

GLOBAL EDUCATION LIMITED

CIN: L80301MH2011PLC219291

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GEL/CS/39

Wednesday, the 21st February, 2018

To,
The Manager
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex, Bandra (East),
Mumbai-400051, Maharashtra, India

Sub: Reply to Clarification sought

Reference: Symbol: GLOBAL (Series: SM)

ISIN No: INE 291 W01011

Dear Sir/Madam,

With reference to your clarification sought on the announcement regarding outcome of Board meeting held on 17th February, 2018, submitted by the Company vide its letter reference no. GEL/CS/38 dated 17th February, 2018, regarding the reasons for the deferment of Acquisition., we wish to provide the details of the announcement and reasons thereof.

1. The Board of Directors of the Company has reconsidered/reviewed the followings, viz.,

- (a) The Board of Directors has reconsidered/reviewed the decision taken at 65th Board Meeting held on 16th March 2017 at Nagpur regarding:
- Authorization for Acquisition, by way of purchase or otherwise, of the equity shares of M/s Gold Bid Limited, a Company incorporated outside India to make it a Subsidiary of the Company.
 - Authorization for Acquisition, by way of purchase or otherwise, of the equity shares of M/s Scholfin Technologies Private Limited (CIN:U74900MH2016PTC272942), a Company incorporated in India by making it a Subsidiary of the Company;

and now decided to defer the said decision till finalization of viability process for investment opportunity.



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Reasons for the Deferment of Acquisition:

- **Backward Integration:** The proposed acquisition of *Gold Bid Limited* a Company incorporated outside India has come out as Backward integration rather than Vertical Integration.
- **Negative Synergy impact:** The proposed acquisition was unable to reach the desired targets in terms of cost-savings from synergies and economies of scale. The expected outcome after the proposed acquisition was not able to justify the management's vision and current economic scenario of investment opportunity
- **Withholding tax:** India also has a very comprehensive withholding tax regime which acts an obligation on the payer company to withhold taxes on specified payments to non-residents and on payments to residents which are chargeable to tax.
- Recoverability of tax dues/credits of the Target entity
- Changes in Indirect Tax laws and Introduction of GST (Goods & Service Tax) is also one of the reason to defer the propose acquisition.
- **Other regulatory changes:**
 1. GAAR Impact on the proposed acquisition.
 2. The amendments to the India-Mauritius treaties and lack of clarity on that part.

Considering the above reasons the Board of Directors at its Board meeting held on 17th February, 2018 have decided to reconsidered/reviewed/ Deferment of the above acquisitions.

You are therefore, kindly requested to place the aforesaid information on records and do the needful. Meantime, kindly acknowledge the receipt.

Sincerely,

For GLOBAL EDUCATION LIMITED



PREETI PACHERIWALA
COMPANY SECRETARY

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