

ANNUAL REPORT 2012-2013

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

Registered Office: R-90, Greater Kailash, Part-1, New Delhi – 110048

THE BOARD OF DIRECTORS (As on 27.07.2013)

Mr. Satya Narayanan .R, Chairman:	Non-Executive Director
Mr. Gautam Puri:	Managing Director
Mr. Sujit Bhattacharyya:	Whole Time Director
Mr. Shiva Kumar Ramchandran:	Whole Time Director
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

BOARD COMMITTEES:

AUDIT COMMITTEE

Mr. Mahesh Bhogilal Parikh (Chairman)
Mr. Gopal Jain
Mr. Gautam Puri
Ms. Madhumita Ganguli

COMPENSATION COMMITTEE

Mr. Mahesh Bhogilal Parikh (Chairman)
Mr. Gopal Jain
Mr. Gautam Puri
Ms. Madhumita Ganguli

COMPANY SECRETARY

Mr. Syed Talib Mehdi

AUDITORS (2012-13):

Haribhakti & Company, Chartered Accountants

REGISTERED OFFICE:

R-90, Greater Kailash Part-1, New Delhi – 110048 (w.e.f.
2nd May, 2012)
A-703, Sarita Vihar, New Delhi – 110076 (Till 1st 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 8th ANNUAL GENERAL MEETING of the members of Career Launcher Education Infrastructure and Services Limited would be held on Monday, the 30th day of September, 2013 at 12:30 P.M. at the Registered Office of the Company at 'R-90, First Floor, Greater Kailash, Part-1, New Delhi - 110048' to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 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. Mahesh Bhogilal Parikh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shantanu Prakash, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shiva Kumar Ramachandran, 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 from the conclusion of this Annual General Meeting 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 21st November, 2013 to 20th November, 2014.

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

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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.

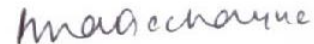
RESOLVED FURTHER that the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said "CLEIS Employee Stock Option Plan 2008" as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies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

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: 27.07.2013
Place: New Delhi

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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, 2012 for renewal of CLEIS ESOP Plan 2008 for a period of twelve month, in the normal course, expires on 21st November, 2013. 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 21st November, 2013 to 20th November, 2014. The Board of Directors recommends the resolution for the approval of members.

A copy of the CLEIS ESOP Plan 2008 is being made available to the members for their perusal along with this report.

ESOPs under the CLEIS ESOP Plan 2008 can be granted to the employees in permanent bonafide employment, including Managing Director, Whole Time Director, or a Non-Executive Director of the Company or its Holding Company or its Subsidiary Company. ESOPs under the CLEIS ESOP Plan 2008 have been granted to Mr. Sanjeev Srivastava, a permanent employee of the Company's holding Co., CL Educate Ltd.

Apart from the above, none of the Directors of the Company, or any of their relatives are, 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: 27.07.2013
Place: New Delhi**

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CAREER LAUNCHER EDUCATION INFRASTRUCTURE AND SERVICES LIMITED

DIRECTORS' REPORT' 2013

Your directors are pleased to present their report on the business and operations of your Company for the year ended March 31, 2013.

FINANCIAL HIGHLIGHTS

	Figures in Rs. Year ended March 31	
	2013	2012
Total Income	66,242,742	73,602,543
Total expenditure	49,176,231	55,530,268
Prior Period Expenses	887,839	80,834
Exceptional Items	0	31,929,883
Profit / Loss before tax	16,178,672	(13,938,442)
Provision for tax	0	-44,874
Profit / Loss after tax	16,178,672	(13,893,568)
Profits brought forward from previous year	(39,151,025)	(25,257,458)
Deficit/ Surplus carried to Balance sheet	(22,972,353)	(39,151,026)

The total income of the Company for the financial year under review in the aggregate was Rs. 6.62 Crores as against Rs. 7.36 crores for the previous financial year, registering a slight decrease of income by 10%. The expenditures, on the other hand, have also decreased from Rs.5.5 crores during the previous year to Rs. 4.91 crores during the current year. However, the Company's profit after tax went up to Rs. 1.61 Crores as against a loss of Rs. (1.38) Crores.

OPERATIONAL REVIEW

Year in Retrospect

To concentrate on its main business line of providing soft skill training, the Company, during the year 12-13, consolidated its operations and brand building for Indus World School. 3 schools namely, IWS Ludhiana, IWS Sohna Road and IWS Pune had their first academic session in 2012-13. All these schools have great potential and have shown a promising beginning.

As a result, the aggregate income for the financial year under review was Rs. 6.62 Crores as against Rs.7.36 crores for the previous financial year, registering a decrease of 10% which is because of the fact that the one-time license fees was charged from all the three new schools in the previous year. The expenditures have also decreased from Rs. 5.55 crores during the previous year to Rs. 4.92 crores during the current year, the decrease being 11.35%.

During the year 1 of your school IWS Indore, was upgraded from Senior Secondary (Class 10th) to Higher Secondary (Class 12th) affiliation with the CBSE.

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DIVIDEND

In order to strengthen the reserves of the Company, your Directors do not recommend any Dividend for the year 2012-13.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE COMPANY'S FINANCIAL POSITION

The Board of Directors of the Company has passed a resolution on the day of writing this report giving an in-principle approval to merge the Company into its wholly owned subsidiary Company, Career Launcher Infrastructure Private Limited as a going concern. It is envisaged that the transfer of Company's business will provide growth in the provision of complete services of infrastructure, brand name and education soft skills to trusts and societies running K12 schools. The resultant entity post-merger will have better financials, business and operational prospects including but not limited to efficient management of costs, better delivery of education and improved administrative controls and costs; and the businesses and activities of the respective companies will be carried on more economically, conveniently and advantageously under the proposed Scheme and the same will have beneficial results for all concerned: both companies, their shareholders, stakeholders.

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. Mahesh Bhogilal Parikh, Mr. Shantanu Prakash and Mr. Shiva Kumar Ramachandran retire by rotation at the ensuing Annual General Meeting (2013) and being eligible have offered themselves for re appointment.

AUDITORS & AUDIT REPORT

The Company's Statutory Auditors, M/s. Haribhakti & Company, Chartered Accountants, hold their office till the conclusion of the ensuing AGM (AGM 2013), and being eligible, have offered themselves for re-appointment.

AUDITOR'S REPORT 2013

Your Directors' explanations regarding the reservations and views of the auditors expressed in the Clauses of the Auditors Report 2013 are:

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

- 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 Rs. 359,183,182 and the year-end balance of loans granted to such parties was Rs. 359,183,182.*

Directors' Reply:

The Company has granted loan to its wholly owned subsidiary for meeting its short term funds requirement and to others as a part of funding of schools run under its brand name.

"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) *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 Rs. 92,565,256. Maximum amount involved during the year on such loan was Rs. 92,565,256.*

Directors' Reply:

The Company has granted an interest free loan to its wholly owned subsidiary for meeting its short term funds requirement and to others as a part of funding of schools run under its brand name. Loan to the wholly owned subsidiary is interest free and loan to others were carrying interest at market rates. Your directors are of the opinion that granting of an interest free loan to a wholly owned subsidiary is, in fact, in the interest of the shareholders for protecting its investment. Similarly your directors are of the opinion that loans to others carrying interest at market rates are in the interest of the shareholders of the company.

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

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 explanation 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.

Directors' Reply:

The auditors 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 related to sale of services.

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

In our opinion, the scope of internal audit needs to be enhanced to make it commensurate with the size and nature of its business.

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Directors' Reply:

The management has taken necessary steps for enhancing the scope of the Internal Audit as suggested by the Auditors.

C) Clause (ix) (a) of the Annexure to the Auditors' Report

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.

Directors' Reply:

The company has since then deposited all of its statutory dues. Your directors assure that the necessary checks and internal controls shall be introduced in the coming year to avoid any delay in depositing of the statutory dues.

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.

CORPORATE GOVERNANCE

Your company strives to ensure that best Corporate Governance practices are identified, adopted and consistently followed. Your Company believes that good governance is the basis for sustainable growth of the business and for enhancement of stakeholder value.

There are two executive Directors on the Board of the Company and the details of all the elements of remuneration package including commission, perquisites and other variable component paid to Executive Directors during the year 2012-13 are as follows:

Components of Salary	Amount in Rs.	
	Mr. Sujit Bhattacharyya	Mr. Shiva Kumar Ramachandran
Total Fixed Salary	2,122,800	2,122,800
Contribution to PF	9,360	9,360
Perquisites	2,728,889	2,837,088
Total	4,861,049	4,969,248

No commission was paid to Directors for the year 2012-13.

(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.

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DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

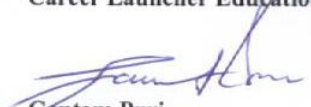
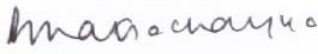
- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii. They have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent 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**


**Gautam Puri
Managing Director**
**Sujit Bhattacharyya
Director**

**Dated: 27/07/2013
Place: New Delhi**

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Career Launcher Education Infrastructure and Services Limited
STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	Career Launcher Infrastrucure Pvt. Ltd.
1. Financial Year of the subsidiary ended on	31st March, 2013
2. Share of the subsidiary held by the Company as on 31.03.13 a) No. and face value	98,468 Equity Shares of Rs. 10/- each. 1,50,000 Preference Shares of Rs. 10/- each.
b) Extent of holding (%)	100%
3. The net aggregate amount of the subsidiary companies Profit/ (loss) so far as it concerns the members of the holding company	
a) Not dealt with in the holding company's accounts	
i) for the financial year ended 31.03.13	(43,000,557)
ii) upto the previous financial years of the subsidiary company.	(53,847,132)
b) Dealt with in the holding company's accounts	
i) for the financial year ended 31.03.13	NIL
ii) for the previous financial year of the subsidiary company since they became the holding company's subsidiaries.	NIL

For and on behalf of the Board of Directors

Gautam Puri
Managing Director

Sujit Bhattacharyya
Director

Place : New Delhi
Dated : 27.07.2013

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