

**ANNUAL REPORT 2011-2012**

**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND  
SERVICES LIMITED**

**CAREER LAUNCHER EDUCATION INFRASTRUCTURE & SERVICES LIMITED**

**Corporate Office:** 15-A, Knowledge Park-II, Greater Noida, UP 201310, Tel +91 120 396 9600 Website: [www.cleis.in](http://www.cleis.in)

**Registered Office:** R-90, Greater Kailash, Part-I, New Delhi - 110048

**THE BOARD OF DIRECTORS (As on 31.07.2012)**

Mr. Satya Narayanan .R, Chairman:	Non-Executive Director
Mr. Gautam Puri:	Managing Director (appointed as Managing Director w.e.f. 3 <sup>rd</sup> February, 2012)
Mr. Sujit Bhattacharyya:	Whole Time Director
Mr. Shiva Kumar Ramchandran:	Whole Time Director (Non-Executive Director till 04 <sup>th</sup> August, 2011)
Mr. Sreenivasan .R:	Non-Executive Director
Mr. Gopal Jain:	Non-Executive Director
Mr. Shantanu Prakash:	Non-Executive Director
Mr. Mahesh Bhogilal Parikh:	Non-Executive Independent Director
Ms. Madhumita Ganguli	Non-Executive Independent Director (appointed on 6 <sup>th</sup> May, 2011)

**BOARD COMMITTEES:**

**AUDIT COMMITTEE**

Mr. Mahesh Bhogilal Parikh (Chairman)  
Mr. Gopal Jain  
Mr. Gautam Puri  
Ms. Madhumita Ganguli (appointed on 6<sup>th</sup> May, 2011)

**COMPENSATION COMMITTEE**

Mr. Mahesh Bhogilal Parikh (Chairman)  
Mr. Gopal Jain  
Mr. Gautam Puri  
Ms. Madhumita Ganguli (appointed on 6<sup>th</sup> May, 2011)

**COMPANY SECRETARY**

Mr. Syed Talib Mehdi

**AUDITORS (2011-12):**

Haribhakti & Company, Chartered Accountants

**REGISTERED OFFICE:**

R-90, Greater Kailash Part-1, New Delhi – 110048 (w.e.f. 2<sup>nd</sup> May, 2012)  
A-703, Sarita Vihar, New Delhi – 110076 (Till 1<sup>st</sup> May, 2012)

**CORPORATE OFFICE:**

Plot No. 15A, Knowledge Park-II, Greater Noida, Uttar Pradesh – 201310

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**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**

**NOTICE**

NOTICE is hereby given that the 7<sup>th</sup> **ANNUAL GENERAL MEETING** of the members of Career Launcher Education Infrastructure and Services Limited would be held on Saturday, the 29<sup>th</sup> day of September, 2012 at 12:30 P.M. at the Registered Office of the Company at 'R-90, First Floor, Greater Kailash, Part-I, New Delhi – 110048' to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit & Loss Account for the year ended on that date together with the report of Board of Directors and the report of Auditors thereon.
2. To appoint a Director in place of Mr. Gautam Puri, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sreenivasan .R, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sujit Bhattacharyya, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and to pass, with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** M/s. Haribhakti & Company, Chartered Accountants, Company's Retiring Auditors, being eligible and offering themselves for reappointment, be and are hereby reappointed as Auditors of the Company to hold the office until the conclusion of the next Annual General Meeting on a remuneration as may be mutually decided between the auditors and the Board of Directors of the Company, along with permissible travelling and out of pocket expenses.”

**SPECIAL BUSINESS:**

**ITEM NO.6**

**To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“**RESOLVED** that pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the renewal of "CLEIS Employee Stock Option Plan 2008" for a further period of One Year, i.e from 22<sup>nd</sup> November, 2012 to 21<sup>st</sup> November, 2013.

**RESOLVED FURTHER** that the Board be and is hereby authorized to issue and allot Equity shares upon exercise of such options from time to time in accordance with the "CLEIS Employee Stock Option Plan 2008" and such Equity shares shall rank pari-passu in all respects with the then existing Equity Shares of the Company.

**RESOLVED FURTHER** that in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition of the shares by the aforesaid allottees under the "CLEIS Employee Stock Option Plan 2008" shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

**RESOLVED FURTHER** that the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said "CLEIS Employee Stock Option Plan 2008" as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company and any other Regulations for the time being in force.

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**RESOLVED FURTHER** that Mr. Gautam Puri, Managing Director, and Mr. Sujit Bhattacharyya, Director, be and are hereby severally authorized to file the relevant e-forms with the Registrar of Companies.”

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him / her on a poll only and such proxy so appointed need not be a member of the company. However proxy forms should be deposited with the company at least 48 hours before the commencement of the meeting;
2. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 with respect to item no.6 of the notice set out above has been annexed hereto.

By Order of the Board  
For **Career Launcher Education Infrastructure and Services Limited**

  
**Sujit Bhattacharyya**  
Director

Date: 31.07.2012  
Place: New Delhi

**ANNEXURE TO THE NOTICE**

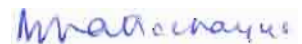
**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)**

**ITEM NO. 6**

As per section 81(1A) of the Companies Act, 1956 read with the Unlisted Public Companies (Preferential Allotment) Rules, 2002, the Special Resolution passed at the Annual General Meeting of the members of the Company held on 29th September, 2011 for renewal of CLEIS ESOP Plan 2008 for a period of twelve month, in the normal course, expires on 21<sup>st</sup> November, 2012. Accordingly, consent of the members is sought, as a Special Resolution under the Provisions of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, if any, for the renewal of the above said scheme for a further period of 12 months, i.e. from 22<sup>nd</sup> November, 2012 to 21<sup>st</sup> November, 2013. The Board of Directors recommends the resolution for the approval of members.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

By Order of the Board  
For **Career Launcher Education Infrastructure and Services Limited**



**Sujit Bhattacharyya**  
Director

Date: 31.07.2012  
Place: New Delhi

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**CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED**  
**DIRECTORS' REPORT' 2012**

Your directors are pleased to present their report on the business and operations of your Company for the year ended March 31, 2012.

**FINANCIAL HIGHLIGHTS**

	Figures in Rs. Year ended March 31	
	2012	2011
Total Income	73,602,543	33,043,495
Total expenditure	55,530,266	30,099,476
Prior Period Expenses	80,834	(232,500)
Exceptional Items	31,929,883	0
Profit / Loss before tax	(13,938,440)	3,176,519
Provision for tax	-44,874	652,794
Profit / Loss after tax	(13,893,566)	2,523,725
Profits brought forward from previous year	(25,257,457)	(27,781,182)
Surplus carried to Balance sheet	(39,151,024)	(25,257,457)

The total income of the Company for the financial year under review in the aggregate was Rs. 7.36 Crores as against Rs. 3.30 crores for the previous financial year, registering an increase of 134%. The expenditures, on the other hand, have increased from Rs.3.01 crores during the previous year to Rs. 5.55 crores during the current year, the increase being 84%. However, Company took a one time hit of Rs. 3.2 Crores on account of provisioning of non receipt of receiveables from IWSB as a prudent Accounting Practice.

**OPERATIONAL REVIEW**

**Year in Retrospect**

In order to concentrate on its main business line of providing soft skill training, the Company, during the year 2011-12, consolidated its operations and brand building for Indus World School. 3 schools namely, IWS Ludhiana, IWS Sohna Road and IWS Pune were launched for admissions starting for session 2012-13. All these three schools have great potential and have shown a promising beginning.

As a step further, Day care facility, as well as a Preparatory school was also added to the existing setup at Gurgaon, Pune and Raipur during the year as feeder facilities to your schools. The result of such additions will be positive, and would show up in the coming years.

IWS Jalgaon, an EP School faced challenges owing to ill health of its chief patron and it was decided to discontinue its operations from session 2012-13.

A number of MOU's were signed during the year 2011-12 for various future schools. One of such MoUs was signed for launching 10 new schools in Karnataka in the next 5 years, out of which 2 in Bangalore would come up for session 2013-14. An MoU was signed for a school each at Agra & Jodhpur, again for Session 2013-14.

**DIVIDEND**

No Dividend has been declared during the year.

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#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE COMPANY'S FINANCIAL POSITION**

- (1) During the year, the Company wrote off trade receivables amounting to Rs. 31,929,883 due from Career Launcher Education Foundation (CLEF), an enterprise over which key managing personnel was/were able to exercise significant influence, as the same was considered unrecoverable on account of inability to be paid by CLEF. Because of this loss of exceptional nature, the Company suffered overall losses in spite of generating good revenues.
- (2) During the year under review, the Company purchased shares (1,50,000 nos. of Optionally Convertible Non-Cumulative Preference Shares (OCPS) of Career Launcher Infrastructure Private Limited (a wholly owned subsidiary company) by the way of conversion of unsecured loan worth approximately Rs. 15 crores granted to the subsidiary company.  
The same is shown as investment in your company's Balance Sheet as on 31<sup>st</sup> March 2012. The said investment has been made at a decent premium, which in itself reflects upon good future growth prospects for CLEIS as a business unit.

#### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of directors) rules, 1988, regarding conservation of energy and technology absorption, Foreign Exchange earning and outgo is not applicable to your Company.

#### **PARTICULARS OF EMPLOYEES**

Our people are the most Important Asset. We value their talent, integrity and dedication. The Board wishes to express its appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. As required under the provision of Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975, as amended, there is no employee falling under the purview of this section's reporting requirements.

#### **DIRECTORS/ MANAGERS/ SECRETARY**

Mr. Gautam Puri, who is also the Managing Director of the Company's Holding Company, CL Educate Limited, was appointed as the Managing Director of the Company with the unanimous consent of the Board, as well as with the consent of the shareholders, on 3<sup>rd</sup> February, 2012.

Mr. Shiva Kumar Ramachandran, who was already on Board of the Company as a Non-Executive Director, was appointed as a Whole Time Director of the Company for a period of 3 years from and with effect from 05.08.2011 till 04.08.2014.

Mr. Satrajit Bhattacharya was appointed as Additional Director of the Company on 18th Feb 11. He was regularised as a Director on 18.02.2011. He resigned from the Board of CLEIS on 6th May 2011.

Mr. Gautam Puri, Mr. Sreenivasan .R, and Mr. Sujit Bhattacharyya retire by rotation at the ensuing Annual General Meeting (2012) and being eligible have offered themselves for re appointment.

Mr. Deepak Jain, Company Secretary resigned from his position on 17<sup>th</sup> January, 2012. Mr. Syed Talib Mehdi was appointed as the Company Secretary of the Company on 23<sup>rd</sup> January, 2012.

#### **AUDITORS**

The Company's Statutory Auditors, M/s. Haribhakti & Company, Chartered Accountants, hold their office till the conclusion of the ensuing AGM (AGM 2012), and being eligible, have offered themselves for re-appointment.

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## **AUDITOR'S REPORT**

Your Directors' explanations regarding the reservations and views of the auditors expressed in the Clauses of the auditors report are:

### **a) Clause No. (iii)(a) and (b) of the Annexure to the Auditors' Report**

- (iii) a The Company has granted loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 175,965,256 and the year-end balance of loans granted to such parties was Rs. 70,265,256.
- b *In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans given to Career Launcher Infrastructure Private Limited, wholly owned subsidiary of the Company, are prima facie, prejudicial to the interest of the Company.*

### **Directors' Reply:**

**"The Company has granted Unsecured Loan to its 100% subsidiary for meeting out its short term fund requirements for providing Infrastructure facilities to Schools run under Nalanda Foundation as per the main business of the subsidiary company. The Management's view point is that by providing this loan, your company is in turn protecting its own investment, which cannot be prejudicial to the interest of the company. Also, at the time of consolidation these interests would be eliminated and will have no impact on the consolidated numbers."**

### **b) Clause No. (iv) of the Annexure to the Auditors' Report**

- (iv) *In our opinion and according to the information and explanations given to us, the management is in process of strengthening the existing internal control system in order to make it adequate and commensurate with the size of the Company and the nature of its business with regard to the sale of services. Accordingly, during the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company. There are no transactions with respect to purchase of inventory and sale of goods.*

### **Directors' Reply:**

**The Auditor's comment is self-explanatory, and does not require any further explanation on Directors' part. The Company is in the process of further strengthening the Internal Controls.**

### **c) Clause No. (vii) of the Annexure to the Auditors' Report**

- vii *In our opinion, the Company is in progress of strengthening the internal audit system as regards coverage of significant areas, that is, sales of services and reconciliation of debtors and creditors to make it commensurate with the size and nature of its business.*

### **Directors' Reply:**

**The Auditor's comment is self-explanatory, and does not require any further explanation on Directors' part. The Company is in the process of further strengthening its Internal Audit System.**

## **PUBLIC DEPOSITS**

During the year, your Company has not accepted any public deposits in terms of the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of deposits) rules, 1975.

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## CORPORATE GOVERNANCE

- A) Detail of all the elements of remuneration package including commission, perquisites and other variable component paid to Executive Directors during the year 2011-12:

Components of Salary	Amount in Rs.	
	Mr. Sujit Bhattacharyya	Mr. Shiva Kumar Ramachandran
Total Fixed Salary	49,29,383	31,88,296
Contribution to PF	9,360	6,280
Perquisites		
<b>Total</b>	<b>49,38,743</b>	<b>31,94,576</b>

No commission was paid to Directors for the year 2011-12.

### **(B) Stock options details**

The Company, Career Launcher Education Infrastructure and Services Limited has not granted any options or shares under any ESOP or any other plan to any of the Directors of the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- (ii) They have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and the profit and loss of the Company for that period;
- (iii) They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing fraud and other irregularities;
- (iv) They have prepared the annual accounts on going concern basis;

## ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the Company's customers, shareholders, vendors and bankers for their support and look forward to their continued support in the future.

Your Directors also place on record their appreciation for the excellent contribution made by all employees who are committed to strong work ethics, excellence in performance and commendable teamwork and have thrived in a challenging environment.

For and on behalf of the Board of Directors  
Career Launcher Education Infrastructure and Services Limited

  
Sujit Bhattacharyya  
Director

  
Gautam Puri  
Managing Director

Dated: 31/07/2012  
Place: New Delhi

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