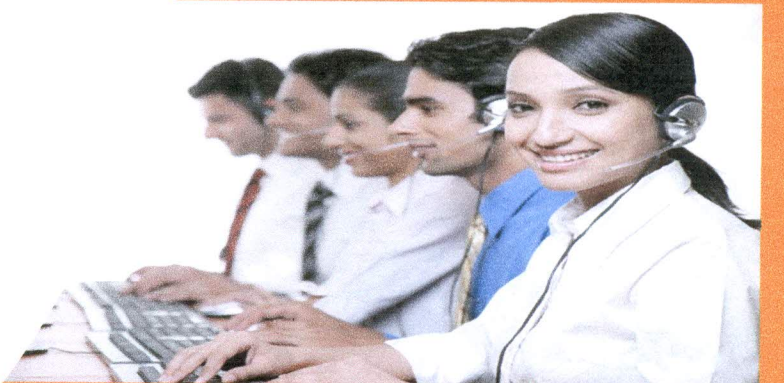
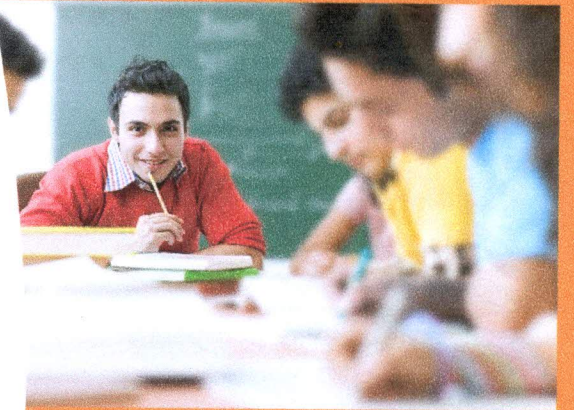
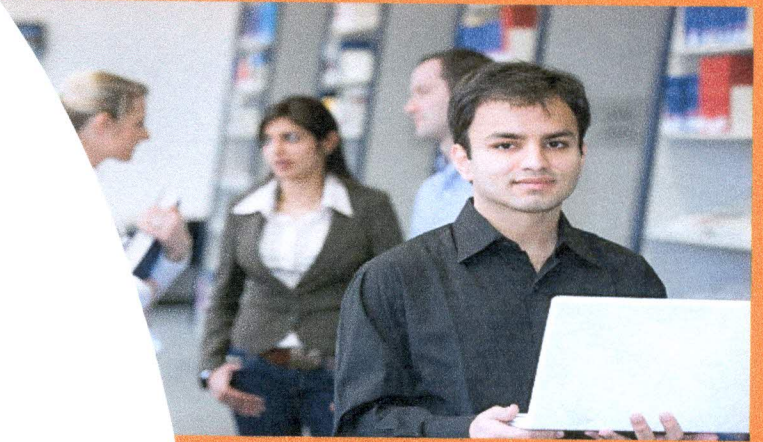




Annual Report
2012-2013



About the Company – CL Educate

Overview

CL Educate Ltd is one of India's leading educational services providers. Since the inception in 1995, we have evolved from a one-man MBA test-preparation ("test prep & training") company into one of the country's most diversified educational service providers. The diversity of our business portfolio enables us to touch students across multiple age groups across their educational lifecycles.

At CL Educate we 'enable individuals to realize their potential & achieve their dreams'. In the past 18 years, the CL brand has diversified and effectively established itself as a household name in India. We operate across a broad spectrum of segments in the education industry, including test preparation, K-12 education, vocational training and further education.

We have state of the art infrastructure across more than 225 learning centers spread over 175 locations in India. We are over 3,000 people strong; with teachers, trainers & academicians making up 65% of this workforce,

and are committed to delivering path breaking education across the various segments mentioned above to all our students.

Core Ideology

We believe that the only unchanging part of any business entity is the core ideology. Our clarity about our core ideology equips us to effectively keep reinventing ourselves over time and makes us capable of converting every change in the environment into an opportunity for growth and success.

Our core purpose is to "Enable people realize their potential and make their dreams come true" and our core values are summed up in the internal acronym '**ROOHI**'

Risk Taking Acting decisively based on sound judgment and intuition.

Ownership Accepting responsibility for action and carrying the team forward in a crisis situation.

Openness Regularly sharing experiences with team members

and customers, and encouraging feedback and initiative from them.

Honesty & commitment to customers Communicating clearly & honestly to customers, the deliverables and expectations from them.

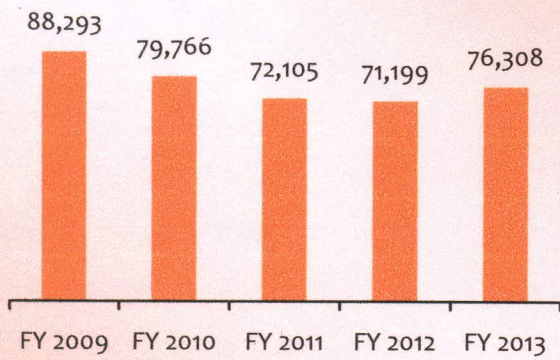
Innovation Creating products, systems and processes with enhanced effectiveness to meet customer needs.

We follow our core values in all aspects of our operating practices and at all our locations. We believe that our adherence to these core values has enabled us to grow our business and our brand and we will continue to adhere to these principles.

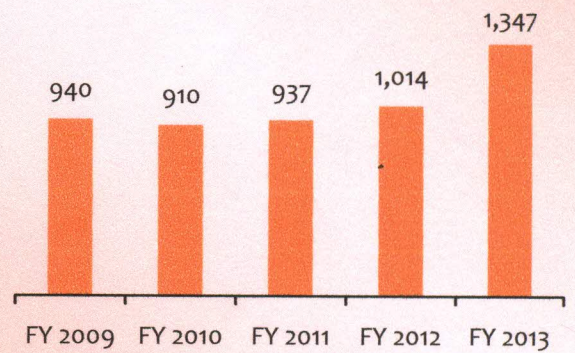
Further, our core values have taken the shape of a core value test that has been designed in consultation with external experts in the realm of psychology and psychometrics. Any new recruit to our Company is required to take this test prior to their meeting for the recruitment process.

Historical Data for CL Educate (FY 2009 – FY 2013)

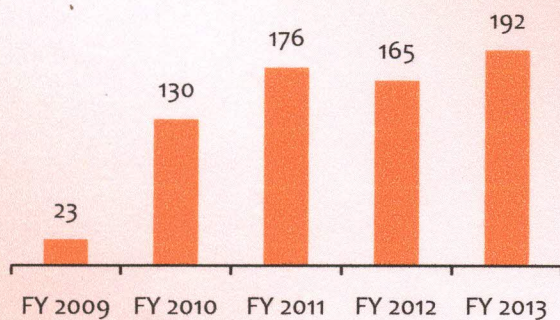
Gross Enrollments – Test Preparation



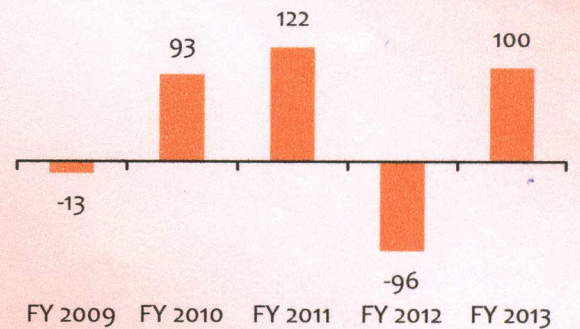
Total Income (in Mn)



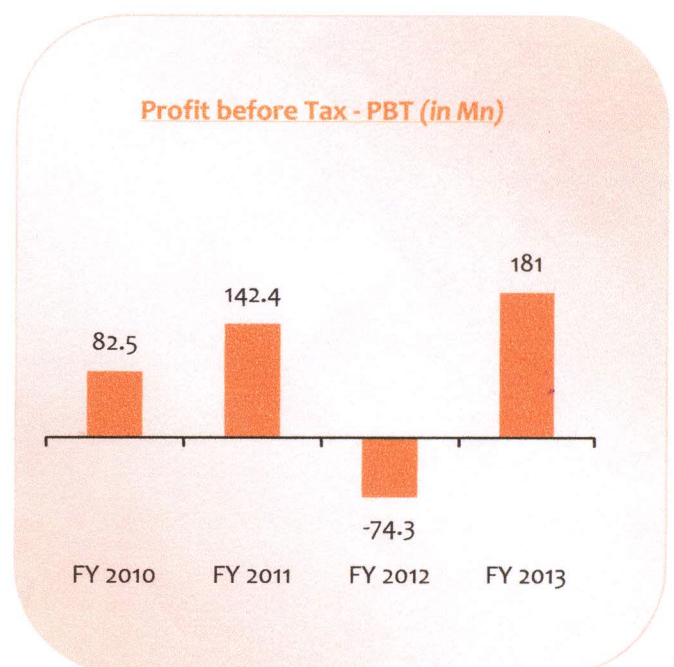
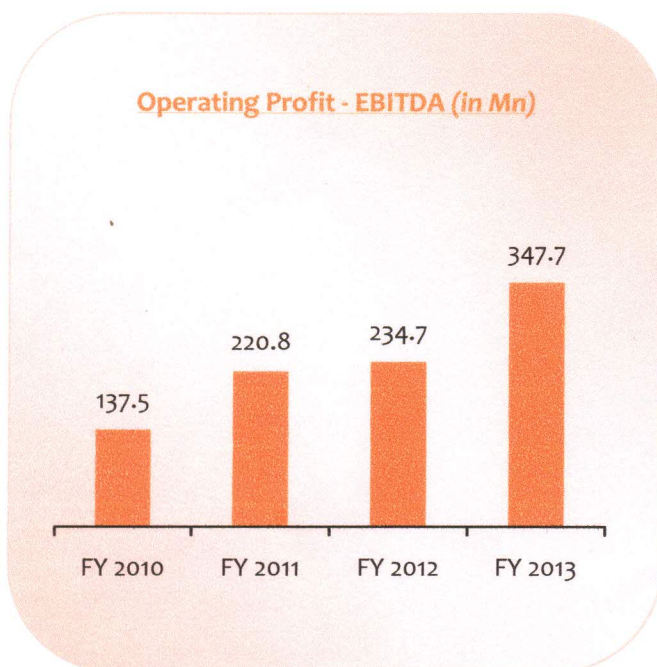
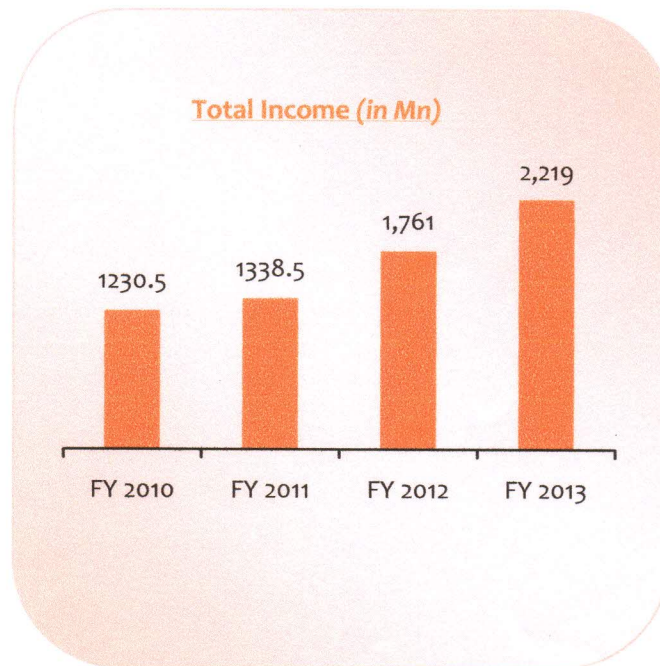
Operating Profit - EBITDA (in Mn)



Profit before Tax - PBT (in Mn)



Historical Data for Consolidated CL Group including K-12 (FY 2010 – FY 2013)



Boards and Committees (As On 26th July 2013)

The Board of Directors

Mr. Satya Narayanan .R
Chairman of the Board

Mr. Gautam Puri
Vice-Chairman & Managing Director

Mr. Nikhil Mahajan
Whole Time Director

Mr. Sridar Iyengar
Non-Executive Independent Director

Mr. Safir Anand
Non-Executive Independent Director

Mr. Gopal Jain
Non-Executive Director

Mr. Viraj Tyagi
Non-Executive Independent Director

Mr. Kamil Hasan
Non-Executive Independent Director

Board Committees

Audit Committee

Mr. Sridar Iyengar
Chairman

Mr. Gopal Jain

Mr. Nikhil Mahajan

Mr. Kamil Hasan

Compensation Committee

Mr. Viraj Tyagi
Chairman

Mr. Safir Anand

Mr. Gopal Jain

Mr. Gautam Puri

Mr. Kamil Hasan

Ms. Talat Hasan
Alternate Director to Mr. Kamil Hasan

Company Secretary

Ms. Rachna Sharma

Auditors (2012-13)

Haribhakti & Company

Bankers

HDFC Bank Ltd.

ABN AMRO Bank

ICICI Bank

Standard Chartered Bank

Kotak Mahindra Bank

Corporation Bank

Axis Bank

Citibank

State Bank of India

IDBI

Registered Office

R – 90, First Floor,
Greater Kailash, Part – I,
New Delhi – 110048, India

Corporate Office

Plot No. 15A,
Knowledge Park-II,
Greater Noida,
UP – 201310, India

Directors' Report

To the members,

We have the pleasure of presenting the 17th Annual Report of our Company together with the Audited Accounts for the year ended March 31st, 2013.

1. Results of our Operations

1a. CL Educate Standalone

(Figures in `)

	FY 2013	FY 2012
Total Income	1,346,595,386	1,013,400,544
Total Expenditure	1,250,412,375	915,155,199
Profit before tax	96,183,011	98,245,345
Extraordinary Item (Write-off)	-	(196,616,459)
Tax Expense/ (Benefit)	41,121,270	(39,672,665)
Profit after tax	58,866,331	(56,289,310)
Profits brought forward from previous year	222,060,608	278,349,918
Cumulative Surplus carried to Balance sheet	280,926,939	222,060,608

1b. CL Group Consolidated including K12

(Figures in `)

	FY 2013	FY 2012
Total Income	2,218,858,318	1,760,971,778
Total Expenditure	2,031,515,572	1,645,630,751
Profit before tax	187,342,746	115,341,027
Extraordinary Item (Write-off)	-	(191,936,561)
Tax Expense/ (Benefit)	78,536,165	(20,736,375)

Profit after tax	113,670,315	(42,472,646)
Profits brought forward from previous year	268,100,464	310,571,315
Cumulative Surplus carried to Balance sheet	385,579,272	268,100,464

2. Financial Highlights

Our Total Income increased to `134.66crs from `101.34 crs in the previous year, at a growth rate 32.9%. While our Test Preparation revenues grew to be around `108 crs reflecting a growth rate of over 10% over the previous year 2012, the vocational business revenue grew by over 150% to reach `16crs.

Given the increase in the total expenditures, the overall PBT for FY13 was around `9.6 crs as against the PBT of `9.8 crs previous year. However, Earning per share (Basic) increased to `6.27 this year from an EPS `(6.41) the previous year.

In the Test Prep stream, while the MBA market continued to remain flat, the overall Test Prep revenue increased due to our Company's continued efforts to promote non MBA products like LAW, Engineering and market acceptance of the products like Civil Services Aptitude Test (CSAT) and Graduate Aptitude Test in Engineering (GATE) that were introduced the previous year.

In Keystone Integrated Marketing Services Pvt. Ltd., both Integrated Management Services (IMS) and Manpower Management Services (MMS) streams of business did very well during the year. Newer business

lines of higher VAS were also incubated during the year that are expected to create impact in FY 2014.

In the CL Media Pvt. Ltd., there were several new marketing alliances with institutes.

We increased our stake in GK Publications Ltd, from 51% to 76%. We will eventually take over the entire company in the next 24 months.

3. Industry Overview and Developments

In India, Education is the key to the task of nation-building. It is also a well-accepted fact that providing the right knowledge and skills to the youth can ensure the overall national progress and economic growth. The Indian education system recognizes the role of education in instilling the values of secularism, egalitarianism, respect for democratic traditions and civil liberties and quest for justice.

There is a huge demand for upgradation of education as India is expected to have a surplus of 47 million people in the working age group by 2020. As a result, both the formal education sector (including K-12 and higher education) as well as informal sector (including coaching institutions, pre-schools and vocational institutions) are witnessing rapid growth.*

The market size of Indian education sector is expected to increase to `602,410 crs (US\$ 95.80 billion) by FY 2015 on back of strong demand for quality education, according to a report by India Ratings. Indian education sector's market size in FY 2012 was estimated to be `341,180 crs (US\$ 54.20 billion). The sector grew at a compounded annual growth rate (CAGR) of 16.5 per cent during FY 2005 – FY 2012. Similarly, India's online education market size is expected to grow to US\$ 40 billion by FY 2017 from the present US\$ 20 billion.*

The private education sector is estimated to reach US\$ 70 billion by 2013 and US\$ 115 billion by 2018, according to the Education sector report by Technopak. Realising the fast growth of education sector in India, many private companies are looking for relevant acquisitions and alliances in this space. Major investments are being seen in the areas of pre-schools, private coaching and tutoring, teacher training, the development and provision of multimedia content, educational software development, skill enhancement, IT training and e-learning.*

3a. Overview of key market segments

The Test Preparation segment is estimated to be at least \$ 3 bn in market size with an estimated CAGR of 20%. While there are no key initiatives or regulations announced by the government, the segment is likely to be driven by the shift of the examination structure from Knowledge based testing to Aptitude based testing leading to higher market concentration and increased ability to rapidly scale up the operations.

The Vocational Training segment is expected to grow at a CAGR of 24% and reach a market size of at least \$ 4 bn. The key growth drivers for this segment being high dropout rates, lack of job readiness among graduates, high demand for courses in IT, retail, BFSI, aviation, English and lack of supply capacity to train. The govt. both at the central and state has launched many initiatives and programmes. The Central Govt. has established the National Skill Development Centre (NSDC) with a mandate to skill 150 mn people as a part of the Government's overall plan to train 500 mn people by 2022. The govt. has also initiated projects like complete up-gradation of 500 ITIs, upgrade 1,396 ITIs, set up 125 new polytechnics, expand vocational education from 9,500 senior secondary schools to 20,000 schools under the PPP mode.

India has the world's largest and growing K-12 education population. The K-12 education segment is estimated to grow at a CAGR of 14% to reach the market size of \$ 34 bn. The Indian K-12 education segment is marred with an inefficient public school system resulting in a parental preference of the more expensive private education. The Govt. has, over the years, introduced many policies and regulations like Right to Education Act (RTE Act) to remove the inequalities in the K-12 segment and provide opportunities to all students. The govt. has already announced the establishment of 6,000 high quality model schools, about 2,500 of these would be through PPP model.

4. Overview of Our Company

We were incorporated in 1995 primarily to provide educational and training services. We are India's leading education provider serving 80,000 plus students annually and operate in four business segments namely: (i) test preparation services; (ii) vocational training and further education; (iii) education content and publishing; and (iv) operating kindergarten to grade 12 ("K-12") schools.

The training and education services are conducted through a network of Company operated and franchisee centres across 170 plus locations spread over 100 plus cities and 25 states in India.

Our Company's key strengths being:

- Highly Attractive Industry with Long-term Growth Drivers
- Unique Platform Serving Most Attractive Segments of the Education Market
- Premium Brand Built through Consistent Innovation, Superior Student Outcomes and Brand Experience

- Robust Business Strategy with Strong Growth Story
- Pioneering Management Team and Robust Governance Structure

5. Subsidiary Companies

The Company has several subsidiaries to carry out activities for various streams of education and other educational training areas. A brief profile of these subsidiaries is given hereunder:

5a. Kestone Integrated Marketing Services Private Limited (Kestone)

Our Company had acquired Kestone on 1st Day of April, 2008 and it has since been a wholly owned subsidiary. Our Company had acquired Kestone to establish a relationship with leading corporates and have been using Kestone's corporate client list as a platform to provide vocational training services. Kestone focuses largely on the IT/ITES and Telecom sectors to provide a variety of manpower and CRM solutions. Kestone offers two types of corporate services:

- Integrated Marketing Services ("IMS"). Various marketing services through organizing various marketing events/ product launches throughout the country to help deliver the desired messages to customers, partners (dealers and vendors).
- Managed Manpower Services ("MMS"). Kestone recruits manpower and trains them as per the requirements of the corporate clients across a variety of client processes including CRM initiatives. These people are offered jobs from corporates at the start of the training, subject to these people clearing the training. Post training, this manpower is then outsourced to corporate clients.

The business has shown extremely robust growth not only in top line but also in its bottom line. The top line has increased from about `11 crs in 2008 to about `64 crs in FY 2013, thus reflecting an almost 480% increase in 5 years.

5b. CL Media Limited (CLM)

CL Media, as a subsidiary of CL, was incorporated in February 2008. CL holds 100% equity in this company. The company has been incorporated with an object to maximizing monetization of CL IP Assets, developing new products and education pedagogies and experiment to impart education through various digital and electronic media.

5c. Career Launcher Education Infrastructure and Services Limited (CLEIS)

CLEIS is a subsidiary of CL incorporated in the year 2005. CL currently holds 57.58% in this company. The company is in the business of promoting educational activities by providing Trade Mark License, and Education soft skills for K-12 schools. This company owns the brand names “Indus World School” and “Ananda”.

As on March 2013, CLEIS operates 13 K-12 schools across India under the IWS brand of which four K-12 schools are owned, five schools are operated through an infrastructure partnership model and another four schools are operated using an educational partnership model.

5c.1. Career Launcher Infrastructure Private Limited (CLIP)

CLIP, a wholly owned subsidiary of CLEIS, and hence a subsidiary of CL was incorporated in the year 2008. The company is in the business of promoting educational activities by providing Infrastructure facilities for K-12 schools.

5d. Career Launcher Asia Educational Hub PTE. Ltd., Singapore

Career Launcher Asia Educational Hub PTE Ltd. became a Wholly Owned Subsidiary company of CL with effect from the 20th November, 2008. However, it is currently not engaged in any business activity.

5e. CL USA Inc.

CL USA Inc is a subsidiary of CL incorporated in year 2006. CL held 85% in this company. The company is in the business of online tutoring in USA under the brand name “Powermath”.

In view of the continued losses, and discounting of operations, CL has decided to divest its stake in CL USA, by transferring its 85% shareholding in the Company to Mr. Anup Prasad at the valuation arrived at as per the RBI guidelines.

The loans granted by CL to CL USA have also been decided to be written off, after obtaining necessary approvals from the Reserve Bank of India, or any other regulatory authority.

5f. GK Publications Private Limited (GKP)

GK Publications Private Limited became a subsidiary of CL Educate Limited on 12th November, 2011. CL currently holds 76% stake in the Company.

5g. CL Higher Educational Services Private Limited (CLHES)

CL Higher Educational Services Private Limited became a 65.76% subsidiary of CL Educate Limited on 10th August, 2011.

6. Equity Investment in Subsidiaries

As on 31st March, 2013 the Company’s holding in its various subsidiaries was as follows.

- a. 8,500 Equity Shares of \$ 10 each comprising of 85% Equity Capital in Career Launcher USA Inc;

- b. 53,69,758 Equity Shares of ₹10 each comprising of 57.31% Equity Capital in Career Launcher Education Infrastructure and Services Limited;
- c. 10,000 Equity Shares of ₹10 each comprising of 100% Equity Capital in CL Media Private Limited;
- d. 10,00,000 Equity Shares of ₹10 each comprising of 100% Equity Capital in Keystone Integrated Marketing Services Private Limited;
- e. 14,000 Equity Shares of 1 SGD each comprising of 100% Equity Capital in Career Launcher Asia Educational Hub PTE. Ltd., Singapore.
- f. 144400 Equity Shares of ₹10 each comprising of 76% Equity Capital in GK Publications Private Limited;
- g. 6576 Equity Shares of ₹10 each comprising of 65.76% Equity Capital in CL Higher Educational Services Private Limited;

7. Company's Future Outlook

Our goal is to strengthen our role as a diversified provider of educational services. We plan to expand our geographical reach, increase our product offerings across our business segments and also grow our business through appropriate acquisitions in the test preparation and in the vocational training business.

7a. Test Preparation and Training Services

Leadership in Aptitude-based Testing:

We believe we can leverage the large content-base and the delivery expertise that we have built over the years for aptitude-based testing to capture a significant market share in new exams as they move from knowledge-based to aptitude-based testing. This has been demonstrated in our Company's rapidly growing presence in LAW, Civil Services and GATE examinations. We are likely to expand our product offerings as new exams opt for aptitude-based testing methodology.

Market-Ready with New Media Solutions:

We are one of the few players using online product suite for test prep in anticipation of exams going online. Our company currently delivers more than 30% of its test prep content in MBA and Law through online platform. We have also actively implemented distance learning solutions (like VOIP and Webex) for students that are not reachable via our center network. It also enables us to deliver content to students in colleges directly and to bring "star" professors to students across the country.

Leverage the existing distribution network: Our Company has a pioneering experience in using a franchisee-driven strategy to build presence across the country. We aim to have a total of more than 300 centers in the coming years; out of which most of which are expected to be franchisees. We also hope to drive utilization of existing centers by increasing number of test-prep product offerings as we are currently offering only 2-3 products per center. Furthermore, introduction of more non-MBA products at existing centers is expected to drive improved capacity utilization and profitability

7b. Vocational Training

Partnership with private players & the govt. With respect to our vocational training and skills education business, our strategy is to partner with both private enterprises and with the Central and State governments. The annual graduate output from the Indian educational system is expected to exceed 5 million graduates annually by 2015. The Government of India has set a goal of providing skills training to 500 million persons by 2022. We are currently partnering with private players in the banking financial services and insurance ("BFSI") sector including ICICI Bank, ICICI Prudential and Kotak Mahindra Bank. We are also

partnering with the state governments of Rajasthan and Gujarat for providing vocational training. We plan to partner with additional players in the BFSI sector and in other service verticals. In addition, we plan to continue to partner with the central and state governments to provide vocational training services. We also plan to pursue acquisition opportunities to augment our capabilities, broaden our service offerings and increase our geographical presence.

7c. Education Content and Publishing:

Tap Cross-selling Opportunities

Our Company hopes to use the wide distribution network of the Publishing business for the Test Prep purposes. For instance: all publications to include references and discount coupons to CL's online test prep content, to help drive new students to CL's online and offline test-prep offerings. We also plan to introduce new test-prep titles using the "CL" brand, thereby leveraging both on the brand name as well as content developed by CL over the past 18+ years.

Acquiring New Lifecycle Customers:

We plan to use expanding range of titles as a means to expose new customers to CL's offerings. Hence, enabling us to acquire large captive audience at negligible cost. It also creates opportunity to potentially sell other services in CL's platform

7d. K-12 Schools

Expansion using the Asset Light K-12 Strategy

Our Own K-12 Schools have served their purpose of helping establish the "Indus World School" brand over the past few years. Currently, out of 13 operational K-12 schools, four are owned by us, five schools are run on educational partnerships with other entities (where we license the brand to such entities) and four schools

are run through infrastructure partnership model. In the coming years, we expect the major growth to come from the Education Partner and the Infrastructure Partner franchisee models that are relatively capital light. These models also ensure higher returns than Own model and are faster to scale across India. Our Company receives number of requests from individuals / schools to franchise the "Indus World School" brand on a monthly basis.

8. Dividend

Your Directors do not recommend any dividend for the year 2012-13.

9. Capital and Finance

During the Year, the Company raised capital by issuing 411,045 numbers of Non-Cumulative Compulsorily Convertible Preference Shares (CCPS) and 88,955 numbers of Non-Cumulative Optionally Convertible Preference Shares (OCPS). The Preference Shares so issued will be converted into equity shares/ redeemed in accordance with the pre-determined terms and conditions contained in the respective shareholders agreement.

The Company issued 47,416 nos. of equity shares on 1st May, 2012 as well as 35,688 nos. of equity shares on 31st October, 2012 as a part of the payment due to the promoter shareholders of GK Publications Private Limited against the acquisition of the Company's shares from them.

10. Disclosure of Particulars

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,

1988, relating to Conservation of Energy, Technology Absorption and 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, is provided hereunder:

- a) Conservation of Energy – The planning and installation of equipment of the Company are done in a manner such that maximum energy is conserved
- b) The foreign exchange earnings and outflows are detailed below:

Earnings in Foreign Exchange (on accrual basis)

(Figures in `)

	FY 2013	FY 2012
Test Preparation Training Services	38,004,516	47,972,178
Sale of Study Material	4,123,220	4,258,800
Start Up Fees from Franchisee	1,492,040	-
Total	43,619,776	52,230,978

Expenditure in Foreign Currency (on accrual basis):

(Figures in `)

	FY 2013	FY 2012
Travelling & Conveyance	132,554	131,835
Bank Charges	65,810	51,088
Franchise Recurring Payment	33,048,417	33,082,654
Others	236,860	3,169,780
Total	33,483,641	36,435,357

11. Particulars of Employees

Our people are our most important assets and we greatly value their talent, integrity and dedication. The Board expresses its sincere and deep sense of appreciation to all the employees whose continued commitment coupled with outstanding professionalism has made the success and growth possible for the Company.

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.

12. DIRECTORS

12a. Appointments:

There was no change in the composition of the Board during 2012-13, except for Ms. Talat Hasan's appointment and automatic termination as Alternate Director to Mr. Kamil Hasan. Ms. Talat Hasan was re-appointed as Alternate Director to Mr. Kamil Hasan on 1st May, 2012. Appointment terminated automatically on 31st October, 2012 when Mr. Kamil Hasan attended the Board Meeting. She was re-appointed as Alternate Director on 24th January, 2013, but automatically ceased to be a Director when Mr. Kamil Hasan attended the Board Meeting held on 26th July, 2013.

12b. Retirement by Rotation:

Mr. Nikhil Mahajan and Mr. Kamil Hasan, Directors, retire by rotation at the ensuing Annual General Meeting, and being eligible, have offered themselves for re-appointment at the forthcoming Annual General Meeting. The notice convening the Annual General

Meeting includes the proposals for re-appointment of Directors.

13. Auditors & Auditors' Report

M/s. Haribhakti & Co., Chartered Accountants, who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and have expressed their willingness for re-appointment. It is proposed to re-appoint M/s. Haribhakti & Co. to examine and audit the Accounts of the Company for the Financial Year 2013-14.

A Certificate under Section 224(1B) of the Act has been furnished by M/s. Haribhakti & Co., Chartered Accountants, of its eligibility for re-appointment. The members are requested to appoint the auditors and to authorize the Board to fix the Auditor's remuneration. In this connection, the attention of the members is invited to item no. 4 of the Notice convening the Annual General Meeting.

Your Directors' reply to the reservations and views of the auditors expressed in the Auditor's report are as under:

1. Clause No. (ii)(c) contained in the Annexure to the Auditors' Report

Auditor's Observation: In our opinion, the company is not maintaining the proper records of inventory. Further, in the absence of proper records, the discrepancies, if any, between the book records and the physical verification cannot be ascertained. However, as explained, the Company has initiated the process of implementing software to maintain records of inventory.

Directors' Reply:

The company has started maintaining inventory of books only from last financial year. This new ERP system was implemented in the last quarter of FY 13. Your directors inform you that the new ERP system implemented has now stabilised and now satisfactory records in proper manner are available going forward.

2. Clause No. (iii)(b) contained in the Annexure to the Auditors' Report

Auditor's Observation: In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for loans given to CL Media Private Limited, Career Launcher Asia Educational Hub Pte. Ltd., Career Launcher USA Inc. are prima facie, prejudicial to the interest of the Company. The year-end balance of such loans was `nil, `9,362,491 and `38,390,608 respectively. Maximum amount involved during the year on such loans was 47,760,000, `9,362,491 and `38,390,608 respectively.

Directors' Reply:

These interest free loans have been granted to the subsidiary companies for meeting their short term fund requirements. Your directors are of the opinion that granting of these loans, in fact, is in the interest of shareholders to protect their investment in these subsidiary companies and these being 100% subsidiaries, any grant of interest free loan is not prejudicial to the company.

3. Clause No. (iii)(b) contained in the Annexure to the Auditors' Report

Auditor's Observation: During the year, the Company has fully written off loan granted in earlier years to Career Launcher Education Foundation aggregating `112,878,251. Accordingly, in our opinion such loan is prejudicial to the interest of the Company.

Directors' Reply:

This loan, in fact, was infrastructure charges recoverable from Career Launcher Education Foundation on account of running of business school from the premises owned by the company Initially due to inability to pay these infrastructure charges were converted into a loan, which was returnable and was carrying interest at market rates. Inability to pay and the closure of the business school has lead to the write off of these charges by the company in its books a provision for which was made in the full in the previous financial year.

4. Clause No. (iv) contained in the Annexure to the Auditors' Report

Auditor's Observation:In our opinion, internal control system with regard to purchase of inventory needs to be strengthened in order to be commensurate with the size of the Company and the nature of its business. According to information and explanations given to us, the Company has initiated the process of rectifying such weakness in internal controls related to purchase of inventory and accordingly, we have not observed continuing failure to correct major weakness in internal control system of the Company in this regard.

Directors' Reply:

The auditor's comments are self-explanatory and do not require any further explanation on Directors' part. The Company is in process of further strengthening the internal controls related to purchase of inventory.

5. Clause No. (vii) contained in the Annexure to the Auditors' Report

Auditor's Observation:In our opinion, the Company has an internal audit system commensurate with the size and nature of its business. However, in our opinion scope of internal audit system of the company

in respect of Company's own teaching centres and franchisees' teaching centres should be further streamlined and strengthened.

Directors' Reply:

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

6. Clause No. (ix)(a) contained in the Annexure to the Auditors' Report

Auditor's Observation:The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax and other material statutory dues applicable to it. However, there have been delays in depositing undisputed statutory dues in respect of service tax.

Directors' Reply:

The company has since then deposited all of its statutory dues. The delay in deposit of Service tax was on account of the change in manner service tax was calculated on certain service items , the changes which were incorporated only in FY 13 by the government . Your directors assure that the necessary checks and internal controls pertaining to this are already in place and there would have been no delay in the deposit of the same but for the change in the manner of its calculation and would not reoccur in the future.

14. 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.

15. Corporate Governance

A) Detail of all the elements of remuneration package including commission, perquisites and other variable component paid to Executive Directors during 2012-13:

(Figures in ` lacs)

Components of Salary	Satya Narayanan .R	Gautam Puri	Nikhil Mahajan
Total Fixed Salary	50.86	50.86	49.38
Provident Fund	0.09	0.09	0.09
Incentive	NIL	NIL	NIL
Total	50.95	50.95	49.47

Commission paid to Non-Executive Directors for the year 2012-13.

(Figures in ` lacs)

Commission Paid	Amount
Mr. Sridar Iyengar	1.48
Mr. Safir Anand	0.89
Mr. Viraj Tyagi	0.89
Mr. Kamil Hasan	0.89

B) Stock options details

Three of the Independent Directors of the Company, namely Mr. Sridar Iyengar, Mr. Viraj Tyagi, and Mr. Safir Anand have been granted 4,000 ESOPs each, under the CL Employee Stock Option Plan 2008, vesting at 5 different dates. Mr. Safir Anand, Mr. Viraj Tyagi and

Mr. Sridar Iyengar have exercised the 1st vested options, and have been issued 800 shares each.

16. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

(i) That in the presentation of the annual accounts for the year ended 31st March 2013, applicable accounting standards have been followed and that there are no material departures;

(ii) That they have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31st March, 2012 and of the profit of the Company for the year ended on that date;

(iii) That they have taken proper and sufficient care, to the best of their knowledge and ability, for the 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 and detecting fraud and other irregularities;

(iv) That the annual accounts have been prepared on a 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

New Delhi
July 26th, 2013



Gautam Puri
Managing Director



Nikhil Mahajan
Director

Notice

NOTICE is hereby given that the 17th ANNUAL GENERAL MEETING of the members of CL Educate Limited (formerly known as Career Launcher (India) Limited) would be held on Monday, the 30th day of September, 2013 at 11:00 A.M. at the Registered Office of the Company at R-90, 1st Floor, Greater Kailash Part-1, New Delhi – 110048 to transact the following business:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Accounts - 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 the Auditors thereon.

Item No. 2 – Reappointment of Mr. Nikhil Mahajan- To appoint a director in place of Mr. Nikhil Mahajan, who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3 – Reappointment of Mr. Kamil Hasan- To appoint a director in place of Mr. Kamil Hasan, who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4 – Appointment of Auditors - To appoint Auditors and to fix their remuneration. In this respect, to consider, and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

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

RESOLVED FURTHER THAT the board of directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to implement this resolution.”

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 himself / herself on a poll only and such proxy so appointed need not be a member of the company. The proxy forms, in order to be valid, should be deposited with the company at least 48 hours before the commencement of the meeting.

New Delhi

July 26th, 2013

By Order of the Board
For CL Educate Limited


Nikhil Mahajan
Director