
Career Launcher Education
Infrastructure and Services
Limited

Statutory Audit for the year
ended March 31, 2014

Independent Auditors' Report

To

The Members of Career Launcher Education Infrastructure and Services Limited

Report on the financial statements

We have audited the accompanying financial statements of Career Launcher Education Infrastructure and Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) 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;
 - (c) 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;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W



Raj Kumar Agarwal

Partner

Membership No.: 074715



Place: New Delhi

Date: July 29, 2014

Annexure to Independent Auditors' Report

[Annexure referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' in the Independent 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, 2014]

- (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 were noticed on such verification. 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, the provisions of clauses (ii)(a), (ii)(b) and (ii)(c) of paragraph 4 of the Order are not applicable to the Company.
- (iii) (a) The Company has granted interest free unsecured loans to one company and one other party covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year and the year-end balance of such loans are as follows:

Name of the entity	(Amount in ₹)	
	Maximum amount outstanding during the year	Year-end balance
Career Launcher Education Foundation	75,700,681	75,700,681
Career Launcher Infrastructure Private Limited	96,625,256	88,475,256

The Company has also granted interest bearing unsecured loan to two other parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 223,494,250 and the year-end balance of loan granted to such parties was ₹ 223,494,250.

- (b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever charged, and the other terms and conditions of such loans are not, *prima facie*, prejudicial to the interest of the Company.
- (c) The Company has granted an interest free loan to its subsidiary company and Career Launcher Education Foundation, an entity over which KMPs have significant influence and principal is not yet due for repayment.
- In respect of loans granted to other parties, repayment of the interest is as stipulated and principal is not yet due for repayment.
- (d) There is no amount overdue in respect of loans granted to companies or other parties listed in the register maintained under section 301 of the Act.
- (e) The Company has taken unsecured loans from one party covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was ₹ 2,587,394 and the year-end balance of loans taken from such party was ₹ 87,394.



Annexure to Independent Auditors' Report

- (f) In our opinion, the rate of interest and other terms and conditions for such loans are not, *prima facie*, prejudicial to the interest of the Company.
- (g) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets and sale of service. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company in this regard.
- There are no transactions with regard 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 Act 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, in respect of transactions made in pursuance of contracts or arrangements entered aggregating ₹ 500,000 or more in value, the prices are not comparable since similar transactions have not been undertaken with any other party not covered under section 301.
- Unsecured loans granted to parties covered in the register maintained under section 301 of the Act, are dealt with in paragraphs (iii)(a), (iii)(b), (iii)(c) and (iii)(d) above.
- Unsecured loans taken from parties covered in the register maintained under section 301 of the Act, are dealt with in paragraphs (iii)(e), (iii)(f) and (iii)(g) above.
- (vi) In our opinion and according to the information and explanations given to us, 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 has an internal audit system 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) The Company is *generally* regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance. *However, there have been slight delays in depositing undisputed statutory dues in respect of tax deducted at source and service tax.*
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax and service tax were outstanding, at the year end, for a period of more than six months from the date they became payable.
- Further, as explained statutory dues including investor education and protection fund, sales tax, works contract tax, wealth tax, custom duty, cess and excise duty are currently not applicable to the Company.



Annexure to Independent Auditors' Report

- (b) According to the information and explanation given to us, there are no dues of income tax and service tax which have not been deposited on account of any dispute.

Further, as explained statutory dues including investor education and protection fund, sales tax, works contract tax, wealth tax, custom duty, cess and excise duty are currently not applicable to the Company.

- (x) The Company has no accumulated losses at the end of the financial year. Further, the Company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial 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 holder.
- (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. Accordingly, the provisions of clause (xii) of paragraph 4 of the Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) In our opinion the terms and conditions of the guarantees amounting ₹ 280,000,000 given by the Company for loans taken from financial institutes by a subsidiary company are not, *prima facie*, prejudicial to the interest of the Company.
- In our opinion, the terms and conditions of the guarantees amounting ₹ 15,000,000 given by the Company for loans taken from banks by an entity over which Key Management Personnel have significant influence can be prejudicial to the interest of the Company.*
- (xvi) The Company has not obtained any term loan during the year.
- (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) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year. Accordingly, the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the Company.



Annexure to Independent Auditors' Report

- (xx) The Company has not raised money by way of public issue during the year. Accordingly, the provisions of clause (xx) of paragraph 4 of the Order are not applicable to the Company.
- (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. LLP

Chartered Accountants

Firm Registration No.: 103523W



Raj Kumar Agarwal

Partner

Membership No.: 074715

Place: New Delhi

Date: July 29, 2014

Career Launcher Education Infrastructure and Services Limited
Balance Sheet as at March 31, 2014

		(Amount in ₹)	
	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	94,351,060	93,698,380
Reserves and surplus	4	679,815,555	640,438,154
		<u>774,166,615</u>	<u>734,136,534</u>
Share application money pending allotment	36	-	13,500,032
		<u>-</u>	<u>13,500,032</u>
Non-current liabilities			
Long-term borrowings	5	287,488	504,398
Other long-term liabilities	6	1,190,000	1,101,900
Long-term provisions	7	1,164,155	1,084,693
		<u>2,641,643</u>	<u>2,690,991</u>
Current liabilities			
Short-term borrowings	8	427,338	2,587,394
Trade payables	9	2,396,968	1,569,294
Other current liabilities	10	9,377,493	10,597,712
Short-term provisions	7	36,171	31,631
		<u>12,237,970</u>	<u>14,786,031</u>
TOTAL		<u><u>789,046,228</u></u>	<u><u>765,113,588</u></u>
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	11	2,191,037	2,866,134
-Intangible assets	12	118,633	214,111
Non-current investments	13	337,264,104	337,264,104
Deferred tax assets (net)	32	698,090	-
Long-term loans and advances	14	17,573,135	16,926,504
		<u>357,844,999</u>	<u>357,270,853</u>

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Career Launcher Education Infrastructure and Services Limited
Balance Sheet as at March 31, 2014

Continued from previous page

	Note	As at March 31, 2014	(Amount in ₹) As at March 31, 2013
Current assets			
Trade receivables	15	22,918,139	20,223,813
Cash and bank balances	16	9,461,055	16,739,061
Short-term loans and advances	17	398,822,035	370,870,792
Other current assets	18	-	9,069
		<u>431,201,229</u>	<u>407,842,735</u>
TOTAL		<u>789,046,228</u>	<u>765,113,588</u>
Summary of significant accounting policies	2		

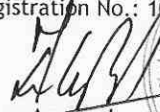
The accompanying notes form an integral part of the financial statements.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

Firm Registration No.: 103523W


Raj Kumar Agarwal

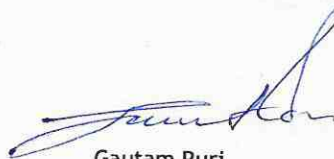
Partner

ICAI Membership No.: 074715



For and on behalf of Board of Directors of

Career Launcher Education Infrastructure and Services Limited

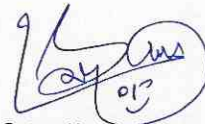


Gautam Puri

Managing Director


Arvind Khater

Company Secretary



Satya Narayanan R.

Director

Place: New Delhi

Date: July 29, 2014

Place: New Delhi

Date: July 29, 2014

Career Launcher Education Infrastructure and Services Limited
Statement of Profit and Loss for the year ended March 31, 2014

	Note	Year Ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Income			
Revenue from operations	19	37,515,884	35,997,942
Other income	20	28,039,331	30,244,800
Total revenue		65,555,215	66,242,742
Expenses			
Employee benefits expense	21	18,523,311	22,219,398
Finance costs	22	104,711	143,318
Depreciation and amortisation expense	23	786,440	735,089
Other expenses	24	17,524,838	26,078,426
Total expenses		36,939,300	49,176,231
Profit before prior period items and tax		28,615,915	17,066,511
Prior period expenses (net)	25	186,835	887,839
Profit before tax		28,429,080	16,178,672
Tax expense:			
-Current tax		3,754,817	2,184,212
-Minimum alternate tax (MAT) credit		(1,946,253)	(2,184,212)
-Deferred tax charge/(benefit)	32	(698,090)	-
-Earlier year's tax adjustment		1,154,990	-
		2,265,464	-
Profit for the year		26,163,616	16,178,672
Earning per share (in ₹):			
(Nominal value of ₹ 10 per share)	29		
-Basic		2.77	1.74
-Diluted		2.77	1.74
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. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W

NEW DELHI

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
Gautam Puri

Managing Director

Arvind Khater
Arvind Khater

Company Secretary

Satya Narayanan R.
Satya Narayanan R.

Director

Place: New Delhi

Date: July 29, 2014

Place: New Delhi

Date: July 29, 2014

Career Launcher Education Infrastructure and Services Limited
Cash Flow Statement for the Year ended March 31, 2014

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Cash flow from operating activities		
Profit before prior period items and tax	28,615,915	16,178,672
<i>Adjustments for:</i>		
Depreciation and amortisation	786,440	735,089
Finance costs	104,711	143,318
Prior period items	(186,835)	-
Bad debts/advances written off	727,686	2,039,387
Provision for doubtful recoverables	171,725	-
Interest income	(27,784,950)	(29,987,942)
Liabilities no longer required written back	(235,327)	(224,408)
	(26,416,550)	(27,294,556)
Operating profit/(loss) before working capital changes	2,199,365	(11,115,884)
<i>Movement in assets and liabilities, net</i>		
Decrease in other non-current assets	-	11,552
(Increase)/Decrease in trade receivables	(3,422,012)	17,516,794
Decrease in short-term loans and advances	485,671	1,369,476
Decrease in Long term loans and advances	108,024	-
Increase/(decrease) in short-term provisions	4,540	(156,918)
Increase in trade payables	827,674	1,014,446
(Decrease)/increase in other current liabilities	(1,008,964)	1,218,304
Increase in other long-term liabilities	88,100	189,500
Increase in long-term provisions	79,462	502,063
	(2,837,505)	21,665,217
Cash (used in)/generated operations	(638,140)	10,549,333
Less: taxes paid, net of refund	(3,718,210)	(3,778,132)
Net cash (used in) from operating activities	(4,356,350)	6,771,201
Cash flow from investing activities		
Capital expenditure on fixed assets	(15,865)	(505,550)
Loans given to related parties (refer footnote)	(54,217,004)	(99,297,879)
Loans realised from related parties	25,730,000	-
Inter-corporate deposits given	(121,634)	7,285,884
Proceeds from fixed deposits	767,694	46,055,104
Interest received	27,794,019	12,689,437
Net cash used in investing activities	(62,790)	(33,773,004)

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Career Launcher Education Infrastructure and Services Limited

Cash Flow Statement for the Year ended March 31, 2014

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	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Cash flow from financing activities		
Proceeds from issue of right shares (net of share issue expenses)	366,433	33,563,556
Repayment of short-term borrowings	(2,160,056)	2,587,394
Repayment of long-term borrowings (including current maturities)	(191,156)	(169,237)
Finance cost	(106,393)	(144,316)
Net cash (used in)/generated from financing activities	(2,091,172)	35,837,397
Net (decrease)/increase in cash and cash equivalents	(6,510,312)	8,835,594
Cash and cash equivalents (Refer note 16)		
-Beginning of the year	15,971,367	7,135,773
-End of the year (A)	9,461,055	15,971,367
Deposits with original maturity of more than three months (B)	-	767,694
Cash and bank balances as per Balance Sheet (A+B)	9,461,055	16,739,061

Footnote:

Include ₹ 18,130,170 and ₹ 24,851,934 converted into unsecured loans on account of trade receivables and interest receivables respectively.

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" as set out in Accounting Standard 3 on "Cash Flow Statements" notified under section 211(3C) of the Companies Act, 1956.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI 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

Arvind Khater

Company Secretary

Place: New Delhi

Date: July 29, 2014

Satya Narayanan R.

Director

Place: New Delhi

Date: July 29, 2014

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 that holds 57.55% (Previous year 57.31%) of its share capital.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year April 1, 2013 to March 31, 2014.

2. Summary of significant accounting policies

(i) Basis for preparation

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 provisions of the Companies Act, 1956.

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

(ii) Current/non-current classification of assets/liabilities

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities

(iii) 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, liabilities and contingent liabilities at the reported date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the managements' 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.

(iv) Fixed assets

Tangible assets

Tangible fixed assets are stated at cost of acquisition net of CENVAT (wherever applicable), 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.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Fixed assets retired from active use and held for disposal are stated at lower of book value and net realisable value as estimated by the Company and are shown separately in the financial statements under other current assets. Loss determined, if any, is recognised immediately in the Statement of Profit and Loss, whereas profit and sale of such assets is recognised only upon completion of sale thereof.



Intangible assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation 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.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the Statement of Profit and Loss.

(v) Depreciation and Amortisation

Depreciation and amortisation has been calculated on Straight Line Method at the following useful lives, 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 fixed assets:

Particulars	Useful life (years)
Tangible assets:	
Office equipment	10
Computer hardware	5
Vehicle	10
Furniture and fixtures	10
Leasehold improvements	3
Intangible assets:	
Website	5
Education manual	5
Software	5

Depreciation/amortisation on addition to tangible/intangible fixed assets is provided on pro-rata basis from the date the asset is ready/available for its intended use. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale, deduction and discardment as the case may be.

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

(vi) 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 as mentioned in Accounting Standard- 28 "Impairment of Assets". An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' 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.

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

(vii) Borrowing cost

Borrowing costs relating to acquisition or construction or production of assets which take substantial period of time to get ready for its intended use are included as cost of such assets to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.



Career Launcher Education Infrastructure and Services Limited
Notes to the Financial Statements for the year ended March 31, 2014

(viii) 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.

(ix) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and revenue can be reliably measured.

- 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 and loans is recognized on the time proportion method taking into consideration the amount outstanding and the applicable interest rate.

(x) 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:

Provident fund:

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 [presently 12% restricted to maximum salary limit of ₹ 6500 p.m.] of the employees' basic salary. 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.

Employee state insurance:

Employees whose wages/salary is within the prescribed limit as stipulated in Employees' State Insurance Act, 1948, are covered under the scheme. These contributions are made to the fund administered and managed by Government of India.



Career Launcher Education Infrastructure and Services Limited
Notes to the Financial Statements for the year ended March 31, 2014

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: Gratuity

The Company provides for retirement benefits in the form of Gratuity. 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 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 by Life Insurance Corporation of India through employee group gratuity trust.

(iii) Other long term employee benefits: Leave encashment

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 using Projected Unit Credit Method at the end of the year. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss.

(iv) Employee stock option scheme

The Employee Stock Option Scheme ('the Scheme') provides for the grant of equity shares of the Company to its employees. The Scheme provides that employees are granted an option to acquire equity shares of the Company that vests in a graded manner. The options may be exercised within a specified period. The Company follows the fair value method to account for its stock-based employee compensation plans. Compensation cost is measured using independent valuation by a firm of Chartered Accountants using Black-Scholes model in accordance with the guidance note issued by the Institute of Chartered Accountants of India. Compensation cost, if any is amortised over the vesting period.

(xi) Investment

Accounting treatment

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments on individual investment basis.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.



Career Launcher Education Infrastructure and Services Limited
Notes to the Financial Statements for the year ended March 31, 2014

Classification in the financial statements as per requirements of Revised Schedule VI

Investments that are realisable 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.

(xii) Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

(xiii) 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.

(xiv) Tax expenses

Tax expense for the year comprising current tax and deferred tax is included in determining the net profit for the year.



Career Launcher Education Infrastructure and Services Limited
Notes to the Financial Statements for the year ended March 31, 2014

Current Tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the Balance Sheet date.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(xv) 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.

(xvi) Share issue expenses

Share issue expenses are adjusted against the securities premium account as permissible under Section 78(2) of the Companies Act, 1956 to the extent balance is available for utilization in the securities premium account.

(xvii) Provisions, contingent liabilities and contingent assets

Provision

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.



Career Launcher Education Infrastructure and Services Limited
Notes to the Financial Statements for the year ended March 31, 2014

Contingent liabilities

A 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

Contingent assets are neither recorded nor disclosed in the financial statements.

(xviii) Material events

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

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Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

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	As at March 31, 2014		As at March 31, 2013	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Authorised shares				
Equity shares of ₹ 10 each (Previous year ₹10)	10,000,000	100,000,000	10,000,000	100,000,000
Issued, subscribed and fully paid up shares				
Equity shares of ₹ 10 each (Previous year ₹10)	9,435,106	94,351,060	9,369,838	93,698,380
	<u>9,435,106</u>	<u>94,351,060</u>	<u>9,369,838</u>	<u>93,698,380</u>

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	9,369,838	93,698,380	9,280,262	92,802,620
Issued during the year	65,268	652,680	89,576	895,760
Outstanding at the end of the year	<u>9,435,106</u>	<u>94,351,060</u>	<u>9,369,838</u>	<u>93,698,380</u>

b) Terms/rights attached to equity share

Voting

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. The Company has not distributed any dividend in the current and previous year.

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, 2014			March 31, 2013		
	Numbers	Amount in ₹	% held	Numbers	Amount in ₹	% held
i) CL Educate Limited, the holding company	5,430,026	54,300,260	57.55	5,369,738	53,697,380	57.31

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

Name of share holders	March 31, 2014			March 31, 2013		
	Numbers	Amount in ₹	% held	Numbers	Amount in ₹	% held
i) CL Educate Limited, the holding company	5,430,026	54,300,260	57.55	5,369,738	53,697,380	57.31
ii) Bilakes Consulting Private Limited	962,500	9,625,000	10.20	962,500	9,625,000	10.27
iii) GPE (India) Limited	938,597	9,385,970	9.95	938,597	9,385,970	10.02
iv) Housing Development Finance Limited (HDFC)	938,028	9,380,280	9.94	938,028	9,380,280	10.01
v) Shantanu Prakash	478,820	4,788,200	5.07	478,820	4,788,200	5.11



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

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 "CLEIS Employee Stock Options Plan 2008" which provides for the issue of 100,000 stock options to employees of the Company and its group companies/entities. 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, 2014 and March 31, 2013 the Company had 70,000 and 85,000 number of shares reserved for issue under the scheme respectively. (Also refer to note 35).

Pursuant to the Special Resolution passed by the members in the annual general meeting held on September 30, 2013, and the resolution passed by the Board of Directors at its meeting on January 28, 2014 the Company renewed "CLEIS Employee Stock Options Plan 2008" for a further period of one year i.e. November 20, 2014 and March 31, 2015 respectively.

4. Reserves and surplus

4.1 Securities premium

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Opening balance	663,410,507	644,242,743
Add: Premium on issue of equity shares	13,247,352	19,169,264
Less: Share issue expenses	(33,567)	(1,500)
Closing balance (A)	676,624,292	663,410,507

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

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Opening balance	(22,972,353)	(39,151,025)
Add: Profit after tax for the year as per the Statement of Profit and Loss	26,163,616	16,178,672
Closing balance (B)	3,191,263	(22,972,353)
Total reserves and surplus (A+B)	679,815,555	640,438,154

5. Long-term borrowings

Particulars	(Amount in ₹)			
	Non-current portion		Current maturities	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Term loan, secured				
Vehicle loan from bank	287,488	504,398	215,910	190,156
Amount disclosed under the head "other current liabilities" (refer note 10)	-	-	(215,910)	(190,156)
Net amount	287,488	504,398	-	-

Vehicle loan from bank carries interest @ 12.24% p.a. The loan is repayable in 60 monthly instalments of ₹ 22,140 including interest, from the date of loan i.e. June 14, 2011. The loan is secured by hypothecation of related vehicles.



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

6. Other long term liabilities

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Security deposits received	1,190,000	1,101,900
	<u>1,190,000</u>	<u>1,101,900</u>

7. Provisions

Particulars	(Amount in ₹)			
	Long-term		Short-term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for employee benefits				
Provision for gratuity (refer note 27)	100,363	92,032	11,782	10,104
Provision for leave encashment (refer note 27)	1,063,792	992,661	24,389	21,527
	<u>1,164,155</u>	<u>1,084,693</u>	<u>36,171</u>	<u>31,631</u>

8. Short-term borrowings

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Loans from related parties* (unsecured) (refer note 34)	427,338	2,587,394
	<u>427,338</u>	<u>2,587,394</u>

* In the previous year, the Company had taken an interest free unsecured loan from its holding company. The loan is repayable on demand.

9. Trade payables

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Trade payables (refer note 33 and 34)	2,396,968	1,569,294
	<u>2,396,968</u>	<u>1,569,294</u>

10. Other current liabilities

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Current maturities of long term borrowings (refer note 5)	215,910	190,156
Interest accrued but not due on borrowings	4,141	5,823
Others		
- Employees related payables (refer note 34)	4,443,431	5,735,422
- Security deposits	200,000	200,000
- Payables for expenses (refer note 33 and 34)	2,249,897	2,556,002
- Other payables (refer note 33 and 34)	356,547	1,000
- Advance from customers (Advance fees)	1,062,230	627,614
- Other liabilities (represent statutory liabilities payable to government authorities)	845,337	1,244,479
Stale cheques	-	37,216
	<u>9,377,493</u>	<u>10,597,712</u>



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

11. Tangible assets

Particular	Gross block (at cost)				Accumulated depreciation				(Amount in ₹) Net block	
	As at April 1, 2013	Additions	Disposals/ Adjustments	As at March 31, 2014	As at April 1, 2013	Depreciation for the year	Disposals/ Adjustments	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
	Own assets									
Office equipment	1,019,513	-	8,850	1,010,663	360,621	92,100	8,850	443,871	566,792	658,892
Computer hardware	1,111,492	15,865	-	1,127,357	664,191	205,341	-	869,532	257,825	447,301
Vehicles	1,382,800	-	-	1,382,800	236,495	138,280	-	374,775	1,008,025	1,146,305
Furniture and fixtures	775,572	-	-	775,572	705,352	13,415	-	718,767	56,805	70,220
Lease hold improvement	1,634,372	-	-	1,634,372	1,090,956	241,826	-	1,332,782	301,590	543,416
Total	5,923,749	15,865	8,850	5,930,764	3,057,615	690,962	8,850	3,739,727	2,191,037	2,866,134
Previous year	5,418,199	505,550	-	5,923,749	2,427,516	630,099	-	3,057,615	2,866,134	-

12. Intangible assets

Particular	Gross block (at cost)				Accumulated amortisation				(Amount in ₹) Net block	
	As at April 1, 2013	Additions	Disposals/ Adjustments	As at March 31, 2014	As at April 1, 2013	Amortisation for the year	Disposals/ Adjustments	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
	Website									
Website	3,584,770	-	-	3,584,770	3,562,743	6,000	-	3,568,743	16,027	22,027
Education manual	2,750,000	-	-	2,750,000	2,750,000	-	-	2,750,000	-	-
Software	483,991	-	-	483,991	291,907	89,478	-	381,385	102,606	192,084
Total	6,818,761	-	-	6,818,761	6,604,650	95,478	-	6,700,128	118,633	214,111
Previous year	6,818,761	-	-	6,818,761	6,499,660	104,990	-	6,604,650	214,111	-



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

13. Non current investments

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Unquoted, non-trade investments (valued at cost unless stated otherwise)		
Investment in subsidiaries (refer footnote)		
Career Launcher Infrastructure Private Limited		
98,468 (Previous year: 98,468) fully paid up equity shares of face value of ₹ 10 each	186,764,104	186,764,104
150,000 (Previous year: 150,000) fully paid up 0.01% optionally convertible non cumulative preference shares of face value of ₹ 10 each	150,000,000	150,000,000
	<u>336,764,104</u>	<u>336,764,104</u>
Investment in shares of others		
Energy Plantation Project Private Limited		
50,000 (Previous year: 50,000) fully paid equity shares of face value of ₹ 10 each	500,000	500,000
	<u>337,264,104</u>	<u>337,264,104</u>

Footnote: 51% of investments in shares of Career Launcher Infrastructure Private Limited are pledged with HDFC Limited against loan taken by Career Launcher Infrastructure Private Limited, wholly owned subsidiary of the Company.

14. Long-term loans and advances

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Unsecured, considered good		
Advance income tax (net of provisions ₹ 5,977,607 (Previous year ₹ 2,184,212))	13,320,735	14,512,333
MAT credit entitlement	4,252,400	2,306,147
Inter-corporate deposits	-	108,024
	<u>17,573,135</u>	<u>16,926,504</u>

15. Trade receivables (refer footnote)

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment *	13,481,153	14,450,988
Others *	9,436,986	5,772,825
	<u>22,918,139</u>	<u>20,223,813</u>

* Includes amount due from related parties (refer note 34)

Footnote: Pledged as first charge via an escrow mechanism with HDFC Ltd. against loan taken by Career Launcher Infrastructure Private Limited, wholly owned subsidiary of the Company.



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

16. Cash and bank balances (refer footnote)

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Cash and cash equivalents		
Cash in hand	500	-
Balances with banks		
-in current accounts	9,460,555	15,971,367
	<u>9,461,055</u>	<u>15,971,367</u>
Other bank balances		
- Deposits with original maturity of more than three months but realizable within twelve months from Balance Sheet date	-	767,694
	<u>9,461,055</u>	<u>16,739,061</u>

Footnote: Pledged as first charge with HDFC Ltd. against loan taken by Career Launcher Infrastructure Private Limited, wholly owned subsidiary of the Company.

17. Short term loans and advances

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Unsecured, considered good, unless stated otherwise		
Loans and advances to related parties (refer note 34)	387,670,187	359,183,182
Loans and advances to employees	96,536	27,331
Security deposit	10,490,000	11,115,000
Other advances recoverable in cash or kind		
- Inter-corporate deposits	121,634	-
- Prepaid expenses	47,806	64,904
- Receivables from related parties	122,732	-
- Receivables from others (good)	273,140	480,375
- Receivables from others (doubtful)	171,725	-
Less: Provision for doubtful loan and advances	(171,725)	-
	<u>398,822,035</u>	<u>370,870,792</u>

18. Other current assets

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Interest accrued on fixed deposits	-	9,069
	-	<u>9,069</u>

19. Revenue from operations

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Sale of services		
- Revenue from soft skill fee	21,187,390	20,922,206
Fees income		
- Tuition fees	5,446,548	6,464,275
- License fees	3,500,000	2,000,000
- Bus fees	879,897	1,264,786
- Other fees	6,502,049	5,346,675
	<u>37,515,884</u>	<u>35,997,942</u>



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

20. Other income

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Interest on bank deposits	21,078	1,113,440
Interest on loans		
- Related parties	27,613,260	28,343,996
- Others	15,123	530,506
Interest on income tax refund	135,489	-
Other non-operating income		
- Liabilities written back	235,327	224,408
- Provision for gratuity written back (refer note 27)	19,054	-
- Miscellaneous income	-	32,450
	28,039,331	30,244,800

21. Employee benefits expense

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Salaries, wages and other benefits	17,936,066	20,916,184
Contribution to provident and other funds (refer note 27)	261,062	299,720
Leave encashment expenses (refer note 27)	86,634	357,175
Gratuity expenses (refer note 27)	-	205,497
Staff welfare expenses	239,549	440,822
	18,523,311	22,219,398

22. Finance cost

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Interest expenses on		
- borrowings	72,842	95,445
- delay in depositing statutory dues	31,869	47,873
	104,711	143,318

23. Depreciation and amortisation expenses

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Depreciation of tangible fixed assets (refer note 11)	690,962	630,099
Amortisation of intangible fixed assets (refer note 12)	95,478	104,990
	786,440	735,089



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

24. Other expenses

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Administration expenses	4,261,236	3,641,558
Electricity expenses	339,737	241,426
Repairs and maintenance - others	559,575	316,079
Insurance expenses	53,664	97,568
Rates and taxes	-	316,175
Communication expenses	548,331	765,849
Travelling and conveyance expenses	1,989,907	4,077,576
Printing and stationery expenses	211,786	174,064
Content development expenses	38,000	723,517
Legal and professional expenses (refer note 28)	1,202,103	1,899,474
Sales and marketing expenses	1,190,741	1,319,384
Revenue share	2,437,107	2,523,422
Lease rent expenses (refer note 31)	202,248	180,000
Infrastructure charges	1,550,568	1,380,000
Recruitment and training expenses	11,100	819,761
Retainership fees	1,944,359	5,452,102
Provision for doubtful recoverables	171,725	-
Trade receivable/advances written off	727,686	2,039,387
Miscellaneous expenses	84,965	111,084
	17,524,838	26,078,426

25. Prior period expenses (net)

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
<i>Prior period expenses</i>		
-Salaries, wages and other benefits	-	24,430
-Legal and professional	131,967	572,126
-Communication charges	-	291,283
-Electricity expenses	14,157	-
-Sales and marketing expenses	39,310	-
-Others	78,600	-
	264,034	887,839
<i>Prior period income</i>		
Others	(77,199)	-
	(77,199)	-
	186,835	887,839



26. Contingent liabilities and commitments

Contingent liabilities not provided for:

- (i) Corporate guarantee amounting ₹ 280,000,000 (Previous Year ₹ 280,000,000) for loan taken by subsidiary company.
- (ii) Corporate guarantee amounting ₹ 15,000,000 (Previous Year ₹ 15,000,000) for loan taken by Nalanda Foundation.

Commitments:

- (i) There are no capital and other material commitments as at March 31, 2014 and March 31, 2013.

27. Employee benefits obligations

The Company 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:

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Employers contribution to provident fund (refer note 21)	236,148	270,710
Employers contribution to ESI (refer note 21)	24,914	29,010
Total	261,062	299,720

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

The Company provides benefits by way of gratuity and leave encashment to its employees. 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 (funded)		Leave Encashment (unfunded)	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Discount rate	9.09%	8.00%	9.09%	8.00%
Salary escalation rate	5.35%	5.00%	5.35%	5.00%
Expected rate of return on plan assets	6.75%	9.00%	N.A.	N.A.
Retirement age (years)	58	58	58	58
Expected remaining working lives of employees (years)	22.93	21.05	22.93	21.05
Mortality table	IALM (2006-08)	IALM (1994-1996)	IALM (2006-08)	IALM (1994-1996)
Ages	Withdrawal Rate(%)	Withdrawal Rate(%)	Withdrawal Rate(%)	Withdrawal Rate(%)
Upto 30 years	3.00	3.00	3.00	3.00
From 31 to 44 years	2.00	2.00	2.00	2.00
Above 44 years	1.00	1.00	1.00	1.00

Note:

The discount rate has been assumed at 9.09% p.a. (previous year 8.00%) 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.



II. Change in benefit obligation

(Amount in ₹)

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Present value of obligation at the beginning of the year	668,650	421,673	1,014,188	771,179
Acquisition adjustment*	29,063	-	93,669	-
Current service cost	177,511	222,740	279,890	359,625
Interest cost	53,492	33,734	81,135	61,694
Past service cost	-	-	-	-
Benefit paid	-	-	(106,310)	(114,166)
Net actuarial (gain)/loss recognized in the year.	(211,817)	(9,497)	(274,391)	(64,144)
Present value of obligation at the end of the year	716,899	668,650	1,088,181	1,014,188

*During the year, the Company has assumed actual liabilities of ₹ 29,063 and ₹ 93,669 on account of gratuity and leave encashment for 24 employees transferred from Nalanda Foundation, an entity over which KMPs have significant influence. The same have been considered in calculating closing liabilities for gratuity and leave encashment as acquisition adjustments without effecting expenses and benefits/contribution paid for the year ended March 31, 2014.

III. Fair value of plan assets during the year

(Amount in ₹)

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Fair value of plan assets at the beginning of the year	566,514	433,225	-	-
Expected return on plan assets	38,240	38,990	-	-
Contributions	-	91,809	-	-
Benefits paid	-	-	-	-
Actuarial gain/ (loss) on Plan Assets	-	2,490	-	-
Fair value of plan assets at the end of the year	604,754	566,514	-	-

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

(Amount in ₹)

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Current service cost	177,511	222,740	279,890	359,625
Interest cost	53,492	33,734	81,135	61,694
Expected return on plan assets	(38,240)	(38,990)	-	-
Net actuarial (gain)/ loss to be recognized	(211,817)	(11,987)	(274,391)	(64,144)
(Income)/expense recognised in Statement of Profit and Loss	(19,054)	205,497	86,634	357,175

V. Amount recognised in the Balance Sheet

(Amount in ₹)

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	Year ended	Year ended	Year ended	Year ended



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Present value of obligation as at the end of the year	716,899	668,650	1,088,181	1,014,188
Fair value of plan assets as at the end of the year	604,754	566,514	-	-
Funded status	(112,145)	(102,136)	(1,088,181)	(1,014,188)
Net assets/ (liability) recognized in Balance Sheet as at March 31	(112,145)	(102,136)	(1,088,181)	(1,014,188)
Amount classified as:				
Short term provision (refer note 7)	11,782	10,104	24,389	21,527
Long term provision (refer note 7)	100,363	92,032	1,063,792	992,661

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

a) Gratuity (funded)

Particulars	(Amount in ₹)				
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Present value of obligation	716,899	668,650	421,673	275,971	376,027
Fair value of plan assets	604,754	566,514	433,225	523,985	480,720
(Deficit)/Surplus	(112,145)	(102,136)	11,552	248,014	104,693
Experience adjustments on plan liabilities-gain/(loss)	152,861	50,448	(180,592)	241,933	68,149
Experience adjustments on plan assets-(loss)/gain	(12,746)	2,490	(4,090)	-	2,364

b) Leave encashment (unfunded)

Particulars	(Amount in ₹)				
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Present value of obligation	1,088,181	1,014,188	771,179	393,237	690,730
Fair value of plan assets	-	-	-	-	-
(Deficit)/Surplus	(1,088,181)	(1,014,188)	(771,179)	(393,237)	(690,730)
Experience adjustments on plan liabilities-gain/(loss)	186,831	124,596	(84,445)	395,497	123,283
Experience adjustments on plan assets-(loss)/gain	-	-	-	-	-

c) The Company's gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities.

VII. Employer's best estimate of contribution during the next year.



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

Particulars	(Amount in ₹)
Gratuity	263,209
Leave encashment	221,632

28. Payment to auditors (excluding service tax)

	Year ended March 31, 2014	Year ended March 31, 2013
Statutory audit	400,000	400,000
Out of pocket expenses	9,550	8,700
Total	409,550	408,700

29. Earnings per share

The calculation of earnings per share has been made in accordance with Accounting Standard (AS)- 20 "Earnings per share".

A statement on calculation of Basic and Diluted EPS is as under:

	Reference	Units	Year ended March 31, 2014	Year ended March 31, 2013
Profit after tax	A	₹	26,163,616	16,178,672
Weighted average no. of equity shares	B	Nos.	9,432,050	9,280,998
Add: Dilutive potential equity shares	C	Nos.	11,295	9,643
Number of equity shares (of ₹ 10 each) for Dilutive EPS	D=B+C	Nos.	9,443,345	9,290,641
Basic earnings per share (A/B)		₹	2.77	1.74
Diluted earnings per share (A/D)		₹	2.77	1.74

30. Segment reporting

Business Segment

The disclosure as required under Accounting Standard (AS)- 17 "Segment Reporting" as notified under the Companies (Accounting Standards) Rules, 2006 has not been provided as the Company deals in one business segment namely comprising provision of education and related services.

Geographic Segment

Since the company's activities / operations are primarily within India 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, 2014 was ₹ 180,000 (previous year ₹ 180,000). The maximum obligations on non-cancellable operating lease payable as per the rentals stated in the respective agreements:

	Year ended March 31, 2014	Year ended March 31, 2013
Not later than one year	180,000	180,000
Later than one year but not later than five year	180,000	-
Later than five year	-	-
	360,000	180,000

32. Deferred tax assets

The Company estimates the deferred tax benefit/(charge) 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 March 31, 2014 is as under:



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

Particulars	(Amount in ₹)		
	As at March 31, 2014	Benefit/ (Charge) for the year	As at March 31, 2013
Deferred tax asset arising on account of:			
- Depreciation	233,462	2,183,219	(1,949,757)
Provision for gratuity	353,060	24,007	329,053
Provision for leave encashment	36,385	3,247	33,138
Provision for bonus	19,467	-	19,467
Provision for doubtful advances	55,716	55,716	-
Unabsorbed losses	-	(1,568,099)	1,568,099
Deferred tax assets	698,090	698,090	-

In the previous year, on prudence basis deferred tax assets on unabsorbed depreciation and accumulated carried forward business losses had been recognised only to the extent of deferred tax liabilities.

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

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Balance of Sundry Creditors		
- Principal amount due to Micro, Small and Medium Enterprises	-	-
- Principal amount due to Others		
Trade payable	2,396,968	1,569,294
Payable for expenses	2,249,897	2,556,002
Other payables	356,547	1,000
Total	5,003,412	4,126,296
Interest accrued and due at the end of the year		
- 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	-	-
Total	-	-
Paid during the year		
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	-	-
Others		
- Interest accrued in the prior year and paid during the year	-	-
- Interest accrued during the year and paid during the year	-	-

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 |
| b) Subsidiary Company | : Career Launcher Infrastructure Private Limited |
| c) Enterprises in which key management personnel | : Nalanda Foundation |



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

and their relatives are able to exercise significant influence.

Career Launcher Education Foundation
CLEF AP Trust
Career Launcher Education Infrastructure & Services Limited Employee Group Gratuity Trust
: Sujit Bhattacharya (Director)
Shiva Kumar (Director)

d) Key Management Personnel

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

Particulars	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
1. Revenue from soft skill fees		
Nalanda Foundation	19,825,439	16,236,234
2. Revenue from license fees		
Nalanda Foundation	3,000,000	1,500,000
3. Interest income		
Nalanda Foundation	25,855,530	17,493,132
CLEF AP Trust	1,757,730	1,454,303
Career Launcher Education Foundation	-	9,396,561
4. Conversion of account receivable into unsecured loan		
Nalanda Foundation	18,130,070	30,386,545
5. Conversion of interest income into unsecured loan		
Nalanda Foundation	23,269,977	-
CLEF AP Trust	1,581,957	-
6. Reimbursement of expenses to		
CL Educate Limited	390,000	900,886
7. Reimbursement of expenses from		
CL Educate Limited	41,832	34,117
Career Launcher Infrastructure Private Limited	1,100	165,103
8. Lease rent		
To CL Educate Limited	202,248	180,000
9. Infrastructure charges		
To CL Educate Limited	1,550,568	1,380,000
10. Short term loans and advances (given)		
Career Launcher Infrastructure Private Limited	4,560,000	22,300,000
CLEF AP Trust	-	2,167,337
Nalanda Foundation	6,675,000	35,762,092
Career Launcher Education Foundation	-	8,681,905
11. Short term loans and advances (realised)		
Career Launcher Infrastructure Private Limited	8,650,000	-
Nalanda Foundation	17,080,000	-
12. Payment received on behalf of		
Nalanda Foundation	355,547	1,000
13. Allotment of equity Share		
CL Educate Limited	13,500,032	-
14. Short term borrowings taken		
CL Educate Limited	-	2,587,394



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

Particulars	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
15. Short term borrowings repaid		
CL Educate Limited	2,160,056	-
16. Liability taken over (on account of gratuity and leave encashment)		
Nalanda Foundation	122,732	-
17. Revenue share (paid to)		
Career Launcher Infrastructure Private Limited	920,860	943,714
18. Remuneration paid to KMPs		
Shiva Kumar	4,947,960	4,959,888
Sujeet Bhattacharya	4,947,960	4,851,689
19. Reimbursement of expenses to KMPs		
Sujeet Bhattacharya	339,962	494,759
20. Balance outstanding as at the year end		
Trade receivables		
Nalanda Foundation	8,773,797	6,360,972
Loan and advances		
Career Launcher Infrastructure Private Limited	88,475,256	92,565,256
Nalanda Foundation	209,357,081	178,362,034
Career Launcher Education Foundation	75,700,680	75,700,680
CLEF AP Trust	14,137,170	12,555,212
Other receivables		
Nalanda Foundation	122,732	-
Share application money received pending allotment		
CL Educate Limited	-	13,500,032
Payable for expenses		
CL Educate Limited	-	226,165
Career Launcher Education Infrastructure and Services Limited Employee Group Gratuity Trust	5,000	-
Other payable		
Nalanda Foundation	356,547	1,000
Short-term borrowings		
CL Educate Limited	427,338	2,587,394
Trade payables		
Career Launcher Infrastructure Private Limited	2,396,968	1,569,294
Remuneration payable to KMPs		
Shiva Kumar	1,510,606	1,797,908
Sujeet Bhattacharya	1,956,731	1,904,071
Expenses Payable to KMPs		
Sujeet Bhattacharya	339,962	349,596
Guarantees given on behalf of (refer note 26)		
Career Launcher Infrastructure Private Limited (Guarantee to bank for loan taken by the Company)	280,000,000	280,000,000



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Nalanda Foundation (Guarantee to bank for vehicle loan taken by the Trust)	15,000,000	15,000,000

35. Employee share based payment plan

Pursuant to shareholder resolution dated September 30, 2008, the Company introduced "CLEIS Employee Stock Options Plan 2008" which provides for the issue of 100,000 stock options to employees of the Company and its group companies/entities. The plan entitles employees to purchase equity shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of equity shares. As per the plan holders of vesting options are entitle to purchase one equity share for each option. Till date 25,000 (previous year 19,000) stock options have been granted under this scheme.

The terms and conditions related to grant of the share options are as follows:

Employees entitled	No. of options	Vesting conditions
Employees	25,000	3 years' services from the grant date

Expenses pertaining to employee stock option plan have been booked in CL Educate Limited, holding company, as stock options have been granted to employees of CL Educate Limited.

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

Particulars	Year ended 31 March 2014			Year ended 31 March 2013		
	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)
Employees Stock Option Plan 2008						
Outstanding at the beginning of the year	15,000	80.00	1.00	19,000	96.84	2.13
Granted during the year	10,000	115.00	-	-	-	-
Exercised during the year	(5,000)	80.00	-	-	-	-
Forfeited during the year	-	-	-	4,000	-	-
Expired during the year	-	-	-	-	-	-
Outstanding at the end of year	20,000	97.50	2.25	15,000	80.00	1.00
Exercisable at year end	10,000	80.00	1.00	10,000	80.00	1.00
Vested during the year	5,000	80.00	-	5,000	80.00	-
Options to employees of the holding company	20,000	97.50	-	15,000	80.00	-
Weighted average grant date fair value per option for option granted during the year at less than fair value	10,000	224.00	-	-	-	-

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

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Dividend yield (%)	-	-
Expected volatility*	-	-
Risk-free interest rate	8.67%	8.45%
Weighted average share price (in ₹)	223.46	224.00
Exercise price (in ₹)	80-115	80




Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2014

*Expected volatility has been determined using historical fluctuation in share issue prices of the Company.

36. During the previous year, the Company had received an amount of ₹ 13,500,032 towards share application money towards 60,268 equity shares of the Company to be issued at a premium of ₹ 214. The Company was required to issue equity shares against the same on or before September 28, 2013. During the year, the Company issued 60,268 equity shares at agreed price on April 02, 2013 against the share application money received pursuant to an invitation to offer shares.
37. The Company has reclassified/regrouped previous year figures where necessary to conform to the current year's classification.

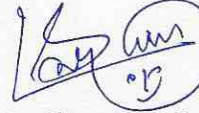
As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.:103523W


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


Satya Narayanan R.
Director


Arvind Khater
Company Secretary

Place: New Delhi
Date : July 29, 2014

Place: New Delhi
Date : July 29, 2014