

**HARIBHAKTI & CO.**

Chartered Accountants

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Career Launcher  
Education  
Infrastructure  
and Services  
Limited

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Statutory Audit for  
the Year ended  
March 31, 2012

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**Auditors' Report**

To  
The Members of  
Career Launcher Education Infrastructure and Services Limited

1. We have audited the attached Balance Sheet of Career Launcher Education Infrastructure and Services Limited ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit,
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.



Our Offices :

Ahmedabad • Bangalore • Chennai • Coimbatore • Hyderabad • Kolkata • Mumbai • New Delhi • Pune

- v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.



For Haribhakti & Co.  
Chartered Accountants  
Firm Registration No.: 103523W

A handwritten signature in black ink, appearing to read "Raj Kumar Agarwal".

Raj Kumar Agarwal  
Partner

Membership No.: 074715

Place: Greater Noida  
Date: July 31, 2012

**ANNEXURE TO AUDITORS' REPORT**

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of **Career Launcher Education Infrastructure and Services Limited** on the Financial Statements for the year ended March 31, 2012]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) The Company is engaged in providing various infrastructure facilities, soft skills, educational and consultancy programs and does not hold any inventory. Accordingly clauses (ii)(a), (ii)(b), (ii)(c) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable.
- (iii) (a) The Company has granted loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 175,965,256 and the year-end balance of loans granted to such parties was Rs. 70,265,256.
- (b) *In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans given to Career Launcher Infrastructure Private Limited, wholly owned subsidiary of the Company, are prima facie, prejudicial to the interest of the Company.*
- (e) The Company has not taken any unsecured loan from a company covered in the register maintained under section 301 of the Companies Act, 1956 and accordingly clauses (iii) (f) and (g) are not applicable.
- (iv) *In our opinion and according to the information and explanations given to us, the management is in process of strengthening the existing internal control system in order to make it adequate and commensurate with the size of the Company and the nature of its business with regard to the sale of services. Accordingly, during the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company. There are no transactions with respect to purchase of inventory and sale of goods.*
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.



- (vi) The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) *In our opinion, the Company is in progress of strengthening the internal audit system as regards coverage of significant areas, that is, sales of services and reconciliation of debtors and creditors to make it commensurate with the size and nature of its business.*
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix) (a) According to information and explanations given to us, and on the basis of our examination of the records of the Company, undisputed statutory dues including income-tax, employees' state insurance and service tax have generally been regularly deposited during the year by the Company with appropriate authorities.  
Statutory dues including investor education and protection fund, sales tax, wealth tax, custom duty and excise duty are not applicable to the company.
- (b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, investor education and protection fund, wealth-tax, sales-tax, customs duty, excise duty, cess and other statutory dues were outstanding, at the yearend for a period of more than six months from the date they became payable. *Details of service tax, employees' state insurance and income tax deducted at source outstanding at the year end for a period of more than six months from the date it became payable are as follows:*

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment
Finance Act, 2004	Service Tax	1,176,586	Year ended March 31, 2011	March 31, 2011	July 30, 2012
Finance Act, 2004	Service Tax	427,911	April 2011 to September 2011	5 <sup>th</sup> of every month	July 30, 2012
Employees' state insurance	Employees' state insurance	41,965	April 2011 to September 2011	21 <sup>st</sup> of every month	Not paid (pending registration)
Income tax act, 1961	Tax deducted at source	16,935	April 2011 to September 2011	7 <sup>th</sup> of every month	July 30, 2012

- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. The company has no outstanding dues in respect of financial institutions or debenture holders.



- (xii) According to the information and explanation given to us, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the company has given guarantee for loans taken by subsidiary company amounting ₹ 210,000,000, from banks, the terms and conditions whereof in our opinion are not, prima facie, prejudicial to the interest of the company.
- (xvi) According to the information and explanation given to us, we are of the opinion that the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The company has not raised any fund from public issues.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.



For Haribhakti & Co.  
Chartered Accountants  
Firm Registration No.: 103523W

A handwritten signature in black ink, appearing to read "Raj Kumar Agarwal".

Raj Kumar Agarwal  
Partner  
Membership No.: 074715

Place: Greater Noida  
Date: July 31, 2012

**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2012**

	Note	March 31, 2012	(Amount in ₹) March 31, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	92,802,620	92,802,620
Reserves and surplus	4	605,091,719	618,985,286
		<u>697,894,339</u>	<u>711,787,906</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	694,552	-
Deferred tax liabilities	32	-	44,874
Other long term liabilities	6	912,400	630,000
Long Term Provisions	7	582,630	367,412
		<u>2,189,582</u>	<u>1,042,286</u>
<b>Current liabilities</b>			
Trade payables	8	554,848	345,072
Other current liabilities	9	9,503,106	10,570,577
Short term provisions	7	188,549	25,825
		<u>10,246,503</u>	<u>10,941,474</u>
<b>TOTAL</b>		<u><b>710,330,424</b></u>	<u><b>723,771,666</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
- Tangible assets	10	2,990,683	1,981,738
- Intangible assets	11	319,101	1,107,363
Non-current investments	12	337,264,104	187,264,104
Long term loans and advances	13	20,353,467	22,425,205
Other non current assets	14	11,552	248,014
		<u>360,938,907</u>	<u>213,026,424</u>

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**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED  
BALANCE SHEET AS AT MARCH 31, 2012**

Continued from previous page

	Note	March 31, 2012	(Amount in ₹) March 31, 2011
<b>Current assets</b>			
Trade receivables	15	39,779,994	59,428,137
Cash and bank balances	16	53,958,571	311,658,509
Short term loans and advances	17	255,504,640	137,655,058
Other current assets	18	148,312	2,003,538
		<u>349,391,517</u>	<u>510,745,242</u>
<b>TOTAL</b>		<u><b>710,330,424</b></u>	<u><b>723,771,666</b></u>
Summary of significant accounting policies	2		

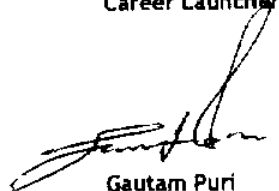
The accompanying notes form an integral part of the financial statements.

As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
Firm Registration No.:103523W

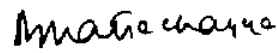


Raj Kumar Agarwal  
Partner  
Membership No.:074715

For and on behalf of board of directors of  
Career Launcher Education Infrastructure and Services Limited



Gautam Puri  
Managing Director



Sujit Bhattacharyya  
Director



Syed Talib Mehdi  
Company Secretary

Place: GREATER NOIDA  
Date: July 31, 2012

Place: GREATER NOIDA  
Date: July 31, 2012





**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012**

	Note	Year ended March 31, 2012	Year ended March 31, 2011
(Amount in ₹)			
<b>Income</b>			
Revenue from operations	19	40,442,686	16,816,448
Other income	20	33,159,857	16,227,047
<b>Total revenue</b>		<b>73,602,543</b>	<b>33,043,495</b>
<b>Expenses</b>			
Employee benefits expense	21	25,043,438	12,771,378
Finance cost	22	474,702	1,211,174
Depreciation and amortization expenses	23	1,473,127	1,718,111
Other expenses	24	28,539,000	14,398,812
<b>Total expenses</b>		<b>55,530,267</b>	<b>30,099,475</b>
<b>Profit before prior period items, exceptional item and tax</b>		<b>18,072,276</b>	<b>2,944,020</b>
Prior period expense/(income), (net)	25	80,834	(232,499)
<b>Profit before exceptional item and tax</b>		<b>17,991,442</b>	<b>3,176,519</b>
Exceptional items			
- Bad trade receivables written off	36	31,929,883	-
<b>(Loss)/profit before tax</b>		<b>(13,938,441)</b>	<b>3,176,519</b>
Tax expense			
- Current year tax		-	-
- MAT credit		-	(121,935)
-Tax for earlier years		-	729,855
-Deferred tax (benefit)/charge		(44,874)	44,874
<b>Total tax (benefit)/expense</b>		<b>(44,874)</b>	<b>652,794</b>
<b>(Loss)/profit for the year</b>		<b>(13,893,567)</b>	<b>2,523,725</b>
<b>(Loss)/earnings per share (in ₹):</b>	29		
(nominal value of ₹ 10 per share)			
-Basic (before exceptional item)		1.94	0.32
-Basic (after exceptional item)		(1.49)	0.32
-Diluted		(1.49)	0.32
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.

As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
Firm Registration No.:103523W

Raj Kumar Agarwal  
Partner  
Membership No.:074715

For and on behalf of board of directors of  
Career Launcher Education Infrastructure and Services Limited

Gautam Puri  
Managing Director

Sujit Bhattacharyya  
Director

Syed Talib Mehdi  
Company Secretary

Place: GREATER NOIDA  
Date: July 31, 2012

Place: GREATER NOIDA  
Date: July 31, 2012



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

	Year ended March 31, 2012	(Amount in ₹) Year ended March 31, 2011
<b>Cash flows from operating activities</b>		
Net Profit before tax	(13,938,441)	3,176,519
<i>Adjustments for:</i>		
Depreciation and amortization	1,473,127	1,718,111
Finance costs	474,702	1,211,174
Loss on sale of assets, net	156,005	40,356
Exceptional item	31,929,883	-
Bad trade receivables written off	165,315	792,878
Interest income	(32,605,833)	(15,722,669)
	<b>1,593,199</b>	<b>(11,960,150)</b>
Operating loss before working capital changes	(12,345,242)	(8,783,631)
<i>Movement in assets and liabilities, net</i>		
(Increase)/decrease in trade receivables	(12,447,055)	12,840,053
(Increase)/decrease in short term loan and advances	(952,487)	247,192
Increase/ (decrease) in short term provisions	162,724	(786,840)
Increase/(decrease) in trade Payables	209,776	(13,564,967)
(Decrease)/Increase in other current liabilities	(1,144,269)	912,774
Decrease/(increase) in other non current assets	236,462	(143,321)
Increase in other long term liabilities	282,400	536,125
Increase in long term provisions	215,218	367,412
	<b>(13,437,231)</b>	<b>408,428</b>
<b>Cash used in operations</b>	<b>(25,782,473)</b>	<b>(8,375,203)</b>
Less: taxes paid, net of refund	(1,624,934)	(2,178,541)
<b>Net cash used in operating activities</b>	<b>(27,407,407)</b>	<b>(10,553,744)</b>
<b>Cash flows from investing activities</b>		
Capital expenditure on fixed assets and capital work in progress	(2,050,817)	(409,226)
Proceeds from sale of fixed assets	201,002	48,000
Loans given to related parties	(249,876,312)	(19,405,000)
Loans realised from related parties	34,744	835,000
Inter-corporate deposits realised	5,090,580	6,282,448
Investment in fixed deposits	193,177,202	(240,000,000)
Interest income	16,011,624	2,792,837
<b>Net cash used in investing activities</b>	<b>(37,411,977)</b>	<b>(249,855,941)</b>

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**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**


Continued from previous page

	Year ended March 31, 2012	(Amount in ₹) Year ended March 31, 2011
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares	-	15,633,790
Premium on issue of equity shares	-	334,359,867
Share issue expenses	-	(2,120,859)
Proceeds from long term borrowings (including current maturities)	1,000,000	-
Repayment of long term borrowings (including current maturities)	(234,888)	(14,561,037)
Finance cost	(468,464)	(1,892,129)
<b>Net cash generated from financing activities</b>	<b>296,648</b>	<b>331,419,632</b>
Net decrease in cash and cash equivalents	(64,522,736)	71,009,947
<b>Cash and cash equivalents (Refer note 16)</b>		
-Beginning of the year	71,658,509	648,562
-End of the year (A)	7,135,773	71,658,509
Deposits with original maturity of more than three months (B) (Refer to note 15)	46,822,798	240,000,000
<b>Cash and bank balances as per balance sheet (A+B)</b>	<b>53,958,571</b>	<b>311,658,509</b>

Summary of significant accounting policies (refer note 2)

- i. The notes referred above form an integral part of the financial statements.
- ii. The above Cash flow statement has been prepared under the indirect method set out in AS-3 the Companies (Accounting Standard) Rules, 2006 (as amended).

As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
Firm Registration No.:103523W

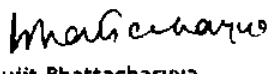
  
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Partner  
Membership No.:074715

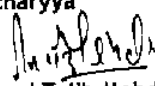
Place: GREATER NOIDA  
Date: July 31, 2012

For and on behalf of board of directors of  
Career Launcher Education Infrastructure and Services Limited

  
Gautam Puri  
Managing Director

Place: GREATER NOIDA  
Date: July 31, 2012

  
Sujit Bhattacharyya  
Director

  
Syed Talib Mehdi  
Company Secretary



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**1. BACKGROUND**

Career Launcher Education Infrastructure and Services Limited ('the Company') was incorporated in India on June 16, 2005 to provide various infrastructure facilities, soft skills, educational and consulting programs. The Company is a subsidiary of CL Educate Limited (formerly known as Career Launcher (India) Limited) that holds 57.57% of its share capital. The accompanying financial statements reflect the results of the activities undertaken by the Company during the year 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(i) Basis for preparation of Financial Statements:

The Financial Statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provision of the Companies Act, 1956.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision in accounting estimate is recognized prospectively in current and future periods.

(ii) Revenue recognition

- a) Soft Skill fee is fee charged from different schools on revenue sharing basis and is recognized on accrual basis over the year of rendering services.
- b) License fee on account of grant of brand on non exclusive basis is onetime fee charged from different schools and is recognised in the year in which contract is executed
- c) School fee from students is recognized on accrual basis.
- d) Income from interest on deposit, loans and interest bearing securities is recognized on the time proportion method.
- e) Dividend income is recognized, when the right to receive the same is established.



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

(iii) Fixed Assets

*Tangible Assets*

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

*Intangible Assets*

Intangible Assets are stated at their cost of acquisition, less accumulated amortization and impairment loss thereon if any. An intangible asset is recognized where it is probable that future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

(iv) Depreciation / Amortization

Depreciation and amortisation has been calculated on Straight Line Method at the following rates, based on management estimates, which are equal to or higher than the rates specified as per schedule XIV of the Companies Act, 1956, which in the opinion of the management are reflective of the estimated useful lives of the Fixed Assets.:-

Particulars	Useful life (years)
<b>Tangible Assets:</b>	
Furniture and Fixtures	10
Office Equipment	10
Vehicle	10
Computer Equipment	5
Leasehold improvements	3
<b>Intangible Assets:</b>	
Trademark	5
Software	5
Intellectual property rights	Amortised over a period of 5-10 years using straight line method based on the management's assessment of useful life.
Goodwill	5 years from the date of acquisition of business.

Depreciation and amortisation on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation and amortisation on sale/discard from fixed assets is provided for upto the date of sale, deduction or discard of fixed assets as the case may be.

All assets costing ₹ 5,000 or below are depreciated in full by a one-time depreciation charge.

(v) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. An Impairment loss is charged to the Statement of profit and loss in the year in which an asset is impaired.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

(vi) Borrowing Cost

Borrowing costs are determined in accordance with the provisions of Accounting Standard 16 "Borrowing Cost". Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(vii) Foreign exchange transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at cost.

Any income or expense on account of exchange differences either on settlement or on translation of transactions is recognized in the Statement of profit and loss.

(viii) Employee Benefits

(a) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as Short term employee benefits. Benefits such as salaries, wages, and bonus etc are recognized in the Statement of profit and loss in the period in which the employee renders the related service.

(a) Long term employee benefits:

(i) Defined contribution plans:

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952). These contributions are made to the fund administered and managed by the Government of India.

The Company's contributions to the scheme are expensed off in the Statement of profit and loss. The Company has no further obligations under these plans beyond its monthly contributions.

(ii) Defined Benefit Plans:

Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the statement of profit and loss. The expected return on plan assets is based on the assumed rate of return of such assets. The Company contributes to a fund set up by the Life Insurance Company Limited.



CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(iii) Other Long Term Employee Benefits:

Benefits under the Company's leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gain and losses are recognized immediately in the Statement of profit and loss.

(iv) Employee stock option scheme

The stock options are accounted as per the accounting treatment prescribed by the Guidance Note on accounting for employee share based payments issued by The Institute of Chartered Accountants of India, whereby the value of the option being, excess of fair value of the underlying share, as determined by the independent valuer immediately prior to the date of award over its exercise price is recognized as deferred employee compensation with a credit to Employee stock options outstanding account. The deferred employee compensation is charged to Statement of profit and loss on straight line basis over the vesting period of the option. The balance in employee stock option outstanding account net of any unamortized deferred employee compensation is shown separately as part of shareholders fund.

(ix) Investment

Accounting treatment

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are stated at acquisition cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Current investments are valued at lower of cost and market value on individual investment basis.

Classification in the financial statements

Investments that are realizable within the period of twelve months from the balance sheet date are classified as current investment. All other investments are classified as non-current investments.

(x) Leases

*Operating Leases*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

*Finance lease*

Leases where the lessor effectively transfers substantially all the risks and benefits of ownership over the lease term are classified as finance lease.

Assets taken on finance lease are capitalized at fair value or net present value of the minimum lease payments, whichever is lower.



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

(xi) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

(xii) Taxation

a) Tax expense comprises of Current and deferred taxes. Current Income Tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

b) Deferred Tax expense or benefit is recognized on timing difference between accounting and taxable income that originates in one year and is capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and laws that are enacted or substantively enacted by the balance sheet date.

The Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which these assets can be realized in future where as in cases of existence of carry forward of losses or unabsorbed depreciation, deferred tax assets are recognized only if there is virtual certainty of realization backed by convincing evidence. Deferred tax assets are reviewed at each balance sheet date.

c) Minimum alternative tax payable under the provisions of the Income Tax Act 1961 is recognized as an asset in the year in which credit becomes eligible and is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates.

(xiii) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

(xiv) Provisions and Contingencies

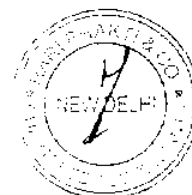
Provisions are recognized when the Company has a present obligation as a result of past events and it is more likely that an outflow of resources will be required to settle the obligations and the amount has been reliably estimated. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect management's current estimates.

Disclosure for a contingent liability is made where it is more likely than not that a present obligation or possible obligation may result in or involve an outflow of resources. When no present or possible obligation exists and the possibility of an outflow of resources is remote, no disclosure is made.

Contingent Assets are neither recognized nor disclosed in the financial statements.

(xv) Material events

Material Events occurring after the Balance Sheet date are taken into cognizance.





CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

3. Share capital

The Company has only one class of share capital having a par value of ₹ 10 per share, referred to herein as equity share.

Particulars	March 31, 2012		March 31, 2011	
	Numbers	Amount in ₹	Numbers	Amount in ₹
<b>Authorised shares</b>				
Equity shares of ₹ 10/- each (previous year ₹ 10/-)	10,000,000	100,000,000	10,000,000	100,000,000
<b>Issued, subscribed and fully paid up shares</b>				
Equity shares of ₹ 10/- each (previous year ₹ 10/-)	9,280,262	92,802,620	9,280,262	92,802,620
	<b>9,280,262</b>	<b>92,802,620</b>	<b>9,280,262</b>	<b>92,802,620</b>

a) Reconciliation of shares outstanding as at the beginning and at the end of the reporting period

Particulars	March 31, 2012		March 31, 2011	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	9,280,262	92,802,620	7,716,883	77,168,830
Issued During the period	-	-	1,563,379	15,633,790
Outstanding at the end of the year	<b>9,280,262</b>	<b>92,802,620</b>	<b>9,280,262</b>	<b>92,802,620</b>

b) Terms/rights attached to equity share

*Voting*

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held.

*Dividends*

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.

*Liquidation*

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by the holding company / ultimate holding company and/or their associates/ subsidiaries.

Name of share holders	March 31, 2012			March 31, 2011		
	Numbers	Amount in ₹	% held	Numbers	Amount in ₹	% held
i. CL Educate Limited (Formerly known as Career Launcher (India) Limited), the holding company	5,343,008	53,430,080	57.57	5,343,008	53,430,080	57.57



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**d) Details of shareholders holding more than 5% shares in the company**

Name of share holders	March 31, 2012			March 31, 2011		
	Numbers	Amount in ₹	% held	Numbers	Amount In ₹	% held
i. CL Educate Limited (Formerly known as Career Launcher (India) Limited), the holding company	5,343,008	53,430,080	57.57	5,343,008	53,430,080	57.57
ii. Bilakes Exports Private Limited	962,500	9,625,000	10.37	962,500	9,625,000	10.37
iii. Housing Development Finance Corporation (HDFC)	938,028	9,380,280	10.11	938,028	9,380,280	10.11
iv. GPE (India) Ltd.	886,437	8,864,370	9.55	886,437	8,864,370	9.55
v. Shantanu Prakash	478,820	4,788,200	5.16	478,820	4,788,200	5.16

e) No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back.

**f) Shares reserved for issue under options**

The company has one stock option plan. Employee stock options are convertible into equity shares in accordance with the respective employees' stock option plan.

Pursuant to the resolution passed by the Board of Directors at its meeting on September 30, 2008, the Company introduced "Career Launcher Employee Options Plan 2008" which provides for the issue of 250,000 equity shares to employees of the Company and its subsidiaries. All the above options granted are planned to be settled in equity at the time of exercise and have maximum vesting period of 3 years from the date of respective grants. As at March 31, 2012 and March 31, 2011 the company had 19,000 and 15,000 number of shares reserved for issue under the scheme respectively. (Also refer to note 36).

**4. Reserves and surplus**

**4.1 Securities premium**

	March 31, 2012	(Amount in ₹) March 31, 2011
Opening balance	644,242,743	312,003,735
Add: Premium on issue of equity shares	-	334,359,867
Less : Amount utilized towards share issue expenses	-	(2,120,859)
<b>Closing balance (A)</b>	<b>644,242,743</b>	<b>644,242,743</b>

**4.2 Surplus/ (deficit) in the Statement of Profit and Loss**

	March 31, 2012	(Amount in ₹) March 31, 2011
Opening balance	(25,257,457)	(27,781,182)
Add:-Profit after tax for the year from statement of profit and loss	(13,893,567)	2,523,725
<b>Closing balance (B)</b>	<b>(39,151,024)</b>	<b>(25,257,457)</b>
<b>Total reserves and surplus (A+B)</b>	<b>605,091,719</b>	<b>618,985,286</b>



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**5. Long term borrowings**

	(Amount in ₹)			
	Non Current Portion		Current Portion	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
<b>Term Loan</b>				
Vehicle loan from banks (secured)	694,552	-	169,239	98,679
Amount disclosed under the head "other current liabilities" (refer note 9)	-	-	(169,239)	(98,679)
<b>Net Amount</b>	<b>694,552</b>	<b>-</b>	<b>-</b>	<b>-</b>

Vehicle loan from bank carries interest @ 12.24% p.a. The loan is repayable in 60 monthly instalments of ₹ 22,140 each along with interest, from the date of loan, viz., 14 June 2011. The loan is secured by hypothecation of vehicle.

**6. Other long term liabilities**

	(Amount in ₹)	
	March 31, 2012	March 31, 2011
Security Deposit Received	912,400	630,000
	<b>912,400</b>	<b>630,000</b>

**7. Provisions**

Particulars	(Amount in ₹)			
	Long-term		Short-term	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Provision for employee benefits (Also refer note 27)				
Provision for leave encashment	582,630	367,412	188,549	25,825
	<b>582,630</b>	<b>367,412</b>	<b>188,549</b>	<b>25,825</b>

**8. Trade payables (Also refer note 33)**

Particulars	(Amount in ₹)	
	March 31, 2012	March 31, 2011
Trade payable	554,848	345,072
	<b>554,848</b>	<b>345,072</b>

**9. Other current liabilities (Also refer note 33)**

	(Amount in ₹)	
	March 31, 2012	March 31, 2011
Current Maturities of long term borrowings	169,239	98,679
Interest accrued but not due on borrowings	6,821	583
Others		
- Employees related payables	1,697,837	4,105,284
- Payables for expenses	4,529,861	2,233,392
- Advance from customers (advance fees)	577,050	954,050
- Other liabilities (represent statutory liabilities payable to government authorities)	2,522,298	3,178,589
	<b>9,503,106</b>	<b>10,570,577</b>



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**10. Tangible assets**

Particular	Gross block (at cost)			Accumulated depreciation		Net block			
	As at April 1, 2011	Additions	Disposals/ Adjustments	As at March 31, 2012	As at April 1, 2011	Depreciation for the year	Disposals/ Adjustments	As at March 31, 2012	As at March 31, 2011
<b>Own assets</b>									
Office Equipment	1,019,513	-	-	1,019,513	176,419	92,102	-	750,992	843,094
Computer hardware	932,666	205,126	26,300	1,111,492	260,124	210,604	14,815	655,579	672,542
Vehicles	510,902	1,375,300	503,402	1,382,800	143,953	112,142	157,880	1,284,585	366,949
Furniture and Fixtures	732,172	43,400	-	775,572	633,019	58,600	-	83,953	99,153
Lease hold improvement	908,822	220,000	-	1,128,822	908,822	4,426	-	215,574	-
<b>Total</b>	<b>4,104,075</b>	<b>1,843,826</b>	<b>529,702</b>	<b>5,418,199</b>	<b>2,122,337</b>	<b>477,874</b>	<b>172,695</b>	<b>2,990,683</b>	<b>1,981,738</b>
Previous year	3,795,199	409,226	100,350	4,104,075	1,731,254	403,077	11,994	1,981,738	

**11. Intangible assets**

Particular	Gross block (at cost)			Accumulated amortisation		Net block			
	As at April 1, 2011	Additions	Disposals/ Adjustments	As at March 31, 2012	As at April 1, 2011	Depreciation for the year	Disposals/ Adjustments	As at March 31, 2012	As at March 31, 2011
Website	3,554,770	30,000	-	3,584,770	3,025,537	521,694	-	37,539	529,333
Education Manual Software	2,750,000	-	-	2,750,000	2,334,110	415,890	-	-	415,890
	307,000	176,991	-	483,991	144,760	57,669	-	281,562	162,240
<b>Total</b>	<b>6,611,770</b>	<b>206,991</b>	<b>-</b>	<b>6,818,761</b>	<b>5,504,407</b>	<b>995,253</b>	<b>-</b>	<b>319,101</b>	<b>1,107,363</b>
Previous year	6,611,770	-	-	6,611,770	4,189,373	1,315,034	-	1,107,363	



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**12. Non current investments**

	<u>March 31, 2012</u>	<u>(Amount in ₹) March 31, 2011</u>
<b>Unquoted, non - trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in subsidiaries</b>		
Career Launcher Infrastructure Private Limited		
98,468 (As at 31 March, 2011: 98,468) fully paid up equity shares of face value of ₹ 10 each	186,764,104	186,764,104
150,000 (As at 31 March, 2011: Nil) fully paid up preference shares of face value of face value ₹ 10 each *	150,000,000	-
	<u>336,764,104</u>	<u>186,764,104</u>
<b>Investment in shares of others</b>		
Energy Plantation Project Private Limited		
50,000 (March 31, 2011: 50,000) fully paid equity shares of face value of ₹ 10 each	500,000	500,000
	<u>337,264,104</u>	<u>187,264,104</u>

\* The Company has purchased shares of Career Launcher Infrastructure Private Limited (subsidiary company) by the way of conversion of unsecured loan granted to the subsidiary company.

**13. Long-term loans and advances**

	<u>March 31, 2012</u>	<u>(Amount in ₹) March 31, 2011</u>
<b>Unsecured, considered good</b>		
Advance income tax (net of provisions ₹ Nil (As at 31 March, 2011 ₹ Nil))	12,959,559	11,334,625
Inter-corporate deposits	7,393,908	11,090,580
	<u>20,353,467</u>	<u>22,425,205</u>

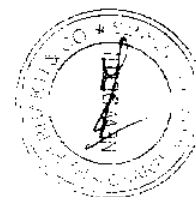
**14. Other non-current assets**

	<u>March 31, 2012</u>	<u>(Amount in ₹) March 31, 2011</u>
<b>Unsecured, considered good</b>		
Gratuity fund assets	11,552	248,014
	<u>11,552</u>	<u>248,014</u>

**15. Trade receivables**

	<u>March 31, 2012</u>	<u>(Amount in ₹) March 31, 2011</u>
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment *	20,767,994	48,045,345
Others *	19,012,000	11,382,792
	<u>39,779,994</u>	<u>59,428,137</u>

\* Includes amount due from related parties. Refer note 34



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**16. Cash and bank balances**

	<u>March 31, 2012</u>	<u>(Amount in ₹) March 31, 2011</u>
<b>Cash and cash equivalents</b>		
Cash on hand	4,165	27,656
Balances with banks		
-in current accounts	7,131,608	71,630,853
-Deposits with original maturity of less than three months		
	<u>7,135,773</u>	<u>71,658,509</u>
<b>Other bank balances</b>		
Deposits with original maturity of more than three months but realizable within twelve months from balance sheet date	46,822,798	240,000,000
	<u>53,958,571</u>	<u>311,658,509</u>

**17. Short term loans and advances**

	<u>March 31, 2012</u>	<u>(Amount in ₹) March 31, 2011</u>
<b>Unsecured, considered good, unless stated otherwise</b>		
Loans and advances to related parties (refer note 34)	242,447,555	125,550,460
Loans and advances to employees	71,768	-
Security deposit	11,748,125	11,508,125
Other loans and advances		
- Other advances recoverable in cash or kind	942,515	250,390
- Prepaid expenses	294,677	346,083
	<u>255,504,640</u>	<u>137,655,058</u>

**18. Other current assets**

	<u>March 31, 2012</u>	<u>(Amount in ₹) March 31, 2011</u>
Interest accrued on fixed deposits	148,312	1,405,478
Interest accrued on income tax refund	-	589,560
Income accrued but not due	-	8,500
	<u>148,312</u>	<u>2,003,538</u>

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**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**19. Revenue from operations**

	Year ended March 31, 2012	(Amount in ₹) Year ended March 31, 2011
<b>Sale of services</b>		
- Revenue from soft skill fee	15,738,313	9,206,786
- Revenue from school fee	7,886,800	4,427,317
- Revenue from license fee	12,384,633	1,890,662
	<u>36,009,746</u>	<u>15,524,765</u>
<b>Other operating revenue</b>		
- Bus fee	1,234,600	893,433
- other	3,198,340	398,250
	<u>4,432,940</u>	<u>1,291,683</u>
	<u>40,442,686</u>	<u>16,816,448</u>

**20. Other income**

	Year ended March 31, 2012	(Amount in ₹) Year ended March 31, 2011
Interest on Bank deposits	12,024,719	1,561,644
Interest on loans given to related parties (refer note 34)	20,581,114	13,571,465
Interest on Income tax refund	-	589,560
Other non-operating income		
- Liabilities written back	277,328	332,736
- Miscellaneous income	276,696	171,642
	<u>33,159,857</u>	<u>16,227,047</u>

**21. Employee benefits expense**

	Year ended March 31, 2012	(Amount in ₹) Year ended March 31, 2011
Salaries, wages and other benefits	22,979,515	11,863,058
Contribution to provident and other funds (refer note 28)	368,886	236,690
Leave encashment expenses (refer note 28)	524,255	-
Gratuity (refer note 28)	344,796	-
Staff welfare expenses	825,986	671,630
	<u>25,043,438</u>	<u>12,771,378</u>

**22. Finance cost**

	Year ended March 31, 2012	(Amount in ₹) Year ended March 31, 2011
Interest expense on borrowings	92,973	1,205,095
Interest on statutory dues	376,507	-
Bank charges	5,222	6,079
	<u>474,702</u>	<u>1,211,174</u>



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**23. Depreciation and amortisation expenses**

	Year ended March 31, 2012	(Amount in ₹) Year ended March 31, 2011
Depreciation of tangible fixed assets	477,874	403,077
Amortisation of intangible fixed assets	995,253	1,315,034
	<u>1,473,127</u>	<u>1,718,111</u>

**24. Other expenses**

	Year ended March 31, 2012	(Amount in ₹) Year ended March 31, 2011
Administration expenses	3,037,232	1,518,081
Electricity	125,627	116,108
Repairs and maintenance - Buildings	413,650	229,775
Repairs and maintenance - Others	223,612	142,187
Insurance	67,728	34,781
Rates and taxes	108,154	95,632
Communication	399,246	257,604
Travelling and conveyance	5,783,725	2,308,925
Printing and stationery	157,467	288,045
Legal and professional (refer note 28)	2,338,956	847,160
Bad trade receivables written off	165,315	792,878
Loss on fixed assets sold / written off	156,005	40,356
Miscellaneous expenses	381,346	239,621
Sales and marketing	4,497,083	976,773
Revenue share	1,610,111	902,359
Lease rent	120,000	-
Infrastructure charges	1,380,000	1,380,000
Recruitment and training expenses	912,948	296,881
Retainership fees	6,660,795	3,931,646
	<u>28,539,000</u>	<u>14,398,812</u>

**25. Prior period expenses/(income)**

	Year ended March 31, 2012	Year ended March 31, 2011
Salaries, wages and other benefits	40,834	-
Legal and professional	40,000	60,001
Soft skill fees	-	(292,500)
	<u>80,834</u>	<u>(232,499)</u>





**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**26. Contingent liabilities**

Contingent liabilities not provided for:

- (i) Corporate guarantee amounting ₹ 215,000,000 (Previous Year ₹ 750,000,000) for loan taken by subsidiary company.
- (ii) TDS demands pending in appeals/ show cause notice amounting ₹ 646,236 (Previous year ₹ Nil).

**27. Employee benefits obligations**

The Company has in accordance with the Accounting Standard-15 'Employee Benefits' has calculated the various benefits provided to employees as under:

**A. Defined contribution plans**

**a. Provident fund.**

During the year the Company has recognized the following amounts in the statement of profit and loss:-

	(Amount in ₹)	
	Year ended March 31, 2012	Year ended March 31, 2011
Employers contribution to provident fund *	325,484	236,690
Employers contribution to ESI *	43,402	-
	<b>368,886</b>	<b>236,690</b>

\* Also refer note 21

**B. Defined employee benefits and other long term benefit schemes:**

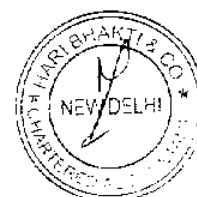
The present value obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations. The summarized positions of various defined benefits are as under:

**I. Actuarial assumptions**

Particulars	Gratuity	
	Year ended March 31, 2012	Year ended March 31, 2011
Discount rate (per annum)	8.78	8.50
Expected rate of increase in compensation levels	5.00	5.50
Expected rate of return on plan assets	9.00	9.00
Retirement age (Years)	58	58
Mortality table	LIC (1994-96)	
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 Years	2.00	2.00
Above 44 Years	1.00	1.00

**Note:**

The discount rate has been assumed at 8.78% p.a. which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

II. Change in Benefit Obligation

Particulars	(Amount in ₹)			
	Gratuity		Leave Encashment	
	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2011
Present value of obligation at the beginning of the year	275,971	376,027	393,237	690,730
Current service cost	205,700	123,254	438,295	171,644
Interest cost	24,230	31,962	34,526	58,712
Past service cost	-	-	-	-
Benefit paid	(242,163)	-	(146,313)	(111,539)
Net actuarial (gain)/loss recognized in the year.	157,935	(255,272)	51,434	(416,310)
Present value of obligation at the end of the year	421,673	275,971	771,179	393,237

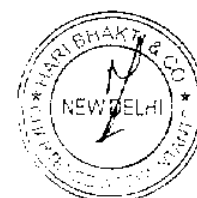
III. Fair Value of Plan Assets during the year

Particulars	(Amount in ₹)			
	Gratuity		Leave Encashment	
	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2011
Fair value of plan assets at the beginning of the year	523,985	480,720	-	-
Expected return on plan assets	47,159	43,265	-	-
Contributions	108,334	-	-	-
Benefits paid	(242,163)	-	-	-
Actuarial gain/ (loss) on Plan Assets	(4,090)	-	-	-
Fair value of plan assets at the end of the year	433,225	523,985	-	-

IV. Expenses Recognised in the Statement of Profit and Loss for the year

Particulars	(Amount in ₹)			
	Gratuity		Leave Encashment	
	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2011
Current service cost	205,700	123,254	438,295	171,644
Interest cost	24,230	31,962	34,526	58,712
Past service cost	-	-	-	-
Expected return on plan assets	(47,159)	(43,265)	-	-
Net actuarial (gain)/ loss to be recognized	162,025	(255,272)	51,434	(416,310)
Expense recognised in Statement of profit and loss	344,796	(143,321)	524,255	(185,954)

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CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

V. Amount Recognised in the Balance Sheet

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2011
Present value of obligation as at the end of the year	421,673	275,971	771,179	393,237
Fair value of plan assets as at the end of the year	433,225	523,985	-	-
Funded status	11,552	248,014	(771,179)	(393,237)
Net assets/(liability) recognized in Balance Sheet as at March 31 (Note a)	11,552	248,014	(771,179)	(393,237)
Amount classified as:				
Short term provision (refer note 7)	-	-	188,549	25,825
Long term provision (refer note 7)	11,552	248,014	582,630	367,412

V. Experience on actuarial Gain / (Loss) for PBO and Plan Assets.

a) Gratuity

Particulars	(Amount in ₹)		
	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
On Plan PBO	(180,592)	241,933	68,149
On Plan Assets	(4,090)	-	2,364

b) Leave Encashment

Particulars	(Amount in ₹)		
	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
On Plan PBO	(84,445)	395,497	123,283
On Plan Assets	-	-	-

- c) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- d) The Company's gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities.

28. Auditors remuneration (excluding service tax)

	(Amount in ₹)	
	Year ended March 31, 2012	Year ended March 31, 2011
Statutory audit	350,000	300,000
Other	-	100,000
Out of pocket expenses	-	31,718
<b>Total</b>	<b>350,000</b>	<b>431,718</b>



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**29. Earnings per share**

The calculation of Earnings per Share (EPS) has been made in accordance with Accounting Standard (AS) - 20. A statement on calculation of Basic and Diluted EPS is as under:

	Reference	Units	Year ended March 31, 2012	Year ended March 31, 2011
Profit after tax	A	₹	(13,893,567)	2,523,725
Add: Exceptional item	B	₹	31,929,883	-
Profit after tax but before exceptional item	C=A+B	₹	18,036,316	2,523,725
Weighted average no. of equity shares	D	Nos.	9,280,262	7,866,674
Add: Dilutive potential equity shares	E	Nos.	19,000	-
Number of equity shares (of ₹ 10 each) for Dilutive EPS	F=D+E	Nos.	9,299,262	7,866,674
Basic earnings per share (before exceptional item (C/D))		₹	1.94	0.32
Basic earnings per share (after exceptional item (A/D))		₹	(1.49)	0.32
Diluted earnings per share (A/F)		₹	(1.49)	0.32

**30. Segment reporting**

**Primary Segment**

Based on similarity of activities, risks and reward structure, organization structure and internal reporting systems, the company operates in one business segment mainly comprising provision of education and related services.

**Geographic Segment**

Since the company's activities / operations are primarily within the country and considering the nature of services it deals in, the risks and returns are same and as such there is only one geographical segment.

**31. Leases**

The company is a lessee under an operating lease. Rental expense for operating leases for the years ended March 31, 2012 was ₹ 120,000 (previous year nil). The maximum obligations on non-cancellable operating lease payable as per the rentals stated in the respective agreements:

	Year ended March 31, 2012	Year ended March 31, 2011
Not later than one year	120,000	-
Later than one year but not later than five year	-	-
Later than five year	-	-
	<b>120,000</b>	<b>-</b>

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**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**32. Deferred tax assets**

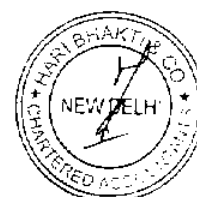
The Company estimates the deferred tax charge/credit using applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. The component of deferred tax as at 31 March 2012 is as under:

Particulars	(Amount in ₹)		
	As at March 31, 2011	Benefit/ (Charge) for the year	As at March 31, 2012
Deferred tax liability arising on account of:			
- Depreciation	(44,874)	(119,603)	(164,477)
Deferred tax asset arising on account of:			
Provision for gratuity, leave encashment and unabsorbed losses (to the extent of deferred tax liability)	-	164,477	164,477
	(44,874)	44,874	-

As per Accounting Standard 22 "Accounting for taxes on income", in the absence of virtual certainty of realization of unabsorbed depreciation and accumulated carried forward business losses as at 31 March 2012, deferred tax asset has been recognized to the extent of deferred tax liability arising out of depreciation on fixed assets.

**33. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:**

	(Amount in ₹)	
	Year ended March 31, 2012	Year ended March 31, 2011
<b>Balance of trade payables</b>		
- Principal amount due to Micro, Small and Medium Enterprises	-	-
- Principal amount due to Others	554,848	345,072
<b>Total</b>	554,848	345,072
<b>Balance of other current liabilities</b>		
- Principal amount due to Micro, Small and Medium Enterprises	-	-
- Principal amount due to Others	11,609,396	10,570,577
<b>Total</b>	11,609,396	10,570,577
<b>Interest accrued and due at the end of the year</b>		
- Interest on payments due to Micro, Small and Medium Enterprises	-	-
- Interest on payments due to others	-	-
- Interest due and payable on amounts paid during the year to Micro, Small and Medium Enterprises beyond the appointed date	-	-
<b>Total</b>	-	-
<b>Paid during the year</b>		
Principal amount (including interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-	-
- Principal amount	-	-
- Interest thereon	-	-
Principal amount (excluding interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-	-
<b>Others</b>		
- Interest accrued in the prior year and paid during the year	-	-
- Interest accrued during the year and paid during the year	-	-



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**34. Related Party Disclosure**

The Disclosure as required by the Accounting Standard -18 (Related Party Disclosure) are given below:-

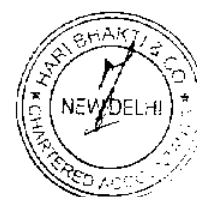
(a) List of related parties with whom transactions have taken place and relationships:

- |  |   |   |
|--|---|---|
| a) Holding Company   | : | CL Educate Limited (formerly known as Career Launcher (India) Limited).     |
| b) Subsidiary Company  | : | Career Launcher Infrastructure Private Limited.                             |
| c) Enterprises in which key management personnel and their relatives are able to exercise significant influence. | : | Nalanda Foundation<br>Career Launcher Education Foundation<br>CLEF AP Trust |
| d) Key Management Personnel  | : | Sujit Bhattacharya<br>Shiva Kumar*  |

\* Director from 5<sup>th</sup> August, 2011.

(b) Details of related party transactions are as below:

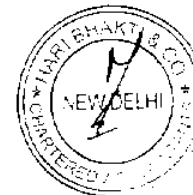
Particulars	Year ended March 31, 2012	(Amount in ₹) Year ended March 31, 2011
<b>1. Revenue from soft skill fees</b>		
Nalanda Foundation	10,723,960	5,876,996
<b>2. Revenue from license fees</b>		
Nalanda Foundation	11,000,000	750,000
<b>3. Other income</b>		
Nalanda Foundation	8,475,459	4,570,240
CLEF AP Trust	1,283,718	943,640
Career Launcher Education Foundation	9,191,409	6,840,033
<b>4. Finance cost</b>		
CL Educate Limited	-	1,152,488
<b>5. Reimbursement of expenses</b>		
To Nalanda Foundation	299,116	-
From Nalanda Foundation	506,000	-
To CL Educate Limited	561,796	216,515
From CL Educate Limited	9,000	-
To CLEF AP Trust	1,900	3,325
<b>6. Lease rent</b>		
To CL Educate Limited	120,000	-
<b>7. Infrastructure charges</b>		
To CL Educate Limited	1,380,000	1,380,000
<b>8. Short term loans and advances (given)</b>		
Career Launcher Infrastructure Private Limited	210,300,000	23,805,144
CLEF AP Trust	300,000	405,000
Nalanda Foundation	38,826,312	6,100,000
Career Launcher Education Foundation	450,000	2,900,000



**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	<u>Year ended</u> <u>March 31, 2012</u>	<u>Year ended</u> <u>March 31, 2011</u>
<b>9. Short term loans and advances (realised)</b>		
Career Launcher Infrastructure Private Limited	150,034,744	2,569,951
Nalanda Foundation	-	300,000
Career Launcher Education Foundation	-	30,000
<b>10. Purchase of fixed assets from</b>		
CL Educate Limited	-	382,226
<b>11. Non-current investment in subsidiary (Equity Shares)</b>		
Career Launcher Infrastructure Private Limited	150,000,000	-
<b>12. Short term borrowings</b>		
CL Educate Limited	-	50,000
<b>13. Short term borrowings repaid</b>		
CL Educate Limited	-	17,342,780
<b>14. Revenue share (paid to)</b>		
Career Launcher Infrastructure Private Limited	683,835	333,669
<b>15. Bad trade receivable written off</b>		
Career Launcher Education Foundation (net of service tax)	31,929,883	-
<b>15. Balance outstanding as at the year end</b>		
<b>Trade receivables -</b>		
Subsidiary Company: Career Launcher Infrastructure Private Limited		-
Nalanda Foundation	30,490,987	17,214,285
Career Launcher Education Foundation	-	34,036,173
<b>Loan and advances -</b>		
Subsidiary Company-Career Launcher Infrastructure Private Limited	70,265,256	10,000,000
Nalanda Foundation	94,775,649	48,321,424
Career Launcher Education Foundation	67,018,775	58,296,507
CLEF AP Trust	10,387,875	8,932,529
<b>Trade payables</b>		
CL Educate Limited	2,676,123	839,918
Career Launcher Infrastructure Private Limited	554,848	317,764

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**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

35. Pursuant to shareholder resolution dated September 30, 2008, the Company introduced "Employee Stock Option Plan 2008 (CLEIS ESOP -2008)" which provides for the issue of 100,000 stock options to employees of the Company and its holding company. Till date 19,000 stock options have been granted under this scheme.

The information concerning stock options granted, exercised, forfeited and outstanding at the year end is as follows:

Particulars	Year ended 31 March 2012			Year ended 31 March 2011		
	No. of stock Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (in years)	No. Of stock Options	Weighted average exercise price (₹)	Weighted average remaining contractual life (in years)
<b>Employees Stock Option Plan 2008</b>		80	3.76	-	-	-
Outstanding at the beginning of the year	15,000	-	-	-	-	-
Granted	4000	160	3.25	15,000	80	3.76
Exercised	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-
Outstanding at the end of year	19,000	-	-	15,000	-	-
Options to employees of the Company	4,000	-	-	-	-	-
Options to employees of the Holding Company	15,000	-	-	15,000	-	-
Weighted average grant date fair value per option for option granted during the year at less than fair value	-	-	-	-	-	-

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Dividend yield (%)	-	-
Expected volatility	9.20%	9.20%
Risk-free interest rate	8.45%	8.45%
Weighted average share price (in ₹)	223.87	223.87
Exercise price (in ₹)	80-160	80

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**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

36. During the current year, the Company has written off trade receivables amounting to ₹ 31,929,883 (excluding service tax of ₹ 2,106,290 which will be claimed as CENVAT credit) due from Career Launcher Education Foundation (CLEF), an enterprise over which key managing personnel is able to exercise significant influence, as same is considered unrecoverable on account of inability to be paid by CLEF.

The evaluation of amount to be written off involves usage of assumptions and significant judgments based on valuation methodologies/judgements, which mainly include discontinuation of affiliation by Pondicherry University of college run by CLEF. Keeping these circumstances in view, the management believes it is prudent to write off this balance.

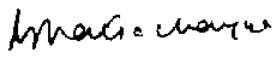

37. The financial statements for the year ended March 31, 2011 had been prepared as per the applicable, pre-revised schedule VI to the Companies Act, 1956 ('the Act'). During the year, the revised Schedule VI notified under the Act has become applicable to the Company. Accordingly, the Company has reclassified previous year figures to conform to the current year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principle followed for preparation of financial statements. However, it has a significant impact on presentation and disclosures made in the financial statements.

As per our report of even date  
For Haribhakti & Co.  
Chartered Accountants  
Firm Registration No.:103523W

For and on behalf of board of directors of  
Career Launcher Education Infrastructure and Services Limited

  
Raj Kumar Agarwal  
Partner  
Membership No.:074715

  
Gautam Puri  
Managing Director

  
Sujit Bhattacharyya  
Director  
  
Syed Talib Mehdi  
Company Secretary

Place: GREATER NOIDA  
Date: July 31, 2012

Place: GREATER NOIDA  
Date: July 31, 2012

