

HARIBHAKTI & CO.

Chartered Accountants

Career Launcher
Education
Infrastructure
and Services
Limited

Statutory Audit for the year
ended March 31, 2013

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, 2013, 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 auditor's 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. 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, 2013;
- (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 Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Haribhakti & Co.

Chartered Accountants

Fin. Registration No.: 103523W



Raj Kumar Agarwal

Partner

Membership No.: 074715

Place: Greater Noida

Date: July 27, 2013

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, 2013]

- (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 Order are not applicable.
- (iii) (a) The Company has granted loan to four companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 359,183,182 and the year-end balance of loans granted to such parties was ₹ 359,183,182.
- (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. The year-end balance of such loan was ₹ 92,565,256. Maximum amount involved during the year on such loans was ₹ 92,565,256.*
- In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for loans given to other companies and parties covered in the register maintained under section 301 of the Companies Act, 1956 are *prima facie*, not prejudicial to the interest of the Company.
- (c) The Company has granted an interest free loan to its subsidiary company 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, firms 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 Companies Act, 1956. The maximum amount involved during the year was ₹ 2,587,394 and the year-end balance of loans taken from such parties was ₹ 2,587,394.
- (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.



Annexure to Independent Auditors' Report

- (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. 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.
In our opinion, internal control system with regard to sale of services needs to be strengthened in order to be commensurate with the size of the Company and nature of its business. According to the information and explanations given to us, the Company has initiated the process of rectifying such weakness in internal controls related to sale of services and accordingly, 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 Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) We are unable to comment if the transactions made with the parties listed in section 301 of the companies Act, 1956, 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 as market prices comparable to those transactions with similar terms are not available, and are considered to be proprietary in nature as explained by the management of the Company.
- (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 scope of internal audit needs to be enhanced to make it commensurate with the size and nature of Company's 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 and income tax. *However, there have been delays in depositing undisputed statutory dues in respect of tax deducted at source, employees' state insurance and service tax.*
Statutory dues including investor education and protection fund, sales tax, wealth tax, cess, custom duty and excise duty are currently 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, employees' state insurance, income tax deducted at source, wealth-tax, sales-tax, customs duty, excise duty, cess and other statutory dues, wherever applicable, were outstanding, at the yearend for a period of more than six months from the date they became payable. *Details of service tax outstanding at the year end for a period of more than six months from the date it become payable are as follows:*



Annexure to Independent Auditors' Report

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 under Reverse Charge Mechanism	51,890	Year ended March 31, 2013	Various dates	Various dates after March 31, 2013

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

The dues outstanding in respect of income tax on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax deducted at Source	646,236	Financial Year 2011-12	Assessing Officer

As informed to us investor education and protection fund, sales tax, wealth tax, cess, custom duty and excise duty are currently not applicable to the Company.

- (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 and according to the information and explanation given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) Order is 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 ₹ 280,000,000 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.



Annexure to Independent Auditors' Report

- (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) 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



Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: Greater Noida
Date: July 27, 2013

Career Launcher Education Infrastructure and Services Limited
Balance Sheet as at March 31, 2013

		(Amount in ₹)	
	Note	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	93,698,380	92,802,620
Reserves and surplus	4	640,438,154	605,091,717
		<u>734,136,534</u>	<u>697,894,337</u>
Share application money pending allotment	37	13,500,032	-
		<u>13,500,032</u>	-
Non-current liabilities			
Long-term borrowings	5	504,398	694,552
Other long-term liabilities	6	1,101,900	912,400
Long-term provisions	7	1,084,693	582,630
		<u>2,690,991</u>	<u>2,189,582</u>
Current liabilities			
Short-term borrowings	8	2,587,394	-
Trade payables	9	1,569,294	554,848
Other current liabilities	10	10,516,923	9,503,108
Short-term provisions	7	31,631	188,549
		<u>14,705,242</u>	<u>10,246,505</u>
TOTAL		<u><u>765,032,799</u></u>	<u><u>710,330,424</u></u>
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	11	2,866,134	2,990,683
-Intangible assets	12	214,111	319,101
Non-current investments	13	337,264,104	337,264,104
Long-term loans and advances	14	16,845,715	20,353,467
Other non-current assets	15	-	11,552
		<u>357,190,064</u>	<u>360,938,907</u>

Continued on next page



Career Launcher Education Infrastructure and Services Limited

Balance Sheet as at March 31, 2013

Continued from previous page

		(Amount in ₹)	
	Note	As at March 31, 2013	As at March 31, 2012
Current assets			
Trade receivables	16	20,223,813	39,779,994
Cash and bank balances	17	16,739,061	53,958,571
Short-term loans and advances	18	370,870,792	255,504,640
Other current assets	19	9,069	148,312
		<u>407,842,735</u>	<u>349,391,517</u>
TOTAL		<u>765,032,799</u>	<u>710,330,424</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

NEW DELHI

Raj Kumar Agarwal

Partner

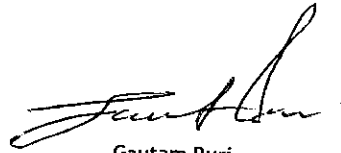
Membership No.: 074715

Place: Greater Noida

Date: July 27, 2013

For and on behalf of board of directors of

Career Launcher Education Infrastructure and Services Limited



Gautam Puri
Managing Director



Syed Talib Mehdi
Company Secretary

Place: Greater Noida

Date: July 27, 2013



Satya Narayanan R.
Director

Career Launcher Education Infrastructure and Services Limited
Statement of Profit and Loss for the Year ended March 31, 2013

	Note	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Income			
Revenue from operations	20	35,997,942	40,442,686
Other income	21	30,244,800	33,159,857
Total revenue		66,242,742	73,602,543
Expenses			
Employee benefits expense	22	22,219,398	25,043,438
Finance costs	23	143,318	469,480
Depreciation and amortisation expense	24	735,089	1,473,127
Other expenses	25	26,078,426	28,544,223
Total expenses		49,176,231	55,530,268
Profit before prior period items, exceptional item and tax		17,066,511	18,072,275
Prior period expenses	26	887,839	80,834
Profit before exceptional item and tax		16,178,672	17,991,441
Exceptional items			
-Bad trade receivables written off	38	-	31,929,883
Profit / (Loss) before tax		16,178,672	(13,938,442)
Tax expense:			
-Current tax		2,184,212	-
-Minimum Alternate Tax (MAT) credit		(2,184,212)	-
-Deferred tax charge/ (benefit)		-	(44,874)
		-	(44,874)
Profit/(Loss) from the year		16,178,672	(13,893,568)
Earning/(loss) per share (in ₹):			
(nominal value of ₹ 10 per share)			
-Basic (before exceptional item)		1.74	1.94
-Basic (after exceptional item)		1.74	(1.49)
-Diluted (before exceptional item)		1.74	1.94
-Diluted (after exceptional item)		1.74	(1.49)
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

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

Managing Director

Syed Talib Mehdi

Company Secretary

Satya Narayanan R.

Director

Place: Greater Noida

Date: July 27, 2013

Place: Greater Noida

Date: July 27, 2013

Career Launcher Education Infrastructure and Services Limited
Cash Flow Statement for the Year ended March 31, 2013

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Cash flow from operating activities		
Net profit/(loss) before tax	16,178,672	(13,938,442)
<i>Adjustments for:</i>		
Depreciation and amortisation	735,089	1,473,127
Finance costs	143,318	469,480
Loss on sale of assets, net	-	156,005
Exceptional item-bad trade receivables written off	-	31,929,883
Bad trade receivables written off	2,039,387	165,315
Interest income	(29,987,942)	(32,605,833)
Liabilities no longer required written back	(224,408)	(277,328)
	<u>(27,294,556)</u>	<u>1,310,649</u>
Operating loss before working capital changes	(11,115,884)	(12,627,793)
<i>Movement in ossets and liabilities, net</i>		
Decrease in other non-current assets	11,552	236,462
Decrease/(increase) in trade receivables	17,516,794	(12,447,055)
Decrease/(Increase) in short-term loans and advances	1,369,476	(952,486)
Increase in short-term provisions	(156,918)	162,724
Increase in trade payables	1,014,446	209,776
(Decrease) in other current liabilities	1,218,304	(866,941)
Increase in other long-term liabilities	189,500	282,400
Increase in long-term provisions	502,063	215,218
	<u>21,665,217</u>	<u>(13,159,902)</u>
Cash used in operations	<u>10,549,333</u>	<u>(25,787,695)</u>
Less: taxes paid, net of refund	(3,778,132)	(1,624,934)
Net cash used in operating activities	<u>6,771,201</u>	<u>(27,412,629)</u>
Cash flow from investing activities		
Capital expenditure on fixed assets and capital work in progress	(505,550)	(2,050,817)
Proceeds from sale of fixed assets	-	201,002
Loans given to related parties	(99,297,879)	(249,876,312)
Loans realised from related parties	-	34,744
Inter-corporate deposits realised	7,285,884	5,090,580
Proceeds from fixed deposits	46,055,104	193,177,202
Interest received	12,689,437	16,011,624
Net cash used in investing activities	<u>(33,773,004)</u>	<u>(37,411,977)</u>

Continued on next page



Career Launcher Education Infrastructure and Services Limited

Cash Flow Statement for the Year ended March 31, 2013

Continued from previous page

	Year ended March 31, 2013	Year ended March 31, 2012
(Amount in ₹)		
Cash flow from financing activities		
Proceeds from issue of right shares (net of share issue expenses)	33,563,556	-
Proceeds from long-term borrowings (including current maturities)	-	1,000,000
Proceeds from short-term borrowings	2,587,394	-
Repayment of long-term borrowings (including current maturities)	(169,237)	(234,888)
Finance cost	(144,316)	(463,242)
Net cash generated from financing activities	35,837,397	301,870
Net (decrease) in cash and cash equivalents	8,835,594	(64,522,736)
Cash and cash equivalents (Refer note 17)		
-Beginning of the year	7,135,773	71,658,509
-End of the year (A)	15,971,367	7,135,773
Deposits with original maturity of more than three months (B) (Refer to note 17)	767,694	46,822,798
Cash and bank balances as per balance sheet (A+B)	16,739,061	53,958,571

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 the Companies (Accounting Standard) Rules, 2006 (as amended).

As per our report of even date

For **Haribhakti & Co.**

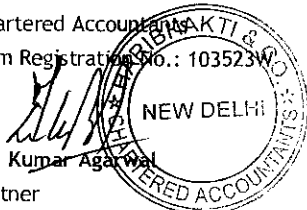
Chartered Accountants

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

Satya Narayanan R.

Director

Syed Talib Mehdi

Company Secretary

Place: Greater Noida

Date: July 27, 2013

Place: Greater Noida

Date: July 27, 2013

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 57.31% (Previous year 57.57%) of its share capital. The accompanying financial statements reflect the results of the activities undertaken by the Company during the year April 1, 2012 to March 31, 2013.

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 replacements, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Losses arising from the retirement of, and gain or losses arising from disposal of tangible 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.



Intangible assets

Intangible fixed assets including computer software are stated at their cost of acquisition net of CENVAT (wherever applicable), 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.

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 Amortization

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:	
Furniture and fixtures	10
Office equipment	10
Vehicle	10
Computer equipment	5
Leasehold improvements	3
Intangible Assets:	
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 also 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, 2013

(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

- 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.

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.



Career Launcher Education Infrastructure and Services Limited
Notes to the Financial Statements for the year ended March 31, 2013

(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 up by Life Insurance Company of India.

(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 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.

(xi) 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.

(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.



Career Launcher Education Infrastructure and Services Limited
Notes to the Financial Statements for the year ended March 31, 2013

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) Taxation

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income-tax law) and deferred tax charge or credit.

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 realised 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 of realisation 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 realised.

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 issued by the Institute of Chartered Accountant of India, 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.



Career Launcher Education Infrastructure and Services Limited
Notes to the Financial Statements for the year ended March 31, 2013

(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 72(2) of the Companies Act, 1956 to the extent balance is available for utilization in the securities premium account. The balance of share issue expenses in excess of securities premium account, if any, is carried as an asset and is amortized over a period of 5 years from the date of the issue of shares.

(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.

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.

----The space is intentionally left blank---



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

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, 2013		As at March 31, 2012	
	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)	9,369,838	93,698,380	9,280,262	92,802,620
	9,369,838	93,698,380	9,280,262	92,802,620

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

Particulars	As at March 31, 2013		As at March 31, 2012	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	9,280,262	92,802,620	9,280,262	92,802,620
Issued during the year	89,576	895,760	-	-
Outstanding at the end of the year	9,369,838	93,698,380	9,280,262	92,802,620

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.

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	As at March 31, 2013			As at March 31, 2012		
	Numbers	Amount in ₹	% held	Numbers	Amount in ₹	% held
i. CL Educate Limited, the holding company	5,369,738	53,697,380	57.31	5,343,008	53,430,080	57.57

-----The space is intentionally left blank-----



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

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

Name of share holders	As at March 31, 2013			As at March 31, 2012		
	Numbers	Amount in ₹	% held	Numbers	Amount in ₹	% held
i. CL Educate Limited, the holding company	5,369,738	53,697,380	57.31	5,343,008	53,430,080	57.57
ii. Bilakes Exports Private Limited	962,500	9,625,000	10.27	962,500	9,625,000	10.37
iii. GPE (India) Limited	938,597	9,385,970	10.02	886,437	8,864,370	9.55
iv. Housing Development Finance Corporation (HDFC)	938,028	9,380,280	10.01	938,028	9,380,280	10.11
v. Shantanu Prakash	478,820	4,788,200	5.11	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 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 100,000 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, 2013 and March 31, 2012 the company had 15,000 and 19,000 number of shares reserved for issue under the scheme respectively. (Also refer to note 36).

4. Reserve and surplus

4.1 Securities Premium

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Opening balance	644,242,743	644,242,743
Add: Premium on issue of equity shares	19,169,264	-
Less: Share issue expenses	(1,500)	-
Closing balance (A)	663,410,507	644,242,743

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

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Opening balance	(39,151,025)	(25,257,458)
Add: Profit/(loss) after tax for the year from Statement of Profit and Loss	16,178,672	(13,893,568)
Closing balance (B)	(22,972,353)	(39,151,026)
Total Reserves and Surplus (A+B)	640,438,154	605,091,717

5. Long-term borrowings

	(Amount in ₹)			
	Non-current portion		Current maturities	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Term Loan, secured				
Vehicle loan from bank	504,398	694,552	190,156	169,239
Amount disclosed under the head "other current liabilities" (refer note 10)	-	-	(190,156)	(169,239)
Net Amount	504,398	694,552	-	-

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, 2013

6. Other long term liabilities

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Security deposits received	1,101,900	912,400
	<u>1,101,900</u>	<u>912,400</u>

7. Provisions

Particulars	(Amount in ₹)			
	Long-term		Short-term	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provision for employee benefits (Also refer note 28)				
Provision for gratuity	92,032	-	10,104	-
Provision for leave encashment	992,661	582,630	21,527	188,549
Outstanding at the end of the year	<u>1,084,693</u>	<u>582,630</u>	<u>31,631</u>	<u>188,549</u>

8. Short-term borrowings

Particulars	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Loan from related parties (unsecured) (refer note 35)*	2,587,394	-
	<u>2,587,394</u>	<u>-</u>

* The Company has taken an unsecured loan from its holding company, in the current year carrying an interest rate of 14.25% per annum, interest being payable quarterly. The loan is repayable either on demand or by March 31, 2018 whichever is earlier.

9. Trade payable (Also refer note 34)

Particulars	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Trade payable	1,569,294	554,848
	<u>1,569,294</u>	<u>554,848</u>

10. Other current liabilities

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Current maturities of long term borrowings (Refer note 5)	190,156	169,239
Interest accrued but not due on borrowings	5,823	6,821
Others		
- Employees related payables	5,735,422	1,697,839
- Security deposits	200,000	-
- Payables for expenses (Refer note 34)	2,557,002	4,502,096
- Advance from customers (Advance fees)	627,614	577,050
- Other liabilities (represent statutory liabilities payable to government authorities)	1,163,690	2,522,298
Stale cheques liabilities	37,216	27,765
	<u>10,516,923</u>	<u>9,503,108</u>

-----The space is intentionally left blank-----



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

11. Tangible assets

Particular	Gross block (at cost)			Accumulated depreciation		Net block			
	As at April 1, 2012	Additions	Disposals/ Adjustments	As at March 31, 2013	Up to April 1, 2012	Depreciation for the year	Disposals/ Adjustments	As at March 31, 2013	As at March 31, 2012
Own assets									
Office equipment	1,019,513	-	-	1,019,513	268,521	92,100	-	658,892	750,992
Computer hardware	1,111,492	-	-	1,111,492	455,913	208,278	-	447,301	655,579
Vehicles	1,382,800	-	-	1,382,800	98,215	138,280	-	1,146,305	1,284,585
Furniture and fixtures	775,572	-	-	775,572	691,619	13,733	-	70,220	83,953
Lease hold improvement	1,128,822	505,550	-	1,634,372	913,248	177,708	-	543,416	215,574
Total	5,418,199	505,550	-	5,923,749	2,427,516	630,099	-	2,866,134	2,990,683
Previous year	4,104,075	1,843,826	529,702	5,418,199	2,122,337	477,874	172,695	2,990,683	-

12. Intangible assets

Particular	Gross block (at cost)			Accumulated amortisation		Net block			
	As at April 1, 2012	Additions	Disposals/ Adjustments	As at March 31, 2013	Up to April 1, 2012	Amortisation for the year	Disposals/ Adjustments	As at March 31, 2013	As at March 31, 2012
Website	3,584,770	-	-	3,584,770	3,547,231	15,512	-	22,027	37,539
Education manual	2,750,000	-	-	2,750,000	2,750,000	-	-	-	-
Software	483,991	-	-	483,991	202,429	89,478	-	192,084	281,562
Total	6,818,761	-	-	6,818,761	6,499,660	104,990	-	214,111	319,101
Previous year	6,611,770	206,991	-	6,818,761	5,504,407	995,253	-	319,101	-

.....The space is intentionally left blank.....



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

13. Non current investments

	March 31, 2013	(Amount in ₹) March 31, 2012
Unquoted, non - trade investments (valued at cost unless stated otherwise)		
Investment in subsidiaries		
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 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>

14. Long-term loans and advances

	March 31, 2013	(Amount in ₹) March 31, 2012
Unsecured, considered good		
Advance income tax (net of provisions ₹ 2,184,212 (Previous year ₹ Nil))	14,431,544	12,837,624
MAT credit entitlement	2,306,147	121,935
Inter-corporate deposits	108,024	7,393,908
	<u>16,845,715</u>	<u>20,353,467</u>

15. Other non-current assets

	March 31, 2013	(Amount in ₹) March 31, 2012
Unsecured, considered good		
Gratuity fund assets	-	11,552
	-	<u>11,552</u>

16. Trade receivables

	March 31, 2013	(Amount in ₹) March 31, 2012
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment *	14,450,988	20,767,994
Others *	5,772,825	19,012,000
	<u>20,223,813</u>	<u>39,779,994</u>

* Includes amount due from related parties. (Refer note 35)



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

17. Cash and bank balances

	March 31, 2013	(Amount in ₹) March 31, 2012
Cash and cash equivalents		
Cash in hand	-	4,165
Balances with banks -in current accounts	15,971,367	7,131,608
	<u>15,971,367</u>	<u>7,135,773</u>
Other bank balances		
- Deposits with original maturity of more than three months but realizable within twelve months from Balance Sheet date	767,694	46,822,798
	<u>16,739,061</u>	<u>53,958,571</u>

18. Short term loans and advances

	March 31, 2013	(Amount in ₹) March 31, 2012
Unsecured, considered good, unless stated otherwise		
Loans and advances to related parties (refer note 35)	359,183,182	242,447,555
Loans and advances to employees	27,331	71,768
Security deposit	11,115,000	11,748,125
Other loans and advances		
- Other advances recoverable in cash or kind	480,375	942,515
- Prepaid expenses	64,904	294,677
	<u>370,870,792</u>	<u>255,504,640</u>

19. Other current assets

	March 31, 2013	(Amount in ₹) March 31, 2012
Interest accrued on fixed deposits	9,069	148,312
	<u>9,069</u>	<u>148,312</u>

20. Revenue from operations

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Sale of services		
- Revenue from soft skill fee	20,922,206	15,738,313
Fees income		
- Revenue from school fee	6,464,275	7,886,800
- Revenue from license fee	2,000,000	12,384,633
- Bus fee	1,264,786	1,234,600
- Others	5,346,675	3,198,340
	<u>35,997,942</u>	<u>40,442,686</u>



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

21. Other income

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Interest on bank deposits	1,113,440	12,024,719
Interest on loans		
- Related parties (refer note 35)	28,343,996	18,950,586
- Others	530,506	1,630,528
Other non-operating income		
- Liabilities written back	224,408	277,328
- Miscellaneous income	32,450	276,696
	<u>30,244,800</u>	<u>33,159,857</u>

22. Employee benefits expense

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Salaries, wages and other benefits	20,916,184	22,979,515
Contribution to provident and other funds (refer note 28)	299,720	368,886
Leave encashment expenses (refer note 28)	357,175	524,255
Gratuity (refer note 28)	205,497	344,796
Staff welfare expenses	440,822	825,986
	<u>22,219,398</u>	<u>25,043,438</u>

23. Finance cost

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Interest expense on borrowings	95,445	92,973
Interest on delay in depositing statutory dues	47,873	376,507
	<u>143,318</u>	<u>469,480</u>

24. Depreciation and amortisation expenses

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Depreciation of tangible fixed assets (Refer note 11)	630,099	477,874
Amortisation of intangible fixed assets (Refer note 12)	104,990	995,253
	<u>735,089</u>	<u>1,473,127</u>



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

25. Other expenses

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Administration expenses	3,586,782	3,037,232
Electricity expenses	146,837	125,627
Repairs and maintenance - others	262,768	637,262
Insurance expenses	97,568	67,728
Rates and taxes	316,175	108,154
Communication expenses	765,849	399,246
Travelling and conveyance expenses	4,077,576	5,783,725
Printing and stationery expenses	250,898	157,467
Content development expenses	723,517	32,500
Legal and professional expenses	1,499,474	1,988,956
Bad debts/advances written off	2,039,387	165,315
Loss on fixed assets sold/written off (net)	-	156,005
Sales and marketing expenses	1,319,384	4,497,083
Revenue share	2,523,422	1,610,111
Lease rent expenses	180,000	120,000
Infrastructure charges	1,380,000	1,380,000
Recruitment and training expenses	819,761	912,948
Retainership fees	5,452,102	6,660,795
Auditors remuneration (refer note 29)	400,000	350,000
Miscellaneous expenses	236,926	354,069
	26,078,426	28,544,223

26. Prior period expenses

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Salaries, wages and other benefits	24,430	40,834
Legal and professional	572,126	40,000
Communication charges	291,283	-
	887,839	80,834



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

27. Contingent liabilities

Contingent liabilities not provided for:

- (i) Corporate guarantee amounting ₹ 280,000,000 (Previous year ₹ 215,000,000) for loan taken by subsidiary company.
- (ii) Corporate guarantee amounting ₹ 15,000,000 (Previous year ₹ Nil) for loan taken by Nalanda Foundation.
- (iii) TDS demands pending in appeals/ show cause notice amounting ₹ 646,236 (Previous year ₹ 646,236).

28. Employee benefits obligations

The Company has in accordance with the Accounting Standard-15 'Employee Benefits' 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, 2013	Year ended March 31, 2012
Employers contribution to provident fund *	270,710	325,484
Employers contribution to ESI *	29,010	43,402
* Also refer note 22	<u>299,720</u>	<u>368,886</u>

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 (funded)		Leave Encashment	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Discount rate	8.00%	8.78%	8.00%	8.78%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	9.00%	9.00%	N. A.	N. A.
Retirement age (years)	58	58	58	58
Expected remaining working lives of employees (years)	11.50	14.10	11.50	14.10
Mortality table	IALM (1994-96)	LIC (1994-96)	IALM (1994-96)	LIC (1994-96)
Ages	Withdrawal rate (%)	Withdrawal rate (%)	Withdrawal rate (%)	Withdrawal rate (%)
Up to 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 8.00% 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, 2013

II. Change in benefit obligation

Particulars	Gratuity (funded)		Leave Encashment	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Present value of obligation at the beginning of the year	421,673	275,971	771,179	393,237
Current service cost	222,740	205,700	359,625	438,295
Interest cost	33,734	24,230	61,694	34,526
Past service cost	-	-	-	-
Benefit paid	-	(242,163)	(114,166)	(146,313)
Net actuarial (gain)/loss recognized in the year.	(9,497)	157,935	(64,144)	51,434
Present value of obligation at the end of the year	668,650	421,673	1,014,188	771,179

III. Fair value of plan assets during the year

Particulars	Gratuity (funded)		Leave Encashment	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Fair value of plan assets at the beginning of the year	433,225	523,985	-	-
Expected return on plan assets	38,990	47,159	-	-
Contributions	91,809	108,334	-	-
Benefits paid	-	(242,163)	-	-
Actuarial gain/ (loss) on plan assets	2,490	(4,090)	-	-
Fair value of plan assets at the end of the year	566,514	433,225	-	-

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

Particulars	Gratuity (funded)		Leave Encashment	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Current service cost	222,740	205,700	359,625	438,295
Interest cost	33,734	24,230	61,694	34,526
Expected return on plan assets	(38,990)	(47,159)	-	-
Net actuarial (gain)/ loss to be recognized	(11,987)	162,025	(64,144)	51,434
Expense recognised in Statement of Profit and Loss	205,497	344,796	357,175	524,255

V. Amount recognised in the Balance Sheet

Particulars	Gratuity (funded)		Leave Encashment	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Present value of obligation as at the end of the year	668,650	421,673	1,014,188	771,179
Fair value of plan assets as at the end of the year	566,514	433,225	-	-
Funded status	(102,136)	11,552	(1,014,188)	(771,179)
Net assets/(liability) recognized in Balance Sheet as at March 31	(102,136)	11,552	(1,014,188)	(771,179)
Amount classified as:				
Short term provision (refer note 7)	10,104	-	21,527	188,549



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

Long term provision (refer note 7)	92,032	-	992,661	582,630
Other non-current assets (refer note 15)	-	11,552	-	-

V. Experience on actuarial gain/(loss) for present benefit obligation and plan assets.

a) Gratuity (funded)

Particulars	(Amount in ₹)		
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
On Plan PBO	50,448	(180,592)	241,933
On Plan Assets	2,490	(4,090)	-

b) Leave encashment

Particulars	(Amount in ₹)		
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
On Plan PBO	124,596	(84,445)	395,497

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.

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

Particulars	(Amount in ₹)
Gratuity	307,734
Leave encashment	246,232

29. Auditors remuneration (excluding service tax)

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Statutory audit	400,000	350,000
Out of pocket expenses	8,700	4500
Total	408,700	354,500

30. Earnings/(loss) per share

The calculation of Earnings/ (loss) 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, 2013	Year ended March 31, 2012
Profit/(loss) after tax	A	₹	16,178,672	(13,893,567)
Add: Exceptional item	B	₹	-	31,929,883
Profit after tax but before exceptional item	C=A+B	₹	16,178,672	18,036,316
Weighted average no. of equity shares	D	Nos.	9,280,998	9,280,262
Add: Dilutive potential equity shares	E	Nos.	9,643	19,000
Number of equity shares (of ₹ 10 each) for Dilutive EPS	F=D+E	Nos.	9,290,641	9,299,262
Basic earnings per share (before exceptional item (C/D))		₹	1.74	1.94
Basic earnings per share (after exceptional item (A/D))		₹	1.74	(1.49)



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

Diluted earnings per share (before exceptional item (C/F))	₹	1.74	1.94
Diluted earnings per share (after exceptional item (A/F))	₹	1.74	(1.49)

31. 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 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.

32. Leases

The Company is a lessee under an operating lease. Rental expense for operating leases for the years ended March 31, 2013 was ₹ 180,000 (previous year 120,000). The maximum obligations on non-cancellable operating lease payable as per the rentals stated in the respective agreements:

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Not later than one year	180,000	120,000
Later than one year but not later than five year	75,000	-
Later than five year	-	-
	<u>255,000</u>	<u>120,000</u>

33. 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 March 31, 2013 is as under:

Particulars	(Amount in ₹)		
	As at March 31, 2012	Benefit/ (Charge) for the year	As at March 31, 2013
Deferred tax liability arising on account of:			
- Depreciation	(164,477)	(1,949,757)	(1,949,757)
Deferred tax asset arising on account of:			
Provision for gratuity, leave encashment and unabsorbed losses (to the extent of deferred tax liability)	164,477	1,949,757	1,949,757
Net deferred tax assets	-	-	-

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 March 31, 2013, deferred tax asset has been recognized to the extent of deferred tax liability arising out of depreciation on fixed assets.



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

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

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Balance of sundry creditors		
- Principal amount due to Micro, Small and Medium Enterprises	-	-
- Principal amount due to Others		
Trade payable	1,569,294	554,848
Payable for expenses	2,557,002	4,502,096
Total	4,126,296	5,056,944
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	-	-

35. Related party disclosure

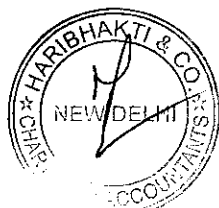
The disclosure as required by the Accounting Standard -18 "Related Party Disclosure" are given below:-

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 and their relatives are able to exercise significant influence. | : | Nalanda Foundation
Career Launcher Education Foundation
CLEF AP Trust |
| d) Key management personnel | : | Sujit Bhattacharya
Shiva Kumar |

B. Details of related party transactions are as below:

Particulars	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
1. Revenue from soft skill fees		
Nalanda Foundation	16,236,234	10,723,960
2. Revenue from license fees		
Nalanda Foundation	-	11,000,000



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

Particulars	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
3. Interest income		
Nalanda Foundation	17,493,132	8,475,459
CLEF AP Trust	1,454,303	1,283,718
Career Launcher Education Foundation	9,396,561	9,191,409
4. Conversion of account receivable into unsecured loan		
Nalanda Foundation	30,386,545	-
5. Reimbursement of expenses		
To Nalanda Foundation	-	299,116
From Nalanda Foundation	-	506,000
To CL Educate Limited	900,886	561,796
From CL Educate Limited	34,117	9,000
To CLEF AP Trust	-	1,900
From Career Launcher Infrastructure Private Limited	165,103	-
6. Lease rent		
To CL Educate Limited	180,000	120,000
7. Infrastructure charges		
To CL Educate Limited	1,380,000	1,380,000
8. Short term loans and advances (given)		
Career Launcher Infrastructure Private Limited	22,300,000	210,300,000
CLEF AP Trust	2,167,337	300,000
Nalanda Foundation	35,762,092	38,826,312
Career Launcher Education Foundation	8,681,905	450,000
9. Short term loans and advances (realised)		
Career Launcher Infrastructure Private Limited	-	150,034,744
10. Non-current investment in subsidiary (Equity Shares)		
Career Launcher Infrastructure Private Limited	-	150,000,000
11. Non-current investment from holding company (Equity Shares)		
CL Educate Limited	5,992,000	-
12. Share application money received pending allotment		
CL Educate Limited	13,500,032	-
13. Short term borrowings taken		
CL Educate Limited	2,587,394	-
14. Revenue share (paid to)		
Career Launcher Infrastructure Private Limited	943,714	683,835
15. Bad trade receivable written off		
Career Launcher Education Foundation (net of service tax)	-	31,929,883
16. Remuneration paid to KMPs		
Shiva Kumar	4,959,888	3,038,600
Sujeet Bhattacharya	4,851,689	4,617,372
17. Reimbursement of expenses to KMPs		
Sujeet Bhattacharya	494,759	832,416



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

Particulars	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
C. Balance outstanding as at the year end		
1. Trade receivables		
Nalanda Foundation	6,360,972	30,490,987
2. Payable for expenses		
CL Educate Limited	226,165	2,676,123
3. Loan and advances		
Career Launcher Infrastructure Private Limited	92,565,256	70,265,256
Nalanda Foundation	178,362,034	94,775,649
Career Launcher Education Foundation	75,700,680	67,018,775
CLEF AP Trust	12,555,212	10,387,875
4. Short-term borrowings		
CL Educate Limited	2,587,394	-
5. Trade payables		
Career Launcher Infrastructure Private Limited	1,569,294	554,848
6. Remuneration payable to KMPs		
Shiva Kumar	1,797,908	334,761
Sujeet Bhattacharya	1,904,071	510,372
7. Expenses payable to KMPs		
Sujeet Bhattacharya	349,596	297,812
8. Guarantees given on behalf on (Refer note 27)		
Career Launcher Infrastructure Private Limited (Guarantee to bank for taken by the Company)	280,000,000	215,000,000
Nalanda Foundation (Guarantee to bank for vehicle loan taken by the Trust)	15,000,000	-

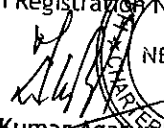
-----The space is intentionally left blank-----



Career Launcher Education Infrastructure and Services Limited
Notes to the financial statements for the year ended March 31, 2013

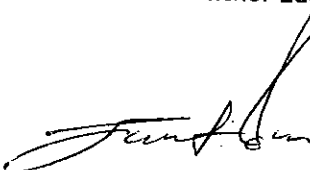
39. In accordance with recent amendment in the year 2012, the Company has conducted a Transfer Pricing Study using the services of an independent chartered accountant for Specified Domestic Transactions ('SDT') with its associated parties domiciled in India as stipulated in newly inserted Section 92BA of the Income Tax Act, 1961, applicable in India, to determine whether such SDT with associated parties in India are being undertaken at "arm's length basis".
The management is of the opinion that all transactions with associated enterprises are undertaken at negotiated contracted prices on usual commercial terms and are at arms' length, and there will not be any impact on the financial statements as a consequence of the legislation.
40. 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.**
Chartered Accountants
Firm Registration No.:103523M


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


Syed Talib Mehdi
Company Secretary

Place: Greater Noida
Date : July 27, 2013

Place: Greater Noida
Date : July 27, 2013