Holding & Investments						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in Cayman Islands.							
VG America Holdings Inc.	16-Oct-2008	Educational Services						N/A
31st March 2010	*Oct 2008 to March 2010*		*(345.7)*	*37.3*	*(364.3)*	*(364,308)*	*(345,750)*	
31st March 2011			*(775.9)*	*235.6*	*(431.1)*	*(431,075)*	*(775,859)*	
GEMS MENASA (Cayman) Ltd.	19-Feb-2007	Investment, manage and operate educational entities						N/A
31st March 2009			*1,943*	*12,107*	*639*	*1,878,958*	*5,713,965*	
31st March 2010			*3,398*	*14,811*	*1,376*	*4,045,869*	*9,994,049*	
31st March 2011			*5,036*	*15,733*	*1,822*	*5,358,922*	*14,811,229*	
Gems Ex Menasa Limited	09-Sep-2010	Holding & Investment						N/A
31st March 2011			*(13.6)*	-	*(0.01)*	*(6,426)*	*(13,563,883)*	
VG Education Supplies & Services Ltd.	29-July-2010	Holding & Investment						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in British Virgin Islands.							
Threads Holding Limited	03-Sep-2010	Holding & Investment						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in British Virgin Islands.							
School Infrastructure (Cayman) Ltd.	09-Sep-2010	Holding & Investment						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in Cayman Islands.							

3.1.14 As the Acquirer does not hold Shares of the Target Company and has never held Shares of the Target Company in the past, the provisions of Chapter II of the SEBI (SAST) Regulations are not applicable to the Acquirer with respect to the Target Company.

3.1.15 There has been no merger / demerger, spin offs, acquisitions during the last 3 years involving the Acquirer.

3.1.16 There is no material litigation matter pending against the Acquirer.

3.2 Mr. Sunny Varkey and Mrs. Sherly Varkey

3.2.1 Mr. Sunny Varkey is an individual, a citizen of India having his address at Villa No. 65, 32 A Street, Umm Sequim 3, PO Box 8607, Dubai, UAE, Tel No.: 009714 3403359 and Fax No.: 009714 3403377.

3.2.2 Mrs. Sherly Varkey is an individual, a citizen of India having her address at Villa No. 65, 32 A Street, Umm Sequim 3, PO Box 8607, Dubai, UAE, Tel No.: 009714 3403359 and Fax No.: 009714 3403377.

3.2.3 Mr. Sunny Varkey has over 30 years of experience in managing, operating and owning schools. Mrs. Sherly Varkey is the wife of Mr. Sunny Varkey.

3.2.4 Mr. Sunny Varkey and Mrs. Sherly Varkey collectively hold 100% of the equity shares of the Acquirer. Mr. Sunny Varkey and Mrs. Sherly Varkey are also the directors of the Acquirer.

3.2.5 The PACs have not entered into any agreement between them or with the Acquirer in relation to the Offer.

3.2.6 The net worth of Mr. Sunny Varkey as on September 30, 2011 is Rs. 7,394 crores and the net worth of Mrs. Sherly Varkey as on September 30, 2011 is Rs. 57.08 crores (as certified by Horwath Mak, Chartered Accountants, *vide* its letter dated October 6, 2011).

3.2.7 Mr. Sunny Varkey and Mrs. Sherly Varkey have not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or under any other regulation made under the SEBI Act.

3.2.8 Mr. Sunny Varkey and Mrs. Sherly Varkey do not hold any position on the board of directors of any listed company. Mr. Sunny Varkey and Mrs. Sherly Varkey, alone or along with the Acquirer and / or the other PACs, do not have a controlling stake in any listed company.

3.2.9 Mr. Sunny Varkey is a full-time director with the following companies – (i) Varkey Group Limited (Acquirer); (ii) Emirates Healthcare Holdings Limited; and (iii) GEMS Menasa (Cayman) Limited.

3.2.10 Mr. Sunny Varkey and Mrs. Sherly Varkey have acquired Shares of the Target Company from the open market and held 804,443 Shares of the Target Company (Mr. Sunny Varkey – 444,443 Shares, Mrs. Sherly Varkey – 360,000 Shares) as on the date of the PA representing 4.19 % of the paid up equity shareholding of the Target Company. Further, since the date of the PA, Mr. Sunny Varkey and Mrs. Sherly Varkey have further acquired 399,628 Shares of the Target Company (Mr. Sunny Varkey – 133,244 Shares, Mrs. Sherly Varkey – 266,384 Shares) through open market purchases in compliance with Regulation 20(7) and Regulation 22(17) of the SEBI (SAST) Regulations. Therefore, as on the date of this Letter of Offer, Mr. Sunny Varkey and Mrs. Sherly Varkey hold 1,204,071 Shares (Mr. Sunny Varkey – 577,687 Shares, Mrs. Sherly Varkey – 626,384 Shares) representing 6.27% of the paid up equity shareholding of the Target Company.

3.2.11 Mr. Sunny Varkey and Mrs. Sherly Varkey have complied with the requirements of the provisions of Chapter II of the SEBI (SAST) Regulations and other regulations and statutory requirements as far as applicable in relation to the acquisition of the Shares of the Target Company.

3.2.12 The details of the material pending litigation matters against Mr. Sunny Varkey are mentioned below:

- In August, 2010, Ms. Lynn Tilton and Emet Investments (an entity controlled by her) (collectively "Emet") commenced an action entitled Emet Investments, LLC v. Sunny Varkey, et al., in the United States District Court for the Southern District of New York. This action seeks to recover investments made by Emet into Nations Academy, a third-party entity into which Mr. Varkey (and others) also invested and in which both Emet and Mr. Varkey suffered the loss of their respective investments. Without admitting any wrongdoing on his part, and in good faith recognition of his business relationship with Emet, Mr. Varkey agreed to reimburse Emet for its investment loss through the issuance of a promissory note, which is the primary claim asserted in this action. Repayment of the principal balance on the note was made in June, 2011, but the litigation and settlement discussions are ongoing with regard to resolving interest payments due on the note. In February, 2011, Emet also commenced an action against Mr. Varkey in the New York State Supreme Court, New York County, entitled Emet Investments, LLC v. Sunny Varkey, also based on the same facts described above. On September 22, 2011, this State action was dismissed by the Court in favor of the above Federal action.

3.2.13 Details of the companies promoted by Mr. Sunny Varkey and Mrs. Sherly Varkey (other than the Acquirer) are as follows:

								Rs. in Millions
Name of Company	**Date of Incorporation**	**Nature Of Business**	**Equity capital + Reserves (excl. revaluation reserves)**	**Total Income**	**Profit / (loss) after tax (PAT)**	**Earnings per share (EPS) in Rs.**	**Net Asset Value (NAV) per share in Rs.**	**Whether a Sick Industrial Company**
GEMS International School (Singapore) Pte. Ltd.	23-Feb-2008	School Management						N/A
FY 2009	*Feb 2008 to July 2009*		0.003	N/A	N/A	N/A	N/A	
31st March 2010	*August 2009 to March 2010*		(28.96)	-	(29.91)	(299,053.28)	(289,594.30)	
31st March 2011	The FY 2011 accounts has not been audited so far and hence the information is not available							
Education Advisory Services International Pte Ltd.	27-Sep-2010	Education Advisory	1 share of S$ 1/-					N/A
	This company is non operative and the accounts will be made and audited during the FY2012.							
International American College Pvt. Ltd.	24-Jun-1994	Education						No
31st March 2009			0.10	N/A	N/A	N/A	10.00	
31st March 2010			0.10	N/A	N/A	N/A	10.00	
31st March 2011			0.10	N/A	N/A	N/A	10.00	
VG Educational Properties Pvt. Ltd.	02-Nov-2010	Education / Infrastructure						No
31st March 2011	-	-	0.10	-	-	-	5.55	
VG School Developments Pvt. Ltd.	13-Oct-2010	Education / Infrastructure						No
31st March 2011	-	-	0.10	-	-	-	5.55	
VG School Properties Pvt. Ltd.	19-Nov-2010	Education / Infrastructure						No
31st March 2011	-	-	0.10	-	-	-	5.55	
Varkey School Infrastructure Management Services Pvt. Ltd.	13-Jun-2011	Education / Infrastructure						No
	The company has not completed one full year of operations; therefore does not have audited accounts							

Rs. in Millions								
Name of Company	**Date of Incorporation**	**Nature Of Business**	**Equity capital + Reserves (excl. revaluation reserves)**	**Total Income**	**Profit / (loss) after tax (PAT)**	**Earnings per share (EPS) in Rs.**	**Net Asset Value (NAV) per share in Rs.**	**Whether a Sick Industrial Company**
Varkey International Limited	22-Dec-1994	Investment & Holding						N/A
31st March 2009			179	165	164	82,036,077	89,639,039	
31st March 2010			158	-	(0)	(207,361)	79,076,881	
31st March 2011			155	-	(1)	(341,983)	77,731,400	
Global Education Management Systems Ltd.	20-May-1999	Education Management						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in British Virgin Islands.							
VG Holdings Limited	22-Feb-2010	Investment & Holding						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in United Arab Emirates.							
Global Education Management Systems Pvt. Ltd.	09-Jan-1997	Education Management						No
31st March 2009			(0.46)	11.99	(51.11)	(8.96)	(0.06)	
31st March 2010			(1.06)	22.66	(36.58)	(3.84)	(0.08)	
31st March 2011			2.96	31.93	(25.99)	(1.97)	0.19	
Premier Educational Establishment Pvt. Ltd.	03-Jan-2008	Education Infra Services						No
31st March 2009			66.25	0.21	(11.79)	(1175.89)	(2.74)	
31st March 2010			86.91	0.94	(4.73)	(0.58)	8.39	
31st March 2011			86.92	1.72	(6.50)	(0.63)	7.90	
GEMS International Malaysia SDN BHD	03-July-2008	Education Management Company						N/A
30th June 2009			(0.071)	0.000	(0.071)	(35,278.94)	(35,528.03)	
30th June 2010	The FY 2010 accounts has not been audited so far and hence the information is not available							
30th June 2011	The FY 2011 accounts has not been audited so far and hence the information is not available							
Chicago Construction & Maintenance Co. LLC.	11-Jul-1978	Construction & Maintenance						N/A
31st March 2009			68.53	2,847	252	503,014	137,058	
31st March 2010			60.60	2,665	254	508,393	121,209	
31st March 2011			59.83	4,719	408	816,070	119,657	
GEMS Global IPCO (Cayman) Ltd.	14-Aug-2007	IP Company						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in Cayman Islands.							
Star Hill Real Estate Co. Pvt. Ltd.	16-Jul-2007	Property Company						No
31st March 2009			(0.44)	0.23	0.08	7.80	(43.57)	
31st March 2010			(0.36)	0.23	0.07	7.34	(36.23)	
31st March 2011			(0.29)	0.18	0.07	7.38	(28.85)	
Concord Residential Schools (Madras) Pvt. Ltd.	03-Oct-1997	Education Infra Services						No
31st March 2009			0.10	NA	NA	NA	10	

								Rs. in Millions
Name of Company	**Date of Incorporation**	**Nature Of Business**	**Equity capital + Reserves (excl. revaluation reserves)**	**Total Income**	**Profit / (loss) after tax (PAT)**	**Earnings per share (EPS) in Rs.**	**Net Asset Value (NAV) per share in Rs.**	**Whether a Sick Industrial Company**
31st March 2010			0.10	NA	NA	NA	10	
31st March 2011			0.10	NA	NA	NA	10	
Concord Residential Schools (Bangalore) Pvt. Ltd.	27-Jun-1997	Education Infra Services						No
31st March 2009			0.02	0.01	0.001	0.07	1.75	
31st March 2010			0.01	-	(0.01)	(0.95)	0.80	
31st March 2011			(0.004)	-	(0.01)	(1.25)	(0.45)	
Concord Residential Schools (Kerala) Pvt. Ltd.	28-May-1997	Education Infra Services						No
31st March 2009			0.02	0.00	(0.01)	(0.54)	1.91	
31st March 2010			2.01	0.00	(0.01)	(0.67)	1.23	
31st March 2011			2.02	0.02	0.01	0.07	9.62	
Varkey Overseas Trading Company (Pvt) Ltd.	19-Apr-1989	Trading						No
31st March 2009			(1.95)	0.01	(0.003)	(0.01)	(3.75)	
31st March 2010			(1.96)	0.01	(0.01)	(0.02)	(3.77)	
31st March 2011			(1.97)	0.01	(0.01)	(0.02)	(3.79)	
S. Koder Private Ltd.	21-Apr-1980	Distributors						No
31st March 2009			(21.53)	0.08	0.02	0.18	(179.45)	
31st March 2010			(21.54)	0.02	(0.01)	(0.05)	(179.50)	
31st March 2011			(21.54)	0.02	0.00	0.01	(179.49)	
SSV Investments Limited	31-Oct-2007	Investments						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in British Virgin Islands.							
SV Assets	31-Oct-2007	Property Company						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in British Virgin Islands.							
DV Assets Limited	31-Oct-2007	Property Company						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in British Virgin Islands.							
JV Assets Limited	31-Oct-2007	Property Company						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in British Virgin Islands.							
SJV Limited	30-Oct-2007	Holding & Investment						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in British Virgin Islands.							
SDV Assets Limited	31-Oct-2007	Property Company						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in British Virgin Islands.							
SSDJ Limited	30-Oct-2007	Holding & Investment						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in British Virgin Islands.							
SMV Investments Limited	07-May-2008	Investments						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in British Virgin Islands.							
International Healthcare Holdings Ltd.	07-Jun-2006	Holding & Investments						N/A
	Does not conduct audit as audit of annual accounts is not mandatory in British Virgin Islands.							

Name of Company	Date of Incorporation	Nature Of Business	Equity capital + Reserves (excl. revaluation reserves)	Total Income	Profit / (loss) after tax (PAT)	Earnings per share (EPS) in Rs.	Net Asset Value (NAV) per share in Rs.	Whether a Sick Industrial Company
								Rs. in Millions
Zanskar Properties Pvt. Ltd.	21-Dec-2005	Education Infra Services						No
31st March 2009			(2.00)	0.02	(2.44)	(48.87)	(40.15)	
31st March 2010			43.96	0.00	(1.71)	(31.73)	558.28	
31st March 2011			55.82	0.30	(2.64)	(45.64)	879.78	
Varkey Investments (One) Limited	11-Oct-2011	Holding & Investments						N/A
	The company has not completed one full year of operations; therefore does not have audited accounts							
Varkey Management Limited	11-Oct-2011	Management & Investment Company						N/A
	The company has not completed one full year of operations; therefore does not have audited accounts							

3.3 GEMS Education (Asia) 1 Limited ("GEMS Asia")

3.3.1 GEMS Asia was incorporated on July 29, 2011 under the laws of the Republic of Mauritius. The registered office of GEMS Asia is situated at DTOS Ltd., 10th Floor, Raffles Tower, 19 Cybercity, Ebene, Republic of Mauritius. The corporate address of GEMS Asia is PO Box 8607, Dubai, United Arab Emirates, Tel. No.: 009714 3477770, Fax No.: 009714 3403377.

3.3.2 GEMS Asia is part of the Varkey Group, a global education conglomerate that owns, operates and manages high performing schools and offers education services in public and private sectors under the brand name 'GEMS Education' amongst others.

3.3.3 GEMS Asia is a 100% subsidiary of GEMS MENASA (Cayman) Limited, which in turn is a subsidiary of the Acquirer. GEMS Asia has not entered into any agreement with the Acquirer and / or the other PACs in relation to the Offer.

3.3.4 The shares of GEMS Asia are not listed on any stock exchange.

3.3.5 As on the date of this Letter of Offer, GEMS Asia has issued and paid-up equity share capital of USD 1 (US Dollar One only), comprising 1 fully paid-up equity share of face value USD 1 (US Dollar One only), which is held by GEMS MENASA (Cayman) Limited.

3.3.6 As on the date of this Letter of Offer, GEMS Asia does not have any partly paid up shares or outstanding convertible instruments.

3.3.7 The names, addresses, experience and qualifications of the board of directors of GEMS Asia as on the date of this Letter of Offer are as follows:

Name of the Director	Date of Appointment	Qualification & Experience	Residential Address
Sunny Varkey	August 1, 2011	Mr. Sunny Varkey is a Management Graduate and has over 30 years of experience in managing, operating and owning schools.	Villa No. 65, 32 A Street, Umm Sequim 3, PO Box 8607, Dubai, UAE

Sherly Varkey	August 1, 2011	Mrs. Sherly Varkey is a Graduate.	Villa No. 65, 32 A Street, Umm Sequim 3, PO Box 8607, Dubai, UAE
Jimmy Wong	July 29, 2011	Mr. Jimmy Wong is a Fellow of The Institute of Chartered Accountants in England & Wales and has over 23 years of experience in financial management.	Apartment 3, Palm Court, 31 Avenue Des Palmiers, Quatre Bornes, Mauritius
Kevin Allagapen	July 29, 2011	Mr. Kevin Allagapen has an Executive MBA degree and over 11 years of experience in international taxation and planning, structuring and creation of companies.	43, Eugene Laurent Street, Port Louis, Mauritius

3.3.8 None of the directors of GEMS Asia are on the Board of the Target Company.

3.3.9 This being its first year of operations, GEMS Asia has not yet conducted a financial audit. Therefore, the audited financial details of GEMS Asia are not available as on the date of this Letter of Offer.

3.3.10 As on the date of this Letter of Offer, GEMS Asia does not have any contingent liabilities.

3.3.11 There is no litigation matter pending against GEMS Asia.

3.3.12 As on the date of this Letter of Offer, GEMS Asia does not hold any Shares of the Target Company.

3.3.13 As GEMS Asia does not hold any Shares of the Target Company and has never held Shares of the Target Company in the past, the provisions of Chapter II of the SEBI (SAST) Regulations are not applicable to GEMS Asia with respect to the Target Company.

3.3.14 GEMS Asia and its promoters / directors have not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or under any other regulation made under the SEBI Act.

3.3.15 There has been no merger / demerger, spin offs, acquisitions during the last 3 years involving GEMS Asia.

3.3.16 As on the date of this Letter of Offer, GEMS Asia has neither acquired any company nor has it promoted any company.

4 UNDERTAKING IN TERMS OF REGULATION 21(2)

4.1 As on the date of this Letter of Offer, pursuant to this Offer (assuming full acceptances) and the Preferential Allotment, and based on the existing promoter shareholding of the Target Company, the Acquirer, the PACs and the existing promoters of the Target Company will collectively hold 16,434,051 Shares constituting 75.32% of the post Preferential Allotment equity share capital of the Target Company. Therefore, the Offer may result in the public shareholding in the Target Company falling below the 25% limit specified in Clause 40A of the extant listing agreements with the BSE and NSE (the "**Listing Agreements**").

4.2 If, pursuant to this Offer, the public shareholding is found to be reduced below the minimum level required as per the Listing Agreements, as a result of acquisition of Shares under (i) the Preferential Allotment; and/or (ii) any acquisition of Shares from open market; and/or (iii) the Offer, the Acquirer, PACs and the existing promoters of the Target Company shall take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreement and notification of the Central Government dated June 4, 2010 amending the Securities Contracts (Regulation) Rules, 1957 within the time stipulated therein.

5 BACKGROUND OF THE TARGET COMPANY

Note: The information provided in relation to the Target Company, its promoter and promoter group as provided in this Letter of Offer has been inserted based on information received from the Target Company, its promoter and promoter group and also from information available from publicly available sources.

5.1 The Target Company was incorporated as a public limited company on April 19, 2000 as Everonn Systems India Limited under the Companies Act, 1956 and commenced its business under certificate of commencement of business dated April 24, 2000. The name of the Target Company was changed to Everonn Education Limited *vide* fresh certificate of incorporation dated August 19, 2009 to reflect the change in the primary business focus of the Target Company.

5.2 The registered office of the Target Company was shifted from Ooty, Tamil Nadu to Chennai, Tamil Nadu on December 30, 2005 *vide* a fresh certificate of registration of the Company Law Board under Section 16(3) of the Companies Act, 1956 and is presently situated at No. 82, IV Avenue, Ashok Nagar, Chennai – 600 083, Tel. No.: 0091 44 2371 8202-03/ 2471 5356-59; Fax No.: 0091 44 2471 7845. The corporate office of the Target Company is situated at Everonn House, Plot Nos. 96-99, Perungudi Industrial Estate, Perungudi, Chennai – 600 096, Tel. No.: 0091 44 4296 8400; Fax No.: 0091 44 4296 8488.

5.3 The Target Company is currently engaged in the business of education and training offering satellite-enabled learning and providing a blend of traditional and digitized content to the schools, colleges and retail segments. This has helped the Target Company to offer quality education to students even in the most remote parts of India. As of June 30, 2011, the Target Company reaches out to over 8 million students through 10,139 learning centres across 27 states and works with 16 State Governments in India. The Target Company also provides education and training solutions through satellite based Very Small Aperture Terminal (VSAT) technology to various schools, colleges and learning centres across India.

5.4 The authorised Share capital of the Target Company as on the date of this Letter of Offer is Rs. 250,000,000 divided into 25,000,000 Shares and the issued and paid up Share capital of the Target Company as on the date of this Letter of Offer is Rs. 191,995,520 (Rupees One Hundred and Ninety One Million Nine Hundred and Ninety Five Thousand Five Hundred and Twenty Only) divided into 19,199,552 (Nineteen Million One Hundred and Ninety Nine Thousand Five Hundred and Fifty Two) Shares.

5.5 There are no partly paid-up Shares or securities convertible into Shares of the Target Company, except the following:

(a) 600,000 warrants allotted to some of the promoters of the Target Company, convertible at the option of the holder into one Share each at Rs. 430.45 per warrant and optionally convertible in one or more tranches before the maturity date, February 10, 2012. If the holders exercises their right of conversion in full, 600,000 Shares would be issued to the holders; and

(b) Zero coupon fully convertible debentures of Rs. 22,800,000 allotted on preferential basis to a non promoter, namely DB Corp Limited, convertible into 52,136 Shares at Rs. 437.31 per Share, being the price determined by the SEBI (ICDR) Regulations, convertible after 30 days from the relevant date but before expiry of 18 months from the date of allotment, in one or more tranches. The "relevant date" for calculation of pricing for the fully convertible debentures was November 30, 2011.

5.6 The Emerging Voting Capital of the Target Company as on date of this Letter of Offer has been calculated as under:

Particulars	***Issued, subscribed and paid up Shares***	***Voting rights***	***% of outstanding Shares***	***% of voting rights***
Fully paid up share capital	*19,199,552*	*19,199,552*	*100%*	*100%*
Partly paid up share capital	*NIL*	*NIL*	*NIL*	*NIL*
Total	*19,199,552*	*19,199,552*	*100%*	*100%*
EMERGING VOTING CAPITAL		***No. of Shares***		
Share capital as on date of this Letter of Offer		*19,199,552*		
Add: Preferential issue of 600,000 warrants made to some of the existing promoters due for conversion by February 10, 2012; assuming full conversion of warrants into Shares		*600,000*		
Add: Shares arising from conversion of zero coupon fully convertible debentures of Rs. 2,28,00,000 issued to DB Corp Limited, convertible after 30 days from the relevant date viz. November 30, 2011		*52,136*		
Add: Proposed Preferential Allotment to the Acquirer		*2,618,120*		
EMERGING VOTING CAPITAL		***22,469,808***		

5.7 The build up of the current capital structure of the Target Company since inception and till the date of this Letter of Offer is given below:

Date of Allotment	**No. of Shares issued**	**Cumulative paid up capital**	**% of paid up capital**	**Mode of allotment**	**Identity of Allottees (promoters/ ex-promoters/others)**	**Status of compliance**
19.04.2000	70	70	100.00	1st Allotment to Subscribers to Memorandum	Promoters	Not applicable as the Target Company was unlisted
12.06.2000	242,715	242,785	99.97	Further issue of capital	Promoters	
12.06.2000	674,970	917,755	73.55	Further issue of capital	Promoters	
12.06.2000	435,845	1,353,600	32.20	Preferential Allotment	Allotment made to Net Equity Ventures Private Limited	
15.03.2001	30	1,353,630	Negligible	Further issue of capital	Promoters	
15.03.2001	246,400	1,600,030	15.40	Preferential Allotment	Allotment to Virmac Investments	
07.03.2003	113,657	1,713,687	6.63	Preferential Allotment	Allotment to Reeshanar Investments Limited	
31.05.2006	6,854,748	8,568,435	80.00	Bonus Issue	Promoters & Others	

31.05.2006	125,670	8,694,105	1.45	Preferential Allotment	Allotment to Directors	
28.06.2006	257,053	8,951,158	2.87	Preferential Allotment	Allotment to Everonn Employees' Welfare Trust	
09.08.2006	1,327,059	10,278,217	12.91	Preferential Allotment	Allotment to India – China Pre – IPO Equity (Mauritius) Limited	
24.07.2007	3,572,964	13,851,181	25.80	Public Issue	Others	Complied
17.06.2008	1,269,219	15,120,400	8.39	Preferential Allotment	Allotment to New Vernon India Limited, Deutsche Securities Mauritius Limited and The India Fund, Inc.	Complied
09.12.2010	3,911,500	19,031,900	20.55	Preferential Allotment	Allotment to SKIL Infrastructure Limited	Complied
23.05.2011	167,652	19,199,552	0.87	Preferential Allotment	Allotment to HT Media Limited (consequent to conversion of Fully Convertible Debentures)	Complied

5.8 The Shares of the Target Company are listed on BSE and NSE since August 1, 2007.

5.9 As on the date of the Public Announcement and this Letter of Offer, there have been no instances of non listing of some and/or all Shares of the Target Company at any stock exchange(s) as applicable. Further, there have been no instances of suspension of trading of the Shares in any of the stock exchange(s) where the Shares of the Target Company are listed.

5.10 The Target Company has 12 direct subsidiaries; viz. Everonn Educational Resources Solutions Limited; Toppers Tutorial Private Limited; Everonn Infrastructure Limited; AEG Skill Update Private Limited; Everonn Business Education 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 and Everonn Dassani Literate Limited.

5.11 The Target Company's marketable lot is 1 (one) Share.

5.12 As on the date of this Letter of Offer, the Board comprised of 7 directors. There are no directors representing the Acquirer or PACs on the Board of the Target Company. The details relating to the Board of Directors of the Target Company as on the date of this Letter of Offer are as follows:

S. No.	Name of Director, DIN and Designation	Experience	Residential Address	Qualification	Date of Appointment
1.	**Mr. P. Kishore** Managing Director Executive, Non-	First generation entrepreneur with over 25 years of	No. 4, Shalom Apartments, No. 1, Josier Street, Nungambakkam,	Diploma in Commerce	19.04.2000

	Independent DIN – 00190586	experience	Chennai – 600034		
2.	**Mrs. Susha John** CEO Executive, Non-Independent DIN – 00190693	Over 22 years of experience in managing IT education business	No. 4B, Ryans Apartments, No. 8, West Mada Street, Srinagar Colony, Saidapet, Chennai – 600015	M.S. – Applied Science (IT)	05.03.2001
3.	**Mr. Joe Thomas** Non-Executive, Independent DIN – 00468077	Over 23 years of experience in International Business	No. A-305, Shobha Garnet, Sarjapur Road, Ibblur, Bangalore – 560102	M. Sc. Chemistry	20.02.2002
4.	**Mr. R. Sankaran** Non-Executive, Independent DIN – 00076532	Over 40 years of experience in financial management	Flat GB, Sivedha, New No. 27, 3rd Avenue, Besant Nagar, Chennai – 600090	F.C.A.	10.07.2006
5.	**Dr. K. M. Marimuthu** Non-Executive, Independent DIN – 00983325	Eminent professor who has served in many universities in India and abroad and authored many books and research papers	No. 55, (Old No. 26), First Main Road, Indira Nagar, Chennai – 600020	M. Tech., Ph.D. (Genetics & Cytology)	10.07.2006
6.	**Dr. Nikhil P. Gandhi** Non-Executive, Non-Independent DIN – 00030560	Over 25 years of experience in the infrastructure development business	No. 21, Sagar Villa, 38, Bhulabhai Desai Road, Mumbai – 400026	Commerce Graduate	09.12.2010
7.	**Dr. M. S. Vijay Kumar** Non-Executive, Independent DIN – 03403097	Eminent advisor and consultant with academic and professional institutions such as MIT and UNESCO	12 Middle Street, Lexington, Massachusetts 02421, U.S.A.	B. Tech. (Chemical Engineering), M.S. (Industrial Management) & Ph.D. (Education)	08.02.2011

5.13 The Target Company has duly complied with the various provisions of the Listing Agreements from time to time.

5.14 No penal actions have been initiated by BSE and NSE against the Target Company till date.

5.15 The Target Company is in compliance with the Corporate Governance requirements as stipulated under the Listing Agreements and under the Companies Act, 1956.

5.16 The Target Company has not undergone any restructuring, merger/de-merger, spin off of business during the last 3 years.

5.17 Brief audited consolidated financial details of the Target Company for the last 3 years are as follows:

Rs. in Crores

Profit & Loss Statement	**FY 2009**	**FY 2010**	**FY 2011**
Income from operations	144.69	293.50	424.70
Other Income	3.90	0.47	2.74
Total Income	**148.59**	**293.97**	**427.44**
Total Expenditure	93.47	192.53	269.22
Profit Before Depreciation, Interest and Tax	55.12	101.43	158.22
Depreciation	15.86	25.25	41.99
Interest	5.18	10.37	21.05
Profit Before Tax	34.08	65.82	95.17
Provision for Tax	11.99	20.37	27.54
Profit After Tax	**22.08**	**45.45**	**67.64**

Rs. in Crores

Balance Sheet Statement	**As on March 31, 2009**	**As on March 31, 2010**	**As on March 31, 2011**
Sources of funds			
Paid up share capital	15.12	15.12	19.03
Share Warrant Application Money	7.65	-	6.46
Employee stock options outstanding	0.64	0.96	1.05
Reserves and Surplus (excl. revaluation reserves)	190.29	239.86	501.73
Net worth	213.71	255.94	528.28
Minority interest	0.00	0.00	0.02
Secured loans	48.17	83.93	151.28
Unsecured loans	0.50	-	60.64
Deferred Tax	9.15	15.36	18.26
Total	**271.52**	**355.24**	**758.46**
Uses of Funds			
Net fixed assets	117.58	170.20	353.09
Investments	23.46	1.07	22.32
Goodwill	0.48	0.48	0.48
Net current assets	130.00	183.48	382.58
Total miscellaneous expenditure not written off	0.00	0.00	0.00
Total	**271.52**	**355.24**	**758.46**

Other Financial Data	FY 2009	FY 2010	FY 2011
Dividend (%)	-	20.00	25.00
Earning Per Share* (Rs.)	14.87	30.06	41.44
Return on Net worth** (%)	10.33	17.76	12.98
Book Value per Share^ (Rs.)	141.34	169.27	273.62

** Earning Per Share calculated as Profit After Tax / Number of outstanding Shares as at end of the year*
***Return on Net worth calculated as Profit After Tax / Net worth as at the end of the year*
^Book Value per Share calculated as Net Worth / Number of outstanding Shares as at the end of the year

5.18 The reasons for fall/rise in total income and Profit after Tax for the last 3 financial years are as follows:

(a) The Target Company's revenues consist mainly of income from implementation of computer education in Government schools and from implementation of technology enabled learning solutions in various private schools and colleges.

(b) Total income and corresponding Profit after Tax of the Target Company, as mentioned under paragraph 5.17 above, on a consolidated basis during the last 3 years has increased mainly on account of increase in the number of schools and colleges in ViTELS division in each of the financial years as compared with the previous financial year.

5.19 The shareholding before the Offer (as on the date of this Letter of Offer) and after the Offer (assuming full acceptances in the Offer), is given in the table below:

Shareholders' category	Shareholding & voting rights prior to the Preferential Allotment and Offer		Shares / voting rights agreed to be acquired through Preferential Allotment which triggered the Offer		Shares / voting rights to be acquired in the Offer (assuming full acceptances)		Share holding / voting rights after the Preferential Allotment and Offer i.e.	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) <u>Promoter group</u>								
a. Parties to agreement, if any	4,000,000	20.83	-	-	-	-	4,000,000	18.33
b. Promoters who have undertaken not to take part in the Offer	3,700,413	19.27	-	-	-	-	3,700,413	16.96
c. Promoters other than (a) and (b) above	417,485	2.17	-	-	-	-	*	*
<u>Total 1(a+b+c)</u>	**8,117,898**	**42.28**	**-**	**-**	**-**	**-**	*****	*****
<u>(2) Acquirer and PACs</u>								
a. Acquirer	-	-	2,618,120	12.00	4,493,962	20.60	8,316,153	38.12
b. PAC – Sunny Varkey	577,687	3.01	-	-				
c. PAC – Sherly Varkey	626,384	3.26	-	-				
d. PAC – GEMS Asia	-	-	-	-				
<u>Total 2(a+b+c)</u>	**1,204,071**	**6.27**	**2,618,120**	**12.00**	**4,493,962**	**20.60**	**8,316,153**	**38.12**
<u>(3) Parties to agreement other than (1) (a) & (2)</u>	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

<u>(4) Public (other than parties to agreement, promoter group, Acquirer and PACs)</u>								
a. FIs / MFs / FIIs / Banks / SFIs	2,279,451	11.87	-	-	-	-	*	*
b. Others	7,598,132	39.57	-	-	-	-	*	*
(No. of Public Shareholders: 35,422)								
<u>Total (4)(a+b)</u>	**9,877,583**	**51.45**	**-**	**-**	**-**	**-**	*****	*****
GRAND TOTAL (1+2+3+4)	**19,199,552**	**100.00**	**2,618,120**	**12.00**	**4,493,962**	**20.60**	**21,817,672**	**100.00**

** The Shares of the Target Company envisaged to be acquired by the Acquirer and the PACs in the Offer would be from the categories of Shareholders mentioned in 1(c), 4(a) and 4(b) above and therefore the post Offer holding of these Shareholders are not ascertainable at this stage and would depend on the quantum of Shares that are received from them and are accepted pursuant to the Offer*

5.20 The details of the changes in the shareholding of the promoters and promoter group of the Target Company as and when it happened is as follows.

Date of Transaction	No. of Shares allotted / purchased	% Shares allotted / purchased	No. of Shares sold	% Shares sold	Cumulative no. of Shares	% of cumulative Shares	Status of Compliance
19-Apr-2000	70	100.00	-	-	70	100.00	Not applicable as the Target Company was unlisted
12-Jun-2000	917,685	67.80	-	-	917,755	67.80	
15-Mar-2001	30	0.00	-	-	917,785	57.36	
31-Dec-2002	200,000	12.50	200,000	12.50	917,785	57.36	
26-Oct-2004	114,644	6.69	80,371	4.69	952,058	55.56	
8-Mar-2005	5,302	0.31	5,302	0.31	952,058	55.56	
24-May-2006	10	0.00	10	0.00	952,058	55.56	
31-May-2006	3,933,902	45.25	-	-	4,885,960	56.20	
28-Jun-2006	100,000	1.12	674,000	7.53	4,311,960	48.17	
10-Jul-2006	15,000	0.17	15,000	0.17	4,311,960	48.17	
24-Jul-2008	-	-	1,395	0.01	4,310,565	28.51	Complied
8-Aug-2008	-	-	3,000	0.02	4,307,565	28.49	Complied
13-Aug-2008	-	-	500	0.00	4,307,065	28.49	Complied
18-Aug-2008	-	-	1,700	0.01	4,305,365	28.47	Complied
19-Aug-2008	-	-	700	0.00	4,304,665	28.47	Complied
20-Aug-2008	-	-	500	0.00	4,304,165	28.47	Complied
21-Aug-2008	-	-	14,500	0.10	4,289,665	28.37	Complied
24-Sep-2008	-	-	5,000	0.03	4,284,665	28.34	Complied
25-Sep-2008	-	-	1,000	0.01	4,283,665	28.33	Complied
29-Sep-2008	-	-	13,760	0.09	4,269,905	28.24	Complied
1-Oct-2008	-	-	760	0.01	4,269,145	28.23	Complied
6-Oct-2008	8,536	0.06	-	-	4,277,681	28.29	Complied
7-Oct-2008	4,035	0.03	-	-	4,281,716	28.32	Complied
8-Oct-2008	2,190	0.01	-	-	4,283,906	28.33	Complied
10-Oct-2008	352	0.00	-	-	4,284,258	28.33	Complied
14-Oct-2008	-	-	3,000	0.02	4,281,258	28.31	Complied
15-Oct-2008	2,279	0.02	-	-	4,283,537	28.33	Complied
16-Oct-2008	610	0.00	78	0.00	4,284,069	28.33	Complied
18-Oct-2008	604	0.00	-	-	4,284,673	28.34	Complied
20-Oct-2008	1,155	0.01	-	-	4,285,828	28.34	Complied

22-Oct-2008	82	0.00			4,285,910	28.35	Complied
25-Oct-2008	1,830	0.01	-	-	4,287,740	28.36	Complied
27-Oct-2008	539	0.00			4,288,279	28.36	Complied
29-Oct-2008	-	-	885	0.01	4,287,394	28.36	Complied
3-Nov-2008	70	0.00	-	-	4,287,464	28.36	Complied
5-Nov-2008	418	0.00	-	-	4,287,882	28.36	Complied
10-Nov-2008	-	-	128	0.00	4,287,754	28.36	Complied
12-Nov-2008	-	-	1,300	0.01	4,286,454	28.35	Complied
19-Nov-2008	1,300	0.01	-	-	4,287,754	28.36	Complied
1-Dec-2008	-	-	75	0.00	4,287,679	28.36	Complied
10-Dec-2008	-	-	500	0.00	4,287,179	28.35	Complied
15-Dec-2008	-	-	100	0.00	4,287,079	28.35	Complied
16-Dec-2008	-	-	300	0.00	4,286,779	28.35	Complied
17-Dec-2008	-	-	375	0.00	4,286,404	28.35	Complied
26-Dec-2008	100	0.00	800	0.01	4,285,704	28.34	Complied
5-Jan-2009	-	-	500	0.00	4,285,204	28.34	Complied
6-Jan-2009	-	-	3,400	0.02	4,281,804	28.32	Complied
7-Jan-2009	-	-	2,003	0.01	4,279,801	28.30	Complied
9-Jan-2009	-	-	4,151	0.03	4,275,650	28.28	Complied
13-Jan-2009	-	-	1,200	0.01	4,274,450	28.27	Complied
15-Jan-2009	-	-	500	0.00	4,273,950	28.27	Complied
16-Jan-2009	200	0.00	8,857	0.06	4,265,293	28.21	Complied
23-Jan-2009	-	-	6,143	0.04	4,259,150	28.17	Complied
29-Jan-2009	3,629	0.02	-	-	4,262,779	28.19	Complied
2-Feb-2009	33	0.00	-	-	4,262,812	28.19	Complied
3-Feb-2009	1,142	0.01	-	-	4,263,954	28.20	Complied
6-Feb-2009	839	0.01	-	-	4,264,793	28.21	Complied
10-Feb-2009	-	-	700	0.00	4,264,093	28.20	Complied
11-Feb-2009	-	-	1,000	0.01	4,263,093	28.19	Complied
12-Feb-2009	316	0.00	-	-	4,263,409	28.20	Complied
13-Feb-2009	94	0.00	50	0.00	4,263,453	28.20	Complied
4-Mar-2009	-	-	200	0.00	4,263,253	28.20	Complied
19-Mar-2009	-	-	200	0.00	4,263,053	28.19	Complied
23-Mar-2009	-	-	50	0.00	4,263,003	28.19	Complied
24-Mar-2009	-	-	100	0.00	4,262,903	28.19	Complied
16-Apr-2009	323	0.00	-	-	4,263,226	28.20	Complied
17-Apr-2009	15	0.00	-	-	4,263,241	28.20	Complied
24-Apr-2009	-	-	50	0.00	4,263,191	28.19	Complied
27-Apr-2009	-	-	100	0.00	4,263,091	28.19	Complied
14-May-2009	-	-	25	0.00	4,263,066	28.19	Complied
25-May-2009	-	-	25	0.00	4,263,041	28.19	Complied
30-Jun-2009	-	-	-	-	3,866,976	25.57	Complied
8-Aug-2009	38	0.00	-	-	3,867,014	25.57	Complied
13-Aug-2009	7,530	0.05	-	-	3,874,544	25.62	Complied
16-Sep-2009	36,000	0.24	-	-	3,910,544	25.86	Complied
30-Sep-2009	80,500	0.53	-	-	3,991,044	26.40	Complied
23-Oct-2009	-	-	2,000	0.01	3,989,044	26.38	Complied
26-Oct-2009	-	-	2,000	0.01	3,987,044	26.37	Complied
10-Nov-2009	-	-	1,000	0.01	3,986,044	26.36	Complied
16-Nov-2009	-	-	1,000	0.01	3,985,044	26.36	Complied
15-Dec-2009	-	-	2,000	0.01	3,983,044	26.34	Complied
29-Mar-2010	35,422	0.23	-	-	4,018,466	26.58	Complied
30-Mar-2010	29,211	0.19	-	-	4,047,677	26.77	Complied

31-Mar-2010	1,000	0.01	-	-	4,048,677	26.78	Complied
6-Apr-2010	10,000	0.07	-	-	4,058,677	26.84	Complied
7-Apr-2010	3,621	0.02	-	-	4,062,298	26.87	Complied
8-Apr-2010	2,000	0.01	-	-	4,064,298	26.88	Complied
12-Apr-2010	100	0.00	-	-	4,064,398	26.88	Complied
13-Apr-2010	3,000	0.02	-	-	4,067,398	26.90	Complied
3-Dec-2010	33,000	0.22			4,100,398	27.12	Complied
9-Dec-2010	3,911,500	20.55	-	-	8,011,898	42.10	Complied
15-Dec-2010	88,500	0.47			8,100,398	42.56	Complied
13-Jan-2011	20,000	0.11			8,120,398	42.67	Complied
22-Jul-2011	-	-	100	0.00	8,120,298	42.29	Complied
26-Jul-2011	-	-	900	0.01	8,119,398	42.29	Complied
1-Aug-2011	-	-	1,500	0.01	8,117,898	42.28	Complied
2-Sep-2011	-	-	50,000	0.26	8,067,898	42.02	Complied
2-Sep-2011	50,000	0.26	-	-	8,117,898	42.28	Complied
7-Sep-2011	-	-	80,000	0.42	8,037,898	41.87	Complied
7-Sep-2011	80,000	0.42	-	-	8,117,898	42.28	Complied

5.21 The details of pending litigations in which the Target Company is a party and another pending litigation in which Mr. P. Kishore, the Managing Director of the Target Company, is a party is given below:

- A Civil Suit has been filed by The ICFAI Academy ("**Plaintiff**") against the Target Company and Everonn Business Education Limited (subsidiary of the Target Company) (collectively referred to as "**Defendants**") before the High Court of Judicature at Madras ("**High Court**"). The Plaintiff has filed the suit praying for permanent injunction and has filed various applications for interim injunction against the Defendants from making any public statements/ advertisements in any media, regarding the Plaintiff's campuses and control offices, from alienating, creating third party rights or disposing the assets, both tangible and intangible, in the Plaintiff's campuses and control offices, from admitting / enrolling / initiating any admission process for students in the Plaintiff's campuses and control offices from the academic year 2011 onwards. The Plaintiff has also claimed that the Defendants jointly and severally pay damages of Rs. 50 lakhs along with interest at the rate of 18% per annum, and reserves its right to seek further damages against the Defendants in this regard. The Plaintiff had also filed an application to appoint a chartered accountant or a financial expert as a court commissioner to verify the assets lying in its campuses and control offices, assess the cost of assets alienated by the Defendants and to submit before the High Court, the related report along with monthly financial accounts / accounting statements / records of the centers from May 1, 2010 till the date of filing of the suit.

  The Defendants had filed a counter affidavit in the above matter and accepted that the due diligence process for verifying the value of assets lying in the Plaintiff's campuses and control offices had not been completed to ascertain the amount payable to the Plaintiff. After subsequent hearing, the Defendants had submitted the due diligence report to the High Court and agreed that Rs. 58 lakhs was due to the Plaintiff. The High Court then ordered the Defendants to pay Rs. 58 lakhs to the Plaintiff, which was paid by the Defendants. On November 23, 2011 all the applications filed by the Plaintiff seeking interim injunction orders against the Defendants were dismissed by the High Court, holding that they were not maintainable and that the Plaintiff was not entitled to any interim relief. The main suit relating to permanent injunction and payment of damages is currently pending before the High Court, the verdict of which if decided in favour of the Plaintiff by the High Court, can impact the financial statements of the Target Company to the extent of damages finally awarded to the Plaintiff by the High Court, which however is not determinable as on date.

- Mr. P. Kishore, the Managing Director of the Target Company, was arrested and remanded to judicial custody on August 30, 2011 for alleged payment of illegal gratification of Rs. 50 lakhs to an income tax official. Mr. P. Kishore was released on bail by the High Court on October 4, 2011 and the matter is still under investigation. Mr. P. Kishore is continuing as the Managing Director of the Target Company as on the date of the Letter of Offer.

5.22 The Target Company and its promoters have not been prohibited by the SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act or any other applicable law prohibiting it from dealing in securities.

5.23 As confirmed and certified by the Target Company, the Target Company, its promoters and promoter group have complied with the applicable provisions of Chapter II of the SEBI (SAST) Regulations within the prescribed time.

5.24 As on date of this Letter of Offer, there are no directors representing the Acquirer or PACs on the Board of the Target Company.

5.25 Mr. S. Vijayanand is the Company Secretary and Compliance Officer of the Target Company.

5.26 The contact details of the Compliance Officer of the Target Company is Everonn House, Plot Nos. 96 – 99, Perungudi Industrial Estate, Perungudi, Chennai – 600 096; Tel. No.: 0091 44 4296 8400; Fax No.: 0091 44 4296 8488; Email: vijayanand@everonn.com.

6 OFFER PRICE AND FINANCIAL ARRANGMENTS

6.1 Justification of Offer Price

6.1.1 The Shares of the Target Company are listed on BSE and NSE (hereinafter collectively referred to as "**Stock Exchanges**").

6.1.2 The annualized trading turnover in the Shares of the Target Company in the above mentioned Stock Exchanges based on trading volume during the six calendar months prior to the month of the PA (March 2011 to August 2011) is as given below:

Stock Exchange	Total no. of Shares traded during the six calendar months prior to the month of the PA	Total no. of listed Shares	Annualised trading turnover (as % of total Shares listed)
BSE	18,047,179	19,199,552	187.25%
NSE	42,512,612	19,199,552	441.09%

(Source: www.bseindia.com, www.nseindia.com)

6.1.3 Based on the information available on the websites of the Stock Exchanges, the Shares of the Target Company are frequently traded on the BSE and the NSE (within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations and is most frequently traded on the NSE.

6.1.4 The Shares of the Target Company are not infrequently traded on any stock exchange in terms of Regulation 20(5) of the SEBI (SAST) Regulations. The Offer Price of Rs. 528/- (Rupees Five Hundred and Twenty Eight only) per Share is justified, in terms of Regulation 20(4) of the SEBI (SAST) Regulations, being the highest of the following:

(a)	The negotiated price under the MoU (Preferential Allotment price)	Rs. 528.00 per Share

(b)	Highest price paid by the Acquirer and/ or the PACs for acquisitions including by way of allotment in a public issue or rights issue or preferential allotment or open market purchases during the 26 weeks prior to the date of the PA i.e. September 23, 2011	Rs. 333.05 per Share
(c)	The average of the weekly high and low of closing prices of the Shares of the Target Company, on the NSE where it was most frequently traded for the 26 weeks preceding the date of the PA i.e. September 23, 2011 The average of the daily high and low prices of the Shares of the Target Company, on the NSE where it was most frequently traded for the 2 weeks preceding the date of the PA i.e. September 23, 2011	Rs. 524.12 per Share Rs. 313.41 per Share
(d)	The average of the weekly high and low of closing prices of the Shares of the Target Company, on the NSE where it was most frequently traded for the last 26 weeks preceding the date of the meeting of the Board where the Preferential Allotment was proposed i.e. September 19, 2011 The average of the daily high and low prices of the Shares of the Target Company, on the NSE where it was most frequently traded for the last 2 weeks preceding the date of the meeting of the Board where the Preferential Allotment was proposed i.e. September 19, 2011	Rs. 527.75 per Share Rs. 268.03 per Share
(e)	Highest price paid by the Acquirer and/ or the PACs for the Shares acquired through open market purchases from the date of the PA till the date of this Letter of Offer	Rs. 423.95 per Share

6.1.5 The average of the weekly high and low of the closing prices of the Shares on the NSE for a period of 26 weeks prior to the date of the PA has been provided below:

Week No.	Week ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (No. of Shares)
1	Thursday, March 31, 2011	581.15	558.85	570.00	1,182,064
2	Thursday, April 07, 2011	619.05	571.00	595.03	3,595,110
3	Thursday, April 14, 2011	611.75	590.40	601.08	1,184,247
4	Thursday, April 21, 2011	688.90	669.05	678.98	9,814,012
5	Thursday, April 28, 2011	671.00	648.85	659.93	1,224,222
6	Thursday, May 05, 2011	643.20	588.30	615.75	1,533,721
7	Thursday, May 12, 2011	583.10	545.35	564.23	3,628,288
8	Thursday, May 19, 2011	568.20	549.30	558.75	1,963,097
9	Thursday, May 26, 2011	567.25	532.45	549.85	1,740,254
10	Thursday, June 02, 2011	570.15	553.65	561.90	1,402,448
11	Thursday, June 09, 2011	562.80	552.85	557.83	944,031
12	Thursday, June 16, 2011	547.50	541.00	544.25	805,726
13	Thursday, June 23, 2011	535.00	485.10	510.05	774,979
14	Thursday, June 30, 2011	530.15	501.05	515.60	1,212,096
15	Thursday, July 07, 2011	557.20	523.95	540.58	1,361,639
16	Thursday, July 14, 2011	544.45	523.30	533.88	875,913
17	Thursday, July 21, 2011	552.25	540.50	546.38	854,243
18	Thursday, July 28, 2011	555.40	537.90	546.65	656,639
19	Thursday, August 04, 2011	567.40	552.10	559.75	1,133,730
20	Thursday, August 11, 2011	534.00	513.50	523.75	695,604

21	Thursday, August 18, 2011	522.05	475.15	498.60	430,800
22	Thursday, August 25, 2011	433.40	417.50	425.45	750,278
23	Tuesday, August 30, 2011	439.95	416.20	428.08	341,832
24	Thursday, September 08, 2011	350.65	248.60	299.63	15,505,980
25	Thursday, September 15, 2011	302.75	242.90	272.83	13,220,032
26	Thursday, September 22, 2011	403.75	333.05	368.40	5,121,363
	26 weeks' average			**524.12**	

Source: (www.nseindia.com)

6.1.6 The average of the daily high and low prices of the Shares on the NSE for a period of 2 weeks prior to the date of the PA has been provided below:

Day No.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (No. of Shares)
1	September 9, 2011	270.70	255.10	262.90	2,017,207
2	September 12, 2011	264.95	239.40	252.18	1,938,368
3	September 13, 2011	257.65	246.70	252.18	1,111,813
4	September 14, 2011	276.60	248.00	262.30	3,105,072
5	September 15, 2011	302.75	277.50	290.13	5,047,572
6	September 16, 2011	333.05	305.30	319.18	2,014,088
7	September 19, 2011	349.70	338.00	343.85	2,270,199
8	September 20, 2011	367.20	367.20	367.20	53,129
9	September 21, 2011	385.60	385.60	385.60	7,270
10	September 22, 2011	404.90	392.25	398.58	776,677
	2 weeks' average			**313.41**	

Source: (www.nseindia.com)

6.1.7 The average of the weekly high and low of the closing prices of the Shares on the NSE for a period of 26 weeks prior to the date of the meeting of the Board of the Target Company where the Preferential Allotment was proposed has been provided below:

Week No.	Week ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (No. of Shares)
1	Friday, March 25, 2011	562.10	546.10	554.10	1,277,680
2	Friday, April 01, 2011	581.15	558.85	570.00	1,139,302
3	Friday, April 08, 2011	619.05	575.90	597.48	3,944,043
4	Friday, April 15, 2011	669.10	590.40	629.75	4,639,348
5	Friday, April 22, 2011	688.90	669.05	678.98	5,900,377
6	Friday, April 29, 2011	671.00	643.20	657.10	1,505,129
7	Friday, May 06, 2011	631.30	583.10	607.20	1,650,305
8	Friday, May 13, 2011	567.65	545.35	556.50	3,548,482
9	Friday, May 20, 2011	568.20	549.30	558.75	1,862,373
10	Friday, May 27, 2011	553.65	532.45	543.05	1,818,744
11	Friday, June 03, 2011	570.15	552.85	561.50	1,248,793
12	Friday, June 10, 2011	562.80	547.50	555.15	962,779
13	Friday, June 17, 2011	545.70	535.00	540.35	768,007
14	Friday, June 24, 2011	509.25	485.10	497.18	818,705
15	Friday, July 01, 2011	530.15	514.55	522.35	1,129,682
16	Friday, July 08, 2011	557.20	539.40	548.30	1,370,309
17	Friday, July 15, 2011	544.45	523.30	533.88	924,077
18	Friday, July 22, 2011	555.40	540.60	548.00	890,314
19	Friday, July 29, 2011	552.10	537.90	545.00	693,782
20	Friday, August 05, 2011	567.40	518.10	542.75	1,108,456

21	Friday, August 12, 2011	534.00	513.50	523.75	558,687
22	Friday, August 19, 2011	522.05	433.40	477.73	645,245
23	Friday, August 26, 2011	433.20	416.20	424.70	585,868
24	Friday, September 02, 2011	439.95	350.65	395.30	315,810
25	Friday, September 09, 2011	280.55	248.60	264.58	17,447,180
26	Friday, September 16, 2011	333.05	242.90	287.98	13,216,913
	26 weeks' average			**527.75**	

Source: (www.nseindia.com)

6.1.8 The average of the daily high and low prices of the Shares on the NSE for a period of 2 weeks prior to the date of the meeting of the Board of the Target Company where the Preferential Allotment was proposed has been provided below:

Day No.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (No. of Shares)
1	September 05, 2011	280.55	280.55	280.55	62,696
2	September 06, 2011	252.50	252.50	252.50	136,090
3	September 07, 2011	272.70	227.25	249.98	11,414,284
4	September 08, 2011	268.40	248.50	258.45	3,816,903
5	September 09, 2011	270.70	255.10	262.90	2,017,207
6	September 12, 2011	264.95	239.40	252.18	1,938,368
7	September 13, 2011	257.65	246.70	252.18	1,111,813
8	September 14, 2011	276.60	248.00	262.30	3,105,072
9	September 15, 2011	302.75	277.50	290.13	5,047,572
10	September 16, 2011	333.05	305.30	319.18	2,014,088
	2 weeks' average			**268.03**	

Source: (www.nseindia.com)

6.1.9 In the opinion of the Manager to the Offer, the Acquirer and the PACs, the Offer Price of Rs. 528/- per Share is justified in terms of Regulation 20(4) of the SEBI (SAST) Regulations.

6.1.10 The Acquirer and/or PACs shall not acquire, after the date of the PA and upto 7 working days prior to the closure of the Offer, any Shares of the Target Company except in compliance with the SEBI (SAST) Regulations and the details of such acquisitions, including numbers, percentage, price, mode of acquisition and date of execution, shall be disclosed to the stock exchanges and to the Manager to the Offer within 24 hours thereof, in terms of Regulation 22(17) of the SEBI (SAST) Regulations. As per Regulation 22(17), the stock exchanges shall forthwith disseminate such information to the public.

6.1.11 In terms of Regulation 20(7) of the SEBI (SAST) Regulations, if the Acquirer and/or PACs acquire Shares of the Target Company after the date of the PA and up to 7 (seven) working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received and accepted under the Offer.

6.1.12 As per the SEBI (SAST) Regulations, the Acquirer can revise the Offer Price / Offer Size upward up to 7 (seven) working days prior to the closure of this Offer, and the revision, if any, would be announced in the same newspapers where the PA has appeared and the revised Offer Price will be paid for all Shares acquired pursuant to this Offer.

6.1.13 There is no non-compete agreement entered into by the Acquirer or PACs with any persons eligible to participate in the Offer.

6.2 **Financial Arrangements**

6.2.1 The total funding requirement for the Offer is Rs. 2,372,811,936/- (Rupees Two Billion Three Hundred Seventy Two Million Eight Hundred and Eleven Thousand Nine Hundred and Thirty Six only) (the "**Maximum Consideration**").

6.2.2 The Acquirer, the Manager to the Offer and ICICI Bank Limited, a banking corporation incorporated under the laws of India and acting through its branch office at Laxmi Towers, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051, have entered into an escrow agreement for the purpose of the Offer (the "**Escrow Agreement**") in accordance with Regulation 28 of the SEBI (SAST) Regulations. Pursuant to the Escrow Agreement, the Acquirer has deposited cash for an amount of Rs. 400,000,000/- (Rupees Four Hundred Million only) in an escrow account having number 055505075004 ("**Escrow Account**"), which is in excess of the minimum escrow amount required as per the SEBI (SAST) Regulations being the sum more than 25% of the value of the total consideration up to Rs. 1,000 million and 10% of the value of the total consideration beyond Rs. 1,000 million payable under the Offer (assuming full acceptances). The Manager to the Offer has been authorised to operate the Escrow Account in terms of the SEBI (SAST) Regulations.

6.2.3 The Acquirer and the PACs have adequate resources and have made firm financial arrangements for financing the acquisition of the Shares under the Offer, in terms of regulation 16(xiv) of the SEBI (SAST) Regulations. The Shares under the Offer will be acquired by the Acquirer and the PACs.

6.2.4 Horwath Mak, Chartered Accountants (through its Managing Partner, Mr. James Mathew having registration no. 548), having its address at Suite 16309, LOB 16, Jebel Ali Free Zone, P. O. Box 262794, Dubai, U.A.E., Tel: 009714 881 0902, Fax: 009714 881 0906, have *vide* its letter dated December 5, 2011 certified on the basis of their scrutiny of the Acquirer's and PACs' books of accounts, records and documents, that the Acquirer and the PACs have sufficient means and capability for the purpose of acquiring in cash 4,493,962 fully paid up Shares at an Offer Price of Rs. 528/- per Share for a total consideration of Rs. 2,372,811,936/- (Rupees Two Billion Three Hundred Seventy Two Million Eight Hundred and Eleven Thousand Nine Hundred and Thirty Six only).

6.2.5 Based on the above and in light of the escrow arrangement, the Manager to the Offer is satisfied with the ability of the Acquirer and the PACs to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

7 TERMS AND CONDITIONS OF THE OFFER

7.1 **Statutory Approvals**

7.1.1 The Acquirer had filed an application dated October 17, 2011 with the RBI to seek approval for, inter alia, acquiring the Shares tendered in the Offer in accordance with the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the consolidated foreign direct investment policy effective from October 1, 2011 and other circulars issued by the RBI ("**FEMA**"). The RBI, by its letter dated November 22, 2011, has returned this application in light of the RBI/2011-12/247 A.P. (DIR Series) Circular No. 43 dated November 4, 2011 which exempts transfer of shares from residents to non-residents, where the pricing is compliant with the relevant SEBI regulations including SEBI (SAST) Regulations, from the requirement to obtain approval of the RBI. However, RBI approval will be required for the Acquirer and / or the PACs to purchase Shares from such Shareholders who do not have general permission under the FEMA. GEMS Asia has, by letter dated December 1, 2011, sought permission from the RBI for acquiring Shares tendered in the Offer by (a) NRIs, (b) erstwhile OCBs, (c) persons resident outside India (other than NRIs and erstwhile OCBs) and (d) Shareholders not covered under the specific provisions of FEMA where the transfer of such Shares is not permitted under the automatic route. The RBI response to this letter has not been received as of the date of this Letter of Offer. The RBI may refuse to grant approval or the approval of RBI may be a conditional approval requiring the Acquirer and the PACs or any of them to again approach RBI for approval after the details of such non-resident Shareholders, who have tendered the Shares, are available. The acceptance of such Shares shall be subject to the terms of the RBI approval or if RBI approval is denied, then such tendered Shares shall not be accepted in the Offer.

7.1.2 As of the date of this Letter of Offer, to the best of the knowledge of the Acquirer and the PACs, there are no other statutory approvals required other than those specified in the above paragraph. The Acquirer and the PACs are not required to obtain an approval from the Competition Commission of India established under the Competition Act 2002 to implement the Offer. However, in case any other approval is required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals. The Acquirer and the PACs will have the right to not proceed with the Offer in the event any of the statutory approvals that are required, are refused in terms of Regulation 27 of the SEBI (SAST) Regulations.

7.1.3 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirer and the PACs for payment of consideration to public Shareholders of the Target Company, subject to the Acquirer and the PACs agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. However, if the delay in obtaining the requisite approval(s) occurs on account of the willful default or neglect or inaction or non-action by the Acquirer and the PACs, Regulation 22(13) of the SEBI (SAST) Regulations will become applicable and the amount held in the Escrow Account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12)(e) of the SEBI (SAST) Regulations.

7.1.4 The Acquirer and the PACs will have the right to make payment to the resident Shareholders and non-resident Shareholders in respect of whom no prior RBI approval is required and not accept Shares from the non-resident Shareholders in respect of whom prior RBI approval is required in the event of the aforesaid RBI approval being refused. In case of delay in the getting the aforesaid RBI approval, the Acquirer and the PACs have the option to make payment to the resident Shareholders and non-resident Shareholders in respect of whom no RBI approval is required who have validly tendered their Shares in the Offer as per the basis of acceptance, if any. Also, in the event the Offer is oversubscribed, the Registrar will hold in trust the Share Certificates or Shares held in credit of the special depository account (to the extent of oversubscription) for the resident Shareholders and non-resident Shareholders in respect of whom no RBI approval is required till the approval from RBI is received for acquiring Shares from non-resident Shareholders in respect of whom prior RBI approval is required. After the receipt of the RBI approval, the payment shall be made to the non-resident Shareholders in respect of whom prior RBI approval is required in accordance with the provisions of the SEBI (SAST) Regulations. However, in the event that the RBI approval is refused for one or more Shareholders and if the Offer is oversubscribed, the basis of acceptance will be revised and additional Shares will be accepted by the Acquirer and the PACs from resident Shareholders and such other non-resident Shareholders, in respect of whom no prior RBI approval is required and such non-resident Shareholders in respect of whom RBI approval is received and further consideration shall be paid for such accepted Shares as per the provisions under Regulation 22(12) of the SEBI (SAST) Regulations.

7.1.5 The Acquirer and the PACs may not be able to purchase any Shares tendered in the Offer if any statutory approval required to purchase such Shares are not received and the Acquirer and the PACs will be deemed to have no obligation to acquire such Shares even if tendered in such circumstances. In the event of such non receipt of statutory approvals, a public announcement will be made in the same newspapers in which the PA was made.

7.1.6 As per the SEBI (SAST) Regulations, the Acquirer and the PACs are required to complete all procedures relating to the Offer within a period of 15 days from the closure of the Offer.

7.2 **Locked In Shares**

Subject to the conditions governing this Offer as mentioned herein, the acceptance of this Offer by the Shareholders of the Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever. The Acquirer and the PACs shall accept locked-in Shares, if any, under the Offer subject to the continuation of the residual lock-in period in the hands of the Acquirer and the PACs as the case may be.

7.3 **Eligibility Criteria for Accepting the Offer**

7.3.1 All Shareholders (registered or unregistered), except the PACs and the parties to the MoU, who own the Shares of the Target Company are eligible to participate in the Offer any time before the closure of the Offer.

7.3.2 The Offer is not conditional upon any minimum level of acceptance and the Acquirer and the PACs will acquire the Shares of the Target Company that are validly tendered by the public Shareholders in terms of the Offer up to 4,493,962 Shares, subject to the conditions specified in the PA, Letter of Offer and Form of Acceptance cum Acknowledgement.

7.3.3 The Letter of Offer specifying the detailed terms and conditions of this Offer together with the Form of Acceptance cum Acknowledgement and Form of Withdrawal will be mailed to the Shareholders of the Target Company whose names appear on the register of members of the Target Company, at the close of business hours on Friday, October 21, 2011 (referred to as the "**Specified Date**"). The offer is made to (i) all the Shareholders whose names appeared in the register of Shareholders (except the PACs and the parties to the MoU) on the Specified Date, (ii) those persons who own the Shares any time prior to the closure of the Offer, but are not the registered Shareholder(s) as on the Specified Date and (iii) the beneficial owners of the dematerialized Shares, whose names appear as beneficiaries on the records of the respective depositories at the close of business hours on the Specified Date.

7.3.4 In case of non-receipt of the Letter of Offer, Form of Acceptance cum Acknowledgement and/or Form of Withdrawal, eligible persons, i.e. Shareholders of the Target Company other than the PACs and the parties to the MoU, who hold Shares in the physical form, may send their consent to participate in the Offer to Karvy Computershare Private Limited (Registrar to the Offer) on a plain paper stating their name, address, number of Shares held, distinctive numbers, folio number and number of Shares offered along with documents as mentioned in paragraph 8.5, so as to reach the Registrar to the Offer on or before the closure of the Offer (i.e. no later than Saturday, December 31, 2011), or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating their name, address, number of Shares held, number of Shares offered, depository participant ("**DP**") name, DP ID, beneficiary account number, and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer (i.e. no later than Saturday, December 31, 2011).

7.3.5 Shareholders who hold Shares in physical form and who wish to tender their Shares will be required to send the Form of Acceptance cum Acknowledgement, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in the section of this Letter of Offer titled "**Procedure for Acceptance and Settlement of the Offer**", to the Registrar to the Offer either by hand delivery during business hours or by registered post so that the same are received on or before the closing date i.e. Saturday, December 31, 2011.

7.3.6 In respect of dematerialized Shares, the credit for the Shares tendered must be received in the special depository account as specified in paragraph 8.6.1 of this Letter of Offer on or before Saturday, December 31, 2011.

7.3.7 The Registrar to the Offer will hold all Shares / Share certificates, transfer deed(s) and/or other documents on behalf of the Shareholders of the Target Company who accept this Offer in trust till the cheques / drafts / electronic fund transfer for the consideration are dispatched or unaccepted Share certificates / Shares, if any, are dispatched / returned to the relevant Shareholders.

7.3.8 The Acquirer and the PACs do not accept any responsibility for the decision of any Shareholder to either participate or refrain from participating in the Offer. The Acquirer and the PACs will not be responsible in any manner for any loss of Share certificate(s) and/or Offer acceptance documents during transit and the Shareholders of the Target Company are advised to adequately safeguard their interest in this regard. In case of any lacunae and/or defect or modifications in the documents/forms submitted, the acceptance is liable to be rejected.

7.3.9 Applications in respect of Shares that are the subject matter of litigation wherein the Shareholders of the Target Company may be prohibited from transferring the Shares during the pendency of the said litigation are liable to be rejected if the directions/ orders regarding these Shares are not received together with the Shares tendered with the Offer. The Letter of Offer in such cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

7.3.10 The Acquirer and the PACs will acquire the Shares, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter. Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

7.3.11 All owners (registered or unregistered) of Shares of the Target Company (except the PACs and parties to the MoU) holding Shares at any point of time before the closure of the Offer are eligible to participate in the Offer anytime before the closure of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer or its collections centres, on a plain paper stating their name, address, number of Shares held, number of Shares offered, Distinctive numbers, Folio number, together with the original Share Certificate(s), valid transfer deeds or a photocopy of the DP instruction slip duly acknowledged by the DP (in case of Shares held in dematerialized form), and the original contract notes issued by the broker through whom they acquired their Shares and/or such other documents as may be specified in the Letter of Offer. No indemnity is required from the unregistered owners.

7.4 **Others**

7.4.1 Accidental omission to dispatch the Letter of Offer or any further communication to any person to whom the Letter of Offer is or should be made or delay or the non-receipt of the Letter of Offer by any such person shall not invalidate the Offer in any way.

7.4.2 The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement and Form of Withdrawal constitute an integral part of the terms of the Offer.

7.4.3 Barring unforeseen circumstances and factors beyond their control, the Acquirer and the PACs intend to complete all formalities pertaining to the acquisition of the Shares, including dispatch of payment of consideration to the Shareholders whose Shares have been accepted in the Offer, by Saturday, January 14, 2012.

8 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1 Shareholders who wish to tender their Shares held in physical form will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer - Karvy Computershare Private Limited, Plot No. 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500081, Tel. No.: +91 40 44655000/23420815-23; Fax No.: +91 40 23431551 ("**Registrar to the Offer**") or at the collection centres mentioned in paragraph 8.4 below either by hand delivery on weekdays or by registered post (between 10.00 a.m. and 4.00 p.m. on all working days i.e. except Sundays and public holidays and between 10.00 a.m. and 1.00 p.m. on Saturdays) on or before the date of closure of the Offer in accordance with the instructions specified in the Form of Acceptance Cum Acknowledgement. The documents should not be sent to the Manager to the Offer or the Acquirer or PACs or the Target Company.

8.2 The Registrar to the Offer has opened a special depository account called, "**KCPL ESCROW A/C EVERONN OPEN OFFER**". The name of the Depository Participant ("DP") is Karvy Stock Broking Limited in National Securities Depository Limited ("**NSDL**"). Shareholders having their beneficiary account in Central Depository Services (India) Limited ("**CDSL**") have to use the inter depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL.

8.3 Beneficial owners (holders of Shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance cum Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the relevant Depository Participant ("DP"), in favour of the special depository account of the Registrar to the Offer, either by hand delivery on weekdays or by registered post (at Hyderabad), on or before the closure of the Offer in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance Cum Acknowledgement. The credit for the delivered Shares should be received in the special depository account on or before the closure of the Offer.

8.4 The Shareholders of the Target Company, who qualify and who wish to avail of and accept the Offer, can deliver the Form of Acceptance cum Acknowledgement along with all the relevant documents at the office of the Registrar to the Offer or any of the collection centres below in accordance with the procedure as set out in this Letter of Offer. All the centres mentioned herein below would be open as follows:

(between 10.00 a.m. and 4.00 p.m. from Monday to Friday and between 10.00 a.m. and 1.00 p.m. on Saturdays on or before the closure of the Offer. The centres will be closed on Sundays and Public Holidays)

S. No.	Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax	Mode of delivery
1.	Mumbai (Fort)	Karvy Computershare Pvt. Ltd. 24, Maharashtra Chamber of Commerce. Lane, Opp. MSC Bank, Fort, Mumbai – 400 023	Ms. Nutan Shirke	022-66381747 & 22842666	022-66331135	Hand Delivery
2.	New Delhi	Karvy Computershare Pvt. Ltd. 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110 001	Mr. Rakesh Kr Jamwal / Vinod Singh Negi / John Mathew	011-43681700	011-41036370	Hand Delivery
3.	Ahmedabad	Karvy Computershare Pvt. Ltd. 201-203, Shail, Opp. Madhusudhan House, Behind Girish Cold Drinks, Off C G Road, Ahmedabad – 380 006	Mr. Aditya Gupta/ Mr. Robert Joeboy	079-66614772 / 26400527	N.A.	Hand Delivery

S. No.	Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax	Mode of delivery
4.	Chennai	Karvy Computershare Pvt. Ltd. No. 33/1, Venkatraman Street, T. Nagar, Chennai – 600 017	Ms. Janaki	044-45900900	044-28153181	Hand Delivery
5.	Hyderabad	Karvy Computershare Pvt. Ltd. Plot No. 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500 081	Mr. Bhakta Singh	040-23420815-23 / 44655000	040-23431551	Hand Delivery / Regd. Post
6.	Kolkata	Karvy Computershare Pvt. Ltd. 49, Jatin Das Road, Nr. Deshpriya Park, Kolkatta – 700 029	Mr. Sujit Kundu / Mr. Debnath	033-24644891	033-24644866	Hand Delivery
7.	Bengaluru	Karvy Computershare Pvt. Ltd. No.59, Skanda, Putana Road, Basavanagudi, Bengaluru – 560 004	Mr. Kumaraswamy / Ms.V Sudha	080-26621192	080-26621169	Hand Delivery
8.	Mumbai (Andheri)	Karvy Computershare Pvt. Ltd. 7, Andheri Industrial Estate, Off. Veera Desai Road, Andheri West, Mumbai – 400 053	Ms. Neelam	022-26730799	022-26730152	Hand Delivery

Shareholders who cannot hand deliver their documents at the collection centers referred to above may send the same by registered post /speed post, at their own risk, to the Registrar to the Offer and not to any other collection centre so that the same are received on or before the close of business hours on the date of closure of the Offer.

Registered office address:
Karvy Computershare Private Limited
Karvy House, 46, Avenue 4, Street No. 1,
Banjara Hills, Hyderabad – 500 034
Tel: +91 – 40 – 23420815-23 / 44677000
Fax: +91 – 40 – 23431551
E-mail: murali@karvy.com
Contact: Mr. M. Murali Krishna / Mr. Williams

Correspondence address:
Karvy Computershare Private Limited
Plot No 17-24, Vithalrao Nagar,
Madhapur, Hyderabad – 500 081
Tel: +91 – 40 – 23420815-23 / 44655000
Fax: +91 – 40 – 23431551
E-mail: murali@karvy.com
Contact: Mr. M. Murali Krishna / Mr. Williams

8.5 For Shares held in physical form:

8.5.1 Registered Shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the Share certificates.

- Original Share certificate(s)

- Valid Share transfer deed / form(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate/ Notary Public/ or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor’s bank. The details of buyer should be left blank except for the signatures mentioned above failing which, the tender will be invalid under the Offer.

- In case of non receipt of the aforesaid documents, but receipt of the original Share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to have been accepted.

- Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target

Company or are not in the same order, such Shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such Shares.

8.5.2 Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.

- Original Share certificate(s).

- Original broker contract note.

- Valid Share transfer deed(s) as received from market. The details of buyer should be left blank failing which, the tender will be invalid under the Offer. Unregistered Shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered Shareholders. The details of the buyer will be filled upon verification of the Form of Acceptance cum Acknowledgement and other documents and the same being found valid. All other requirements for valid transfer will be preconditions for acceptance.

- The acknowledgement received, if any, from the Target Company in case the Shares have been lodged with the Target Company. Such persons should instruct the Target Company and its Registrar and Transfer agents to send the transferred Share certificate(s) directly to the Registrar to the Offer. The applicant should ensure that the Share certificate(s) reach the Registrar to the Offer before the date of closing of the Offer.

8.6 For Shares held in dematerialised form:

8.6.1 Beneficial owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by DP in favour of the special depository account (please see below) before the close of business hours on the date of closure of the Offer. The Registrar to the Offer has opened a special depository account details of which are as follows:

DP Name	*KARVY STOCK BROKING LIMITED*
DP ID	*IN300394*
Client ID	*18285358*
Account Name	*KCPL ESCROW A/C EVERONN OPEN OFFER*
Depository	*NSDL*

8.6.2 For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance cum Acknowledgement. Beneficial owners having their beneficiary accounts with CDSL have to use inter-depository delivery instruction slip for the purposes of crediting their Shares in favour of the special depository account with NSDL. The ISIN number allotted to Shares of the Target Company is INE678H01010. In case of non receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to be accepted. The Form of Acceptance cum Acknowledgement of such dematerialised Shares which are not credited in favour of the special depository account, before the date of closure of the Offer will be rejected. The Shareholders who have sent their physical Shares for dematerialization need to ensure that the process of getting Shares of the Target Company dematerialized is completed well in time so that the credit in the special depository account is received on or before closure of the Offer.

8.7 Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form of Acceptance cum Acknowledgement is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):

- Duly attested death certificate and succession certificate (in case of single Shareholder) in case the original Shareholder has expired.
- Duly attested power of attorney if any person apart from the Shareholder has signed Form of Acceptance cum Acknowledgement or transfer deed(s).
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

8.8 The Share certificate(s), Share transfer deed, Form of Acceptance cum Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer, at the collection centers mentioned above. **They should not be sent to the Manager to the Offer or the Acquirer or the PACs or the Target Company.**

8.9 Shareholders, while tendering their Shares in the Offer may indicate an option to receive the payment of Offer Price through electronic form by indicating in the space provided in the Form of Acceptance cum Acknowledgement. The payment consideration for Shares accepted under the Offer, in such cases, may be made through National Electronic Clearing Services (NECS), Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), as applicable, at specified centers where clearing houses are managed by the Reserve Bank of India, wherever possible. In other cases, payment of consideration would be made through cheque / demand draft / pay order sent by registered post / speed post. Shareholders who opt for receiving consideration through electronic form are requested to give the authorization for electronic mode of transfer of funds in the Form of Acceptance cum Acknowledgement, provide the Magnetic Ink Character Recognition / Indian Financial System Code of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Form of Acceptance cum Acknowledgement. In case of joint holders / unregistered owners, payments will be made in the name of the first holder / unregistered owner.

8.10 For the purposes of electronic transfer, in case of Shareholders opting for electronic payment of consideration and for purposes of printing on the cheque / demand draft / pay-order for the other cases, the bank account details will be directly taken from the depositories' database, wherever possible. A Shareholder tendering Shares in the Offer, is deemed to have given consent to obtain the bank account details from the Depositories, for this purpose. Only if the required details cannot be obtained from the depositories' database then the particulars provided by the Shareholders would be used.

8.11 For Shareholders, who do not opt for electronic mode of transfer and for those Shareholders, whose payment consideration is rejected / not credited through NECS / Direct Credit / RTGS / NEFT, due to any technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through speed post / registered post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the Shareholder is registered. It is advised that Shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque / demand draft / pay order. It will be the responsibility of the tendering Shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance cum Acknowledgement.

8.12 The minimum marketable lot for the purposes of acceptance, for both physical and demat Shares, would be one Share.

8.13 In case of non-receipt of this Letter of Offer / Form of Acceptance cum Acknowledgement / Form of Withdrawal, eligible Shareholders and unregistered owners (including beneficial owners) may download the same from SEBI's website (http://www.sebi.gov.in) or obtain a copy of the same by writing to the Registrar to the Offer clearly marking the envelope "Everonn Education Limited - Open Offer" by providing suitable documentary evidence of the acquisition of the Shares or make the application on plain paper. Shareholders holding Shares in physical form may send an application to the Registrar to the Offer, stating on plain paper their name, address, folio number, number of Shares held, distinctive numbers, number of Shares offered, bank particulars along with original Share Certificate(s), duly signed & witnessed transfer form(s), on or before the close of the Offer, i.e. by no later than 1:00 p.m. on Saturday, December 31, 2011. Beneficial owners may send an application to the Registrar to the Offer, stating on plain paper their name, address, DP name, DP ID, beneficiary account number, number of Shares held, number of Shares offered, bank particulars, photocopy of the delivery instructions in "Off market" mode or a counterfoil of the delivery instructions in "Off-market" mode duly acknowledged by the DP in favour of the special depository account mentioned above, as may be relevant, to the collection centres so as to reach on or before the close of business on the date of closure of the Offer, i.e. Saturday, December 31, 2011. The application should be signed by all the Shareholders as per the registration details available with the Target Company / Depositories and should be sent to the Registrar to the Offer in an envelope clearly marked "Everonn Education Limited - Open Offer". No indemnity would be required from unregistered Shareholders.

8.14 In case any person has submitted Shares in physical form for dematerialisation and such dematerialisation has not yet been effected, the concerned Shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by the Shareholder's DP. Such Shareholders should ensure that the process of getting the Shares dematerialised is completed well in time so that the credit of the Shares to the special depository account is completed on or before the date of closure of the Offer, failing which such an acceptance would be rejected. A copy of the delivery instructions acknowledged by the DP in favour of the special depository account should be forwarded to the collection centre where the Form of Acceptance cum Acknowledgement and other documents were tendered, before the close of business on the date of closure of the Offer. Alternatively, if the Shares sent for dematerialization are yet to be processed by the Shareholders depository participants, the Shareholders can withdraw their dematerialization request and tender the Share certificates in the Offer as per procedure mentioned in paragraph 8.5 above of this Letter of Offer.

8.15 While tendering the Shares under the Offer, NRIs / OCBs / non-resident Shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the Shares of the Target Company, if so required. In case the NRIs have acquired the Shares while they were residents under FEMA, a declaration to this effect should be provided. In case the previous RBI approvals or declaration from NRIs as aforesaid are not submitted, the Acquirer and the PACs reserve the right to reject such Shares tendered.

8.16 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, Shareholders desirous of withdrawing the acceptance tendered by them in the Offer, may do so up to 3 (three) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before Wednesday, December 28, 2011.

(i) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.

(ii) In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application to the Registrar to the Offer on plain paper along with the following details:

- In case of physical Shares: name, address, distinctive numbers, folio number, number of Shares tendered / withdrawn; and

- In case of dematerialized Shares: name, address, number of Shares offered / withdrawn, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

8.17 The Registrar to the Offer will hold in trust the Shares / Share certificates, Shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the Shareholders of the Target Company who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted Shares / Share Certificates are dispatched / returned.

8.18 To the extent of the Offer Size and in accordance with the Letter of Offer to be sent to the eligible Shareholders of the Target Company, the Shares of the Target Company that are validly tendered and accepted pursuant to this Offer are proposed to be acquired by the Acquirer and the PACs. In case the number of validly tendered Shares in the Offer are more than the Shares agreed to be acquired under the Offer, the Acquirer and the PACs shall accept the offers received from the Shareholders on a proportionate basis as per Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner. Rejected applications will be returned to the applicants by registered post.

8.19 Unaccepted / rejected Share certificates, Transfer Deeds and other documents, if any, will be returned by Registered Post at the Shareholders' / unregistered owners' sole risk to the sole/ first Shareholder. Unaccepted / rejected Shares held in demat form will be credited back to the beneficial owners depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement. It will be the responsibility of the Shareholders to ensure that the unaccepted Shares are accepted by their respective depository participants when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.

8.20 **Compliance with tax and other regulatory requirements**

A. **General**

a) As per the provisions of section 195(1) of the Income-tax Act, 1961 ("**I-T Act**"), any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under section 45 of the I-T Act or as business profits or interest income (if any) as the case may be, the Acquirer and the PACs are required to deduct taxes at source (including surcharge and education cess).

b) Resident and non-resident Shareholders (including FII) are required to submit their Permanent Account Number ("**PAN**") for income-tax purposes. In case PAN is not submitted or is invalid or does not belong to the Shareholder or is otherwise than as required by law, the Acquirer and the PACs will arrange to deduct tax at the rate of 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the I-T Act, or (if applicable) at the maximum rate as discussed in paragraphs (B) to (D) below, whichever is higher.

c) In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer and the PACs, it would be assumed that the Shareholder is a non-resident Shareholder and taxes may be deducted at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the I-T Act, on the entire consideration and interest if any, payable to such Shareholder.

d) Securities transaction tax will not be applicable to the Shares accepted in this Offer.

e) The provisions contained under clause b) and c) above shall apply notwithstanding anything contrary contained in paragraphs (B) to (D) below.

B. **Tax to be Deducted in case of Non-resident Shareholders**

While tendering Shares under the Offer, NRIs / OCBs / non-resident Shareholders shall be required to submit a No Objection Certificate ("**NOC**") / Tax Clearance Certificate ("**TCC**") from the Income-tax Authorities under Section 195(3) or Section 197 of the I-T Act along with the Form of Acceptance cum Acknowledgement, indicating the amount of tax to be deducted by the Acquirer and the PACs before remitting the consideration. The Acquirer and the PACs will arrange to deduct taxes at source in accordance with such NOC / TCC.

In case the aforesaid NOC or TCC is not submitted, the Acquirer and the PACs will arrange to deduct tax at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the I-T Act, on the entire consideration and interest if any, payable to such Shareholder.

C. **Withholding tax implications for FII**

a) As per provisions of section 196D(2) of the I-T Act, no deduction of tax at source will be made from any income by way of capital gains arising from transfer of securities referred to in section 115AD of the I-T Act to a FII as defined in section 115AD of the I-T Act.

b) A FII should certify ("**FII Certificate**") that the nature of its income arising from the sale of Shares in the Target Company as per the I-T Act is capital gains. In the absence of the FII Certificate (to the effect that their income from sale of Shares is in the nature of capital gains), the Acquirer and the PACs will deduct tax at the maximum rate applicable to the category to which such FII belongs on the entire consideration payable to such FII. Should FII submit a NOC or TCC from the Income-tax Authorities while tendering the Shares, indicating the amount of tax to be deducted by the Acquirer and the PACs under the I-T Act, the Acquirer and the PACs will deduct tax in accordance with the same.

c) In respect of interest income, FII should submit a NOC or TCC from the Income-tax Authorities indicating the amount of tax to be deducted by the Acquirer and the PACs under the I-T Act. The Acquirer and the PACs will deduct tax in accordance with the NOC / TCC so submitted. In absence of such NOC / TCC, the Acquirer and the PACs will arrange to deduct tax at the maximum rate applicable to the category to which such FII belongs.

D. **Tax to be deducted in case of resident Shareholders**

a) In absence of any specific provision under the I-T Act, the Acquirer and the PACs will not deduct tax on the consideration payable to resident Shareholders for acquisition of Shares.

b) The Acquirer and the PACs will deduct the tax at the stipulated rates (including applicable surcharge, education cess and secondary higher education cess) on interest, if any, payable to resident Shareholders, if the amount of interest payable is in excess of Rs. 5,000 (Rupees Five Thousand only).

c) The resident Shareholder claiming no tax is to be deducted or tax is to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance cum Acknowledgement, an NOC or

TCC from the Income-tax Authorities indicating the amount of tax to be deducted by the Acquirer and the PACs or, in the case of resident Shareholder not being a company or firm, a self declaration in Form 15G or Form 15H as may be applicable. The self declaration in Form 15G or Form 15H would not be valid unless the Shareholder furnishes PAN in such declaration. In case the aforesaid NOC or TCC or Form 15G or 15H, if applicable, is not submitted, the Acquirer and the PACs will arrange to deduct tax at the maximum rate as may be applicable to the category of the Shareholder under the I-T Act. Also, no tax is to be deducted on interest amount in the case of resident Shareholder being a Mutual Fund as per Section 10(23D) of the I-T Act or a Bank / an entity specified under Section 194A(3)(iii) of the I-T Act if it submits a copy of relevant registration or notification along with the Form of Acceptance cum Acknowledgement.

E. **Issue of withholding tax certificate**

The Acquirer and the PACs will issue a certificate in the prescribed form to the Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

F. **Withholding taxes in respect of overseas jurisdictions**

a) Apart from the above, the Acquirer and the PACs will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdiction where the non-resident Shareholder is a resident for tax purposes ("**Overseas Tax**").

b) For this purpose, the non-resident Shareholder shall duly represent in the Form of Acceptance cum Acknowledgement the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident, and the Acquirer and the PACs will be entitled to rely on this representation at their sole discretion.

G. Shareholders who wish to tender their Shares must submit the following information along with the Form of Acceptance cum Acknowledgement:

a) **Information requirement from non-resident Shareholder**

i) Self attested copy of PAN card

ii) NOC or TCC from the Income-tax Authorities

iii) Self attested declaration in respect of residential status, status of Shareholders (e.g. Individual, Firm, Company, FII, Trust, or any other - please specify)

iv) In case of FII, FII Certificate (i.e. self attested declaration certifying the nature of income arising from the sale of Shares is capital gains)

v) SEBI registration certificate for FII

vi) RBI and other approval(s) obtained for acquiring the Shares of the Target Company, if applicable

b) **Information requirement in case of resident Shareholder**

i) Self attested copy of PAN card

ii) Self attested declaration in respect of residential status, status of Shareholders (e.g. Individual, Firm, Company, Trust, or any other - please specify)

iii) If applicable, self declaration form in Form 15G or Form 15H (in duplicate), as applicable

iv) NOC or TCC from the Income Tax authorities (applicable only for the interest payment, if any)

v) For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the I-T Act – Copy of relevant registration or notification (applicable only for the interest payment, if any)

The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns. The tax rates and other provisions may undergo changes.

All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer/PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

8.21 Pursuant to Regulation 13 of the SEBI (SAST) Regulations, the Acquirer and the PACs have appointed ICICI Securities Limited as the Manager to the Offer and Karvy Computershare Private Limited as the Registrar to the Offer.

9 DOCUMENTS FOR INSPECTION

The following material documents will be available for inspection by the Shareholders of Target Company at ICICI Securities Limited, ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai – 400 020, Tel: +91 22 2288 2460, Fax: +91 22 2282 6580, between 10:00 a.m. and 5:00 p.m. on any day except Saturdays, Sundays and public holidays till the date of closure of the Offer.

9.1 Copies of Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer and GEMS Asia.

9.2 Copies of the audited financial statements for FY2010 and limited review of financial statements for FY2011 of the Acquirer.

9.3 Copies of audited annual reports of the Target Company for the last three financial years.

9.4 A copy of the MoU dated September 19, 2011 entered into between the Acquirer and the Target Company and as confirmed by SKIL Infrastructure Limited (SKIL), an existing promoter of the Target Company.

9.5 A copy of the board resolutions of the Acquirer and GEMS Asia authorising this Offer.

9.6 A copy of the Escrow Agreement dated September 22, 2011 entered into, for the purpose of the Offer, between the Acquirer, the Manager to the Offer and ICICI Bank Limited.

9.7 A letter from ICICI Bank Limited, dated September 22, 2011 confirming the amount kept in the Escrow Account and a lien in favour of the Manager to the Offer.

9.8 A copy of the letter dated December 5, 2011 issued by Horwath Mak, Chartered Accountants (through its Managing Partner, Mr. James Mathew having registration no. 548), certifying the adequacy of financial resources of the Acquirer and the PACs to fulfill their obligations under the Offer.

9.9 A copy of the letter dated October 6, 2011 issued by Horwath Mak, Chartered Accountants (through its Managing Partner, Mr. James Mathew having registration no. 548), certifying the networth of Mr. Sunny Varkey and Mrs. Sherly Varkey.

9.10 A copy of the agreement entered into with the Depository Participant for opening a special depository account for the purpose of the Offer.

9.11 A copy of the Public Announcement published on September 23, 2011.

9.12 A copy of the letter from SEBI in terms of proviso to Regulation 18(2) of the SEBI (SAST) Regulations dated November 28, 2011.

10 DECLARATION BY THE ACQUIRER AND PACS

The Acquirer and the PACs accept full responsibility for the information contained in this Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal. The Acquirer and the PACs shall be, severally and jointly, responsible for ensuring compliance with the SEBI (SAST) Regulations and for fulfilling their obligations as laid down in the SEBI (SAST) Regulations. All information contained in this document is as of the date of the Public Announcement, unless stated otherwise.

Mr. Sunny Varkey, Mr. Dino Varkey and Mr. Jay Varkey have been severally authorized by the board of directors of the Acquirer and GEMS Asia to sign this Letter of Offer.

For Varkey Group Limited	**The Persons Acting in Concert**		
	For GEMS Asia		
Sd/- **Mr. Jay Varkey** **Authorised Signatory**	Sd/- **Mr. Jay Varkey** **Authorised Signatory**	Sd/- **Mr. Sunny Varkey**	Sd/- **Mrs. Sherly Varkey**

Place: Mumbai

Date: December 5, 2011

Attached:

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal
3. Transfer deed for Shareholders holding Shares in physical form

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to Karvy Computershare Private Limited at any of the collection centres mentioned in the Letter of Offer)

From
Name:
Address:

OFFER	
OPENS ON	**Monday, December 12, 2011**
LAST DATE OF WITHDRAWAL	**Wednesday, December 28, 2011**
CLOSES ON	**Saturday, December 31, 2011**

Tel No.: Fax No.: E-mail:

To,
The Acquirer – Varkey Group Limited
C/o Karvy Computershare Private Limited,
Plot Nos. 17 - 24, Vithalrao Nagar, Madhapur,
Hyderabad – 500 081, India
Tel: +91-40-23420815-23 / 44655000, Fax: +91-40-2343 1551
Contact Person: M. Murali Krishna, E-mail: murali@karvy.com

Dear Sir/Madam,

Sub: Open Offer by Varkey Group Limited (the "Acquirer"), along with the Persons Acting in Concert ("PAC"), GEMS Education (Asia) 1 Limited ("GEMS Asia"), Mr. Sunny Varkey and Mrs. Sherly Varkey for acquisition of 4,493,962 fully paid-up equity shares of Everonn Education Limited (the "Target Company"), representing 20% of the Emerging Voting Capital of the Target Company at a price of Rs. 528 per fully paid-up equity share of face value Rs. 10 each, payable in cash (the "Offer").

I/We refer to the Letter of Offer dated December 5, 2011 for acquiring the Equity Shares held by me/us in Everonn Education Limited.

I/We, the undersigned, have read the Public Announcement, the corrigenda to the Public Announcement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We, holding shares in physical form, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive No.(s)		No. of Equity Shares
			From	To	
Total No. of Equity Shares					

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

SHARES HELD IN DEMAT FORM

I/We, holding shares in dematerialized form, accept the Offer and enclose a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by my/our DP in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Equity Shares

I/We have executed an off-market transaction for crediting the shares to the special depository account with Karvy Stock Broking Limited as the DP in NSDL styled **'KCPL ESCROW A/C EVERONN OPEN OFFER'** whose particulars are:

DP Name: Karvy Stock Broking Limited	**DP ID**: IN300394	**Client ID:** 18285358

Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their shares in favour of the Special Depository Account with NSDL.

Enclosures (Please tick as appropriate, if applicable)

- ☐ Duly attested Power of Attorney if any person apart from the shareholder has signed the application form and/or transfer deed(s)
- ☐ Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories
- ☐ Death Certificate/ Succession Certificate if the original shareholder is deceased
- ☐ NOC from the chargeholder/ lender, if the shares in respect of which the application is sent, are under any charge, lien or encumbrance
- ☐ RBI approvals for acquiring shares of Everonn Education Limited hereby tendered in the Offer, in case of non-resident shareholders
- ☐ Others (please specify): ____

— — — — — — — — — — — — — — — — — Tear along this line — — — — — — — — — — — — — — — — —

ACKNOWLEDGEMENT SLIP

Everonn Education Limited – Open Offer
(To be filled in by the shareholder) (Subject to verification)

Sr. No. _________

Received from Mr./Ms./M/s.____

Address ____

Physical shares: Folio No. _________________________ / Demat shares: DP ID ____________________; Client ID______________________________

Form of Acceptance along with:

- ☐ Physical shares: No. of shares ____________________; No. of certificates enclosed__________
- ☐ Demat shares: Copy of delivery instruction for ______________________ number of shares enclosed
(Tick whichever is applicable)

Stamp of Collection Centre

Signature of Official __________________________ Date of Receipt ___________________________

I/We confirm that the equity shares of Everonn Education Limited, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer and / or the PACs pay the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer and / or the PACs will pay the purchase consideration only after verification of the documents and signatures.

I/We authorize the Acquirer or the Registrar to the Offer to send by Speed Post/Registered Post/ or through electronic mode, as may be applicable, at my/our risk, the crossed account payee cheque, demand draft/pay order, or electronic transfer of funds in full and final settlement due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned above.

I/We note and understand that the shares would lie in the Special Depository Account until the time the Acquirer and / or the PACs make payment of purchase consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer and / or the PACs to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer and / or the PACs to return to me/us, share certificate(s) in respect of which the offer is not found valid/not accepted.

I/We authorize the Acquirer and / or the PACs to accept the shares so offered or such lesser number of shares that they may decide to accept in terms of the Letter of Offer

I/We authorize the Acquirer and / or the PACs to split / consolidate the share certificates comprising the shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer and / or the PACs are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

The Permanent Account No. (PAN/GIR No.) allotted under the Income Tax Act, 1961 is as under.

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN/GIR No.			
Ward No.			

So as to avoid fraudulent encashment in transit, shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank ________________________________ Branch _____________________ City ______________________

Account Number ________________________________ Savings/Current/Others (please specify) ________________________

For equity shares that are tendered in electronic form, the bank account details as contained from the beneficiary position provided by the depository will be considered and the draft/warrant/cheque will be issued with the said bank particulars.

For all shareholders

I / We, confirm that our residential status for the purposes of tax is:

☐ Resident ☐ Non-resident

I / We, confirm that our status is:

☐ Individual ☐ Firm ☐ Company ☐ Association of persons / body of individuals ☐ Trust ☐ Any other - please specify ____________________

I / We, have enclosed the following documents:

☐ Cancelled cheque or a photocopy of a cheque associated with the particular bank account where payment is desired, with MICR / IFSC code of the bank branch clearly mentioned on the cheque, if payment of consideration through ECS is required

For FII shareholders

I / We, confirm that the income arising from the transfer of shares tendered by me/ us is in the nature of: *(select whichever is applicable)*:

☐ Capital gains ☐ Any other income

I / We, have enclosed the following documents:

☐ Self attested copy of PAN card ☐ No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities ☐ SEBI Registration Certificate for FIIs

☐ FII Certificate (self attested declaration certifying the nature of income arising from the sale of shares, whether capital gains or otherwise)

☐ RBI approval for acquiring shares of Everonn Education Limited tendered herein, if applicable

For other Non-resident shareholders (except FIIs)

I / We, have enclosed the following documents:

☐ Self attested copy of PAN card ☐ No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities

☐ RBI approval for acquiring shares of Everonn Education Limited tendered herein

For Resident shareholders

I / We, have enclosed the following documents:

☐ Self attested copy of PAN card

☐ Self declaration form in Form 15G / Form 15H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any)

☐ No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities (applicable only for interest payment, if any)

☐ For Mutual funds / Banks / Notified Institutions under Section 194A(3)(iii) of the Income Tax Act, 1961, copy of relevant registration or notification (applicable only for interest payment, if any)

Yours faithfully,

Signed and Delivered,

	FULL NAME(S) OF THE HOLDER	SIGNATURE(S)
First/Sole Holder Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Note: In case of joint holdings, all holders must sign. In case of body corporate, the Company seal should be affixed and necessary Board resolutions should be attached.

Place: ____________________________ Date: ________________

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER i.e. SATURDAY, DECEMBER 31, 2011 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

Tear Here

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:

Karvy Computershare Private Limited
Unit: Everonn Education Limited Open Offer,
Plot Nos. 17 - 24, Vithalrao Nagar, Madhapur,
Hyderabad – 500 081, India
Tel: +91-40-23420815-23 / 44655000, Fax: +91-40-2343 1551
Contact Person: M. Murali Krishna, E-mail: murali@karvy.com

INSTRUCTIONS

1. PLEASE NOTE THAT NO EQUITY SHARES/FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE PACS, THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER
2. The Form of Acceptance should be filled-up in English only.
3. In the case of dematerialized shares, the shareholders are advised to ensure that their shares are credited in favour of the Special Depository Account, before the closure of the Offer i.e. Saturday, December 31, 2011. The Form of Acceptance-cum-Acknowledgement of such dematerialized shares not credited in favour of the Special Depository Account, before the closure of the Offer will be rejected.
4. Shareholders should enclose the following:

   a. For Equity shares held in demat form:

   Beneficial owners should enclose-

   - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the Depository Participant ('DP').
   - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.

   b. For Equity shares held in physical form:

   Registered shareholders should enclose-

   - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
   - Original Share Certificate(s)
   - Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Everonn Education Limited and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate or Notary Public or Bank Manager of a Bank where the shareholder holds an operative account, under their official seal.
   - The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer / PACs as buyer will be filled by the Acquirer / PACs upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

   Unregistered owners should enclose-

   - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
   - Original Share Certificate(s)
   - Original broker contract note
   - Valid Share Transfer form(s) as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected
   - Owners of shares who have sent their shares for transfer should enclose along with this Form duly completed and signed, copy of the letter sent to Everonn Education Limited for transfer of shares and valid share transfer form(s).

5. All the shareholders are advised to refer to paragraph 8.20 - Compliance with tax and other regulatory requirements in the Letter of Offer in relation to important disclosures regarding the taxes to be deducted on the consideration to be received by them.
6. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to Karvy Computershare Private Limited, the Registrar to the Offer and not to ICICI Securities Limited, the Manager to the Offer, the Acquirer, the PACs or the Target Company.
7. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in favour of the special depository account with NSDL.
8. While tendering the shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered.
9. FIIs are requested to enclose the SEBI Registration Certificate.
10. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at the collection centres of Karvy Computershare Private Limited as mentioned below.
11. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at the collection centres mentioned below on all days (excluding Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10.00am and 4.00pm and on Saturdays between 10.00am and 1.00pm).
12. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

    (a) duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single shareholder) if the original shareholder is deceased;

    (b) duly attested Power of Attorney if any person apart from the shareholder has signed the application form and/or transfer deed(s);

    (c) no objection certificates from the chargeholder/ lender, if the shares in respect of which the application is sent, are under any charge, lien or encumbrance;

    (d) in case of companies, the necessary corporate authorisation (including Board Resolutions);

    (e) any other relevant documentation [Please refer to paragraph 8.7 of the Letter of Offer]

13. <u>Payment Consideration</u>: Shareholders must note that on the basis of name of the Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance – cum – Acknowledgment, the Registrar to the Offer will obtain from the Depositories, the Shareholder's details including address, bank account and branch details. These bank account details will be used to make payment to the Shareholders. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Shareholders sole risk and neither the Acquirer, the PACs, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Shareholders for any loss caused to the Shareholders due to any such delay or liable to pay any interest for such delay. Physical shareholders are requested to fill up their bank account details in the 'Form of Acceptance cum Acknowledgment.

    The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns.

    All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer/PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

    The tax rates and other provisions may undergo changes.

COLLECTION CENTRES

No.	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax	Mode of delivery
1.	Mumbai (Fort)	Karvy Computershare Pvt. Ltd.24, Maharashtra Chamber of Commerce. Lane, Opp. MSC Bank, Fort, Mumbai – 400 023	Ms. Nutan Shirke	022-66381747 & 22842666	022-66331135	Hand Delivery
2.	Mumbai (Andheri)	Karvy Computershare Pvt. Ltd.7, Andheri Industrial Estate, Off. Veera Desai Road, Andheri West, Mumbai – 400 053	Ms. Neelam	022-26730799	022-26730152	Hand Delivery
3.	New Delhi	Karvy Computershare Pvt. Ltd.305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110 001	Mr. Rakesh Kr Jamwal / Vinod Singh Negi / John Mathew	011-43681700	011- 41036370	Hand Delivery
4.	Ahmedabad	Karvy Computershare Pvt. Ltd.201-203, Shail, Opp. Madhusudhan House, Behind Girish Cold Drinks, Off C G Road, Ahmedabad – 380 006	Mr. Aditya Gupta/ Mr. Robert Joeboy	079-66614772 / 26400527	N.A.	Hand Delivery
5.	Chennai	Karvy Computershare Pvt. Ltd.No. 33/1, Venkatraman Street,T. Nagar, Chennai – 600 017	Ms. Janaki	044-45900900	044-28153181	Hand Delivery
6.	Hyderabad	Karvy Computershare Pvt. Ltd.Plot No. 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500 081	Mr. Bhakta Singh	040-23420815-23 / 44655000	040-23431551	Hand Delivery / Regd. Post
7.	Kolkata	Karvy Computershare Pvt. Ltd.49, Jatin Das Road, Nr. Deshpriya Park, Kolkatta – 700 029	Mr. Sujit Kundu / Mr. Debnath	033-24644891	033-24644866	Hand Delivery
8.	Bengaluru	Karvy Computershare Pvt. Ltd.No.59, Skanda, Putana Road, Basavanagudi, Bengaluru – 560 004	Mr. Kumaraswamy / Ms.V Sudha	080- 26621192	080-26621169	Hand Delivery

Applicants who cannot hand deliver their documents at the Collection Centres, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at any of the Collection Centres so as to reach the Registrar to the Offer on or before the last date of acceptance i.e. Saturday, December 31, 2011.

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER I.E. SATURDAY, DECEMBER 31, 2011 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to Karvy Computershare Private Limited at any of the collection centres mentioned in Letter of Offer)

From
Name:
Address:

OFFER	
OPENS ON	Monday, December 12, 2011
LAST DATE OF WITHDRAWAL	Wednesday, December 28, 2011
CLOSES ON	Saturday, December 31, 2011

Tel No.: Fax No.: E-mail:

To,
The Acquirer – Varkey Group Limited
C/o Karvy Computershare Private Limited,
Plot Nos. 17 - 24, Vithalrao Nagar, Madhapur,
Hyderabad – 500 081, India
Tel: +91-40-23420815-23 / 44655000, Fax: +91-40-2343 1551
Contact Person: M. Murali Krishna, E-mail: murali@karvy.com

Dear Sir/Madam,

Sub: Open Offer by Varkey Group Limited (the "Acquirer"), along with the Persons Acting in Concert ("PAC"), GEMS Education (Asia) 1 Limited ("GEMS Asia"), Mr. Sunny Varkey and Mrs. Sherly Varkey for acquisition of 4,493,962 fully paid-up equity shares of Everonn Education Limited (the "Target Company"), representing 20% of the Emerging Voting Capital of the Target Company at a price of Rs. 528 per fully paid-up equity share of face value Rs. 10 each, payable in cash (the "Offer").

I/We refer to the Letter of Offer dated December 5, 2011 for acquiring the Equity Shares held by me/us in Everonn Education Limited.

I/We, the undersigned, have read the Public Announcement, the corrigenda to the Public Announcement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/we further authorise the Acquirer and/or the PACs to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our shares from the Offer, no claim or liability shall lie against the Acquirer/ PACs/ Manager to the Offer/ Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or mentioned overleaf as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. Wednesday, December 28, 2011.

I/We note that the Acquirer/ PACs/ Manager to the Offer/ Registrar to the Offer shall not be liable for any postal delay/loss in transit of the shares held in physical form and also for the non-receipt of shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer and/or the PACs will return the original share certificate(s), share transfer deed(s) and shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depositories from time to time.

SHARES HELD IN PHYSICAL FORM

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive No.(s)		No. of Equity Shares
			From	To	
Total No. of Shares (in case of insufficient space, please attach a separate sheet)					

SHARES HELD IN DEMAT FORM

I/We hold the following Shares in dematerialised form and had done an off-market transaction for crediting the shares to the special depository account with Karvy Stock Broking Limited as the DP in NSDL styled 'KCPL ESCROW A/C EVERONN OPEN OFFER' with the particulars:

DP Name: Karvy Stock Broking Limited	DP ID: IN300394	Client ID: 18285358

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my/our Shares have been tendered are as detailed below:-

DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares

I/We note that the shares will be credited back only to that depository account, from which the shares have been tendered and necessary standing instructions have been issued in this regard.

In case of dematerialised shares, I/we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

I/We confirm that the particulars given above are true and correct.

Yours faithfully,

Signed and Delivered:

	Full name(s) of the Holder(s)	PAN Number(s)	Signature(s)
First/Sole Holder Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all shareholders must sign. In case of body corporate, the Company seal should be affixed and necessary Board resolutions should be attached.

Place: ____________________________ Date: ________________

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ACKNOWLEDGEMENT SLIP **Everonn Education Limited – Open Offer – Withdrawal Form** Sr. No. ____________

Received Form of Withdrawal from Mr. /Ms. ____

Address ____

Physical shares: Folio No.______________/Demat shares: DP ID _______________ Client ID_____________

for __________number of shares.

Stamp of Collection Centre

Signature of Official ________________________________ Date of Receipt _______________

INSTRUCTIONS

1. Shareholders desirous of withdrawing their acceptances tendered in the Offer can do so by Wednesday, December 28, 2011 i.e. up to three (3) working days prior to the close of the Offer, i.e. Saturday, December 31, 2011.

2. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance-cum-Acknowledgement.

3. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar to the Offer at the collection centres below on all days (excluding Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10.00am and 4.00pm and on Saturdays between 10.00am and 1.00pm).

No.	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax	Mode of delivery
1.	Mumbai (Fort)	Karvy Computershare Pvt. Ltd.24, Maharashtra Chamber of Commerce. Lane, Opp. MSC Bank, Fort, Mumbai – 400 023	Ms. Nutan Shirke	022-66381747 & 22842666	022-66331135	Hand Delivery
2.	Mumbai (Andheri)	Karvy Computershare Pvt. Ltd.7, Andheri Industrial Estate, Off. Veera Desai Road, Andheri West, Mumbai – 400 053	Ms. Neelam	022-26730799	022-26730152	Hand Delivery
3.	New Delhi	Karvy Computershare Pvt. Ltd.305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110 001	Mr. Rakesh Kr Jamwal / Vinod Singh Negi / John Mathew	011-43681700	011- 41036370	Hand Delivery
4.	Ahmedabad	Karvy Computershare Pvt. Ltd.201-203, Shail, Opp. Madhusudhan House, Behind Girish Cold Drinks, Off C G Road, Ahmedabad – 380 006	Mr. Aditya Gupta/ Mr. Robert Joeboy	079-66614772 / 26400527	N.A.	Hand Delivery
5.	Chennai	Karvy Computershare Pvt. Ltd.No. 33/1, Venkatraman Street,T. Nagar, Chennai – 600 017	Ms. Janaki	044-45900900	044-28153181	Hand Delivery
6.	Hyderabad	Karvy Computershare Pvt. Ltd.Plot No. 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500 081	Mr. Bhakta Singh	040-23420815-23 / 44655000	040-23431551	Hand Delivery / Regd. Post
7.	Kolkata	Karvy Computershare Pvt. Ltd.49, Jatin Das Road, Nr. Deshpriya Park, Kolkatta – 700 029	Mr. Sujit Kundu / Mr. Debnath	033-24644891	033-24644866	Hand Delivery
8.	Bengaluru	Karvy Computershare Pvt. Ltd.No.59, Skanda, Putana Road, Basavanagudi, Bengaluru – 560 004	Mr. Kumaraswamy / Ms.V Sudha	080- 26621192	080-26621169	Hand Delivery

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All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:

Karvy Computershare Private Limited
Unit: Everonn Education Limited Open Offer,
Plot Nos. 17 - 24, Vithalrao Nagar, Madhapur,
Hyderabad – 500 081, India
Tel: +91-40-23420815-23 / 44655000, Fax: +91-40-2343 1551
Contact Person: M. Murali Krishna, E-mail: murali@karvy.com

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