
Career Launcher
Infrastructure Private
Limited

Statutory Audit for the year
ended March 31, 2014

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, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W



Raj Kumar Agarwal
Partner
Membership No.: 074715



Place: New Delhi
Date: July 29, 2014

[Annexure 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, 2014]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed 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, the provisions of clauses (ii)(a), (ii)(b), (ii)(c) of paragraph 4 of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loan to one party covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was ₹ 62,223,885 and the year-end balance of loan granted to such party was ₹ 62,223,885.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for loan given to such party covered in the register maintained under section 301 of the Act are, *prima facie*, not prejudicial to the interest of the Company.
- (c) In respect of loan 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 loan granted to such party 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 Act. The maximum amount involved during the year was ₹ 96,565,256 and the year-end balance of loans taken from such party was ₹ 88,475,256.
- (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, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase fixed assets and for sale of services. We have not observed any continuing failure to correct major weakness in the aforesaid internal control system of the Company.
There are no transactions in respect to sale of goods and purchase of inventory.



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Chartered Accountants

- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, in respect of transactions made in pursuance of contracts or arrangements entered aggregating ₹ 500,000 or more in value, the prices are not comparable since similar transactions have not been undertaken with any other party not covered under section 301.
- Unsecured loans granted to parties covered in the register maintained under section 301 of the Act, are dealt with in paragraphs (iii)(a), (iii)(b), (iii)(c) and (iii)(d) above.
- Unsecured loans taken from parties covered in the register maintained under section 301 of the Act, are dealt with in paragraphs (iii)(e), (iii)(f) and (iii)(g) above.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (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, service tax have *generally* been regularly deposited during the year by the Company with appropriate authorities.
- 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, 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 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 the Company has not defaulted in repayment of dues to financial institutions. The Company has no outstanding dues in respect of banks or debenture holders during or as at the end of the year.



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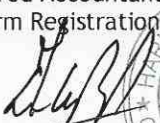
Chartered Accountants

- (xii) According to the information and explanation given to us, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause (xii) of paragraph 4 of the Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) In our opinion 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 register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year. Accordingly, the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the Company.
- (xx) The Company has not raised money by way of public issue during the year. Accordingly, the provisions of clause (xx) of paragraph 4 of the Order are not applicable to the Company.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W


Raj Kumar Agarwal
Partner

Membership No.: 074715



Place: New Delhi

Date: July 29, 2014

Career Launcher Infrastructure Private Limited
Balance Sheet as at March 31, 2014

		(Amount in ₹)	
	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,484,680	2,484,680
Reserves and surplus	4	232,917,030	237,078,156
		<u>235,401,710</u>	<u>239,562,836</u>
Non-current liabilities			
Long-term borrowings	5	212,849,649	215,000,000
Deferred tax liabilities (net)	31	9,270,081	20,020,844
Long-term provisions	6	54,195	45,916
		<u>222,173,925</u>	<u>235,066,760</u>
Current liabilities			
Short-term borrowings	7	88,475,256	92,565,256
Other current liabilities	8	16,544,911	17,909,763
Short-term provisions	6	964	763
		<u>105,021,131</u>	<u>110,475,782</u>
TOTAL		<u><u>562,596,766</u></u>	<u><u>585,105,378</u></u>
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	9	400,174,444	406,521,923
-Intangible assets	10	304,132	460,469
-Capital work-in-progress	25	6,312,785	6,312,785
Long-term loans and advances	11	21,479,146	17,887,173
Other non-current assets	12	-	59,455,717
		<u>428,270,507</u>	<u>490,638,067</u>
Current assets			
Trade receivables	13	15,927,507	1,569,294
Cash and bank balances	14	4,191,609	11,980,331
Short-term loans and advances	15	62,562,521	34,853,499
Other current assets	16	51,644,622	46,064,187
		<u>134,326,259</u>	<u>94,467,311</u>
TOTAL		<u><u>562,596,766</u></u>	<u><u>585,105,378</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. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W

NEW DELHI

Raj Kumar Agarwal

Partner

Membership No.: 074715

Place: New Delhi

Date: July 29, 2014

For and on behalf of Board of Directors of

Career Launcher Infrastructure Private Limited

Gautam Puri

Director

Place: New Delhi

Date: July 29, 2014

Satya Narayanan R.

Director

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

	Note	Year ended March 31, 2014	Year ended March 31, 2013
(Amount in ₹)			
Income			
Revenue from operations	17	24,250,119	17,778,235
Other income	18	14,530,675	14,739,317
Total revenue		38,780,794	32,517,552
Expenses			
Employee benefits expenses	19	704,657	972,590
Finance cost	20	31,470,625	36,051,556
Depreciation and amortisation	21	12,005,424	11,508,932
Other expenses	22	9,504,400	7,364,792
Total expenses		53,685,106	55,897,870
Loss before prior period items and tax		(14,904,312)	(23,380,318)
Prior period expenses/(income) (net)	23	7,577	(354,493)
Loss before tax		(14,911,889)	(23,025,825)
Tax expense		-	-
- Deferred tax (benefit) / charge	31	(10,750,763)	19,974,732
Loss for the year		(4,161,126)	(43,000,557)
Loss per share (in ₹)	28		
(Nominal value of ₹ 10 per share)			
-Basic and diluted		(42.26)	(436.70)
Summary of significant accounting policies	2		

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

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W

Raj Kumar Agarwal

Partner

Membership No.: 074715

Place: New Delhi

Date: July 29, 2014

For and on behalf of Board of Directors of

Career Launcher Infrastructure Private Limited

Gautam Puri

Director

Place: New Delhi

Date: July 29, 2014

Satya Narayanan R.

Director



(Handwritten signature of Gautam Puri)

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Career Launcher Infrastructure Private Limited
Cash Flow Statement for the year ended March 31, 2014

	Year ended March 31, 2014	Year ended March 31, 2013
(Amount in ₹)		
Cash flow from operating activities		
Net loss before tax	(14,911,889)	(23,025,825)
<i>Non- cash adjustment to reconcile profit before tax and prior period items to net cash flows</i>		
Depreciation and amortization	12,005,424	11,508,932
(Profit) on sale of assets, net	(209,992)	(6,902,953)
Foreiture of capital advance	(5,505,000)	-
Amortisation of preliminary expenses	-	72,888
Finance cost	31,470,625	32,756,039
Interest income	(8,606,452)	(7,895,020)
Prior period expenses/(income) (net)	-	(495,267)
	14,242,716	6,108,794
<i>Movement in assets and liabilities (net)</i>		
(Increase)/decrease in long-term loans and advances	(841,512)	52,847
(Increase)/decrease in trade and other receivables	(14,358,213)	22,312,122
(Increase)/decrease in short term loans and advances	(106,028)	359,870
Increase/(decrease) in short-term provision	201	(5,152)
Increase in long term provisions	8,279	16,142
Increase/(decrease) in other current liabilities	190,855	(2,735,955)
	(15,106,418)	19,999,874
Cash (used in)/generated from operations	(863,702)	26,108,668
Less: taxes paid, net of refund	(2,538,253)	(2,253,206)
Net cash (used in)/generated from operations	(3,401,955)	23,855,462
Cash flow from investing activities		
Purchase of fixed assets including capital work in progress & capital advance	(5,827,225)	(10,402,158)
Proceeds from sale of fixed assets	323,400	46,257,825
Loans advanced to related parties	(39,052,994)	(28,258,909)
Loans realised from related parties	11,450,000	739,879
Interest on loans to related parties	620,048	258,518
Interest on income tax refund	17,017	-
Interest on fixed deposit	2,516,954	7,448,419
Capital advances received	5,505,000	4,499,947
(Decrease) in payables for fixed assets	(3,706,058)	(18,965,158)
Investments in bank deposits	-	(59,327,715)
Proceeds from bank deposits	59,327,715	-
Net cash generated/(used in) investing activities	31,173,857	(57,749,352)

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Career Launcher Infrastructure Private Limited
Cash Flow Statement for the year ended March 31, 2014

Continued from previous page

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Cash flows from financing activities		
Proceeds from long term borrowings	-	215,000,000
Repayment of long term borrowings	-	(209,612,000)
Proceeds from short term borrowings	4,560,000	22,300,000
Repayment of short term borrowings	(8,650,000)	-
Interest paid	(31,470,625)	(35,706,228)
Net cash used in from financing activities	(35,560,625)	(8,018,228)
Net decrease in cash and cash equivalents (A)	(7,788,723)	(41,912,118)
Cash and cash equivalents (Refer note 14)		
-Beginning of the year (B)	11,980,331	53,892,450
-End of the year (A+B)	4,191,608	11,980,331
Deposit with original maturity of more than three months	-	-
Cash and bank balances as per balance sheet (A+B)	4,191,608	11,980,331

Summary of significant accounting policies (refer note 2)

- i. The notes referred above form an integral part of the financial statements.
- ii. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on "Cash Flow Statements" notified under section 211(3C) of the Companies Act, 1956.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 103523W

Raj Kumar Agarwal

Partner

Membership No.: 074715



For and on behalf of Board of Directors of

Career Launcher Infrastructure Private Limited

Gautam Puri

Director

Satya Narayanan R.

Director

Place: *New Delhi*
 Date: *July 29, 2014*

Place: *NEW DELHI*
 Date: *July 29, 2014*

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 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, 2013 to March 31, 2014.

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

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



(e) *Intangible assets*

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

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

(f) *Depreciation and amortisation*

Depreciation

Depreciation has been calculated on straight line method at the following useful life, based on management estimates, which are equal to or higher than the useful life specified as per schedule XIV of the Companies Act, 1956 and which in the opinion of the management are reflective of the estimated useful lives of the fixed assets:

Particulars	Useful life (years)
Tangible assets:	
Building	60
Building and leasehold improvements	3
Plant and machinery	15
Furniture and fixtures	10
Office equipment	10
Vehicle	10
Computer	5
Intangible Assets:	
Software	5

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

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

Amortisation

Intangible assets are amortized over a period of 5 years on straight line method from the year of acquisition or validity of the license, whichever is earlier.

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

All intangible assets costing ₹ 5,000 or below are amortized in full by way of a one-time amortization charge.

(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.

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

(i) *Revenue recognition*

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

Infrastructure fee: Infrastructure fee is charged from different institutions on revenue sharing basis and is recognized on accrual basis over the year of rendering infrastructure facilities.

License fee: License fee on account of grant of brand on non-exclusive basis is onetime fee charged from different schools and is recognised on execution of the 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. The Company contributes to a fund set by Life Insurance Corporation of India through employee group gratuity trust.

iii) Other long term employee benefits: Leave encashment

Benefits under the Company's leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary using Projected Unit Credit Method at the end of the year. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss.



(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 realized.

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

Minimum alternate tax

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

(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.

As lessee

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

As lessor

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.

(o) *Miscellaneous expenditure*

Miscellaneous expenditure is written off over a period of five years.

(p) *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.

(q) *Material Events*

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

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3. Share capital

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

Particulars	March 31, 2014		March 31, 2013	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Authorised shares				
Equity shares of ₹ 10 each (previous year ₹ 10 each)	100,000	1,000,000	100,000	1,000,000
0.01% Optionally convertible non cumulative preference shares of ₹ 10 each (previous year ₹ 10 each)	200,000	2,000,000	200,000	2,000,000
Issued, subscribed and fully paid up shares				
Equity shares of ₹ 10 each (previous year ₹ 10 each)	98,468	984,680	98,468	984,680
0.01% Optionally convertible non cumulative preference shares of ₹ 10 each (previous year ₹ 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>

The equity shares of the company, aggregately 51%, out of the total holding of Career Launcher Education Infrastructure and Services Limited, the Holding Company are pledged with HDFC Limited against sanctioned term loan of ₹ 280,000,000 (previous year ₹ 280,000,000).

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

Equity shares

Particulars	March 31, 2014		March 31, 2013	
	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, 2014		March 31, 2013	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	150,000	1,500,000	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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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 optionally convertible non cumulative preference shares ("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, if any, and before payment to equity shareholders. Such distribution amounts will be in proportion to the number of OCNPS held by the shareholders up to 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, 2014			March 31, 2013		
	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, 2014			March 31, 2013		
	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, 2014

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

Equity Shares

Name of share holders	March 31, 2014			March 31, 2013		
	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, 2014			March 31, 2013		
	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

e) No class of shares have been allotted as fully paid up pursuant to contract (s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back.

4. Reserves and surplus

4.1 Securities premium

	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Opening balance	333,925,845	333,925,845
Closing balance (A)	333,925,845	333,925,845

4.2 Deficit in the Statement of Profit and Loss

	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Opening balance	(96,847,689)	(53,847,132)
Add: Loss for the year as per the Statement of Profit and Loss	(4,161,126)	(43,000,557)
Closing balance (B)	(101,008,815)	(96,847,689)
Total reserves and surplus (A+B)	232,917,030	237,078,156

5. Long term borrowings

	(Amount in ₹)			
	Non-current portion		Current maturities	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Term loans, secured				
- From financial institutions [note (i)]	212,849,649	215,000,000	2,150,351	-
Amount disclosed under the head "other current liabilities (refer note 8)	-	-	(2,150,351)	-
Total	212,849,649	215,000,000	-	-



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.

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 of 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 of Nalanda Foundation, via an escrow mechanism.

i) Pledge of 51% shares of the Company held by CLEIS, the holding company.

j) Corporate guarantee from CL Educate Limited (CL), the ultimate holding company, and 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 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, the ultimate holding company, to the effect that: 1.) they will continue to hold at least 51% of equity share capital of 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) Any other security of equivalent or higher amount that may be acceptable to the lender, HDFC Limited. There is no other security demanded by the lenders as at March 31, 2014 & March 31, 2013.

Rate of interest

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. The applicable interest rate will be reviewed/reset on monthly basis i.e. on first day of every calendar month.

Terms of repayment

The loan shall be repaid by way of 32 unequal quarterly installments with the first installment falling due on February 28, 2015.



6. Provisions

	(Amount in ₹)			
	Long-term		Short-term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for employee benefits (refer note 27)				
Provision for leave encashment	54,195	45,916	964	763
Total	54,195	45,916	964	763

7. Short term borrowings

	(Amount in ₹)	
	March 31, 2014	March 31, 2013
	- From related parties - unsecured [note (i)]	88,475,256
	88,475,256	92,565,256

Note (i) The Company has taken an interest free unsecured loan from Career Launcher Education Infrastructure and Services Limited, the Holding Company which is payable on demand or by February 26, 2015 whichever is earlier. 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, 2014	March 31, 2013
Current maturities of long-term borrowings	2,150,351	-
Advance received against sale of land	5,350,000	5,350,000
Employees related payables	272,359	157,051
Payable for expenses (refer note 34)	1,047,573	1,016,544
Payables for capital expenditure*	7,544,084	11,250,142
Other liabilities (represent statutory liabilities payable to government authorities)	180,544	84,817
Stale cheques liability	-	51,209
	16,544,911	17,909,763

* Includes amount due to related parties (refer note 32 & 34).

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9. Tangible fixed assets

Particular	Gross block (at cost)					Accumulated depreciation				Net block	
	As at April 1, 2013	Additions	Disposals/ Adjustments	Reclassification*	As at March 31, 2014	As at April 1, 2013	Depreciation for the year	Disposals/ Adjustments	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
	(Amount in ₹)										
Own assets											
Land	105,323,520	-	-	-	105,323,520	-	-	-	-	105,323,520	105,323,520
Building	281,856,122	-	-	-	281,856,122	8,947,772	4,706,997	-	13,654,769	268,201,353	272,908,350
Building improvement	8,059,650	-	-	-	8,059,650	5,028,401	2,091,199	-	7,119,600	940,050	3,031,249
Leasehold improvement	2,144,438	1,715,483	-	-	3,859,921	811,870	951,544	-	1,763,414	2,096,507	1,332,568
Plant & machinery	2,544,250	71,966	-	-	2,616,216	306,000	167,925	-	473,925	2,142,291	2,238,250
Furniture & fittings	16,005,390	2,348,522	-	-	18,353,912	6,825,540	1,404,977	-	8,230,517	10,123,395	9,179,850
Office equipments	8,656,737	861,572	328,949	-	9,189,360	2,647,901	842,832	215,541	3,275,192	5,914,168	6,008,836
Vehicle	6,394,808	-	-	-	6,394,808	2,415,241	639,481	-	3,054,722	3,340,086	3,979,567
Computers	4,895,951	617,473	-	-	5,513,424	2,376,218	1,044,132	-	3,420,350	2,093,074	2,519,733
Total	435,880,866	5,615,016	328,949	-	441,166,933	29,358,943	11,849,087	215,541	40,992,489	400,174,444	406,521,923
Previous year	507,780,944	10,036,984	39,354,872	42,582,190	435,880,866	18,501,618	11,352,592	495,267	29,358,943	406,521,923	-

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

10. Intangible fixed assets

Particular	Gross block (at cost)					Accumulated amortisation				Net block	
	As at April 1, 2013	Additions	Disposals/ Adjustments	Reclassification	As at March 31, 2014	As at April 1, 2013	Amortisation for the year	Disposals/ Adjustments	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
	(Amount in ₹)										
Software	883,538	-	-	-	883,538	423,069	156,337	-	579,406	304,132	460,469
Total	883,538	-	-	-	883,538	423,069	156,337	-	579,406	304,132	460,469
Previous year	883,538	-	-	-	883,538	266,729	156,340	-	423,069	460,469	-



11. Long-term loans and advances

	March 31, 2014	(Amount in ₹) March 31, 2013
Unsecured, considered good unless stated otherwise		
Capital advances	12,312,209	12,100,000
Security deposit	1,660,658	812,858
Gratuity fund assets (refer note 27)	52,784	59,072
Advance income tax/tax deducted at source (net of provision for tax ₹ Nil (previous year ₹ Nil))	7,453,495	4,915,243
	<u>21,479,146</u>	<u>17,887,173</u>

12. Other non-current assets

	March 31, 2014	(Amount in ₹) March 31, 2013
Unsecured, considered good		
Non-current bank balances (refer note 14)	-	59,327,715
Interest accrued on non-current fixed deposits	-	128,002
	<u>-</u>	<u>59,455,717</u>

13. Trade receivables*

	March 31, 2014	(Amount in ₹) March 31, 2013
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment	1,737,022	1,066,406
Others	14,190,485	502,888
	<u>15,927,507</u>	<u>1,569,294</u>

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

14. Cash and bank balances

	March 31, 2014	(Amount in ₹) March 31, 2013
Cash and cash equivalents		
Balances with banks in current accounts	4,191,609	11,980,331
	<u>4,191,609</u>	<u>11,980,331</u>
Other bank balances		
Deposits with maturity of more than twelve months from the reporting date	-	59,327,715
	<u>-</u>	<u>59,327,715</u>
Less: amount disclosed under non-current assets (refer note 12)	-	(59,327,715)
	<u>4,191,609</u>	<u>11,980,331</u>

15. Short term loans and advances

	March 31, 2014	(Amount in ₹) March 31, 2013
Unsecured and considered good, unless stated otherwise		
Loan to related party (refer note 32)	62,223,885	34,620,891
Prepaid expenses	160,774	64,746
Gratuity fund assets (refer note 27)	8,966	5,172
Other advances recoverable in cash or in kind		
-Advances to suppliers	168,896	162,690
	<u>62,562,521</u>	<u>34,853,499</u>



16. Other current assets

	March 31, 2014	(Amount in ₹) March 31, 2013
Interest accrued		
- on loans and advances to related parties (refer note 32)	9,062,432	3,481,997
Assets held for sale	42,582,190	42,582,190
	<u>51,644,622</u>	<u>46,064,187</u>

17. Revenue from operations

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Sale of services		
-Infrastructure fees	19,250,119	15,278,235
-Infra License Fee	5,000,000	2,500,000
	<u>24,250,119</u>	<u>17,778,235</u>

18. Other income

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Interest income on		
- fixed deposits	2,388,952	5,219,838
- loan to related party	6,200,483	2,585,182
- income tax refund	17,017	-
Profit on sale of fixed assets (net)	209,992	6,902,953
Amount forfeited against sale of land	5,505,000	-
Others	209,231	31,344
	<u>14,530,675</u>	<u>14,739,317</u>

19. Employee benefits expenses

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Salaries, wages and bonus	676,440	926,612
Leave encashment (refer note 27)	8,480	14,950
Gratuity (refer note 27)	2,494	3,654
Staff welfare expenses	17,243	27,374
	<u>704,657</u>	<u>972,590</u>

20. Finance cost

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Interest expense on:		
- Term loan from financial institutions	31,470,625	3,134,610
- Term loan from bank	-	29,617,671
- Interest on delayed payment of statutory dues	-	3,758
Bank charges	-	3,295,517
	<u>31,470,625</u>	<u>36,051,556</u>



21. Depreciation and amortisation expenses

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Depreciation of tangible fixed assets (refer note 9)	11,849,087	11,352,592
Amortisation of intangible fixed assets (refer note 10)	156,337	156,340
	<u>12,005,424</u>	<u>11,508,932</u>

22. Other expenses

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Rent expenses (refer note 30)	4,078,734	3,024,510
Insurance expenses	94,823	111,318
Legal & professional fees (refer note 33)	969,917	637,789
Rates and taxes	770,921	741,751
Postage, telegraph & communication expenses	1,239,238	649,082
Retainer-ship fee	1,288,318	1,226,976
Bank charges	780	
Brokerage	220,000	-
Business promotion expenses	-	6,181
Advance to suppliers written off	-	476,446
Travelling and conveyance expenses	241,964	242,666
Repair and maintenance		
-Buildings	305,949	73,334
Preliminary expenses written off	-	72,887
Sports expenses	81,202	-
Miscellaneous expenses	212,554	101,852
	<u>9,504,400</u>	<u>7,364,792</u>

23. Prior period expenses/(income)

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Prior period expenses		
-Interest on term loan	-	14,845
-Legal and professional charges	135,843	87,505
-Salaries, wages and bonus	-	118,700
-Postage, telegraph & communication	32,376	-
-Others	-	19,094
	<u>168,219</u>	<u>240,144</u>
Prior period income		
- Professional Charges	(160,642)	(99,370)
-Depreciation reversal	-	(495,267)
	<u>(160,642)</u>	<u>(594,637)</u>
Net prior period expenses/(income)	<u>7,577</u>	<u>(354,493)</u>



24. Contingent liabilities and commitments

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
a. Claim against the Company not acknowledged as debts	-	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
c. Other material commitments	-	-

25. Capital work-in-progress

	March 31, 2014	(Amount in ₹) March 31, 2013
Opening balance	6,312,785	5,947,611
Additions during the year		
Interest expenses	-	365,174
Balance at the year end	<u>6,312,785</u>	<u>6,312,785</u>

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26. Borrowing cost capitalized during the year

In accordance with Accounting Standard 16 - Accounting, "Borrowing Cost", the Company has capitalized ₹ Nil (Previous year ₹ 365,174) to various fixed assets including capital work in process in the year ended March 31, 2014.

27. Employee benefit obligations

A. Defined contribution plans:

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

I. Change in present value of obligation

(Amount in ₹)

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Present value of obligation at the beginning of the year	33,724	22,501	46,679	35,689
Current service cost	8,572	8,437	11,039	11,678
Interest cost	2,698	1,800	3,734	2,855
Benefit paid	-	-	-	(3,960)
Net actuarial (gain)/loss recognized in the year.	(2,163)	986	(6,293)	417
Present value of obligation at the end of the year	42,831	33,724	55,159	46,679



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

II. Change in fair value of plan assets:

(Amount in ₹)

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Fair value of plan assets at the beginning of the year	97,968	81,891	-	-
Expected return on plan assets	6,613	7,370	-	-
Contributions	-	8,508	-	-
Benefits paid	-	-	-	-
Actuarial gain/ (loss) on plan assets	-	199	-	-
Fair value of plan assets at the end of the year	104,581	97,968	-	-

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

(Amount in ₹)

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Current service cost	8,572	8,437	11,039	11,678
Past service Cost	-	-	-	-
Interest cost	2,698	1,800	3,734	2,855
Expected return on plan assets	(6,613)	(7,370)	-	-
Net actuarial (gain)/loss to be recognized	(2,163)	787	(6,293)	417
Expense recognised in Statement of Profit and Loss	2,494	3,654	8,480	14,950

IV. Amount recognised in the Balance Sheet

(Amount in ₹)

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Present value of obligation as at the end of the year	42,831	33,724	55,159	46,679
Funded status	104,581	97,968	-	-
Net asset / (liability) recognized in Balance Sheet as at March 31	61,750	64,244	(55,159)	(46,679)
Excess of actual over estimated	-	199	-	-
Amount classified as:				
Short term provision (Refer note 6)	-	-	964	763
Long term provision (Refer note 6)	-	-	54,195	45,916
Short term loans and advances (Refer note 15)	8,966	5,172	-	-
Long term loans and advances (Refer note 11)	52,784	59,072	-	-

V. Actuarial Assumptions



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

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Discount rate	9.14%	8.00%	9.14%	8.00%
Salary escalation rate	5.35%	5.00%	5.35%	5.00%
Expected remaining working lives of employees (years)	10.50	11.50	10.50	11.50
Retirement age (years)	58	58	58	58
Expected rate of return on plan assets	6.75%	9.00%	N.A.	N.A.
Mortality table	IALM (2006 - 08)	IALM(1994-96)	IALM (2006 - 08)	IALM(1994-96)
Ages	Withdrawal rate (%)	Withdrawal rate (%)	Withdrawal rate (%)	Withdrawal rate (%)
Upto 30 years	3.00	3.00	3.00	3.00
From 31 to 44 years	2.00	2.00	2.00	2.00
Above 44 years	1.00	1.00	1.00	1.00

- a. The discount rate assumed is 9.14% per annum (previous year 8.00% 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, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Present value of obligation	42,831	33,724	22,501	44,813	41,623
Fair value of plan assets	104,581	97,968	81,891	75,129	47,202
(Deficit)/Surplus	61,750	64,244	59,390	30,316	5,579
Experience adjustments on plan liabilities-gain/(loss)	(948)	1,060	34,019	9,542	-
Experience adjustments on plan assets-(loss)/gain	(2,204)	199	-	4,812	-

Leave encashment (unfunded):

Particulars	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Present value of obligation	55,159	46,679	35,689	35,061	-
Fair value of plan assets	-	-	-	-	-
(Deficit)/Surplus	(55,159)	(46,679)	(35,689)	(35,061)	-
Experience adjustments on plan liabilities-gain/(loss)	2,288	2,418	9,587	(1,083)	-
Experience adjustments on	-	-	-	-	-



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

plan (loss)/gain	assets-					
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VII. Employer's best estimate of contributions during the next year

Particulars	(Amount in ₹)
Gratuity	8,966
Leave encashment	14,710

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, 2014	Year ended March 31, 2013
Loss after tax	A	₹	(4,161,126)	(43,000,557)
Weighted average no. of equity shares	B	Nos.	98,468	98,468
Add: Dilutive potential equity shares	C	Nos.	150,000*	150,000*
Number of equity shares (of ₹ 10 each) for dilutive loss per share	D=B+C	Nos.	248,468	248,468
Basic loss per Share (A/B)		₹	(42.26)	(436.70)
Diluted loss per Share (A/D)		₹	(42.26)	(436.70)

* 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 providing the same to third parties through various agreements.

Geographic segment

Since the company's activities / operations are primarily within India and considering the nature of services it deals in, the risks and returns across locations are same and as such there is only one geographical segment.

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, 2014 and 2013 were ₹ 4,078,734 and ₹ 3,024,510 respectively. Obligation on long term, non-cancelable operating lease are mentioned below:

	Year ended March 31, 2014	Year ended March 31, 2013
Not later than 1 year	5,660,002	3,231,017
Later than 1 year but not later than 5 years	1,1126,693	4,792,675
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



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

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, 2014 is as under:

Particulars	(Amount in ₹)		
	As at March 31, 2014	Benefit/ (Charge) for the year	As at March 31, 2013
-Deferred tax liability arising on account of:			
- Depreciation	(33,588,961)	1,226,719	(34,815,680)
Deferred tax asset arising on account of:			
Provision for gratuity	(2,770)	(3,956)	1,186
Provision for leave encashment	17,044	12,193	4,851
Provision for bonus	61,703	37,369	24,334
Unabsorbed losses	24,242,903	9,478,438	14,764,465
Deferred tax liability	(9,270,081)	10,750,763	(20,020,844)

Deferred tax assets on unabsorbed loss has been recognised as there exist virtual certainty at least to the extent of deferred tax liability.

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
(iii) Key Management Personnel ('KMP') and their relatives	: 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 Career Launcher Infrastructure Private Limited Employee Group Gratuity Trust

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

Particulars	Year ended	
	March 31, 2014	March 31, 2013
1. Infrastructure fee income		
Career Launcher Education Infrastructure and Services Limited	920,860	943,714
Nalanda Foundation	18,329,259	14,434,521
2. Licence fee income		
Nalanda Foundation	5,000,000	2,500,000



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

3. Interest income on loans		
Nalanda Foundation	6,200,483	2,585,182
4. Short term loan and advances given		
Nalanda Foundation	31,150,000	12,895,950
5. Unsecured loan taken		
Career Launcher Education Infrastructure and Services Limited	4,560,000	22,300,000
6. Repayment of unsecured Loan		
Career Launcher Education Infrastructure and Services Limited	8,650,000	-
7. Purchase of fixed assets		
CL Educate Limited	-	727,787
8. Conversion of account receivable into unsecured loan		
Nalanda Foundation	7,902,994	15,362,959
9. Short term loan and advances realized		
Nalanda Foundation	11,450,000	739,879
10. Reimbursement of expenses to		
Career Launcher Education Infrastructure and Services Limited	1,100	165,103
CL Educate Limited	-	14,027
Nikhil Mahajan	-	58,902
Nalanda Foundation	62,800	515,441
11. Balance outstanding as at the year end		
Infrastructure and soft skill charges receivable		
Career Launcher Education Infrastructure and Services Limited	2,396,968	1,569,294
Nalanda Foundation	13,530,539	-
Interest accrued but not receivable on loans & advances given		
Nalanda Foundation	9,062,432	3,481,998
Unsecured loans taken		
Career Launcher Education Infrastructure and Services Limited	88,475,256	92,565,256
Short term loans and advances given		
Nalanda Foundation	62,223,885	34,620,891



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

Payable for fixed assets		
CL Educate Limited	1,618,980	1,618,980
Payable for expenses		
Nikhil Mahajan	-	15,022
Career Launcher Infrastructure Private Limited Employee Group Gratuity Trust	5,000	-
Corporate guarantee given for long term borrowings		
CL Educate Limited	280,000,000	280,000,000
Career Launcher Education Infrastructure and Services Limited	280,000,000	280,000,000

Note: The above transactions do not include the following securities given for long term borrowings: (refer footnote (i) of note 5)

- Undertakings given by CL Educate Limited, Career Launcher Education Infrastructure and Services Limited and Nalanda Foundation.
- Charges created on the bank accounts and all receivables of Career Launcher Education Infrastructure and Services Limited and Nalanda Foundation.
- First equitable mortgage of land and buildings of various projects undertaken by Nalanda Foundation.
- Pledge of 51% equity of the Company held by Career Launcher Education Infrastructure and Services Limited
- Personal guarantees of Mr. Satya Narayanan R., Mr. Gautam Puri, Mr. Sujit Bhattacharyya, Mr. Sreenivasan R., Mr. Shiv Kumar Ramachandran and Mr. Nikhil Mahajan.

33. Auditors remuneration (excluding service tax) (refer note 22)

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Statutory Audit	400,000	400,000
Out of pocket expenses	6,668	8,990
	<u>406,668</u>	<u>408,990</u>

34. Disclosure required by Micro, Small & Medium Enterprises Development Act, 2006:

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Balance of Sundry Creditors		
- Principal amount due to Micro, Small and Medium Enterprises	-	-
- Principal amount due to Others		
Payable for expenses	1,047,573	1,016,544
Payable for capital expenditure	7,544,084	11,250,142
Total	<u>8,591,657</u>	<u>12,266,686</u>
Interest accrued and due at the end of the year		
- Interest on payments due to Micro, Small and Medium Enterprises	-	-
- Interest on payments due to others	-	-
- Interest due and payable on amounts paid during the year to Micro, Small and Medium Enterprises beyond the appointed date	-	-
Total	-	-
Paid during the year		
Principal amount (including interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-	-
- Principal amount	-	-
- Interest thereon	-	-
Principal amount (excluding interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-	-

Others




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

	<u>Year ended</u> <u>March 31, 2014</u>	<u>Year ended</u> <u>March 31, 2013</u>
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- | | | |
|---|---|---|
| - Interest accrued in the prior year and paid during the year | - | - |
| - Interest accrued during the year and paid during the year | - | - |


35. The Company has reclassified/regrouped previous year figures where necessary to conform to the current year's classification.


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


Raj Kumar Agarwal
Partner
Membership No.: 074715



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


Gautam Puri
Director


Satya Narayanan R.
Director

Place: New Delhi
Date: July 29, 2014

Place: New Delhi
Date: July 29, 2014