
Ind AS Financial Statements of Keystone Integrated Marketing Services Private Limited

For the year ended March 31,
2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Kestone Integrated Marketing Services Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Kestone Integrated Marketing Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the (state of affairs) financial position, profit (financial performance including other comprehensive income) cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, its profit (financial performance including other comprehensive income) its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
- e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".



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- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048



Raj Kumar Agarwal
Partner
Membership No.: 074715



Place: New Delhi
Date: May 23, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kestone Integrated Marketing Services Private Limited on the financial statements for the year ended March 31, 2018]

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, material discrepancies identified on such verification have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not have any Immovable property. Accordingly, paragraph 3(i)(c) of the order is not applicable to the Company.
- (ii) The Company is a service company engaged in the business of providing manpower management services, marketing and sales services, online marketing support services and infrastructure support services. Accordingly, the provisions of clause (ii) of paragraph 3 of the order are not applicable to the company.
- (iii) The Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
 - (b) The schedule of repayment of principal and payment of interest in respect of such loans has not been stipulated thus we are unable to comment whether the repayments or receipts are regular and report amounts overdue for more than ninety days, if any, as required under paragraph 3(iii)(c) of the Order.
 - (c) In respect of the aforesaid loans, as the schedule of repayment of principal amount has not been stipulated, we are unable to comment whether there is any overdue amount of loans granted to subsidiary, fellow subsidiary company and other parties listed in the register maintained under section 189 of the Act.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) 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 provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.



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- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, goods and service tax, which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks.
- (ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised. The company has not raised money by way of public issue offer.
- (x) 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 by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, the Company has not paid / provided the managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.



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- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/ W100048



Raj Kumar Agarwal

Partner

Membership No. 074715



Place: New Delhi

Date: May 23, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kestone Integrated Marketing Services Private Limited on the financial statements for the year ended March 31, 2018.]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kestone Integrated Marketing Services Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide Reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2018:

- a) Comprehensive procurement policies for purchase of goods and services have not been documented, which could potentially result in the aforesaid Company procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at higher prices.
- b) The Company has not maintained adequate documentation for 'partially completed events' in the Event management services for the complete year/ all the events, in the newly implemented APEX ERP software which was implemented with effect from January 2018. This could potentially result in incorrect recording of provisional revenue and corresponding provisional expenses in respect of such incomplete services at the reporting date.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.



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We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 financial statements of the Company, and these material weaknesses does not affect our opinion on the financial statements of the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/100048



Raj Kumar Agarwal
Partner
Membership No.074715



Place: New Delhi
Date: May 23, 2018

Kestone Integrated Marketing Services Private Limited
Balance Sheet as at March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Assets				
Non-current assets				
Property, plant and equipment	3	319.33	373.29	498.84
Intangible assets	4	1.25	3.46	6.00
Investments in subsidiary	5	255.07	6.66	6.66
Financial assets				
(i) Loans	6	52.44	27.84	11.79
(ii) Other financial assets	7	-	65.57	-
Deferred tax asset (net)	8	101.24	55.35	44.18
Non-current tax asset (net)	9	856.86	618.56	539.82
Other non-current assets	10	16.60	7.76	2.19
Total non-current assets		1,602.79	1,158.49	1,109.48
Current assets				
Financial assets				
(i) Trade receivables	11	2,863.92	2,335.33	2,213.44
(ii) Cash and cash equivalents	12	21.01	32.78	17.93
(iii) Bank balances other than (ii) above	13	291.93	395.39	427.40
(iv) Loans	14	369.84	723.56	399.19
(v) Other financial assets	15	1,309.86	1,226.74	500.96
Other current assets	16	772.28	162.77	85.14
Total current assets		5,628.84	4,876.57	3,644.06
Total assets		7,231.63	6,035.06	4,753.54
Equity and Liabilities				
Equity				
Equity share capital	17	100.00	100.00	100.00
Other equity	18	3,179.21	2,836.91	2,465.54
Total equity		3,279.21	2,936.91	2,565.54
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	19	17.13	12.21	17.58
(ii) Other financial liabilities		-	-	-
Provisions	20	107.28	79.01	75.80
Other non-current liabilities	21	12.38	5.57	0.64
Total non-current liabilities		136.79	96.79	94.02
Current liabilities				
Financial liabilities				
(i) Borrowings	22	1,045.14	756.84	122.70
(ii) Trade payables	23	1,996.21	1,083.02	965.81
(iii) Other financial liabilities	24	347.98	536.32	687.69
Other current liabilities	25	425.62	624.65	316.91
Provisions	26	0.68	0.53	0.87
Total Current liabilities		3,815.63	3,001.36	2,093.98
Total liabilities		3,952.42	3,098.15	2,188.00
Total equity and liabilities		7,231.63	6,035.06	4,753.54

Significant accounting policies

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The accompanying notes 1 to 45 are an integral part of these financial statements.

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm registration No. 102323W/W100048

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date: May 23, 2018



For and on behalf of the Board of Directors of
Kestone Integrated Marketing Services Private Limited

Gautam Puri
Director
DIN: 00033548

Place: New Delhi
Date: May 23, 2018



Nikhil Mahajan
Director
DIN: 00033404

Kestone Integrated Marketing Services Private Limited
Statement of profit and loss for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

	Notes	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Income			
Revenue from operations	27	9,503.19	9,240.35
Other income	28	312.29	313.09
Total income		9,815.48	9,553.44
Expenses			
Employee benefit expense	29	2,049.76	1,782.69
Finance costs	30	102.05	89.86
Depreciation and amortisation expense	31	128.30	147.13
Other expenses	32	7,029.69	6,973.10
Total Expenses		9,309.80	8,992.78
Profit before tax		505.68	560.66
Tax expense:			
Current tax		202.67	213.57
Tax adjustment for earlier years		20.05	1.92
Deferred tax	34	(49.95)	(16.00)
Profit for the year (A)		332.91	361.17
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of defined benefit plans		12.17	13.95
Income tax relating to these items		(4.06)	(4.83)
Total other comprehensive income for the year (B)		8.11	9.12
Total comprehensive income for the year (A + B)		341.02	370.29
Earnings per equity share			
Basic earnings per share	33	33.29	36.12
Diluted earnings per share		33.29	36.12

Significant accounting policies 2
The accompanying notes 1 to 45 are an integral part of these financial statements.

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm registration No. 103523W/W100048

Raj Kumar Agarwal
Partner
Membership No.:074715



Place: New Delhi
Date: May 23, 2018

For and on behalf of the Board of Directors of
Kestone Integrated Marketing Services Private Limited

Gautam Puri
Director
DIN: 00033548



Place: New Delhi
Date: May 23, 2018

Nikhil Mahajan
Director
DIN: 00033404

Kestone Integrated Marketing Services Private Limited
Statement of cash flows for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
A. Cash flow from operating activities		
Net Profit before tax	505.67	560.66
Adjustments for:		
Depreciation and amortisation expense	128.30	147.13
Sundry balances written off	5.84	4.92
Property, plant and equipment written off	-	9.07
Loss on sale of property, plant and equipment	-	0.07
Finance cost	100.60	89.86
Liability no longer required written back	(150.21)	(143.18)
Unwinding of interest on security deposits	(7.03)	(3.06)
Expense recognized on amortized cost	7.24	4.02
Lease equalisation reserve	6.81	4.93
Interest income	(105.80)	(137.13)
Provision for doubtful advances	(0.12)	(1.73)
Loss allowance on trade receivables	24.49	(12.33)
Bad debts written off	40.35	16.89
Unrealised forex (gain)/loss/Net exchange differences	(16.23)	12.73
Operating profit before working capital changes	539.91	552.85
Movements in working capital :-		
- (Increase)/Decrease in Trade receivables	(593.22)	(126.45)
- (Increase)/Decrease in Non-current loans and other financial assets	(17.57)	(12.99)
- (Increase)/Decrease in Current loans and other financial assets	(145.53)	(698.09)
- (Increase)/Decrease in Other non current assets	(8.84)	(5.57)
- (Increase)/Decrease in Other current assets	(622.46)	(84.84)
- Increase/(Decrease) in Trade payables	289.37	259.06
- Increase/(Decrease) in Provisions	40.59	16.81
- Increase/(Decrease) in Other current financial liabilities	(124.90)	(146.65)
- Increase/(Decrease) in Other current liabilities	(199.03)	307.74
Cash generated from/ (used in) operations	(141.68)	61.86
Less: Income tax paid (net of refunds)	(461.01)	(294.73)
Net Cash generated from / (used in) operating activities (A)	(602.69)	(232.36)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(64.46)	(30.58)
Purchase of intangible assets	(0.06)	(0.34)
Proceeds from sale of property, plant and equipment	-	1.86
Term deposits not considered as cash and cash equivalents	(58.68)	(460.95)
Proceeds from maturity of fixed deposits	227.71	427.40
Loans to related party	(247.78)	(349.77)
Repayment of loan to related party	629.25	7.46
Investments in subsidiary	(248.41)	-
Interest received	156.44	114.66
Net Cash Generated from / (Used in) Investing Activities (B)	394.01	(290.26)
C. Cash Flow from Financing Activities		
Proceeds from short term borrowings	288.30	634.15
Repayments of long term borrowings	(16.05)	(15.75)
Proceeds from long term borrowings	24.00	8.04
Interest expense paid	(99.34)	(88.97)
Net Cash generated from / (used in) Financing Activities (C)	196.91	537.47
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(11.77)	14.85
Balance at the beginning of the year.	32.78	17.92
Cash and cash equivalents at the beginning of the year	32.78	17.92
Balance at the end of the year	21.01	32.78



Kestone Integrated Marketing Services Private Limited
 Statement of cash flows for the year ended March 31, 2018
 (All amounts are Rupees in lakhs, unless otherwise stated)

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non-current borrowings	Current borrowings	Interest on borrowings
For the year ended March 31, 2018			
Balance as at April 1, 2017	25.90	756.84	0.27
Loan draws (in cash) /interest accrued during the year	24.00	288.30	99.32
Loan repayments/interest payment during the year	(16.05)	-	(99.34)
Balance as at March 31, 2018	<u>33.85</u>	<u>1,045.14</u>	<u>0.25</u>

There are no non-cash changes on account of effect of changes in foreign exchange rates and fair values.

As per our report of even date
 For Haribhakti & Co. LLP
 Chartered Accountants
 Firm registration No. 103623W/W100048

Raj Kumar Agarwal
 Partner
 Membership No.:074715

Place: New Delhi
 Date: May 23, 2018



For and on behalf of the Board of Directors of
 Kestone Integrated Marketing Services Private Limited

Gautam Puri
 Director
 DIN: 00033548

Place: New Delhi
 Date: May 23, 2018



Nikhil Mahajan
 Director
 DIN: 00033404

Kestone Integrated Marketing Services Private Limited
Statement of Changes in Equity for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

(a) Equity share capital

Particulars	Amount
Balance as at April 1, 2016	100.00
Change in equity share capital during 2016-17	-
Balance as at March 31, 2017	100.00
Change in equity share capital during 2017-18	-
Balance as at March 31, 2018	100.00

(b) Other equity

Particulars	Attributable to owners of the company			Total
	Reserves & Surplus		Items of OCI	
	Retained earnings	Deemed Equity	Remeasurement of defined benefit plans	
Balance as at 1 April 2016	2,536.55	-	-	2,536.55
Impacts due to Ind AS Adjustments	(74.40)	3.39	-	(71.01)
Changes in accounting policy / prior period errors	-	-	-	-
Balance as at April 1, 2016	2,462.15	3.39	-	2,465.54
Profit for the year	361.17	1.08	-	362.25
Other comprehensive income for the year	-	-	9.12	9.12
Total comprehensive income for the year	361.17	1.08	9.12	371.37
Balance as at March 31, 2017	2,823.32	4.47	9.12	2,836.91
Profit for the year	332.91	1.28	-	334.19
Other comprehensive income for the year	-	-	8.11	8.11
Total comprehensive income for the year	332.91	1.28	8.11	342.30
Balance as at March 31, 2018	3,156.23	5.75	17.23	3,179.21

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm registration No. 103523W/W100048

Raj Kumar Agarwal
Partner
Membership No.:074715

Place: New Delhi
Date: May 23, 2018



For and on behalf of the Board of Directors of
Kestone Integrated Marketing Services Private Limited

Gautam Puri
Director
DIN: 00033548

Place: New Delhi
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Nikhil Mahajan
Director
DIN: 00033404

Place: New Delhi
Date: May 23, 2018

Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

3 Property, plant and equipment

Particulars	Vehicles	Computers	Furniture and fixtures	Office equipments	Total
Cost or deemed cost (gross carrying amount)					
Deemed cost as at April 1, 2016	35.77	168.65	144.20	150.22	498.84
Additions	-	25.03	0.24	4.43	29.70
Disposals	-	7.66	1.30	2.05	11.01
Balance as at March 31, 2017	35.77	186.02	143.14	152.60	517.53
Balance as at April 1, 2017	35.77	186.02	143.14	152.60	517.53
Additions	26.44	27.87	11.49	6.38	72.18
Disposals	-	0.29	-	-	0.29
Balance as at March 31, 2018	62.21	213.60	154.63	158.98	589.42
Accumulated depreciation and impairment losses					
Depreciation for the year	4.79	87.48	15.44	36.53	144.24
Disposals	-	-	-	-	-
Balance as at March 31, 2017	4.79	87.48	15.44	36.53	144.24
Balance at April 1, 2017	4.79	87.48	15.44	36.53	144.24
Depreciation for the year	7.15	69.08	15.44	34.35	126.02
Disposals	-	0.17	-	-	0.17
Balance as at March 31, 2018	11.94	156.39	30.88	70.88	270.09
Carrying amount (net)					
As at April 1, 2016	35.77	168.65	144.20	150.22	498.84
As at March 31, 2017	30.98	98.54	127.70	116.07	373.29
As at March 31, 2018	50.27	57.21	123.75	88.10	319.33

Note: 1. All the present and future movable fixed assets are subject to first and exclusive charge to secure the Company's current borrowings referred in notes as cash credit from bank (refer note 22).

2. The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition, for details refer note 44.

3. For amortisation and useful life, please refer accounting policy note no. 2 (iii).



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

3.1 Assets given on operating lease

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Vehicles			
Cost or deemed cost (gross carrying amount)	-	13.72	13.72
Accumulated depreciation	-	2.06	-
Net carrying amount as at year end	-	11.66	13.72
Computers			
Cost or deemed cost (gross carrying amount)	-	-	67.03
Accumulated depreciation	-	-	-
Net carrying amount as at year end	-	-	67.03
Furniture and fixtures			
Cost or deemed cost (gross carrying amount)	-	-	67.10
Accumulated depreciation	-	-	-
Net carrying amount as at year end	-	-	67.10
Office equipments			
Cost or deemed cost (gross carrying amount)	-	-	64.42
Accumulated depreciation	-	-	-
Net carrying amount as at year end	-	-	64.42

Note: The operating lease agreement was ended on June 30, 2017. Accordingly, no assets given on lease was outstanding as on March 31, 2018.



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

4 Intangible assets

Particulars	Computer software	Total
Cost or deemed cost (gross carrying amount)		
Balance as at April 1, 2016	6.00	6.00
Additions	0.35	0.35
Disposals	-	-
Balance as at March 31, 2017	6.35	6.35
Balance as at April 1, 2017	6.35	6.35
Additions	0.07	0.07
Disposals	-	-
Balance as at March 31, 2018	6.42	6.42
Accumulated amortisation		
Amortisation charged for the year	2.89	2.89
Disposals	-	-
Balance as at March 31, 2017	2.89	2.89
Balance as at April 1, 2017	2.89	2.89
Amortisation charged for the year	2.28	2.28
Disposals	-	-
Balance as at March 31, 2018	5.17	5.17
Carrying amount (net)		
As at April 1, 2016	6.00	6.00
As at March 31, 2017	3.46	3.46
As at March 31, 2018	1.25	1.25

- Note: 1. The company does not have any internally generated intangible assets.
2. Intangible assets are subject to first pari passu charge to secure the Company's borrowings referred in notes as bank overdrafts. (refer note 22).
3. The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its intangible assets as its deemed cost as at the date of transition, for details refer note 44.
4. For amortisation and useful life, please refer accounting policy note no. 2(iii).



Kestone Integrated Marketing Services Private Limited
 Notes to the financial statements for the year ended March 31, 2018
 (All amounts are Rupees in lakhs, unless otherwise stated)

5 Investments in subsidiary

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unquoted, at cost	255.07	6.66	6.66
514,000 (March 31, 2017: 14,000 and April 1, 2016: 14,000) fully paid up equity shares of SGD 1 each of Kestone CL Asia Hub Pte Limited (Formerly known as Career Launcher Asia Educational Hub Pte Limited)			
	255.07	6.66	6.66
Aggregate amount of unquoted investments	255.07	6.66	6.66
Aggregate amount of quoted investments			
Aggregate amount of impairment in value of investments			

There are no significant restrictions on the right of ownership, realisability of investments or the remittance of income and proceeds of disposal.

Name of entities	Relationship	Place of business	% of ownership interest	Accounting
Kestone CL Asia Hub Pte Limited	Subsidiary	Singapore	100%	Cost

6 Non-current financial asset - loans

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
Security deposits	52.44	27.84	11.79
	52.44	27.84	11.79

For explanation on the company credit risk management process (refer note - 42)

7 Other non-current financial assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits with maturity for more than 12 months from reporting date		65.57	
		65.57	

Note:

Deposits are under lien towards cash credit facility from IndusInd Bank and are under lien towards overdraft facility from IndusInd Bank to GK Publication Private Limited (A fellow subsidiary with common Directors). (Refer note 13)

8 Deferred tax asset (net)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax asset (net) (Refer note no. 34)	101.24	55.35	44.18
	101.24	55.35	44.18

9 Non current tax assets (net)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance tax and tax deducted at source (net of provisions for tax amounting to Rs. 353.16 lakhs (March 31, 2017 - Rs. 1196.71, April 1, 2016 - Rs. 982.93 lakhs))	856.86	618.56	539.82
	356.86	618.56	539.82

10 Other non-current assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid rent	16.60	7.76	2.19
	16.60	7.76	2.19



11 Trade receivables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good	2,863.92	2,335.33	2,213.44
Doubtful	120.11	95.62	107.95
Less: Allowances for doubtful debts	(120.11)	(95.62)	(107.95)
	2,863.92	2,335.33	2,213.44
Trade receivables from related parties (included above)	1,570.95	1,508.45	1,498.67
	1,570.95	1,508.45	1,498.67

Note : 1. For trade receivables from related parties refer note 39.

2. The Company has measured Expected Credit Loss of trade receivable based on simplified approach as per Ind AS 109 "Financial Instruments" except on related party customers. (Refer note no. 42)

3. For explanation on the Company credit risk management process (Refer Note no. 42)

4. No trade or other receivable are due from director or other officer of the Company and firms or private companies in which any director is a partner, a director or a member either jointly or severally with other persons except as stated above.

5. Trade receivable are pledged as securities for borrowings taken from banks (refer note 22)

12 Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with banks:			
- on current account	21.01	32.78	17.93
	21.01	32.78	17.93

For explanation on the company credit risk management process (refer note - 42).

13 Bank balances other than cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits with original maturity for more than 3 months but less than 12 months from the reporting date	291.93	395.39	427.40
	291.93	395.39	427.40

Note:

Fixed deposits amounting Rs 290.00 lakhs (March 31, 2017 Rs 430.00 lakhs; April 1, 2016 Rs 390.00 lakhs) are under lien, out of which fixed deposits amounting Rs 290.00 lakhs (March 31, 2017 Rs 230.00 lakhs; April 1, 2016 Rs 190.00 lakhs) are under lien towards cash credit facility from IndusInd Bank taken by the company and fixed deposits amounting Rs Nil. (March 31, 2017 Rs 200.00 lakhs; April 1, 2016 Rs 200.00 lakhs) are under lien towards overdraft facility from IndusInd Bank to GK Publication Private Limited (A fellow subsidiary with common Directors).

For explanation on the company credit risk management process (refer note - 42).

14 Current financial asset - loans

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<i>Unsecured, considered good</i>			
Security deposits	31.53	16.68	20.43
Loan to related parties	328.21	695.00	365.42
Loan to employees	10.10	11.88	13.34
	369.84	723.56	399.19

Note : 1. For loan to related parties, refer note . 39

2. For explanation on the company credit risk management process (refer note - 42)



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

15 Other current financial assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unbilled revenue	1,221.15	1,087.51	384.13
Interest accrued but not due on fixed deposits	4.45	6.81	8.48
Interest accrued but not due on loan given to related parties (refer note 39)	83.99	132.26	108.11
Amount recoverable from Non Banking Financial Company	0.27	0.16	0.24
	1,309.86	1,226.74	500.96

For explanation on the company credit risk management process (refer note - 42)

16 Other current assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances to suppliers:			
Considered good	618.06	139.08	57.79
Considered doubtful	0.22	0.34	2.07
Less: Provision for doubtful	(0.22)	(0.34)	(2.07)
Prepaid expenses	18.60	14.08	11.84
Advances to employees	9.84	5.36	13.88
Prepaid rent	7.64	3.96	1.63
Balances recoverable from government authorities	118.14	0.29	-
	772.28	162.77	85.14

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17 Share capital

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised 1,000,000 (March 31, 2017: 1,000,000 ; April 1, 2016: 1,000,000) equity shares of Rs 10 each	100.00	100.00	100.00
Issued, subscribed and paid-up 1,000,000 (March 31, 2017 : 1,000,000; April 1, 2016 : 1,000,000) equity shares of Rs 10 each	100.00	100.00	100.00
	100.00	100.00	100.00

During the year the company has neither issued nor brought back any shares.

a. Terms and rights attached to 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. The Company has not declared or paid any dividend since its incorporation.

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 distributed amounts will be in proportion to the number of equity shares held by the shareholders.

b. Reconciliation of number of shares outstanding at the beginning and at the end of the year :

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At the beginning of the year	1,000,000	1,000,000	1,000,000
Outstanding at the end of the year	1,000,000	1,000,000	1,000,000

c. Details of shares held by holding company and shareholders holding more than 5% shares in the Company:

The Company is a wholly owned subsidiary of CL Educate Limited contributing to 100% of the share capital of the company.

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Percentage holding	No. of Shares	Percentage holding	No. of Shares	Percentage holding
CL Educate Limited and its nominees*	1,000,000	100%	1,000,000	100%	1,000,000	100%
	1,000,000	100%	1,000,000	100%	1,000,000	100%

* None of the nominees individually own more than 5% of the total shares issued by the Company.

d. 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 during the period of five years immediately preceding to the balance sheet date.



18 Other equity

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Surplus in the statement of profit and loss			
Opening balance	2,823.32	2,462.15	2,462.15
(+) Net profit for the year	332.91	361.17	-
Closing balance (A)	<u>3,156.23</u>	<u>2,823.32</u>	<u>2,462.15</u>
Deemed equity contribution			
Opening balance	4.47	3.39	3.39
Additions	1.28	1.08	-
Closing balance (B)	<u>5.75</u>	<u>4.47</u>	<u>3.39</u>
Other comprehensive income			
Opening balance	9.12	-	-
Additions	8.11	9.12	-
Closing balance (C)	<u>17.23</u>	<u>9.12</u>	<u>-</u>
Total reserves and surplus (A+B+C)	<u><u>3,179.21</u></u>	<u><u>2,836.91</u></u>	<u><u>2,465.54</u></u>

Nature and purpose of other reserves/ other equity

Deemed equity

The Company has received guarantee from its holding Company on the borrowings of Company. The fair valuation of the financial guarantee has resulted in the creation of Deemed equity.

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19 Non-current borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured loans			
-From banks			
a) Vehicle loans (Refer note i)	29.68	16.04	14.93
-From financial institutions			
b) Vehicle loans (Refer note i)	4.16	9.86	18.86
Total non-current borrowings	33.84	25.90	33.79
Less: Current maturities of non-current borrowing from banks (included in note 24)	12.29	7.72	6.75
Less: Current maturities of non-current borrowing from others (included in note 24)	4.16	5.70	9.00
Less: Interest accrued but not due on borrowings (included in note 24)	0.26	0.27	0.46
	17.13	12.21	17.58

Note:

i. Vehicle loans from bank and Non Banking Financial Companies (NBFCs) are secured against hypothecation of concerned vehicles.

Terms and conditions of outstanding borrowings are as follows:

For amount outstanding as at March 31, 2018

Loan	Outstanding amount	Equal monthly instalment (EMI)	Rate of interest	Date of last EMI
Loan from Kotak Mahindra Prime Limited	4.16	0.45	17.74%	1-Jan-19
Loan from HDFC Bank Limited	8.05	0.78	13.50%	5-Feb-19
Loan from HDFC Bank Limited	10.69	0.25	8.70%	7-Jul-22
Loan from HDFC Bank Limited	10.69	0.25	8.70%	7-Jul-22
	33.59			

For amount outstanding as at March 31, 2017

Loan	Outstanding amount	Equal monthly instalment (EMI)	Rate of interest	Date of last EMI
Loan from Kotak Mahindra Prime Limited	1.45	0.49	10.59%	10-Jun-17
Loan from Kotak Mahindra Prime Limited	8.41	0.45	17.74%	1-Jan-19
Loan from HDFC Bank Limited	15.77	0.78	13.50%	5-Feb-19
	25.63			

For amount outstanding as at April 1, 2016

Loan	Outstanding amount	Equal monthly instalment (EMI)	Rate of interest	Date of last EMI
Loan from Kotak Mahindra Prime Limited	6.89	0.49	10.59%	10-Jun-17
Loan from Kotak Mahindra Prime Limited	11.97	0.45	17.74%	1-Jan-19
Loan from HDFC Bank Limited	14.48	0.78	13.50%	5-Feb-19
	33.34			



20 Non-current provisions

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits			
Gratuity (refer note 38)	105.64	77.60	74.09
Leave encashment (refer note 38)	1.64	1.41	1.71
	<u>107.28</u>	<u>79.01</u>	<u>75.80</u>

Refer note 26 for current portion of provision.

21 Other non-current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Lease equalisation reserve	12.38	5.57	0.64
	<u>12.38</u>	<u>5.57</u>	<u>0.64</u>

22 Current borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Cash credit from banks	1,045.14	756.84	122.70
Total current borrowings	<u>1,045.14</u>	<u>756.84</u>	<u>122.70</u>

Note: Details of these loans are as follows:

Primary security

First and exclusive charge on entire current assets and movable fixed assets of the Company both present and future.

Collateral security

- a. Corporate guarantee of CL Educate Limited (Holding Company) amounting Rs. 1450.00 lakhs (March 31, 2017 : Rs 1,150.00 lakhs ; April 1, 2016 : Rs 950.00 lakhs)
- b. Lien on fixed deposits amounting Rs. 290.00 lakhs (March 31, 2017: Rs 230.00 lakhs; April 1, 2016: Rs 190.00 lakhs) (refer note 13)

Interest rates

- a. 11.50% p.a from September 26, 2017
- b. 13.55% p.a from January 17, 2017
- c. 13.60% p.a from October 19, 2015 to January 16, 2017

Guarantees

- a. The overdraft facility is further secured by personal guarantees of directors of the company i.e. by, Mr. Gautam Puri and Mr. Nikhil Mahajan.
- b. Aggregate amount of loans guaranteed by directors of the Company as at year end Rs 1,045.14 lakhs (March 31, 2017: Rs.756.84 lakhs; April 1, 2016: Rs. 122.70 lakhs)

Note : Company's exposure to liquidity risk is disclosed in Note 42.



23 Trade payables

Trade payables

- to micro and small enterprises
- to others

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	-	-	-
	1,996.21	1,083.02	965.81
	<u>1,996.21</u>	<u>1,083.02</u>	<u>965.81</u>

- (i) Refer note 41 for dues to micro and small enterprises
- (ii) Refer note 39 for payable to related parties
- (iii) Company's exposure to liquidity risk related to trade payables is disclosed in note 42.

24 Other current financial liabilities

- Current maturities of non-current vehicle loan from banks
- Current maturities of non-current vehicle loan from others
- Interest accrued but not due on borrowings
- Employees related payables
- Receipts on behalf of clients
- Payable for fixed assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	12.29	7.72	6.75
	4.16	5.70	9.00
	0.26	0.27	0.46
	91.53	138.58	326.04
	226.80	378.70	339.23
	12.94	5.35	6.21
	<u>347.98</u>	<u>536.32</u>	<u>687.69</u>

Note : Company's exposure to liquidity risk is disclosed in Note 42.

25 Other current liabilities

- Advance from customers
- Statutory dues payable
- Lease equalisation reserve

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	297.09	481.37	244.92
	128.21	142.64	71.99
	0.32	0.64	-
	<u>425.62</u>	<u>624.65</u>	<u>316.91</u>

26 Current provisions

- Provision for employee benefits
- Gratuity (refer note 38)
- Leave encashment (refer note 38)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	0.66	0.51	0.84
	0.02	0.02	0.03
	<u>0.68</u>	<u>0.53</u>	<u>0.87</u>

Refer note 20 for Non-current portion of provision.



Kestone Integrated Marketing Services Private Limited
Notes to financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

27 Revenue from operations

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of services*	9,503.19	9,240.35
	<u>9,503.19</u>	<u>9,240.35</u>

*for revenue earned from related party refer note 39.

28 Other income

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income from financial assets measured at amortised cost		
-Security deposits	7.03	3.06
Interest income on		
-Bank deposits	18.75	35.48
-Income tax Refund	29.15	36.73
-Loans to related parties (refer note 39)	57.89	64.92
Liabilities no longer required written back	150.21	143.18
Excess provision for doubtful trade receivables written back	15.87	12.33
Net gain on foreign exchange transaction	27.38	-
Profit on sale of property, plant and equipment	0.11	-
Miscellaneous income	5.90	17.39
	<u>312.29</u>	<u>313.09</u>

29 Employee benefits expense

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries	1,836.60	1,596.76
Contribution to provident and other funds (refer note 38)	67.66	59.17
Expenses related to post-employment defined benefit plan (refer note 38)	49.46	34.41
Expenses related to compensated absences (refer note 38)	1.17	0.19
Staff welfare expenses	94.87	92.16
	<u>2,049.76</u>	<u>1,782.69</u>

30 Finance cost

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense on borrowings	85.57	74.25
Interest on delayed payment of Statutory dues	1.45	-
Commission expense on financial guarantees	1.28	1.08
Other borrowing cost	13.75	14.53
	<u>102.05</u>	<u>89.86</u>

31 Depreciation and amortisation expense

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on property, plant and equipment	126.02	144.24
Amortisation of intangible assets	2.28	2.89
	<u>128.30</u>	<u>147.13</u>



Kestone Integrated Marketing Services Private Limited
Notes to financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

32 Other expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Banquet and hotel expense	1,226.25	922.51
Giveaways	1,667.32	1,941.02
Temporary manpower resources	482.35	542.83
Photography charges	70.75	57.40
Equipment hire charges	623.02	486.46
Sponsorship fees	127.10	197.54
Printing and stationery	106.33	180.40
Travelling expenses	436.93	553.54
Communication expenses	253.16	227.94
CSR Expenses	6.28	-
Rent (refer note 36)	127.89	104.90
Business promotion expenses	453.12	321.50
Repairs and maintenance	53.64	37.74
Insurance	18.80	18.34
Electricity charges	25.85	20.14
Sundry balances written off	5.84	4.92
Bad debts written off	40.35	16.89
Event consultancy	1,208.90	1,215.48
Legal and professional charges (refer note i below)	66.53	65.28
Foreign exchange loss (net)	-	14.66
Property, plant and equipment written off	-	9.07
Miscellaneous expenses	29.28	34.47
Loss on sale of property, plant and equipment	-	0.07
	7,029.69	6,973.10

(i) Payment to auditors

	Year ended March 31, 2018	Year ended March 31, 2017
As auditor		
Statutory audit	10.50	12.00
In other capacities		
Certification fees	1.40	1.25
Reimbursement of expenses	0.31	0.29
	12.21	13.54



33 Disclosure as per Ind AS 33 on 'Earnings per share'

	Year ended March 31, 2018	Year ended March 31, 2017
Basic and diluted earnings per share (Refe footnote a and b) Attributable to the equity holders of the company	33.29	36.12
Total basic earnings per share attributable to the equity holders of the company	33.29	36.12
(a) Profit attributable to equity shareholders (used as numerator)		
	Year ended March 31, 2018	Year ended March 31, 2017
Profit from operations	332.91	361.17
Profit attributable to equity shareholders	332.91	361.17
(b) Weighted average number of shares (used as the denominator)		
	Year ended March 31, 2018	Year ended March 31, 2017
Weighted average number of equity shares	1,000,000	1,000,000
Weighted average number of equity shares in calculating basic and diluted earnings per share	1,000,000	1,000,000

Note: At present, the company does not have any dilutive potential equity shares.

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Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

34 Income taxes

A. Amounts recognised in profit or loss

	March 31, 2018	March 31, 2017
Current tax expense	202.67	213.57
Current year	20.05	1.92
Adjustment for prior years	222.72	215.49
Deferred tax expense	(49.95)	(16.00)
Total Tax Expense	172.77	199.49

B. Amounts recognised in Other Comprehensive Income

Income tax relating to items that will not be reclassified to profit or loss	(4.06)	(4.83)
- Income tax relating to remeasurement of defined benefit plans	(4.06)	(4.83)

C. Reconciliation of effective tax rate

	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations	33.38%	505.68	34.61%	560.66
Tax using the Company's domestic tax rate		168.80		194.03
Tax effect of:				
Non-deductible expenses	-	0.42	-	3.54
Tax adjustments relating to earlier years	-	20.05	-	1.92
Others		(16.49)		
	33.38%	172.77	34.61%	199.49

D. Movement in deferred tax balances

	March 31, 2017	Recognized in P&L	Recognized in OCI	As at March 31, 2018
Items that will not be reclassified to profit and loss				
Deferred tax assets				
Provision for employee benefits	26.64	13.18	4.06	35.75
Provision for bonus	9.26	11.06	-	20.32
Provision for allowance for doubtful debtors	33.09	8.17	-	41.27
Provision for doubtful supplier advances	0.13	0.00	-	0.13
Lease equalisation reserve	1.82	2.50	-	4.32
Amortisation of prepaid rent	1.61	2.30	-	3.91
Sub- total (a)	72.55	37.21	4.06	105.70
Deferred tax liabilities				
Property, plant and equipment	16.14	15.09	-	1.05
Amortisation of security deposits	1.06	(2.35)	-	3.41
Sub- total (b)	17.20	12.74	-	4.46
Net deferred tax (asset) liability (b)-(a)	(55.35)	49.95	4.06	(101.24)



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2018
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	April 1, 2016	Recognized in P&L	Recognized in OCI	March 31, 2017
Deferred tax assets				
Provision for employee benefits	25.54	5.92	4.83	26.64
Provision for bonus	10.56	(1.30)	-	9.26
Provision for allowance for doubtful debtors	37.36	(4.27)	-	33.09
Provision for doubtful supplier advances	0.73	(0.60)	-	0.13
Lease equalisation reserve	0.22	1.60	-	1.82
Amortisation of prepaid rent		1.61	-	1.61
Sub- total (a)	74.41	2.97	4.83	72.55
Deferred tax liabilities				
Property, plant and equipment	30.23	14.09	-	16.14
Amortisation of security deposits	-	(1.06)	-	1.06
Sub- Total (b)	30.23	13.03	-	17.20
Net deferred tax (asset) liability (b)-(a)	(44.18)	16.00	4.83	(55.35)

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35 Contingent liabilities, contingent assets and commitments

a. Commitments

There are no capital or other commitments as on March 31, 2018, March 31, 2017 and as on April 1, 2016.

b. Contingent liabilities

There are no contingent liabilities as on March 31, 2018, March 31, 2017 and April 1, 2016.

c. Contingent assets

There are no contingent assets as on March 31, 2018, March 31, 2017 and April 1, 2016.

36 Operating lease

A. Leases as a lessee

The Company has taken various office premises under cancellable and non cancellable operating leases ranging from 11 months to 60 months and hence are short term lease. These lease agreements have escalation clauses ranging from 0% to 10% and are usually renewable on mutually agreeable terms. Disclosure in respect of such operating leases is as given below:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i			
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:			
Within one year	135.63	31.47	13.59
Later than one year but not later than five years	327.15	39.66	-
Later than five years	-	-	-
	<u>462.78</u>	<u>71.13</u>	<u>13.59</u>
		Year ended March 31, 2018	Year ended March 31, 2017
ii			
Amounts recognised in statement of profit and loss			
Lease rent recognised in the statement of profit and loss		127.89	104.90

B. Leases as a lessor

The Company has given some of its fixed assets on cancellable operating lease and the lease terms are generally for one year. There are no non cancellable leases and hence disclosure relating to minimum lease receipts has not been provided.

	Year ended March 31, 2018	Year ended March 31, 2017
i		
Amounts recognised in statement of profit and loss		
Lease rent recognised in the statement of profit and loss during the year - in respect of cancellable leases	1.80	62.76

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37 Segment information

In the opinion of the management, there is only one reportable segment. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Further, the Company operates only in one geographical segment which is India.

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any new facility.

i. Geographic information

Since the Company's activities/operations are primarily within the country and considering the nature of services it deals in the risks and returns are same and as such there are no reportable geographical segments.

ii. Information about products and services

The Company provides integrated business marketing and sales service like managed manpower, training, event management, customer engagement, marketing communication and digital marketing services for corporates to conduct very large conferences and exhibitions.

iii. Major customer

Revenue from major customers which is more than 10% of the company's total revenue amounting to Rs. 3,774.03 lakhs (March 31, 2017: Rs. 3,770.35 lakhs) for one customer and Rs. 2,343.71 lakhs (March 31, 2017: Rs. 2,649.63 lakhs) for another customer.

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38 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

	Year ended	
	March 31, 2018	March 31, 2017
Contribution to Government Provident Fund	60.47	56.33
	<u>60.47</u>	<u>56.33</u>

(ii) Defined Benefit Plan

Gratuity

The present value obligation is determined based on actuarial valuation as at balance sheet date using the projected unit credit method which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations. The scheme is funded by the Company and contribution is made to group gratuity policy issued by Life Insurance Corporation of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	March 31, 2018	March 31, 2017	April 1, 2016
Net defined benefit liability			
Liability for Gratuity	106.30	78.10	74.93
Total employee benefit liabilities	<u>106.30</u>	<u>78.10</u>	<u>74.93</u>
Non-current	105.64	77.59	74.09
Current	0.66	0.51	0.84

B. Movement in net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	March 31, 2018			March 31, 2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at the beginning of the year	80.94	2.84	78.10	77.05	2.12	74.93
Not considered in last year	-	0.03	(0.03)	-	0.43	(0.43)
Included in profit and loss						
Current service cost	34.68	-	34.68	28.45	-	28.45
Past service cost	8.93	-	8.93	-	-	-
Interest cost/ (income)	6.07	0.21	5.86	6.16	0.20	5.96
	<u>130.62</u>	<u>3.08</u>	<u>127.54</u>	<u>111.66</u>	<u>2.75</u>	<u>108.91</u>
Included in OCI						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- financial assumptions	(9.37)	-	(9.37)	5.65	-	5.65
- demographic assumptions	1.44	-	1.44	(0.07)	-	(0.07)
- experience adjustment	(4.18)	-	(4.18)	(19.39)	-	(19.39)
- Return on plan assets excluding interest income	-	0.06	(0.06)	-	0.14	(0.14)
	<u>(12.11)</u>	<u>0.06</u>	<u>(12.17)</u>	<u>(13.81)</u>	<u>0.14</u>	<u>(13.95)</u>
Other						
Contributions paid by the employer	-	10.00	(10.00)	-	17.00	(17.00)
Benefits paid	(8.31)	(8.16)	(0.15)	(16.91)	(15.33)	(1.58)
Fund management charges	-	(0.94)	0.94	-	(0.20)	0.20
Admin charges	-	(0.12)	0.12	-	(0.69)	0.69
Received from LIC against Provision	-	-	-	-	(0.83)	0.83
	<u>(8.31)</u>	<u>0.78</u>	<u>(9.09)</u>	<u>(16.91)</u>	<u>(0.05)</u>	<u>(16.86)</u>
Balance as at the end of the year	<u>110.20</u>	<u>3.92</u>	<u>106.28</u>	<u>80.94</u>	<u>2.84</u>	<u>78.10</u>



Kestone Integrated Marketing Services Private Limited
Notes to financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

C. Expenses recognised in the profit and loss account

Current service cost
Past service cost
Net interest cost

	As at March 31, 2018	As at March 31, 2017
	34.68	28.45
	8.93	-
	5.86	5.96
	49.47	34.41

D. Plan assets

The plan assets of the Company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies.

Funds Managed by Insurer (investment with insurer)

As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
100%	100%	100%

E Actuarial assumptions

a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

Discount rate
Expected rate of future salary increase

As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
7.80%	7.50%	8.00%
8.00%	8.25%	8.25%

b) Demographic assumptions

- i) Retirement age (years)
ii) Mortality rates inclusive of provision for disability
iii) Ages

Upto 30 years
From 31 to 44 years
Above 44 years

As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
58	58	58
100% of IALM (2006-08)		
Withdrawal rate (%)	Withdrawal rate (%)	Withdrawal rate (%)
External/Internal	External/Internal	External/Internal
2.32/1.22%	3.13/2.62 %	2.84/2.08 %
1.77/0.90%	3.76/1.06 %	1.95/1.77 %
0.14/0.06%	0.12/0.00 %	0.14/0.00 %

F. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Sensitivity due to mortality and withdrawals are not material and hence impact of changes are not calculated. Sensitivity as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Discount rate (0.5% movement)
Expected rate of future salary increase (0.5% movement)

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
	(10.04)	9.73	(6.47)	7.25
	9.66	(10.07)	7.16	(6.45)



G. Description of Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over the time. As such, company is exposed to various risks as follows: -

A) Salary increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment risk - If Plan is funded then assets and liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality and disability - Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

H. Expected maturity analysis of the defined benefit plans in future years

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Duration of defined benefit obligation			
Less than 1 year	0.66	0.51	0.84
Between 1-2 years	1.27	1.33	0.93
Between 2-5 years	6.12	5.52	3.99
Over 5 years	102.16	73.58	71.28
Total	110.21	80.94	77.04

Expected contributions for the next annual reporting period as at March 31, 2018 is Rs.56.41 lakhs (March 31, 2017: Rs 45.24 lakhs)

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 22.5 years (March 31, 2017: 20.40 years).

(ii) Other long-term employee benefits:

The company provides for compensated absences to some of its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences may not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company determines the expense for compensated absences basis the actuarial valuation and the present value of the obligation, using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the leave encashment plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Defined benefit liability			
Liability for leave encashment	1.66	1.43	1.74
Total employee benefit liabilities	1.66	1.43	1.74
Non-current	1.64	1.41	1.71
Current	0.02	0.02	0.03

B. Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components:

	March 31, 2018	March 31, 2017
Balance as at the beginning of the period	1.42	1.74
Not considered in last year	-	-
Included in profit or loss	1.30	0.49
Current service cost	-	-
Fund management charges	-	-
Admin charges	-	-
Received from LIC against Provision	0.11	0.14
Interest cost (income)	2.83	2.37



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- Actuarial loss (gain) arising from:		
- financial assumptions	(0.17)	0.13
- demographic assumptions	-	0.00
- experience adjustment	(0.07)	(0.57)
-Return on plan assets excluding interest income	-	-
	<u>(0.24)</u>	<u>(0.44)</u>

Other

Contributions paid by the employer	-	-
Benefits paid	(0.95)	(0.51)
	<u>(0.95)</u>	<u>(0.51)</u>

Balance as at the end of the period

	1.65	1.42
--	------	------

C. Expenses recognised in the profit and loss account

	As at March 31, 2018	As at March 31, 2017
Current service cost	1.30	0.49
Actuarial (gain)/loss	(0.24)	(0.44)
Net interest cost	0.11	0.14
	<u>1.17</u>	<u>0.19</u>

D Actuarial assumptions

a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

Discount rate
Expected rate of future salary increase

As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
7.80%	7.50%	8.00%
8.00%	8.25%	8.25%

b) Demographic assumptions

- i) Retirement age (years)
ii) Mortality rates inclusive of provision for disability
iii) Ages
Upto 30 years
From 31 to 44 years
Above 44 years

As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
58	58	58
100% of IALM (2006-08)		

Withdrawal rate (%)	Withdrawal rate (%)	Withdrawal rate (%)
0.00%	1.52%	1.28%
2.23%	1.67%	2.09%
0.00%	0.00%	0.00%



E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Sensitivity due to mortality and withdrawals are not material and hence impact of change not calculated. Sensitivity as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(0.13)	0.15	(0.13)	0.14
Expected rate of future salary increase (0.5% movement)	0.15	(0.13)	0.14	(0.13)

F. Description of Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, company is exposed to various risks as follow:-

- A) Salary increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment risk - If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality and disability - Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

G. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Duration of defined benefit obligation			
Less than 1 year	0.02	0.02	0.03
Between 1-2 years	0.03	0.03	0.04
Between 2-5 years	0.10	0.07	0.11
Over 5 years	1.51	1.31	1.56
Total	1.66	1.43	1.74

Expected contributions for the next annual reporting period as at March 31, 2018 is Rs. 1.09 lakhs (March 31, 2017: Rs. 0.41 lakhs)
 The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18.92 years (March 31, 2017: 18.10 years).



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39 Related parties

A. Related parties and their relationships

Holding company	CL Educate Limited
Subsidiary company	Kestone CL Asia Hub Pte Limited (Formerly known as Kestone Asia Hub Pte Limited)
Key Managerial Personnel (KMP)	Mr. Satya Narayanan R, Director Mr. Gautam Puri, Director Mr. Nikhil Mahajan, Director
Fellow subsidiaries	CL Media Private Limited G K Publications Private Limited Career Launcher Education Infrastructure and Services Limited Accendere Knowledge Management Services Private Limited Career Launcher Infrastructure Private Limited Ice Gate Educational Institute Private Limited

ii. Related parties with whom transactions have taken place during the year:

Enterprises in which key management personnel and their relatives are able to exercise significant influence	Bilakes Consulting Private Limited, India CLEF - AP, India Career launcher Education Foundation, India Nalanda Foundation, India Career Launcher Employee Welfare Society
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B. Transactions with the above in the ordinary course of business

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
a. Rendering of services		
Holding company		
- CL Educate Limited		
- Marketing and sales services	246.72	31.61
- Online marketing support services	22.68	12.69
- Infrastructure support services	-	62.76
Fellow subsidiary		
- CL Media Private Limited	17.50	-
- Online marketing support services		
b. Interest income on loans given		
Fellow subsidiary		
- CL Media Private Limited	16.41	40.67
Subsidiary company		
- Kestone CL Asia Hub Pte Limited	34.80	12.62
Enterprises over which key managerial personnel exercise significant influence		
- Career Launcher Education Foundation	5.65	6.51
- Nalanda Foundation	1.03	5.12
	<u>57.89</u>	<u>64.92</u>
c. Unsecured loans given		
Fellow subsidiary		
- CL Media Private Limited	-	205.00
Subsidiary company		
- Kestone CL Asia Hub Pte Limited	235.54	144.75



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Notes to financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

d. Repayment received of unsecured loans given			
Fellow subsidiary		380.84	-
- CL Media Private Limited			
Enterprises over which key managerial personnel exercise significant influence		-	7.46
- Nalanda Foundation			
e. Debit notes received for expenses incurred by related parties on behalf of Company			
Holding company		199.03	118.18
- CL Educate Limited			
Fellow subsidiary		23.09	-
- CL Media Private Limited			
f. Amount incurred on behalf of			
Holding company		3.00	-
- CL Educate Limited			
g. Loan converted into Investment made during the year			
Subsidiary company		248.41	-
- Kestone CL Asia Hub Pte Limited			
h. Repayment of Interest			
Fellow subsidiary		105.16	-
- CL Media Private Limited			
C. Balances outstanding as at year end			
	As at March 31,	As at March 31,	As at April 1,
	2018	2017	2016
a. Trade Receivable			
Enterprises over which key managerial personnel exercise significant influence			
- Career Launcher Education Foundation	75.28	75.28	75.28
Holding company			
- CL Educate Limited	1,475.37	1,433.17	1,423.39
Fellow subsidiary			
- CL Media Private Limited	20.30	-	-
b. Interest accrued but not due on loans given:			
Enterprises over which key managerial personnel exercise significant influence			
- Career Launcher Education Foundation	30.22	25.13	19.27
- Nalanda Foundation	1.35	0.43	15.36
Fellow subsidiary			
- CL Media Private Limited	1.28	91.66	71.07
Subsidiary company			
- Kestone CL Asia Hub Pte Limited	51.14	15.04	2.42



Kestone Integrated Marketing Services Private Limited
Notes to financial statements for the year ended March 31, 2018
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c. Receivable against expenses incurred on behalf of related parties:

Holding company			
- CL Educate Limited	3.00	1.71	11.82

d. Current loan:

Enterprises over which key managerial personnel exercise significant influence			
-Career Launcher Education Foundation	40.70	40.70	40.70
-Nalanda Foundation	27.54	27.54	35.00

Fellow subsidiary			
- CL Media Private Limited	45.07	425.91	220.91

Subsidiary company			
- Kestone Asia Hub Pte Limited	214.90	200.85	68.81

e. Payable for expenses

Fellow subsidiary			
- CL Media Private Limited	27.25	-	16.25

Holding company			
- CL Educate Limited	130.81	35.70	104.36

f. Security- Lien on Fixed deposits for loans taken by

Fellow subsidiary			
- G K Publications Private Limited	-	200.00	200.00

g. Guarantees against loan taken by the Company

Holding company			
- CL Educate Limited	1,450.00	1,150.00	950.00

Terms and conditions of transactions with the related parties:

All transactions with these related parties are priced on an arm's length basis and resulting outstanding balances are to be settled in cash within one year of the reporting date. None of the balances are secured.



40 Corporate Social Responsibility

Section 135 of the Companies Act 2013 which came into effect on April 1 2014 requires the Company to constitute a Corporate Social Responsibility (CSR) Committee of Directors adopt a CSR Policy and spend at least 2% of its average net profits made during the immediately preceding three financial years towards CSR activities as set out in Schedule VII to the Companies Act 2013.

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Amount required to be spent as per Section 135 of the Act	47.92	30.04
Amount spent during the year	-	-
(i) Construction/acquisition of an asset	6.28	-
(ii) On purposes other than (i) above	-	-

41 In terms of the clause 22 of chapter V micro, small and Medium enterprises development Act 2006 (MSMED act 2006), the disclosure of payments due to any supplier as at March 31, 2018 are as follows:

Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmation received. Based upon the information available, the balance due to the Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs. Nil (March 31, 2017: Rs. Nil; April 1, 2016: Rs. Nil). Further no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in			
Principal amount due to micro and small enterprises	-	-	-
Interest due on above	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the period) but without adding the interest specified under the MSMED Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-	-

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42. Fair value measurement and financial instruments

a. Financial instruments - by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i. As on March 31, 2018

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Security deposits	-	-	52.44	52.44	-	-	52.44
Current							
Trade receivables	-	-	2,863.92	2,863.92	-	-	-
Cash and cash equivalents	-	-	21.01	21.01	-	-	-
Bank balances other than cash and cash equivalents	-	-	291.93	291.93	-	-	-
Loans and security deposits	-	-	369.84	369.84	-	-	-
Other financial assets	-	-	1,309.86	1,309.86	-	-	-
Total	-	-	4,909.00	4,909.00	-	-	52.44
Financial liabilities							
Non-current							
Borrowings	-	-	17.13	17.13	-	-	-
Current							
Borrowings	-	-	1,045.14	1,045.14	-	-	-
Trade payables	-	-	1,996.21	1,996.21	-	-	-
Other financial liabilities	-	-	347.98	347.98	-	-	-
Total	-	-	3,406.46	3,406.46	-	-	-
Items that will not be reclassified to profit and loss	-	-	3,406.46	3,406.46	-	-	-

ii. As on March 31, 2017

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Security deposits	-	-	27.84	27.84	-	-	27.84
Other financial assets	-	-	65.57	65.57	-	-	-
Current							
Trade receivables	-	-	2,335.33	2,335.33	-	-	-
Cash and cash equivalents	-	-	32.78	32.78	-	-	-
Bank balances other than cash and cash equivalents	-	-	395.39	395.39	-	-	-
Loans and security deposit	-	-	723.56	723.56	-	-	-
Other financial assets	-	-	1,226.74	1,226.74	-	-	-
Total	-	-	4,807.21	4,807.21	-	-	27.84
Financial liabilities							
Non-current							
Borrowings	-	-	12.21	12.21	-	-	-
Current							
Borrowings	-	-	756.84	756.84	-	-	-
Trade payables	-	-	1,083.02	1,083.02	-	-	-
Other financial liabilities	-	-	536.32	536.32	-	-	-
Total	-	-	2,388.39	2,388.39	-	-	-



iii. As on April 1, 2016

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Security deposits	-	-	11.79	11.79	-	-	11.79
Current							
Trade receivables	-	-	2,213.44	2,213.44	-	-	-
Cash and cash equivalents	-	-	17.93	17.93	-	-	-
Bank balances other than cash and cash equivalents	-	-	427.40	427.40	-	-	-
Loans and security deposit	-	-	399.19	399.19	-	-	-
Other financial assets	-	-	500.96	500.96	-	-	-
Total	-	-	3,570.71	3,570.71	-	-	11.79
Financial liabilities							
Non-current							
Borrowings	-	-	17.58	17.58	-	-	-
Current							
Borrowings	-	-	122.70	122.70	-	-	-
Trade payables	-	-	965.81	965.81	-	-	-
Other financial liabilities	-	-	687.69	687.69	-	-	-
Total	-	-	1,793.78	1,793.78	-	-	-

a. Financial instruments - by category and fair values hierarchy (continued)

The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of non-current financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) is similar to the carrying value as there is no significant differences between carrying value and fair value.

The fair value for security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2018 and 31 March 2017.

Valuation techniques and processes

The valuation techniques used to value non current financial assets and liabilities for whom the fair values have been determined are based on present values and the appropriate discount rates of the Company at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Company at each balance sheet date.

The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

Valuation technique used to determine fair value

Specific valuation techniques used to value non current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates of the Company at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Company at each balance sheet date.

b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

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b. Financial risk management (continued)

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Trade receivables	2,863.92	2,335.33	2,213.44
Cash and cash equivalents	21.01	32.78	17.93
Balances other than cash and cash equivalents	291.93	395.39	427.40
Loans and security deposits	422.28	751.40	410.98
Other financial assets	1,309.86	1,292.31	500.96

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

The Company's credit risk is primarily to the amount due from customers. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

Trade receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates and the Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivable within the allowed credit period. However the Company based upon historical experience determine an impairment allowance for loss on receivables.

The gross carrying amount of trade receivables is Rs. 2,984.03 lakhs (March 31, 2017 - Rs. 2,430.95 lakhs ,April 1, 2016 - Rs. 2,321.39 lakhs). Trade receivables are generally realised within the credit period.

The company believes that the unimpaired amounts that are past due by more than allowed credit period are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The Company's exposure to credit risk for trade receivables are as follows:

Particulars	Gross carrying amount		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
1-90 days past due	1,598.18	1,151.50	1,798.67
91 to 180 days past due	130.12	224.90	133.29
More than 180 days past due	1,255.73	1,054.55	389.43
	2,984.03	2,430.95	2,321.39

Movement in the allowance for impairment in respect of trade receivables:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	95.62	107.95
Impairment loss recognised / (reversed)	24.49	(12.33)
Amount written off	-	-
Balance at the end	120.11	95.62



B. Financial risk management (continued)

iii. Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has exposure to two type of market risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows to the extent of earnings and expenses in foreign currencies. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2018, March 31, 2017 and April 1, 2016 are as below:

Particulars	March 31, 2018			
	USD	Amount in INR	SGD	Amount in INR
Financial assets				
Trade receivables	0.54	35.40	-	-
Loan	-	-	4.33	214.90
	0.54	35.40	4.33	214.90
Financial liabilities				
Trade payables	0.55	36.13	-	-
	0.55	36.13	-	-
Net exposure in respect of recognised assets and liabilities	(0.01)	(0.73)	4.33	214.90

Particulars	March 31, 2017			
	USD	Amount in INR	SGD	Amount in INR
Financial assets				
Trade receivables	0.14	8.79	-	-
Other receivables	-	-	4.33	200.85
	0.14	8.79	4.33	200.85
Financial liabilities				
Trade payables	0.84	62.46	-	-
	0.84	62.46	-	-
Net exposure in respect of recognised assets and liabilities	(0.70)	(53.67)	4.33	200.85



B. Financial risk management (continued)

Particulars	April 1, 2016			
	USD	Amount in INR		Amount in INR
Financial assets				
Trade receivables	0.21	13.85	-	-
Other advances	-	-	1.40	68.81
	0.21	13.85	1.40	68.81
Financial liabilities				
Trade payables	1.43	94.34	-	-
	1.43	94.34	-	-
Net exposure in respect of recognised assets and liabilities	(1.22)	(80.49)	1.40	68.81

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2018, March 31, 2017 and April 1, 2016 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
Year ended March 31, 2018				
USD	(0.01)	0.01	(0.01)	0.01
SGD	2.15	(2.15)	1.43	(1.43)
Total	2.14	(2.14)	1.42	(1.42)
Year ended March 31, 2017				
USD	(0.54)	0.54	(0.35)	0.35
SGD	2.01	(2.01)	1.31	(1.31)
Total	1.47	(1.47)	0.96	(0.96)

USD: United States Dollar, SGD: Singapore Dollar

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B. Financial risk management (continued)

iii. Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has exposure to two type of market risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows to the extent of earnings and expenses in foreign currencies. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2018, March 31, 2017 and April 1, 2016 are as below:

Particulars	March 31, 2018			
	USD	Amount in INR	SGD	Amount in INR
Financial assets				
Trade receivables	0.54	35.40	-	-
Loan	-	-	4.33	214.90
	0.54	35.40	4.33	214.90
Financial liabilities				
Trade payables	0.55	36.13	-	-
	0.55	36.13	-	-
Net exposure in respect of recognised assets and liabilities	(0.01)	(0.73)	4.33	214.90

Particulars	March 31, 2017			
	USD	Amount in INR	SGD	Amount in INR
Financial assets				
Trade receivables	0.14	8.79	-	-
Other receivables	-	-	4.33	200.85
	0.14	8.79	4.33	200.85
Financial liabilities				
Trade payables	0.84	62.46	-	-
	0.84	62.46	-	-
Net exposure in respect of recognised assets and liabilities	(0.70)	(53.67)	4.33	200.85

Particulars	April 1, 2016			
	USD	Amount in INR		Amount in INR
Financial assets				
Trade receivables	0.21	13.85	-	-
Other advances	-	-	1.40	68.81
	0.21	13.85	1.40	68.81
Financial liabilities				
Trade payables	1.43	94.34	-	-
	1.43	94.34	-	-
Net exposure in respect of recognised assets and liabilities	(1.22)	(80.49)	1.40	68.81



B. Financial risk management (continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2018, March 31, 2017 and April 1, 2016 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
Year ended March 31, 2018				
USD	(0.01)	0.01	(0.01)	0.01
SGD	2.15	(2.15)	1.43	(1.43)
Total	2.14	(2.14)	1.42	(1.42)
Year ended March 31, 2017				
USD	(0.54)	0.54	(0.35)	0.35
SGD	2.01	(2.01)	1.31	(1.31)
Total	1.47	(1.47)	0.96	(0.96)

USD: United States Dollar, SGD: Singapore Dollar

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B. Financial risk management (continued)

iii. Market risk

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from non-current and current borrowings with variable interest rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans and cash credit from banks carrying floating rate of interest. These obligations expose the Company's cash flow to interest rate risk.

The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Vehicle loans (Non-current)	33.84	25.90	33.79
Cash Credit	1,045.14	756.84	122.70
Total	1,078.98	782.74	156.49

Fair value sensitivity analysis for fixed-rate instruments

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on term loans from banks				
Year ended March 31, 2018	3.34	(3.34)	2.22	(2.22)
Year ended March 31, 2017	2.55	(2.55)	1.67	(1.67)

43 Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings	1,062.27	769.05	140.28
Less : Cash and cash equivalent	312.94	428.17	445.33
Adjusted net debt (A)	749.33	340.88	(305.05)
Total equity (B)	3,279.21	2,936.91	2,565.54
Adjusted net debt to adjusted equity ratio (A/B)	22.85%	11.61%	(11.89%)



44 First Time Adoption of Ind AS

As mentioned in note 1.a(i), these financial statements for the year ended March 31, 2018, are the first financial statements of the Company prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with "Indian GAAP", including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

The accounting policies set out in note 1.a have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS statement of financial position at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Previous GAAP. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables. Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2016 compared with those presented in the Previous GAAP Balance Sheet as of March 31, 2016, were recognised in equity within the Ind AS.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Transition elections

Explanation of the Ind AS 101 exceptions and exemptions to the full retrospective application of Ind AS applied by the Company.

In the Ind AS opening Balance Sheet as at April 1, 2016, the carrying amounts of assets and liabilities from the Previous GAAP as at March 31, 2016 are generally recognized and measured according to Ind AS in effect for the financial year ending as on March 31, 2018. For certain individual cases, however, Ind AS 101 provides for optional exemptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions in preparing its Ind AS opening Balance Sheet.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

(ii) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

(iii) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. Accordingly, the Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(iv) Investments in subsidiaries

Ind AS 101 permits the first time adopter to measure investment in subsidiaries, joint ventures and associates in accordance with Ind AS 27 at one of the following:

a) cost determined in accordance with Ind AS 27 or

b) Deemed cost:

(i) fair value at date of transition

(ii) previous GAAP carrying amount at that date.

The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with principles of Ind AS 27- "Separate financial statements".

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Determination of the discounted value for financial instruments carried at amortised cost:

b) Impairment of financial assets based on expected credit loss model.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

C. Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Reconciliation of equity as at April 1, 2016:

	Notes to first time adoption	April 1, 2016		
		Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Assets				
Non-current assets				
Property, plant and equipment	6	498.84	-	498.84
Intangible assets		6.00	-	6.00
Investment in subsidiaries		6.66	-	6.66
Financial assets				
(i) Loans	5	15.61	(3.82)	11.79
(ii) Other financial assets		-	-	-
Deferred tax assets (net)	3	6.60	37.58	44.18
Non-current tax asset (net)		539.82	-	539.82
Other non-current assets	5	-	2.19	2.19
Total non-current assets		1,073.53	35.95	1,109.48
Current assets				
Financial assets				
(i) Trade receivables	4	2,321.39	(107.95)	2,213.44
(ii) Cash and cash equivalents		17.93	-	17.93
(iii) Bank balances other than (ii) above		427.40	-	427.40
(iv) Loans		399.19	-	399.19
(v) Other financial assets		500.96	-	500.96
Other current assets	5	83.51	1.63	85.14
Total current assets		3,750.38	(106.32)	3,644.06
Total assets		4,823.91	(70.37)	4,753.54
Equity and Liabilities				
Equity				
Equity share capital		100.00	-	100.00
Other equity	1,8	2,536.55	(71.01)	2,465.54
Total equity		2,636.55	(71.01)	2,565.54
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings		17.58	-	17.58
Provisions		75.80	-	75.80
Other non current liabilities	9	-	0.64	0.64
Total non-current liabilities		93.38	0.64	94.02
Current liabilities				
Financial liabilities				
(i) Borrowings		122.70	-	122.70
(ii) Trade payables		965.80	-	965.80
(iii) Other financial liabilities		687.69	-	687.69
Other current liabilities		316.91	-	316.91
Provisions		0.87	-	0.87
Total Current liabilities		2,093.97	-	2,093.97
Total liabilities		2,187.35	0.64	2,187.99
Total equity and liabilities		4,823.91	(70.37)	4,753.54

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



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Notes to the financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

(ii) Reconciliation of equity as at March 31, 2017:

	Notes to first time adoption	March 31, 2017		
		Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Assets				
Non-current assets				
Property, plant and equipment	6	373.29	-	373.29
Other intangible assets		3.46	-	3.46
Investments in subsidiary		6.66	-	6.66
Financial assets				
(i) Loans	5	40.19	(12.35)	27.84
(ii) Other financial assets		65.57	-	65.57
Deferred tax asset	3	27.25	28.10	55.35
Non-current tax assets (net)		618.56	-	618.56
Other non-current assets	5	-	7.76	7.76
Total non-current assets		1,134.98	23.51	1,158.49
Current assets				
Financial assets				
(i) Trade receivables	4	2,414.93	(79.60)	2,335.33
(ii) Cash and cash equivalents		32.78	-	32.78
(iii) Bank balances (other than (ii) above)		395.39	-	395.39
(iv) Loans		723.56	-	723.56
(v) Other financial assets		1,226.75	-	1,226.75
Other current assets	5	158.81	3.95	162.76
Total current assets		4,952.22	(75.65)	4,876.57
Total assets		6,087.20	(52.14)	6,035.06
Equity and Liabilities				
Equity				
Equity share capital		100.00	-	100.00
Other equity	1,8	2,890.01	(53.10)	2,836.91
Total equity		2,990.01	(53.10)	2,936.91
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings		12.21	-	12.21
Provisions		79.01	-	79.01
Other non-current liabilities	9	5.25	0.32	5.57
Total non-current liabilities		96.47	0.32	96.79
Current liabilities				
Financial liabilities				
(i) Borrowings		756.84	-	756.84
(ii) Trade payables		1,083.02	-	1,083.02
(iii) Other financial liabilities		536.32	-	536.32
Other current liabilities	9	624.01	0.64	624.65
Provisions		0.53	-	0.53
Total Current liabilities		3,000.72	0.64	3,001.36
Total liabilities		3,097.19	0.96	3,098.15
Total equity and liabilities		6,087.20	(52.14)	6,035.06

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

(iii) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

	Notes to first time adoption	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Income				
Revenue from operations		9,240.35		9,240.35
Other income	4,5	297.70	15.39	313.10
Total income		9,538.05	15.39	9,553.45
Expenses				
Employee benefits expense	2	1,768.74	13.95	1,782.68
Finance costs	1	88.78	1.08	89.87
Depreciation and amortisation expense		147.12	-	147.12
Other expenses	1,5	6,985.10	(12.00)	6,973.10
Total Expenses		8,989.74	3.03	8,992.77
Profit before exceptional items and tax		548.31	12.36	560.68
Exceptional Items				
Profit before tax		548.31	12.36	560.68
Tax expense:				
Current tax		215.49	-	215.49
Deferred tax	3	(20.65)	4.65	(16.00)
Profit for the period		353.47	7.71	361.19
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of defined benefit plans	2		13.95	13.95
<i>Income tax relating to items that will not be reclassified to profit or loss</i>				
Income tax relating to remeasurement of defined benefit plans			(4.83)	(4.83)
Total other comprehensive income for the period (B)		-	9.12	9.12
Total comprehensive income for the period (A + B)		353.47	16.83	370.31

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

(iv) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

	Notes to first time adoption	As at March 31, 2017	As at April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		2,990.01	2,636.55
Adjustments			
Ind AS opening impacts		(71.01)	-
Recognition of security deposits at amortised cost	5	3.06	-
Impact of provision for ECL	4	28.35	(107.95)
Impact for financial guarantees	1	(1.08)	(3.39)
Impact for lease equalization reserve	9	(0.32)	(0.64)
Impact of discounting of security deposits	5	(3.70)	-
Impact of remeasurement of defined benefit plans	2	(13.95)	-
Recognition of deemed equity from financial guarantee	1	1.08	3.39
Tax effects of above adjustments	3	(4.65)	37.58
Total adjustments		<u>(62.22)</u>	<u>(71.01)</u>
Total equity as per Ind AS		<u>2,927.79</u>	<u>2,565.54</u>
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plans	2	13.95	-
<i>Income tax relating to items that will not be reclassified to profit or loss</i>			
Income tax relating to remeasurement of defined benefit plans		(4.83)	-
Total equity as per Ind AS		<u>2,936.91</u>	<u>2,565.54</u>



D. Notes to first-time adoption:

1 Financial guarantee

Under the Previous GAAP, no accounting treatment was done for financial guarantee received by the company from its parent company. Under Ind AS, company will have to recognise the guarantee at fair value with a debit to retained earnings and corresponding impact for the same will reflect under other equity.

The impact of the above change is as follows:

Financial guarantee received

Effect to Balance Sheet

Increase in deemed equity
Decrease in retained earnings

Effect to Statement of profit and loss

Increase in commission expense

	As at March 31, 2017	As at April 1, 2016
	4.47	3.39
	(4.47)	(3.39)
		Year ended March 31, 2017
		1.08

2 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2017 has increased by Rs. 13.95 lakhs as well as increase in employee benefit expenses. There is no impact on the total equity as at March 31, 2017.

3 Deferred tax

Under Indian GAAP, deferred tax is calculated using the income statement approach, which focuses on difference between taxable profits and accounting profits for the period. Ind AS 12- "Income tax" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Also deferred tax have been recognised on the adjustments made on transition to Ind AS.

4 Trade receivables

As per Ind AS 109, the group is required to apply expected credit loss model for recognising the allowance for doubtful debts.

The impact of the above change is as follows:

Effect to Balance Sheet

Increase in provision for expected credit losses on trade receivables
Decrease in retained earnings

Effect to Statement of profit and loss

Decrease in provision for expected credit losses on trade receivables

	As at March 31, 2017	As at April 1, 2016
	79.60	107.95
	(79.60)	(107.95)
		Year ended March 31, 2017
		28.35

5 Security deposits

Under Previous GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, such financial assets are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent. The unwinding of security deposit happens by recognition of a notional interest income in Statement of Profit and Loss at effective interest rate. The deferred rent gets amortised on a straight line basis over the term of the security deposits.

The impact of the above change is as follows:

Effect to Balance Sheet

Decrease in security deposit
Increase in prepaid rent
Decrease in retained earnings

Effect to Statement of profit and loss

Increase in rent expense
Increase in interest income
Net Impact to Statement of profit and loss

	As at March 31, 2017	As at April 1, 2016
	(12.35)	(3.82)
	11.71	3.82
	(0.64)	-
		Year ended March 31, 2017
		3.70
		3.06
		(0.64)



Kestone Integrated Marketing Services Private Limited
Notes to financial statements for the year ended March 31, 2018
(All amounts are Rupees in lakhs, unless otherwise stated)

- 6 **Property, plant and equipment and Intangible Assets**
Under Previous GAAP cost of property, plant and equipment is recorded at historical cost, however under Ind AS, the Company has opted for deemed cost exemption at the date of transition. Hence at the date of transition to Ind AS, property, plant and equipment has been measured at the carrying value as per previous GAAP.
- 7 **Other comprehensive Income**
Under previous GAAP, there was no requirement to disclose any item of Statement of Profit and Loss in Other Comprehensive Income. However as per requirement of Ind AS certain items of profit or loss are to be reclassified to other comprehensive income. Consequent to this, the Company has reclassified remeasurement of defined benefit plans from the Statement of Profit and Loss to Other Comprehensive Income.
- 8 **Other equity / Retained earnings**
Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments. Refer reconciliation of total equity as at March 31, 2017 and April 1, 2016 as given below for details.
- 9 **Lease equalisation reserve**
Under Ind AS the company is required to record the lease payments as an expense on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation.

The impact of the above change is as follows:

Effect to Balance Sheet

Increase in provision for lease equalisation reserve
Decrease in retained earnings

Effect to Statement of profit and loss

Increase in rent expense

	As at March 31, 2017	As at April 1, 2016
Increase in provision for lease equalisation reserve	0.96	0.64
Decrease in retained earnings	(0.96)	(0.64)
		Year ended
		March 31,
		2017
		0.32

45. Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm registration No. 103523W/W100048

Raj Kumar Agarwal
Partner
Membership No.:074715

Place: New Delhi
Date: May 23, 2018



For and on behalf of the Board of Directors of
Kestone Integrated Marketing Services Private Limited

Gautam Puri
Director
DIN: 00033548

Place: New Delhi
Date: May 23, 2018

Nikhil Mahajan
Director
DIN: 00033404

