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# Career Launcher Infrastructure Private Limited

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Statutory Audit for the year  
ended March 31, 2013

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**Independent Auditors' Report**

To  
The Members of Career Launcher Infrastructure Private Limited

**Report on the financial statements**

We have audited the accompanying financial statements of Career Launcher Infrastructure Private 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.

**Auditor's 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:

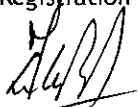
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



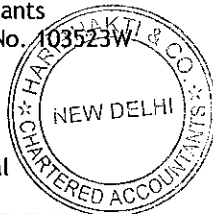
**Report on Other Legal and Regulatory Requirements**

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  
Firm 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 Infrastructure Private 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 assets 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 off by the Company during the year.
- (ii) The Company is engaged in providing various infrastructure facilities and accordingly does not hold any inventory. Accordingly clauses (ii)(a), (ii)(b) and (ii)(c) of paragraph 4 of the Order are not applicable.
- (iii) (a) The Company has granted loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 35,360,770 and the year-end balance of loans granted to such parties was ₹ 34,620,891.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not, *prima facie*, prejudicial to the interest of the Company.
- (c) In respect of loans granted to such party, 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 interest free 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 ₹ 92,565,256 and the year-end balance of loans taken from such parties was ₹ 92,565,256.
- (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 the aforesaid loans, the company is regular in repaying the principal amounts as stipulated. The loans are interest free.
- (iv) *In our opinion and according to the information and explanations given to us, the management is in process of strengthening the existing internal control system in order to make it adequate and commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. We have not observed any continuing failure to correct major weakness in internal control system of the Company.*

There are no transactions with respect to purchase of inventory and sale of goods.



- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) 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) 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 scope of internal audit needs to be enhanced to make it commensurate with the size and nature of Company's business.*
- (viii) *According to the information and explanations given to us, the Company is in the process of maintaining prescribed books of account and records pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for the business activities of the Company.*
- (ix) (a) According to information and explanations given to us, and on the basis of our examination of the records of the Company, undisputed statutory dues including income-tax, works contract tax have generally been regularly deposited during the year by the Company with appropriate authorities.  
Further, as explained statutory dues including provident fund, employees' state insurance, service tax, investor education and protection fund, sales tax, wealth tax, custom duty and excise duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, works contract 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 provident fund, employees' state insurance, service tax, investor education and protection fund, sales tax, wealth tax, custom duty and excise duty are currently not applicable to the Company.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion, the Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. *Further the Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.*
- (xi) *In our opinion and according to the information and explanations given to us, during the year there have been delays in repayment of dues to banks as mentioned below. There are no dues to financial institutions or debenture holders outstanding during the year or at the end of the year.*

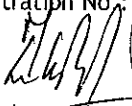


Particulars	Amount in ₹	Due date of payment	Date of payment	Delay in days
Principal amount of term loans	2,100,000	December 31, 2012	February 22, 2013	53
Interest on term loans	2,673,891	December 31, 2012	February 22, 2013	53
Interest on term loans	2,677,203	January 31, 2013	February 22, 2013	22

- (xii) According to the information and explanation given to us, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (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 Infrastructure Private Limited**  
**Balance Sheet as at March 31, 2013**

		(Amount in ₹)	
	Note	As at March 31, 2013	As at March 31, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	2,484,680	2,484,680
Reserves and surplus	4	237,078,156	280,078,713
		<u>239,562,836</u>	<u>282,563,393</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	215,000,000	194,562,000
Deferred tax liabilities (net)	31	20,020,844	46,112
Long-term provisions	6	45,916	29,774
		<u>235,066,760</u>	<u>194,637,886</u>
<b>Current liabilities</b>			
Short-term borrowings	7	92,565,256	70,265,256
Other current liabilities	8	17,909,763	57,611,066
Short-term provisions	6	763	5,915
		<u>110,475,782</u>	<u>127,882,237</u>
<b>TOTAL</b>		<u><u>585,105,378</u></u>	<u><u>605,083,516</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
-Tangible assets	9	406,521,923	489,279,326
-Intangible assets	10	460,469	616,809
-Capital work-in-progress	25	6,312,785	5,947,611
Long-term loans and advances	11	17,887,173	20,186,761
Other non-current assets	12	59,455,717	-
		<u>490,638,067</u>	<u>516,030,507</u>
<b>Current assets</b>			
Trade receivables	13	1,569,294	23,881,416
Cash and bank balances	14	11,980,331	53,892,450
Short-term loans and advances	15	34,853,499	7,694,339
Other current assets	16	46,064,187	3,584,804
		<u>94,467,311</u>	<u>89,053,009</u>
<b>TOTAL</b>		<u><u>585,105,378</u></u>	<u><u>605,083,516</u></u>
Summary of significant accounting policies	2		

The accompanying notes form integral part of the financial statements.

As per our report of even date

For Haribhakti & Co.

Chartered Accountants

Firm Registration No. 103523W

Raj Kumar Agarwal

Partner

Membership No.: 074715

Place: Greater Noida

Date: July 27, 2013

For and on behalf of board of directors of

Career Launcher Infrastructure Private Limited

Gautam Puri

Director

Satya Narayanan R.

Director

Place: Greater Noida

Date: July 27, 2013

Career Launcher Infrastructure Private 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
<b>Income</b>			
Revenue from operations	17	17,778,235	16,473,456
Other income	18	14,739,317	3,383,985
<b>Total revenue</b>		<b>32,517,552</b>	<b>19,857,441</b>
<b>Expenses</b>			
Employee benefits expenses	19	972,590	1,226,454
Finance cost	20	36,051,556	28,167,793
Depreciation and amortisation	21	11,508,932	13,015,433
Other expenses	22	7,364,792	7,502,001
<b>Total Expenses</b>		<b>55,897,870</b>	<b>49,911,681</b>
<b>Loss before prior period items and tax</b>		<b>(23,380,318)</b>	<b>(30,054,240)</b>
Prior period items	23	(354,493)	193,420
<b>Loss before tax</b>		<b>(23,025,825)</b>	<b>(30,247,660)</b>
Tax expense		-	-
- Deferred tax charge	31	19,974,732	-
<b>Loss for the year</b>		<b>(43,000,557)</b>	<b>(30,247,660)</b>
<b>Loss per share (in ₹)</b>	28		
(nominal value of ₹ 10 per share)			
-Basic and diluted		(436.70)	(307.18)
Summary of significant accounting policies	2		

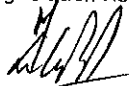
The accompanying notes form an integral part of the financial statements.

As per our report of even date

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.: 103523W

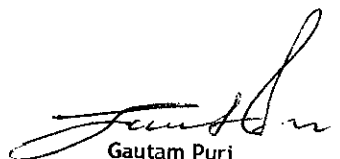


Raj Kumar Agarwal  
Partner

Membership No.: 074715

Place: Greater Noida

Date: July 27, 2013

Gautam Puri  
Director

Place: Greater Noida

Date: July 27, 2013

For and on behalf of board of directors of  
Career Launcher Infrastructure Private Limited



Satya Narayanan R.  
Director



Career Launcher Infrastructure Private Limited  
Cash Flow Statement for the Year ended March 31, 2013

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
<b>Cash flow from operating activities</b>		
Net loss before tax	(23,025,825)	(30,247,660)
<i>Non- cash adjustment to reconcile profit before tax and prior period items to net cash flows</i>		
Depreciation and amortization	11,508,932	13,015,433
(Profit)/loss on sale of assets, net	(6,902,953)	201,931
Amortisation of preliminary expenses	72,887	72,888
Finance cost	32,756,039	28,167,793
Interest income	(7,805,020)	(3,349,911)
Prior period (income)/expenses (net)	(495,267)	-
	<b>6,108,793</b>	<b>7,860,474</b>
<i>Movement in assets and liabilities, net</i>		
Decrease/(increase) in long-term loans and advances	52,847	(13,168,974)
Decrease/(increase) in trade and other receivables	22,312,122	(12,556,543)
Decrease/(increase) in short term loans and advances	359,870	(968,325)
(Decrease) in short-term provision	(5,152)	(4,314)
Increase in long term provisions	16,142	4,942
(Decrease) in other current liabilities	(2,735,955)	(33,762,432)
	<b>19,999,874</b>	<b>(60,455,646)</b>
<b>Cash generated/(used in) from operations</b>	<b>26,108,667</b>	<b>(52,595,172)</b>
Less: taxes paid, net of refund	(2,253,206)	(1,986,372)
<b>Net cash generated/(used in) from operations</b>	<b>23,855,461</b>	<b>(54,581,544)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets including capital work in progress	(10,402,158)	(76,742,669)
Proceeds from sale of fixed assets	46,257,825	7,109,000
Loans advanced to related parties	(28,258,909)	(1,766,534)
Loans realised from related parties	739,879	2,586,353
Interest on loans to related parties	258,518	334,992
Interest on fixed deposit	7,448,419	-
Capital advances realised/adjusted	4,499,947	-
Decrease in payables for fixed assets	(18,965,158)	-
Investments in bank deposits	(59,327,715)	(52,400,000)
<b>Net cash used in investing activities</b>	<b>(57,749,352)</b>	<b>(120,878,858)</b>

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**Career Launcher Infrastructure Private Limited**  
**Cash Flow Statement for the Year ended March 31, 2013**  
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	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
<b>Cash flows from financing activities</b>		
Share issue expenses	-	(150,005)
Proceeds from long term borrowings	215,000,000	211,596,731
Repayment of long term borrowings	(209,612,000)	(6,719,475)
Proceeds from short term borrowings	22,300,000	-
Interest paid	(35,706,228)	(27,822,087)
<b>Net cash generated from financing activities</b>	<b>(8,018,228)</b>	<b>176,905,164</b>
Net increase in cash and cash equivalents (A)	(41,912,119)	1,444,762
Cash and cash equivalents (Refer note 14)		
-Beginning of the year (B)	53,892,450	47,688
-End of the year (A+B)	11,980,331	1,492,450
Deposit with original maturity of more than three months (refer note 14)	-	52,400,000
<b>Cash and bank balances as per balance sheet (A+B)</b>	<b>11,980,331</b>	<b>53,892,450</b>

Summary of significant accounting policies (refer note 2)

- i. The notes referred above form an integral part of the financial statements.
- ii. The above Cash Flow Statement has been prepared under the "Indirect Method" 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.

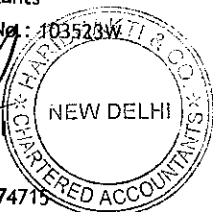
Chartered Accountants

Firm Registration No.: 103528W

Raj Kumar Agarwal

Partner

Membership No.: 074715



For and on behalf of board of directors of

Career Launcher Infrastructure Private Limited

Gautam Puri  
Director

Satya Narayanan R.  
Director

Place: Greater Noida

Date: July 27, 2013

Place: Greater Noida

Date: July 27, 2013

1. BACKGROUND

Career Launcher Infrastructure Private Limited ('the Company') was incorporated in India on 20th February, 2008 to provide various infrastructure facilities. The infrastructure facilities are under use of a third party in accordance with the agreement entered by the Company. The Company is a 100% subsidiary of Career Launcher Education Infrastructure and Services Limited which is a subsidiary of CL Educate Limited, the Ultimate Holding Company.

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

(a) Basis of 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.

(b) 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

(c) 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.

(d) 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 when the asset is disposed.



**Career Launcher Infrastructure Private Limited**  
**Notes to the financial statements for the year ended March 31, 2013**

Fixed assets retired from active use and held for disposal are stated at lower of book value and net realizable 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 on sale of such assets is recognised only upon completion of sale thereof.

*(e) 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 when the asset is disposed.

*(f) Depreciation and amortisation*

*Depreciation*

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)
<b>Tangible Assets:</b>	
Building	60
Plant and machinery	10
Furniture and fixtures	10
Office equipment	10
Vehicle	10
Computer equipment	5
<b>Intangible Assets:</b>	
Software	5

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

All assets, except chairs, costing ₹ 5,000 or below are depreciated/amortised in full by a one-time depreciation/amortisation charge unless used as project assets under infrastructure projects.

*(g) Borrowing costs*

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.

*(h) 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.



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

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

(i) *Revenue recognition*

**Infrastructure Fee:** Infrastructure fee is charged from different institutions on revenue sharing basis and is recognised on accrual basis as and when infrastructure facilities are rendered.

**License Fee:** License fee on account of grant of brand is charged from different schools and is recognised in accordance with the terms of the relevant agreement.

**Interest Income:** Revenue from interest on inter-corporate loans and time deposits are recognised on the time proportion method taking into consideration the amount outstanding and the applicable interest rates.

(j) *Employee benefits*

**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, bonus etc. are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

**Long term employee benefits**

i) *Defined contribution plan:*

The Company is not presently liable to contribute, deduct and deposit Provident Fund as the number of employees is less than ten.

ii) *Defined benefit plan: 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.

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.

(k) *Tax expense*

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

**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 realised.

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

(l) *Leases*

*Operating Leases*

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

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

The assets given under operating lease are shown in the Balance Sheet under fixed assets and depreciated according to depreciation policy of the Company. The lease income is recognized in the Statement of Profit and Loss on a straight-line basis over the lease period.

(m) *Provision, 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.

(n) *Cash and cash equivalents*

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



**Career Launcher Infrastructure Private Limited**  
**Notes to the financial statements for the year ended March 31, 2013**

*(o) Earnings per share*

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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, except where the result would be anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

*(p) Material events*

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

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**Career Launcher Infrastructure Private Limited**

Notes to the financial statements for the year ended March 31, 2013

**3. Share capital**

The Company has two classes of shares i.e. equity shares and 0.01% optionally convertible preference shares, both having a par value of ₹ 10 per share.

Particulars	March 31, 2013		March 31, 2012	
	Numbers	Amount in ₹	Numbers	Amount in ₹
<b>Authorised shares</b>				
Equity shares of ₹ 10 each (previous year ₹ 10 each)	100,000	1,000,000	100,000	1,000,000
0.01% Optionally convertible preference shares of ₹10 each (previous year ₹ 10 each)				
	<u>200,000</u>	<u>2,000,000</u>	<u>200,000</u>	<u>2,000,000</u>
<b>Issued, subscribed and fully paid up shares</b>				
Equity shares of ₹ 10/- each (previous year ₹ 10/-)	98,468	984,680	98,468	984,680
0.01% Optionally convertible preference shares of ₹10/- each*	150,000	1,500,000	150,000	1,500,000
	<u>248,468</u>	<u>2,484,680</u>	<u>248,468</u>	<u>2,484,680</u>

\*During the year ended March 31, 2012, the company had converted unsecured loan from the holding company Career Launcher Education Infrastructure and Services Limited into 0.01% Optionally Convertible Non Cumulative Preference Shares (OCNPS) at a premium of ₹ 990 per share having face value of ₹ 10.

The equity shares of the company, to the extent of 51%, (currently held by Career Launcher Education Infrastructure and Services Limited, the Holding Company) are pledged with HDFC Limited (previous year Axis Bank and Punjab National Bank) against a term loan of ₹ 280,000,000 (previous year ₹ 215,000,000).

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

**Equity shares**

**Particulars**

	March 31, 2013		March 31, 2012	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	98,468	984,680	98,468	984,680
Outstanding at the end of the year	<u>98,468</u>	<u>984,680</u>	<u>98,468</u>	<u>984,680</u>

**Preference shares**

**Particulars**

	March 31, 2013		March 31, 2012	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	150,000	1,500,000	-	-
Add: Shares issued during the year	-	-	150,000	1,500,000
Outstanding at the end of the year	<u>150,000</u>	<u>1,500,000</u>	<u>150,000</u>	<u>1,500,000</u>

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**Career Launcher Infrastructure Private Limited**  
**Notes to the financial statements for the year ended March 31, 2013**

**b) Terms/rights attached to equity/preference shares**

**Equity shares**

**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.

**Preference shares**

**Voting**

The preference shares do not carry any voting rights.

**Dividends**

The Company shall pay preferential dividend @ 0.01% per annum on the OCNPS subscribed by the investor from the date of allotment.

**Terms of conversion/redemption**

The preference shares are issued for a period of five years with an option of their conversion into equity shares. The price, rate and other terms of conversion/redemption will be mutually agreed upon as the time of redemption.

**Liquidation**

In the event of liquidation of the Company, the holders of OCNPS shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts and before payment to equity shareholders, if any. Such distribution amounts will be in proportion to the number of OCNPS held by the shareholders upto the extent of agreed redemption amount of such shares.

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

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

**Equity Shares**

Name of share holders	March 31, 2013			March 31, 2012		
	Numbers	Amount in ₹	% held	Numbers	Amount in ₹	% held
Career Launcher Education Infrastructure and Services Limited	93,468	934,680	94.92	93,468	934,680	94.92

**Preference Shares**

Name of share holders	March 31, 2013			March 31, 2012		
	Numbers	Amount in ₹	% held	Numbers	Amount in ₹	% held
Career Launcher Education Infrastructure and Services Limited	150,000	1,500,000	100.00	150,000	1,500,000	100.00



Career Launcher Infrastructure Private 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

**Equity Shares**

Name of share holders	March 31, 2013			March 31, 2012		
	Numbers	Amount in ₹	% held	Numbers	Amount in ₹	% held
i. Career Launcher Education Infrastructure and Services Limited	93,468	934,680	94.92	93,468	934,680	94.92
ii. Satya Narayan R. (as nominee of Career Launcher Education Infrastructure and Services Limited)	5,000	50,000	5.08	5,000	50,000	5.08

**Preference Shares**

Name of share holders	March 31, 2013			March 31, 2012		
	Numbers	Amount in ₹	% held	Numbers	Amount in ₹	% held
Career Launcher Education Infrastructure and Services Limited	150,000	1,500,000	100.00	150,000	1,500,000	100.00

**4. Reserve and surplus**

**4.1 Securities premium**

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Opening balance	333,925,845	185,575,850
Add: Shares issued during the year	-	148,500,000
Less: shares issue expenses	-	(150,005)
Closing balance (A)	333,925,845	333,925,845

**4.2 Deficit in the Statement of Profit and Loss**

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Opening balance	(53,847,132)	(23,599,472)
Add: Loss for the year from statement of Profit and Loss	(43,000,557)	(30,247,660)
Closing balance (B)	(96,847,689)	(53,847,132)
Total Reserves and surplus (A+B)	237,078,156	280,078,713

**5. Long term borrowings**

	Non-current portion		Current maturities	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Term loans, secured				
- From financial institutions [note (i)]	215,000,000	-	-	-
- From banks [note (i)]	-	194,562,000	-	15,050,000
Amount disclosed under the head "other current liabilities"	-	-	-	(15,050,000)
Total	215,000,000	194,562,000	-	-

Note (i) The secured loans are secured by way of:

- a) First Equitable Mortgage of Land and Building of projects
  1. Indus World School (IWS), off. Bypass Road, Near County Walk Township, Jhalaria, Indore.
  2. IWS - PlanetCity, Vill. Mujgahan, Old Dhamtari Road, Raipur.
  3. IWS - Village Yeolawadi, Taluka Haveli, District Pune and construction thereon, present and future.



**Career Launcher Infrastructure Private Limited**

Notes to the financial statements for the year ended March 31, 2013

- b) First charge on all receivables, present and future, arising from the above mentioned projects, from Indus world school, located at 9, Sanyogitaganj, Near Mission Hospital, Chhawani, Indore and all other schools that are being run by Nalanda Foundation.
- c) First charge on all bank accounts of the Company, including without limitation to the Project account/Trust and retention account/Escrow accounts, Debt service reserve account and any other accounts wherever mentioned.
- d) First charge on all receivables of the Company via an escrow mechanism.
- e) First charge on all bank accounts of Career Launcher Education Infrastructure and Services Limited (CLEIS), the holding company, including without limitation to Project account/Trust and retention account/Escrow account Debt service reserve account and any other accounts wherever mentioned.
- f) First charge on all receivables under Career Launcher Education Infrastructure and Services Limited (CLEIS), the holding company, via an escrow mechanism.
- g) First charge on bank accounts of Nalanda Foundation related to all schools under Nalanda Foundation.
- h) First charge on all receivables under Nalanda Foundation, via an escrow mechanism.
- i) Pledge of 51% shares of the Company held by Career Launcher Education Infrastructure and Services Limited (CLEIS), the holding company.
- j) Corporate guarantee from CL Educate Limited (CL), the ultimate holding company, and Career Launcher Education Infrastructure and Services Limited (CLEIS), the holding company.
- k) Personal guarantees of Mr. Satya Narayanan R., Mr. Gautam puri, Mr. Sujit Bhattacharyya, Mr. Sreenivasan R., Mr. Shiv Kumar Ramachandran and Mr. Nikhil Mahajan.
- l) Undertaking from Career Launcher Education Infrastructure and Services Limited (CLEIS), the holding company to the effect that: 1.) they will continue to hold at least 51% of equity share capital of the Company throughout the tenor of the loan 2.) to provide funds by way of additional equity/unsecured loans to the Company for project completion and meeting cost overruns of the project if any including interest and principal repayments.
- m) Undertaking from CL Educate Limited (CL), the ultimate holding company, to the effect that: 1.) they will continue to hold at least 51% of equity share capital of Career Launcher Education Infrastructure and Services Limited (CLEIS), the holding company, throughout the tenor of the loan 2.) to provide funds by way of additional equity/unsecured loans to the Company for project completion and meeting cost overruns of the project if any including interest and principal repayments.
- n) Undertaking from Nalanda Foundation that payment to the Company towards payment of loans will be made prior to any other payments after day to day expenses are met.
- o) Rate of interest shall be variable and linked to HDFC's Corporate Prime Lending Rate (CPLR) and shall be lower than the same by 325 basis points.
- p) The loan shall be repaid by way of 32 quarterly installments with the first installment falling due on February 28, 2015.
- q) Any other security of equivalent or higher amount that may be acceptable.

**6. Provisions**

	Long-term		Short-term	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provision for employee benefits (Also refer to note 27)				
Provision for leave encashment	45,916	29,774	763	5,915
<b>Total</b>	<b>45,916</b>	<b>29,774</b>	<b>763</b>	<b>5,915</b>



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

7. Short term borrowings

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
- From related parties - unsecured [note (i)]	92,565,256	70,265,256
	<u>92,565,256</u>	<u>70,265,256</u>

Note (i) The Company has taken an interest free unsecured loan from the Holding Company. As per the terms of the agreement the Holding Company may extend loan upto a maximum limit of ₹ 15 Crores.

8. Other current liabilities

	(Amount in ₹)	
	March 31, 2013	March 31, 2012
Current maturities of long-term borrowings	-	15,050,000
Advance received against sale of land	5,350,000	3,000,000
Interest accrued but not due on long term borrowings	-	2,950,190
Employees related payables	157,051	42,178
Payable for expenses	1,016,544	1,095,239
Payables for capital expenditure*	11,250,142	32,565,300
Other liabilities (represent statutory liabilities payable to government authorities)	84,817	2,839,388
Stale cheques liability	51,209	68,771
	<u>17,909,763</u>	<u>57,611,066</u>

\* Includes amount due to related parties, (refer note 32).

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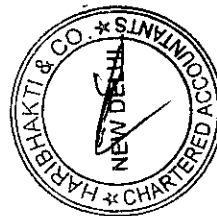
Career Launcher Infrastructure Private Limited  
Notes to the financial statements for the year ended March 31, 2013

9. Tangible fixed assets

Particular	Gross block (at cost)			Accumulated depreciation			Net block		
	As at April 1, 2012	Additions	Disposals/ Adjustments	Upto April 1, 2012	Depreciation for the year	Eliminated on reclassification as held for sale	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
Land#	184,994,353	780,279	37,868,922	-	-	-	-	105,323,520	184,994,353
Building	278,975,206	2,880,916	-	4,288,754	4,659,018	-	8,947,772	272,908,350	274,686,452
Building improvement	9,395,600	150,000	1,485,950	3,099,328	2,424,340	495,267	5,028,401	3,031,249	6,296,272
Leasehold improvement	1,409,633	734,805	-	159,585	652,285	-	811,870	1,332,568	1,250,048
Plant & machinery	2,433,721	110,529	-	104,806	201,194	-	306,000	2,238,250	2,328,915
Furniture & fittings	12,556,382	3,449,008	-	5,797,326	1,028,214	-	6,825,540	9,179,850	6,759,056
Office equipments	7,117,733	1,539,004	-	1,844,692	803,209	-	2,647,901	6,008,836	5,273,041
Vehicle	6,394,808	-	-	1,775,760	639,481	-	2,415,241	3,979,567	4,619,048
Computers	4,503,508	392,443	-	1,431,367	944,851	-	2,376,218	2,519,733	3,072,141
<b>Total</b>	<b>507,780,944</b>	<b>10,036,984</b>	<b>39,354,872</b>	<b>18,501,618</b>	<b>11,352,592</b>	<b>495,267</b>	<b>29,358,943</b>	<b>406,521,923</b>	<b>489,279,326</b>
Previous year	321,544,394	193,717,415	7,480,865	5,851,672	12,819,881	169,935	18,501,618	489,279,326	-

\* During the year the Company has entered into agreements with various parties to sale lands located at Faridabad and Amritsar. The same have been shown as "Assets held for sale" under the head "Other Current Assets. (refer note 16)

# Last year's figure includes land at amritsar of ₹ 11,515,819 held for disposal, which was being carried at the lower of its net block or net realisable value.





**Career Launcher Infrastructure Private Limited**  
**Notes to the financial statements for the year ended March 31, 2013**

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

	March 31, 2013	(Amount in ₹) March 31, 2012
Unsecured, considered good		
Capital advances	12,100,000	16,599,947
Security deposit	812,858	872,900
Gratuity fund assets (refer note 27)	59,072	51,877
Advance income tax/tax deducted at source (net of provision for tax ₹ Nil (previous year ₹ Nil))	4,915,243	2,662,037
	<u>17,887,173</u>	<u>20,186,761</u>

**12. Other non-current assets**

	March 31, 2013	(Amount in ₹) March 31, 2012
Unsecured, considered good		
Non-current bank balances (refer note 14)	59,327,715	-
Interest accrued on non-current fixed deposits	128,002	-
	<u>59,455,717</u>	<u>-</u>

**13. Trade receivables**

	March 31, 2013	(Amount in ₹) March 31, 2012
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment	1,066,406	6,337,290
Others	502,888	17,544,126
	<u>1,569,294</u>	<u>23,881,416</u>

**14. Cash and bank balances**

	March 31, 2013	(Amount in ₹) March 31, 2012
Cash and cash equivalents		
Cash in hand	-	903
Balances with banks in current accounts	11,980,331	1,491,547
	<u>11,980,331</u>	<u>1,492,450</u>
Other bank balances		
Deposits with maturity of more than twelve months from the reporting date	59,327,715	-
Deposits with maturity of less than twelve months from the reporting date	-	52,400,000
	<u>59,327,715</u>	<u>52,400,000</u>
Less: amount disclosed under non-current assets (refer note 12)	<u>(59,327,715)</u>	<u>-</u>
	<u>11,980,331</u>	<u>53,892,450</u>



**Career Launcher Infrastructure Private Limited**  
**Notes to the financial statements for the year ended March 31, 2013**

**15. Short term loans and advances**

	March 31, 2013	(Amount in ₹) March 31, 2012
<b>Unsecured and considered good</b>		
Loan to related party (refer note 32)	34,620,891	7,101,861
Loans and advances to employees	-	110,000
Prepaid expenses	64,746	75,805
Gratuity fund assets (refer note 27)	5,172	7,513
Other advances recoverable in cash or in kind		
-Advances to suppliers	162,690	399,160
	<u>34,853,499</u>	<u>7,694,339</u>

**16. Other Current Assets**

	March 31, 2013	(Amount in ₹) March 31, 2012
<b>Interest accrued</b>		
- on loans and advances to related parties (refer note 32)	3,481,997	1,155,333
- on fixed deposits	-	2,356,583
Unamortised expenses (preliminary expenses)	-	72,888
Assets held for sale (refer note 9)	42,582,190	-
	<u>46,064,187</u>	<u>3,584,804</u>

**17. Revenue from operations**

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
<b>Sale of services</b>		
-Infrastructure fees	15,278,235	11,473,456
-Infra License Fee	2,500,000	5,000,000
	<u>17,778,235</u>	<u>16,473,456</u>

**18. Other income**

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
<b>Interest income on</b>		
- fixed deposits	5,219,838	2,618,425
- loan to related party (refer note 32)	2,585,182	731,486
Profit on sale of fixed assets (net)	6,902,953	-
Reversal of provision for gratuity (refer note 27)	-	29,074
Others	31,344	5,000
	<u>14,739,317</u>	<u>3,383,985</u>





**Career Launcher Infrastructure Private Limited**  
**Notes to the financial statements for the year ended March 31, 2013**

**19. Employee benefits expenses**

	Year ended March 31, 2D13	(Amount in ₹) Year ended March 31, 2D12
Salaries, wages and bonus	926,612	1,159,192
Leave Encashment (refer note 27)	14,950	5,803
Gratuity (refer note 27)	3,654	-
Staff welfare expenses	27,374	61,459
	<u>972,590</u>	<u>1,226,454</u>

**20. Finance Cost**

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Interest expense on:		
- Term loan from financial institutions	3,134,610	-
- Term loan from bank	29,617,671	27,646,084
- Interest on delayed payment of statutory dues	3,758	142,048
Bank charges	3,295,517	379,661
	<u>36,051,556</u>	<u>28,167,793</u>

**21. Depreciation and amortisation expenses**

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2D12
Depreciation of tangible fixed assets (Refer Note 9)	11,352,592	12,819,881
Amortisation of intangible fixed assets (Refer Note 10)	156,340	195,552
	<u>11,508,932</u>	<u>13,015,433</u>

**22. Other expenses**

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2D12
Rent (refer note 30)	3,024,510	1,263,833
Insurance	111,318	78,313
Legal & professional fees (refer note 33)	637,789	1,236,282
Rates and taxes	741,751	990,221
Postage, telegraph & communication	649,082	791,050
Retainer-ship fee	1,226,976	1,283,774
Books and periodicals	-	69,282
Brokerage	-	322,300
Business promotion expenses	6,181	69,568
Advance to suppliers written off	476,446	-
Loss on sale of fixed assets (net)	-	201,930
Training charges	-	34,744
Travelling and conveyance	242,666	424,512
Repair and maintenance		
-Buildings	73,334	200,513
Preliminary expenses written off	72,887	72,888
Miscellaneous expenses	101,852	462,791
	<u>7,364,792</u>	<u>7,502,001</u>



**Career Launcher Infrastructure Private Limited**  
**Notes to the financial statements for the year ended March 31, 2013**

**23. Prior period items**

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Prior period expenses		
-Interest on term loan	14,845	-
-Legal and professional charges	87,505	-
-Salaries, wages and bonus	118,700	-
-Rates and taxes	-	193,420
-Others	19,094	-
	<u>240,144</u>	<u>193,420</u>
Prior period income	-	-
- Professional Charges	(99,370)	-
- Depreciation reversal	(495,267)	-
	<u>(594,637)</u>	<u>-</u>
<b>Net prior period (income)/expenses</b>	<u><b>(354,493)</b></u>	<u><b>193,420</b></u>

**24. Contingent Liabilities and commitments**

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
a. Claim against the Company not acknowledged as debts	193,420	193,420
b. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)*	52,400,000	52,400,000

\*For the said contract the company has given a bank guarantee for an equal amount which is supported by fixed deposit with the bank.

There are no outstanding other material commitments as at date of the Balance Sheet for the year ended March 31, 2013 and March 31, 2012.

**25. Capital work-in-progress**

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Opening Balance	5,947,611	28,927,754
Additions during the year		
Salaries, wages and bonus	-	818,316
Interest expenses	-	5,895,288
Bank charges	365,174	-
	<u>6,312,785</u>	<u>35,641,358</u>
Less: capitalisation during the year	-	29,693,747
<b>Balance at the year end</b>	<u><b>6,312,785</b></u>	<u><b>5,947,611</b></u>



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

26. Borrowing cost capitalized during the year

In accordance with Accounting Standard 16 - "Borrowing Costs", the Company has capitalized ₹ 365,174 (previous year ₹ 5,895,288) to various fixed assets including capital work-in-process in the year ended March 31, 2013.

27. Employee benefit obligations

A. Defined contribution plans:

The Company has not made any contribution towards Provident Fund and Employees' State Insurance as the same are not currently applicable to the Company.

B. Defined employee benefits schemes:

Gratuity

Liability in respect of Gratuity is ascertained annually on actuarial valuation carried out by an independent actuary.

C. Other long term employee benefits

Leave Encashment

Provision for Leave Encashment is made by the Company on basis of actuarial valuation carried out by independent actuary.

The summarised positions of various defined benefits are as under:

I. Change in present value of obligation

Particulars	(Amount in ₹)			
	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	22,501	44,813	35,689	35,061
Current service cost	8,437	9,158	11,678	14,298
Interest cost	1,800	3,935	2,855	3,078
Benefit paid	-	-	(3,960)	(5,175)
Net actuarial (gain)/loss recognized in the year.	986	(35,405)	417	(11,573)
Present value of obligation at the end of the year	33,724	22,501	46,679	35,689

II. Change in fair value of plan assets:

Particulars	(Amount in ₹)			
	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	81,891	75,129	-	-
Expected return on plan assets	7,370	6,762	-	-
Contributions	8,508	-	-	-
Benefits paid	-	-	-	-
Actuarial gain/ (loss) on Plan Assets	199	-	-	-
Fair value of plan assets at the end of the year	97,968	81,891	-	-



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

III. 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	8,437	9,158	11,678	14,298
Past service Cost	-	-	-	-
Interest cost	1,800	3,935	2,855	3,078
Expected return on plan assets	(7,370)	(6,762)	-	-
Net actuarial (gain)/loss to be recognized	787	(35,405)	417	(11,573)
Expense recognised in Statement of Profit and Loss	3,654	(29,074)	14,950	5,803

IV. 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	33,724	22,501	46,679	35,689
Funded status	97,968	81,891	-	-
Net Asset / (liability) recognized in Balance Sheet as at March 31	64,244	59,390	(46,679)	(35,689)
Excess of actual over estimated	199	-	-	-
Amount classified as:				
Short term provision (Refer note 6)	-	-	763	5,915
Long term provision (Refer note 6)	-	-	45,916	29,774
Short term long and advances (Refer note 15)	5,172	7,513	-	-
Long term long and advances (Refer note 11)	59,072	51,877	-	-

V. 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



**Career Launcher Infrastructure Private Limited**  
**Notes to the financial statements for the year ended March 31, 2013**

- a. The discount rate assumed is 8.00% per annum (previous year 8.78% per annum) which is determined by reference to market yield at the Balance Sheet date on government bonds.
- b. 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.

**VI. Experience on actuarial gain/ (loss) for Projected Benefit Organisation and Plan Assets**

**Gratuity (funded):**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
On plan projected benefit obligation	1,060	34,019	9,542
On plan assets	199	-	4,812

**Leave encashment:**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
On plan projected benefit obligation	2,418	9,587	(1,083)

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

Particulars	(Amount in ₹)
Gratuity	5,172
Leave encashment	14,927

**28. Loss per share**

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

Loss per share	Reference	Units	Year ended March 31, 2013	Year ended March 31, 2012
Loss after tax	A	₹	(43,000,557)	(30,247,660)
Weighted average no. of equity shares	B	Nos.	98,468	98,468
Add: Dilutive potential equity shares	C	Nos.	150,000*	61,066*
Number of equity shares (of ₹ 10 each) for dilutive loss per share	D=B+C	Nos.	248,468	159,534
Basic Loss per Share (A/B)		₹	(436.70)	(307.18)
Diluted Loss per Share (A/D)		₹	(436.70)	(307.18)

\* As the Company has incurred losses in the current and previous financial years, the effect of potential equity shares is anti-dilutive in nature and dilutive loss per share is equal to basic loss per share.

**29. 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 development of school infrastructure and giving the same to third parties through various agreements.

**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.



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

30. Leases

A. As lessee:

The Company is a lessee under various operating leases. The lease rentals charged during the year and maximum obligations on non-cancelable operating lease are payable as per the rentals stated in the respective agreements. Rental expenses for operating lease for the year ended March 31, 2013 and 2012 were ₹ 3,024,510 ₹ 1,263,833 respectively. Obligation on long term, non-cancelable operating lease are mentioned below:

	Year ended March 31, 2013	(Amount in ₹) Year ended March 31, 2012
Lease rent recognized in the profit and loss during the year	3,024,510	1,263,833
Not later than 1 year	3,231,017	3,027,660
Later than 1 year but not later than 5 years	4,792,675	5,863,788
Later than 5 years		

B. As lessor:

The Company has entered into a composite agreement with Nalanda Foundation & Career Launcher Education Infrastructure & Services Limited, the holding company, for the provision of infrastructure services related to run the schools. The amount attributable to provision of Infrastructure services cannot be realistically ascertained as the consideration is based on the number of students serviced during the year and number of students serviced may differ year to year. Therefore, disclosures required to be given by the lessor as per Accounting Standard 19 "Leases", if any, have not been given.

31. Deferred tax liability

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, 2013	Benefit/ (Charge) for the year	As at March 31, 2012
Deferred tax liability arising on account of:			
- Depreciation	(34,815,680)	(34,769,568)	(46,112)
Deferred tax asset arising on account of:			
Provision for gratuity	1,186	1,186	-
Provision for leave encashment	4,851	4,851	-
Provision for bonus	24,334	24,334	-
Unabsorbed losses	14,764,465	14,764,465	-
	(20,020,844)	(19,974,732)	(46,112)

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.

32. 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:

Relationship	Name of related party
(i) Ultimate Holding Company	: CL Educate Limited
(ii) Holding Company	: Career launcher Education Infrastructure Services Limited



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

- (iii) Key Management Personnel ('KMP') : Mr. Nikhil Mahajan  
Mr. Gautam Puri (Director)  
Mr. Sujit Bhattacharya (Director)  
Mr. Sreenivasan R. (Director)  
Mr. Satyanarayana R. (Director)
- (iv) Enterprise in which Key Managerial Personnel are able to exercise significant influence : Nalanda Foundation

(b) Details of related party disclosure are as follows:

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
<b>1. Infrastructure fee</b>		
Career Launcher Education Infrastructure and Services Limited	943,714	683,835
Nalanda Foundation	14,434,522	10,789,621
<b>2. License fee</b>		
Nalanda Foundation	2,500,000	5,000,000
<b>3. Interest income on loans</b>		
Nalanda Foundation	2,585,182	731,486
<b>4. Short Term Loan &amp; Advances given</b>		
Nalanda Foundation	12,895,950	1,766,534
<b>5. Unsecured loan taken</b>		
Career Launcher Education Infrastructure and Services Limited	22,300,000	-
<b>6. Purchase of Fixed Assets</b>		
CL Educate Limited	727,787	891,193
<b>7. Conversion of account receivable into unsecured loan</b>		
Nalanda Foundation	15,362,959	-
<b>8. Short Term Loan &amp; Advances realized</b>		
Nalanda Foundation	739,879	2,586,355
<b>9. Reimbursement of Expenses</b>		
From Career Launcher Education Infrastructure and Services Limited	165,103	-
To CL Educate Limited	14,027	-
To Nikhil Mahajan	58,902	40,800
To Gautam Puri	-	12,859
From Nalanda Foundation	515,441	58,800





Particulars	Year ended March 31, 2013	Year ended March 31, 2012
<b>10. Balance outstanding as at the year end</b>		
Infrastructure and soft skill charges receivable		
Career Launcher Education Infrastructure and Services Limited	1,569,294	554,848
Nalanda Foundation	-	23,326,567
Interest accrued but not receivable on loans & advances given	3,481,998	1,155,333
Unsecured loans		
Career Launcher Education Infrastructure and Services Limited	92,565,256	70,265,256
Short term loans and advances		
Nalanda Foundation	34,620,891	7,101,861
Payable for fixed assets		
CL Educate Limited	1,618,980	1,716,929
Payable for expenses		
Nikhil Mahajan	15,022	-
Guarantee given by CL Educate Limited and Career Launcher Education Infrastructure and Services Limited for Long Term Borrowing from bank	280,000,000	215,000,000
<b>33. Auditors Remuneration</b>		
Statutory Audit	400,000	350,000
Out of pocket expenses	8,990	4,500
	<u>408,990</u>	<u>354,500</u>
	Year ended March 31, 2013	Year ended March 31, 2012
	(Amount in ₹)	(Amount in ₹)
<b>34. Disclosure required by Micro, Small &amp; Medium Enterprises Development Act, 2006 are as follows:</b>		
Balance of Sundry Creditors		
- Principal amount due to Micro, Small and Medium Enterprises	-	-
- Principal amount due to Others	1,016,544	1,095,239
Payable for expenses	11,250,142	32,565,300
Payable for capital expenditure	12,266,686	33,660,539
<b>Total</b>	<u>23,272,772</u>	<u>67,221,078</u>
	Year ended March 31, 2013	Year ended March 31, 2012
	(Amount in ₹)	(Amount in ₹)



(Amount in ₹)	Year ended March 31, 2012	Year ended March 31, 2013
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	-	-
<b>Total</b>	-	-
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. 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.

36. 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. 103523W  
 NEW DELHI  
 CHARTERED ACCOUNTANTS  
 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 Infrastructure Private Limited  
 Gautam Puri  
 Director  
 Satya Narayanan R.  
 Director  
 Place: Greater Noida  
 Date: July 27, 2013