
Kestone Integrated Marketing Services Pvt Limited

Statutory Audit for the year
ended March 31, 2017

Independent Auditor's Report

To the Members of Kestone Integrated Marketing Services Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Kestone Integrated Marketing Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information .

Management's Responsibility for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We 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 thereunder.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2017, its profit and its cash flows 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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".
 - 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 41 to the financial statements in respect of pending litigations;



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(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.

(iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016, Refer Note 40 to the financial statements in respect of Specified Bank Notes.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/ W100048



(Raj Kumar Agarwal)

Partner

Membership No. 074715



Place : New Delhi

Date : May 29, 2017

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, 2017]

- (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 managed manpower, sales and marketing and infrastructural 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 interest bearing loans to a subsidiary and fellow subsidiary companies and 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, rate of interest and 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 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) According to 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.



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- (vi) The Central Government has not prescribed the maintenance of cost records for any of the activities of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (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, cess and any other material statutory dues applicable to it, however there has 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, 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, 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 institution and bank.
- (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 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 29, 2017

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, 2017.

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, 2017 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 on the adequacy (and therefore operating effectiveness) of the Company's Internal Financial Controls over Financial Reporting as at March 31, 2017:

- a) Comprehensive procurement policies for purchase of goods and services have not been documented, which could potentially result in the aforesaid companies 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 at any given point of time. This could potentially result in incorrect recording of provisional revenue and corresponding provisional expenses in respect of such incomplete services as 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 weaknesses 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, 2017, 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.

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, 2017 financial statements of the Company, and these material weaknesses do not affect our opinion on the financial statements of the Company.



HARIBHAKTI & CO. LLP

Chartered Accountants

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/ W100048



(Raj Kumar Agarwal)

Partner

Membership No. 074715

Place : New Delhi

Date : May 29, 2017

Kestone Integrated Marketing Services Private Limited
Balance Sheet as at March 31, 2017

		(Amount in `)	
	Note	March 31, 2017	March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	10,000,000	10,000,000
Reserves and surplus	4	289,001,346	253,655,181
		299,001,346	263,655,181
Non-current liabilities			
Long term borrowings	5	1,220,816	1,758,468
Long-term provisions	6	7,900,836	7,580,143
Other non-current liabilities	7	525,218	-
		9,646,870	9,338,611
Current liabilities			
Short term borrowings	8	75,684,435	12,269,950
Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	9	73,526,869	74,691,867
Other current liabilities	10	150,808,256	122,347,761
Short term provisions	6	53,244	87,216
		300,072,804	209,396,794
TOTAL		608,721,020	482,390,586
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	11	37,329,077	49,883,562
-Intangible assets	12	346,219	600,271
Non current investment	13	665,692	665,692
Deferred tax asset (net)	14	2,725,189	660,200
Long term loans and advances	15	65,874,826	55,543,772
Other non-current assets	16	6,557,420	-
		113,498,423	107,353,497
Current assets			
Trade receivables	17	241,493,458	232,138,931
Cash and bank balances	18	42,817,641	44,533,331
Short term loans and advances	19	88,236,969	48,269,527
Other current assets	20	122,674,529	50,095,300
		495,222,597	375,037,089
TOTAL		608,721,020	482,390,586

Summary of significant accounting policies 2
The accompanying notes form an integral part of the financial statements.

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

Raj Kumar Agarwal
Partner
Membership No. :074715



Place: New Delhi
Date: May 29, 2017

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

Gautam Puri
Director
DIN :00033548

Nikhil Mahajan
Director
DIN :00033404

Place: New Delhi
Date: May 29, 2017



Kestone Integrated Marketing Services Private Limited
Statement of Profit and Loss for the year ended March 31, 2017

		(Amount in ₹)	
	Note	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	21	934,160,704	958,165,510
Other income	22	29,770,075	15,418,171
Total revenue		963,930,779	973,583,681
Expenses			
Cost of services	23	656,945,173	508,379,144
Employee benefits expense	24	176,873,925	292,450,009
Finance cost	25	8,878,413	7,938,958
Depreciation and amortization expenses	26	14,712,176	14,399,284
Other expenses	27	51,690,720	36,118,049
Total expenses		909,100,407	859,285,444
Profit before tax		54,830,372	114,298,237
Tax expense			
a. Current tax		21,357,130	38,309,624
b. Deferred tax (benefit)/charge	14	(2,064,989)	331,124
c. Tax adjustment for earlier years		192,066	1,616,904
Total tax expense		19,484,207	40,257,652
Profit for the year		35,346,165	74,040,585
Earning per equity share (in ₹)			
Nominal value of ₹ 10 per share (Previous year ₹ 10 per share)	32	35.35	74.04
-Basic and diluted			
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

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

Raj Kumar Agarwal
Partner
Membership No. :074715



Place: New Delhi
Date: May 29, 2017

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

Gautam Puri
Director
DIN :00033548

Nikhil Mahajan
Director
DIN :00033404



Place: New Delhi
Date: May 29, 2017

Kestone Integrated Marketing Services Private Limited
Cash Flow Statement for the year ended March 31, 2017

	Year ended March 31, 2017	Year ended March 31, 2016
(Amount in ₹)		
Cash flows from operating activities		
Net profit before tax and prior period items	54,830,372	114,298,237
Adjustments for:		
Depreciation and amortisation	14,712,176	14,399,284
Finance cost	8,878,413	7,938,958
Profit on sale of assets (net)	-	(32,258)
Liabilities and balances written back	(4,788,200)	(1,411,350)
Provisions written back	(9,529,865)	(21,860)
Bad debts written off	1,689,362	28,090
Provision for doubtful advances	1,602,140	-
Miscellaneous balances written off	492,342	585,378
Fixed assets written off	906,979	-
Loss on sale of fixed assets (net)	7,390	-
Interest income	(13,712,787)	(9,184,664)
Unrealised forex (gain)/loss	1,268,992	428,721
Cash from operating activities before working capital changes	56,357,314	127,028,536
Movement in assets and liabilities, net		
Adjustments for (increase)/decrease in operating assets:		
- trade receivables	(12,667,873)	(31,495,762)
- long term loans and advances	(2,457,600)	844,820
- short term loans and advances	(7,597,653)	(2,402,758)
- other non current assets	-	2,456,525
- other current assets	(70,330,531)	10,651,818
Adjustments for increase/(decrease) in operating liabilities:		
- trade payables	3,742,611	(5,718,297)
- other non-current liabilities	525,218	-
- other current liabilities	38,328,155	13,803,960
- long term provisions	320,693	(654,980)
- short term provisions	(33,972)	(132,147)
	(50,170,952)	(12,646,821)
Cash flow from operations	6,186,362	114,381,715
Less: Refund Received/Taxes paid (net of refund, including interest on refund)	(29,422,650)	35,282,119
Net cash generated from operating activities (A)	(23,236,288)	79,099,596
Cash flows from investing activities		
Purchase of fixed assets	(3,091,285)	(23,033,126)
Proceeds from sale of fixed assets	186,435	170,540
Fixed deposits made	(46,096,880)	(42,739,966)
Proceeds from maturity of fixed deposits	42,739,966	38,616,872
Loans given to related parties	(34,974,766)	(22,881,000)
Repayments received	746,078	-
Interest income received	11,464,089	6,548,817
Net cash (used in) investing activities (B)	(29,026,363)	(43,317,863)
Cash flows from financing activities		
Proceeds from short term borrowings	-	-
Net proceeds/(repayments) of short term borrowings	63,414,485	(27,783,755)
Proceeds from long term borrowings	804,462	2,750,000
Repayments of long term borrowings	(1,574,976)	(1,746,512)
Finance cost paid	(8,896,504)	(7,916,552)
Net cash (used) in from financing activities (C)	53,747,467	(34,696,819)



Kestone Integrated Marketing Services Private Limited
Cash Flow Statement for the year ended March 31, 2017

Net increase/(decrease) in cash and cash equivalents (D)= (A) + (B) + (C)	1,484,816	1,084,914
Beginning of the year (E)	1,793,365	708,451
End of the year (F)= (D) + (E)	<u>3,278,181</u>	<u>1,793,365</u>
Deposits with original maturity for more than three months but realizable within twelve months from Balance Sheet date (G) (Refer note 18)	39,539,460	42,739,966
Deposits with maturity of more than twelve months from Balance Sheet date (H) (Refer note 16)	6,557,420	-
Cash and bank balances as per balance sheet (I) = (F) + (G) - (H)	<u>49,375,061</u>	<u>44,533,331</u>
Summary of significant accounting policies (Refer note 2)		

- i. The notes form an integral part of the financial statements
 ii. The above cash flow statement has been prepared under the indirect method set out in AS-3 as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

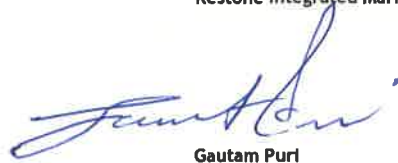
As per our report of even date
 For Haribhakti & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No. 103523W/ W100048

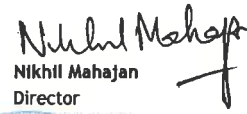

 Raj Kumar Agawal
 Partner
 Membership No. :074713



Place: New Delhi
 Date: May 29, 2017

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


 Gautam Puri
 Director
 DIN :00033548


 Nikhil Mahajan
 Director
 DIN :00033404

Place: New Delhi
 Date: May 29, 2017



Kestone Integrated Marketing Services Private Limited
Notes to the Financial Statements for the year ended March 31, 2017

1. Background

Kestone Integrated Marketing Services Private Limited ("the Company") was incorporated on February 3, 1997 under the Companies Act, 1956. The Company is a wholly owned subsidiary of CL Educate Limited. The Company is engaged in the business of providing marketing and sales services, manpower management services and infrastructure support services

2. Summary of significant accounting policies

(i) Basis for preparation of Financial Statements:

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(ii) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the reported date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision in accounting estimate is recognised prospectively in current and future periods.

(iii) Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the above criteria, the Company has ascertained its operating cycle as twelve months for the purpose of current/noncurrent classification of assets and liabilities.

(iv) Revenue recognition

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

The Company derives its revenue from marketing & sales services, online marketing support services, manpower management services and infrastructure support services.

Revenue for marketing & sales service and for online marketing support services is recognised on completion of respective service, as per terms of respective agreement.

Revenue for manpower management service is recognised on an accrual basis, in accordance with the terms of the respective contract.

Revenue from infrastructure support service is recognised on the basis of time period over the period of contract.

Amount billed and received/receivable prior to the reporting date for services to be performed after the reporting date is recorded as unearned revenue.

The amount of revenue recognised in the books of accounts not eligible to be billed to the customer as per the conditions mentioned in the agreement is classified as unbilled revenue. These are billed in subsequent period as per the terms of the contracts.



Kestone Integrated Marketing Services Private Limited
Notes to the Financial Statements for the year ended March 31, 2017

Interest

Revenue from interest on time deposits and inter-corporate loans is recognised on the time proportion method taking into consideration the amount outstanding and the applicable interest rates.

(v) Fixed assets

Tangible assets

Tangible fixed assets are stated at cost of acquisition net of recoverable taxes (wherever applicable), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance and cost of replacing parts are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

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

Intangible assets

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

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

(vi) Depreciation and amortisation

Depreciation and amortisation has been calculated on Straight Line Method at the following useful lives, based on management estimates, which are equal to the rates specified as per schedule II to the Act.

Depreciation and amortisation on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation and amortisation on sale/discard from fixed assets is provided for up to the date of sale, deduction or discard of fixed assets as the case may be.



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Kestone Integrated Marketing Services Private Limited
Notes to the Financial Statements for the year ended March 31, 2017

The Company has determined the useful life of its assets as per Schedule II which are as under:

Particulars	Useful life (years)
Tangible Assets:	
Furniture and fittings	10
Office equipment - Electric	10
Office equipment - Other	5
Vehicle	8/10
Computer equipment	3
Intangible Assets:	
Software	5

(vii) Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors as mentioned in Accounting Standard- 28 "Impairment of Assets". An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

(viii) Borrowing cost

Borrowing costs directly attributable to acquisition or construction or production of assets which takes substantial period of time to get ready for its intended use are included as cost of such assets to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(ix) Leases:

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset as determined by the management or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term and the useful life envisaged in Schedule II to the Act.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.



Kestone Integrated Marketing Services Private Limited
Notes to the Financial Statements for the year ended March 31, 2017

Where the Company is the lessor

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

(x) Investments

Accounting treatment

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments on individual investment basis.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Classification in the financial statements as per requirements of Schedule III

Investments that are realisable within the period of twelve months from the balance sheet date are classified as current investment. All other investments are classified as non-current investments.

(xi) Employee Benefits

Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, and bonus etc are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.



Kestone Integrated Marketing Services Private Limited
Notes to the Financial Statements for the year ended March 31, 2017

Long term employee benefits:

- Defined contribution plan: Provident fund

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952 except for Employees Deposit Linked Insurance (EDLI), where a policy is taken from Life Insurance Corporation of India. These contributions are made to the fund administered and managed by the Government of India. The Company has no further obligations under these plans beyond its monthly contributions.

- Defined Benefit Plan: Gratuity

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised immediately as an income or expense in the Statement of Profit and Loss. The expected return on plan assets is based on the assumed rate of return of such assets. The Company contributes to a trust set up by the Company which further contributes to a policy taken from the Life Insurance Corporation of India.

- Other long-term benefits: Leave encashment

Benefits under the Company's leave encashment scheme constitute other employee benefits which are provided to the employees of specific projects only. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the end of the period. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss.

(xii) Foreign exchange transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the period are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at period end rates. The resultant exchange differences are recognized in the Statement of Profit and Loss. Non monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

Translation of integral and non integral foreign operations

The Company classifies its foreign operations as either "integral foreign operations" or "non integral foreign operations".



Kestone Integrated Marketing Services Private Limited
Notes to the Financial Statements for the year ended March 31, 2017

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operations have been those of the Company itself. The assets and liabilities (except share capital which is taken at historical cost) both monetary and non monetary, of the non integral foreign operation are translated at the closing rate. Income and expense items of the non integral foreign operation are translated at average rates at the date of transaction. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment, at which time the accumulated amount is recognized as income or as expense.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classifications are applied from the date of the change in the classification.

(xiii) **Taxation**

Tax expense for the period comprising current tax, MAT credit and deferred tax benefit is included in determining the net profit for the period.

Current tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

Minimum alternate tax

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

(xiv) **Provisions, contingent liabilities and contingent assets**

Provision

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.



Kestone Integrated Marketing Services Private Limited
Notes to the Financial Statements for the year ended March 31, 2017

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets

Contingent assets are neither recorded nor disclosed in the financial statements.

(xv) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

(xvi) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period, unless they have been issued at a later date.

(xvii) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

(xviii) Material Events

Material events occurring after the balance sheet date are taken into cognizance.



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

3. Share capital

The Company has only one class of share capital having a par value of ₹ 10 per share, referred to herein as equity share.

Particulars	March 31, 2017		March 31, 2016	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Authorised Shares				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	1,000,000	10,000,000	1,000,000	10,000,000
Issued, subscribed and fully paid up shares				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	1,000,000	10,000,000	1,000,000	10,000,000

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

Particulars	March 31, 2017		March 31, 2016	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Outstanding at the end of the year	1,000,000	10,000,000	1,000,000	10,000,000

b) Terms/rights attached to equity share

Voting

Each holder of equity share 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.

c) Shares held by the holding company / ultimate holding company and/or their associates/ subsidiaries 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 either directly or through their nominees.

Name of the share holders	March 31, 2017		March 31, 2016	
	Numbers	% held	Numbers	% held
Equity share of ₹ 10 each, fully paid				
CL Educate Limited and its nominees (refer note a)	1,000,000	100.00	1,000,000	100.00
	1,000,000	100.00	1,000,000	100.00

Note a: 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.



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

11. Tangible assets *

Particulars	Gross block (at cost)			Accumulated depreciation			(Amount in ₹) Net block
	As at April 1, 2016	Additions	Disposal/adjustments	As at April 1, 2016	Depreciation for the year	Disposal/adjustments	
Current Year							
Own assets							
Vehicles#	4,037,089	-	-	460,118	479,404	-	3,097,567
Computers	41,607,911	2,503,200	16,688,321	24,743,196	8,747,701	15,921,935	9,853,828
Furniture & Fittings	17,952,683	23,794	1,090,506	3,533,025	1,543,775	960,632	12,769,803
Office Equipment	21,489,269	442,955	2,266,638	6,467,051	3,652,744	2,062,088	11,607,879
Total	85,086,952	2,969,949	20,045,465	35,203,390	14,423,624	18,944,655	37,329,077

Includes assets given on operating lease which are as follows:

Assets	For the year ended March 31, 2017		Net block
	Gross block	Accumulated depreciation	
Vehicles	1,737,089	571,365	1,165,724
	1,737,089	571,365	1,165,724

Previous year

Particulars	Gross block (at cost)			Accumulated depreciation			(Amount in ₹) Net block
	As at April 1, 2015	Additions	Disposal/adjustments	As at April 1, 2015	Depreciation for the year	Disposal/adjustments	
Vehicles#	1,737,089	2,300,000	-	158,241	301,877	-	3,576,971
Computers #	36,093,188	5,663,816	149,093	15,843,626	8,954,242	54,672	16,864,715
Furniture and fittings #	14,125,651	3,827,032	-	2,041,953	1,491,072	-	14,419,658
Office equipments #	15,934,641	5,601,628	47,000	3,106,793	3,363,396	3,138	15,022,218
Total	67,890,569	17,392,476	196,093	21,190,613	14,110,587	57,810	49,883,562

Includes assets given on operating lease which are as follows:

Assets	For the year ended March 31, 2016		Net block
	Gross block	Accumulated depreciation	
Vehicles	1,737,089	365,086	1,372,003
Computers	10,719,248	4,015,781	6,703,467
Furniture and fittings	8,143,231	1,433,360	6,709,871
Office equipments	7,799,088	1,357,010	6,442,078
	28,398,656	7,171,237	21,227,419

* All the present and future movable fixed assets are subject to first and exclusive charge to secure the Company's short term borrowings referred in notes as cash credit from bank (refer note 8).



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

12. Intangible assets

Current Year

Particulars	Gross block (at cost)			Accumulated amortisation			Net block As at March 31, 2017
	As at April 1, 2016	Additions	Disposal/ adjustments	As at April 1, 2016	Amortisation for the year	Disposal/ adjustments	
Computer software	2,214,470	34,500	-	1,614,199	288,552	-	346,219
	2,214,470	34,500	-	1,614,199	288,552	-	346,219

Previous year

Particulars	Gross block (at cost)			Accumulated amortization			Net block As at March 31, 2016
	As at April 1, 2015	Additions	Disposal/ adjustments	As at April 1, 2015	Amortization for the year	Disposal/ adjustments	
Computer software	2,208,870	5,600	-	1,325,502	288,697	-	600,271
	2,208,870	5,600	-	1,325,502	288,697	-	600,271

Note: Internally generated Computer Softwares as at March 31, 2017 ` Nil (March 31, 2016 ` NIL)



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

4. Reserves and surplus

Surplus in the Statement of Profit and Loss

	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Opening balance	253,655,181	179,614,596
Add: Profit after tax for the year	35,346,165	74,040,585
Total Reserves and surplus	289,001,346	253,655,181

5. Long term borrowings

	Non current portion		Current maturities		(Amount in ₹)
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	
Secured loan					
Vehicle loan from Bank	804,889	772,578	772,149	675,145	
Vehicle loan from Non Banking Finance Companies (NBFCs)	415,927	985,890	569,963	899,829	
	1,220,816	1,758,468	1,342,112	1,574,974	
Amount disclosed under the head other current liabilities (Refer note 10)			(1,342,112)	(1,574,974)	
Net amount	1,220,816	1,758,468	-	-	

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

The repayment terms of the vehicle loans are as follows:

For amount outstanding as at March 31, 2017

Loan	Outstanding Amount	Equal monthly instalment (EMI)	Rate of Interest	Date of Last EMI
	Amount in ₹	Amount in ₹		
Loan from Kotak Mahindra Prime Limited	145,084	49,218	10.59%	June 10, 2017
Loan from Kotak Mahindra Prime Limited	840,806	45,050	17.74%	January 1, 2019
Loan from HDFC Bank Limited	1,577,038	78,203	13.50%	February 5, 2019

For amount outstanding as at March 31, 2016

Loan	Outstanding Amount	Equal monthly instalment (EMI)	Rate of Interest	Date of Last EMI
	Amount in ₹	Amount in ₹		
Loan from Kotak Mahindra Prime Limited	688,641	49,218	10.59%	June 10, 2017
Loan from Kotak Mahindra Prime Limited	1,197,078	45,050	17.74%	January 1, 2019
Loan from HDFC Bank Limited	1,447,723	78,203	13.50%	February 5, 2019

6. Provisions

	Long Term		Short Term		(Amount in ₹)
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	
Provision for employee benefits: (Also refer note 30)					
Provision for gratuity	7,759,551	7,409,142	51,321	84,039	
Provision for leave encashment	141,285	171,001	1,923	3,177	
	7,900,836	7,580,143	53,244	87,216	

7. Other non- current liabilities

	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Lease Equalisation Reserve	525,218.00	-
	525,218.00	-



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

8. Short term borrowings

	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Secured		
Loan repayable on demand		
Cash credit from bank	75,684,435	12,269,950
	75,684,435	12,269,950

Footnotes:

1. Security

Primary Security

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

Collateral security

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

b. Corporate guarantee of CL Educate Limited (Holding Company) amounting ₹ 115,000,000 (Previous year ₹ 95,000,000)

c. Lien on fixed deposits amounting ₹ 23,000,000 (Previous year ₹ 19,000,000)

2. Interest Rates

a. 13.55% p.a (Base rate of 10.55% + Margin of 3%) from January 17, 2017

b. 13.60% p.a (Base rate of 10.60% + Margin of 3%) from October 19, 2015 to January 16, 2017

3. Guarantees

a. The overdraft facility is further secured by personal guarantees of directors of the company named, Mr. Gautam Puri and Mr. Nikhil Mahajan.

b. Aggregate amount of loans guaranteed by directors of the Company ₹ 75,684,435 (previous year ₹ 12,269,950)

9. Trade payables

	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Trade payables	73,526,869	74,691,867
	73,526,869	74,691,867

(Refer note 37 for details of dues to Micro, Small and Medium Enterprises)

10. Other current liabilities

	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Current maturities of long term borrowings (Refer note 5)	1,342,112	1,574,974
Interest accrued but not due on borrowings	27,459	45,550
Advance from customers	48,136,661	24,491,779
Employees related payables	12,591,712	32,076,125
Receipts on behalf of clients	37,870,169	33,922,935
Payable for expenses (Refer footnote 10.1 and footnote 10.2)	36,041,153	22,416,157
Payable for fixed assets	534,587	621,429
Other payable :		
a. Service tax	9,124,941	1,400,661
a. Tax deducted at source	4,144,190	4,826,014
b. Provident fund and Employees state insurance	966,072	938,937
c. Professional tax	29,200	33,200
	150,808,256	122,347,761

10.1 Refer note 37 for details of dues to Micro, Small and Medium Enterprises

10.2 Includes payable to related parties-Refer note 38

13. Non current Investment

	(Amount in ₹)	
	March 31, 2017	March 31, 2016
(Trade, un-quoted, at cost)		
In Subsidiary Company		
14,000 (Previous year 14,000) fully paid up equity shares of SGD 1 each of Kestone Asia Hub Pte Limited (Formerly known as Career Launcher Asia Educational Hub Pte Limited)	665,692	665,692
	665,692	665,692

Aggregate amount of quoted investments and market value thereof- Nil (Previous year: Nil)

Aggregate book value of unquoted non current investments - ₹ 665,692 (Previous year: ₹ 665,692)

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



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

14. Deferred tax asset (net)

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income', the net increase of deferred tax asset of ₹ 2,064,989 for the current period has been recognised as benefit in the Statement of Profit and Loss. The tax effect of significant timing differences as at March 31, 2017 that reverse in one or more subsequent years gave rise to the following net deferred tax assets as at March 31, 2017:

Deferred tax assets and liabilities are attributable to the following:

	March 31, 2017	Benefit/ (Charge) for the year ended March 2017	(Amount in ₹) March 31, 2016
Deferred tax assets			
Provision for gratuity	2,615,797	119,992	2,495,805
Provision for leave benefits	47,818	(10,718)	58,536
Provision for bonus	926,192	(129,533)	1,055,725
Provision for doubtful receivables	554,469	554,469	-
Provision for doubtful supplier advances	13,243	(59,788)	73,031
Lease Equalisation Reserve	181,767	181,767	-
	4,339,286	656,189	3,683,097
Total deferred tax assets			
Deferred tax liability			
Depreciation	1,614,097	1,408,800	3,022,897
	1,614,097	1,408,800	3,022,897
Deferred tax asset (net)	2,725,189	2,064,989	660,200

In assessing the realisability of deferred tax assets, management considers whether it is reasonable, that some portion, or all, of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the timing differences become deductible.

15. Long term loans and advances

	March 31, 2017	(Amount in ₹) March 31, 2016
Unsecured and considered good		
Advance tax and tax deducted at source [net of provisions for tax amounting to ₹ 119,650,239 (Previous year ₹ 98,293,109)]	61,855,894	53,982,440
Security deposits	4,018,932	1,561,332
	65,874,826	55,543,772

16. Other non current assets

	March 31, 2017	(Amount in ₹) March 31, 2016
Fixed Deposits with banks (Refer footnote 18.1)	6,557,420	-
	6,557,420	-

17. Trade receivables (Refer footnote 17.1)

	March 31, 2017	(Amount in ₹) March 31, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured and considered good	93,376,618	33,402,570
Unsecured and considered doubtful	1,602,140	-
Less: Provision for doubtful receivables	(1,602,140)	-
	93,376,618	33,402,570
Others - Unsecured and considered good	148,116,840	198,736,361
	241,493,458	232,138,931

17.1 Includes amount due from related parties (Refer note 38)



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

18. Cash and bank balances

	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Cash and cash equivalents		
Balances with banks:		
- on current accounts	3,278,181	1,793,365
	<u>3,278,181</u>	<u>1,793,365</u>
Other bank balances		
Deposits with original maturity for more than three months but realisable within twelve months from Balance Sheet date (Refer footnote 18.1)	39,539,460	42,739,966
	<u>39,539,460</u>	<u>42,739,966</u>
	<u>42,817,641</u>	<u>44,533,331</u>

18.1 Fixed deposits amounting ₹ 43,000,000 (Previous year ₹ 39,000,000) are under lien, out of which fixed deposits amounting ₹ 23,000,000 (Previous year ₹ 19,000,000) are under lien towards cash credit facility from IndusInd Bank and fixed deposits amounting ₹ 20,000,000 (Previous year ₹ 20,000,000) are under lien towards overdraft facility from IndusInd Bank to GK Publication Private Limited (A fellow subsidiary with common Directors)

19. Short term loans and advances

	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Unsecured and considered good, unless otherwise stated		
Loans and advances to related parties (Refer note 38)	69,499,590	36,542,000
Advance to suppliers		
- Considered good	13,908,254	5,778,677
- Considered doubtful	34,363	207,121
Less: Provision for doubtful advances	(34,363)	(207,121)
	<u>13,908,254</u>	<u>5,778,677</u>
Security Deposits	1,668,000	2,043,000
Balance with government authorities		
Input VAT	29,231	-
Loans and advances to employees	1,724,226	2,721,604
Other loans and advances		
Prepaid expenses	1,407,668	1,184,246
	<u>88,236,969</u>	<u>48,269,527</u>

Note: During the year, the company has received repayment of unsecured loans and given unsecured loan to its group companies / parties to meet the requirement of their working capital. Details of the same are as below:

Company/Party name	Amount given/(Repayment)	Rate of Interest	March 31, 2017	March 31, 2016
CL Media Private Limited	20,500,000	16%	42,591,000	22,091,000
Kestone Asia Educational Hub Pte. Ltd.	14,474,767	8%	20,084,668	6,881,000
Career Launcher Education Foundation	-	16%	4,070,000	4,070,000
Nalanda Foundation	(746,078)	15%	2,753,922	3,500,000
Total	34,228,689		69,499,590	36,542,000

20. Other current assets

	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Unbilled revenue	108,751,140	38,412,718
Amount recoverable from Non Banking Financial Company	15,719	23,610
Interest accrued but not due on fixed deposits	681,191	847,823
Interest accrued but not due on loan given to related parties (Refer note 38)	13,226,479	10,811,149
	<u>122,674,529</u>	<u>50,095,300</u>



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

21. Revenue from operations

	(Amount in ₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Integrated business, marketing & sales services		
Manpower management services	134,811,187	268,846,354
Marketing and sales services	648,612,602	509,343,730
Online marketing support services	144,461,298	113,271,390
Infrastructure support services	6,275,617	66,704,036
	934,160,704	958,165,510

Note: Includes services rendered to related party as mentioned below: (Refer note 38)

Manpower management services	-	235,260
Marketing and sales services	3,161,445	13,514,900
Online marketing support services	1,269,206	87,336
Infrastructure support services	6,275,617	66,704,036

22. Other income

	(Amount in ₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
Interest income on:		
Bank deposits	3,547,553	3,662,589
Loans given to related parties (Refer note 38)	6,492,235	3,043,750
Income Tax Refund	3,672,999	2,478,325
	13,712,787	9,184,664
Other non-operating Income		
Profit on sale of fixed assets	-	32,258
Liabilities written back	4,788,200	1,411,350
Provisions written back	9,529,865	21,860
Miscellaneous income	1,739,223	4,768,039
	16,057,288	6,233,507
	29,770,075	15,418,171

23. Cost of services

	(Amount in ₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
Giveways	194,101,785	142,412,928
Event consultancy	121,548,329	92,832,515
Banquet and hotel charges	90,550,557	70,822,323
Travelling and conveyance	47,449,891	39,675,995
Equipment hire charges	48,549,773	47,129,377
Temporary manpower resources	47,290,865	31,958,975
Business promotion	41,952,761	8,347,670
Printing and stationery	16,777,066	18,354,440
Sponsorship fee	19,753,876	29,507,235
Communication	17,797,629	19,353,362
Subscription	162,057	223,591
Photography charges	5,739,846	2,302,768
Recruitment expenses	-	8,458
Rent (Refer note 34)	600,000	3,536,450
Insurance	741,403	1,008,377
Bad dabts	1,689,362	28,090
Sundry balances written off	492,342	25,230
Miscellaneous expense	1,747,631	851,360
	656,945,173	508,379,144



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

24. Employee benefits expense

	(Amount in ₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages & bonus and other benefits	159,675,851	266,002,971
Contribution to Provident fund & other funds (Refer note 30)	5,916,509	14,294,125
Gratuity expenses (Refer note 30 and footnote 24.1)	2,046,717	3,755,070
Leave benefits expenses (Refer note 30)	18,591	99,389
Staff welfare expenses	9,216,257	8,298,454
	176,873,925	292,450,009

Footnote 24.1:

During the year ended March 31, 2015, gratuity liability for project employees 2,456,525 was recorded with a corresponding recoverable under other non current assets. The same had been expensed off during the year ended March 31, 2016.

25. Finance cost

	(Amount in ₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense on borrowings	7,424,951	6,568,226
Other borrowing cost (loan processing fee and other charges)	1,453,462	1,370,732
	8,878,413	7,938,958

26. Depreciation and amortisation expense

	(Amount in ₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation on tangible assets (Refer note 11)	14,423,624	14,110,587
Amortisation on intangible assets (Refer note 12)	288,552	288,697
	14,712,176	14,399,284

27. Other expenses

	(Amount in ₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
Banquet and hotel charges	1,699,949	1,675,461
Travelling and conveyance	7,904,284	5,118,565
Equipment hire charges	95,945	113,998
Temporary manpower resources	6,991,776	3,712,998
Business promotion	322,320	113,393
Printing and stationery	1,263,417	1,271,630
Communication	4,996,641	4,100,690
Subscription charges	1,236,946	657,603
Recruitment expenses	29,450	-
Rent (Refer note 34)	9,488,553	5,940,629
Insurance	1,092,465	1,391,821
Repair and maintenance:		
Office maintenance	3,708,567	3,821,360
Vehicle	16,000	7,100
Provision for doubtful advances	1,602,140	-
Power and fuel	2,013,621	1,420,909
Legal and professional expenses (Refer note 31)	6,528,073	5,034,158
Bank charges	78,877	95,063
Rates and taxes	184,556	640,224
Foreign exchange loss (net)	1,176,298	401,609
Loss on sale of fixed assets	7,390	-
Fixed assets written off	906,979	-
Sundry balances written off	-	560,148
Miscellaneous expense	346,473	40,690
	51,690,720	36,118,049



28 Contingent liabilities

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

29 Commitments

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

30 Employee benefits obligations

The Company has in accordance with the Accounting Standard-15 'Employee Benefits' has calculated the various benefits provided to employees as under:

A. Defined contribution plans

- a. Provident Fund
- b. Employees Deposit Linked Insurance

During the year the Company has recognized the following amounts in the Statement of Profit and Loss:

Particulars	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Employers contribution to provident fund	5,633,045	9,738,074
Contribution to Employee Deposit Linked Insurance	125,854	424,339
Total (Refer note 24)	5,758,899	10,162,413

B. Defined employee benefits schemes

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.

Gratuity

The present value obligation in respect of Gratuity is ascertained annually on actuarial valuation. The scheme is funded by the Company and contribution is made to group gratuity policy issued by Life Insurance Corporation of India.

Leave Encashment

The Company Provision for leave encashment is made by the Company on basis of actuarial valuation.

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Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

The following table sets out the status of defined benefit schemes and the amount recognised in the financial statements:

I. Actuarial assumptions

Particulars	Earned Leave (Non funded)		Gratuity (funded)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Discount rate (per annum)	7.50%	8.00%	7.50%	8.00%
Expected rate of increase in compensation levels	8.25%	8.25%	8.25%	8.25%
Expected rate of return on plan assets	N.A.	N.A.	8.00%	8.35%
Expected average remaining working lives of employees (years)	20.80	23.84	26.90	26.99
Retirement age (years)	58	58	58	58
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Ages	Withdrawal Rate (%)		Withdrawal Rate (%)	
	External	External	External/Internal	External/Internal
Up to 30 years	1.52%	1.28%	3.13/2.62 %	2.84/2.08 %
From 31 to 44 years	1.67%	2.09%	3.76/1.06 %	1.95/1.77 %
Above 44 years	0.00%	0.00%	0.12/0.00 %	0.14/0.00 %

Note:

- The discount rate has been assumed at 7.50% (previous year 8.00%) which is determined by reference to market yield at the balance sheet date on government securities.
- The estimates of future salary increases considered in actuarial valuation take account of inflation seniority promotion and other relevant factors such as supply and demand in the employment market.
- 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. Information on categories of plan assets as at March 31 2017 and March 31 2016 has not been provided by Life Insurance Corporation of India.
- The Company's leave encashment is entirely unfunded.

II. Present value of obligation

Particulars	Earned Leave (Non funded)		Gratuity (funded)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Present value of obligation at the beginning of the year	174,178	104,847	7,705,076	8,687,871
Current service cost	49,486	55,752	2,845,246	2,382,070
Interest cost	13,934	8,178	616,406	677,654
Benefit paid	(49,561)	(30,058)	(1,691,151)	(2,327,646)
Actuarial (gain)/loss on obligation	(44,829)	35,459	(1,380,837)	(1,714,873)
Present value of obligation at the end of the year	143,208	174,178	8,094,740	7,705,076

III. Fair value of plan assets

Particulars	Gratuity (funded)	
	March 31, 2017	March 31, 2016
Fair value of plan assets at the beginning of the year	211,895	338,232
Not considered in last year	42,968	-
Expected return on plan assets	21,281	30,441
Contributions	1,700,000	2,280,000
Fund management charges	(69,199)	-
Admin charges	(19,700)	-
Received from LIC against Provision	(82,933)	(207,930)
Benefits paid	(1,533,261)	(2,244,713)
Actuarial gain on plan assets	12,817	15,865
Fair value of plan assets at the end of the year	283,868	211,895

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

Particulars	Earned Leave (Non funded)		Gratuity (funded)	
	March 31 2017	March 31, 2016	March 31, 2017	March 31, 2016
Current service cost	49,486	55,752	2,845,246	2,382,070
Interest cost	13,934	8,178	616,406	677,654
Past service cost	-	-	-	-
Expected return on plan assets	-	-	(21,281)	(30,441)
Net actuarial loss/(gain) to be recognized	(44,829)	35,459	(1,393,654)	(1,730,738)
Expense recognised in Statement of Profit and Loss	18,591	99,389	2,046,717	1,298,545



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

V. Reconciliation of present value of defined benefit obligation and fair value of assets

Particulars	(Amount in ₹)			
	Earned Leave (Non funded)		Gratuity (funded)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Present value of obligation as at the end of the year(A)	143,208	174,178	8,094,740	7,705,076
Fair Value of plan assets as at the end of the year (B)	-	-	283,868	211,895
Net liability recognized in Balance Sheet as at year end (A-B)	143,208	174,178	7,810,872	7,493,181
Amount classified as:				
Short term provision (Refer note 6)	1,923	3,177	51,321	84,039
Long term provision (Refer note 6)	141,285	171,001	7,759,551	7,409,142

VI. Net asset/(liability) and actuarial experience gain/(loss) for present benefit obligation ('PBO') and plan assets and employers best estimate for next year

(a) Gratuity (Funded)

Particulars	(Amount in ₹)	
	March 31, 2017	March 31, 2016
PBO	8,094,740	7,705,076
Fair value of Plan assets	283,868	211,895
Net (liability)	(7,810,872)	(7,493,181)
Experience gain/(loss) on PBO	1,938,798	5,012,970
Experience gain/(loss) on plan assets	12,817	15,865

Particulars	(Amount in ₹)	
	March 31, 2015	March 31, 2014
PBO	8,687,871	5,437,339
Plan assets	338,232	279,606
Net (liability)	(8,349,639)	(5,157,733)
Experience gain/(loss) on PBO	1,695,185	867,562
Experience gain/(loss) on plan assets	6,047	(33,072)

(b) Earned Leave (Non- Funded)

Particulars	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Present value of obligation	143,208	174,178
Fair value of plan assets	-	-
Net Assets/(Liability)	(143,208)	(174,178)
Actuarial gain/(loss) on PBO	57,221	39,313
Actuarial gain/(loss) on plan assets	-	-

(c) Employer's best estimate for contribution during next year

Particulars	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Employees gratuity fund	4,641,277	4,462,574
Earned leave	40,713	41,344

31 Payment to auditors (Included in legal and professional expenses) (excluding Service Tax)

Particulars	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Statutory audit	1,200,000	1,200,000
Certification	125,000	50,000
Reimbursement of expenses	29,270	32,500
	1,354,270	1,282,500

32 Earnings per equity share

The calculation of earnings per Share (EPS) has been made in accordance with Accounting Standard (AS) -20. A statement on calculation of Basic and Diluted EPS is as under.

Particulars	Units	Year Ended	Year Ended
		March 31, 2017	March 31, 2016
Profits attributable to the Equity Shareholders	₹	35,346,165	74,040,585
Weighted average number of Equity shares outstanding during the year	Number	1,000,000	1,000,000
Nominal value of Equity shares	₹	10	10
Basic and Diluted Earnings Per Share	₹	35.35	74.04

Note: The Company does not have any outstanding dilutive potential equity shares. Hence the Basic and diluted Earnings Per Share of the Company are same.



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

33 Segment reporting

Primary Segment

The Company has identified three reportable segments viz. managed manpower services event management services and infrastructure support services as primary segments. These segments have been identified and reported taking into account nature of products and services the differing risks and returns and the internal financial reporting systems.

Manpower management services: The Company provides extended skilled manpower services to clients across locations markets and roles ranging from managing enterprise customers to channel relationships to retail. On the basis of client requirements, the Company not only provides manpower but also equip support and manages these skilled teams to meet the business objectives.

Marketing and sales services: The Company helps its clients to conduct very large conferences combined with exhibitions and trade shows attended by thousands of persons to very targeted seminars for focussed exclusive audiences to unique experiential activities.

Infrastructure support services: The Company provides the infrastructure services (like providing Computers Laptops Furniture etc.) to its clients.

For the year ended March 31 2017

Particulars				(Amount in ₹)
	Manpower management services	Infrastructure support services	Marketing and sales services	Total
Revenue				
External revenue	134,811,187	6,275,617	793,073,900	934,160,704
Total revenue	134,811,187	6,275,617	793,073,900	934,160,704
Results				
Segment results	16,973,758	5,148,875	177,036,474	199,159,107
Unallocated expenses				165,220,397
Operating profit				33,938,710
Finance costs				8,878,413
Other income including finance income				29,770,075
Profit before tax				54,830,372
Income taxes				19,484,207
Net profit				35,346,165

As at March 31 2017

Particulars				(Amount in ₹)
	Manpower management services	Infrastructure support services	Marketing and sales services	Total
Segment assets	26,975,630	102,235,286	234,052,097	363,263,013
Unallocable assets				245,458,007
Total assets				608,721,020
Segment liabilities	8,703,404		183,316,685	192,020,089.00
Unallocable liabilities				117,699,585
Total liabilities				309,719,674
Other Information				
Capital expenditure-allocable	-	-	-	-
Capital expenditure-unallocable	-	-	-	3,004,449
Depreciation and amortisation- allocable	-	901,742	-	901,742
Depreciation and amortisation-unallocable	-	-	-	13,810,434
Other significant non-cash expenses (net) allocable	-	-	3,783,844	3,783,844
Other significant non-cash expenses (net) unallocable	-	-	-	914,369



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31, 2017

For the year ended March 31, 2016

Particulars	(Amount in ₹)			Total
	Manpower management services	Infrastructure support services	Marketing and sales services	
Revenue				
External revenue	268,846,354	66,704,036	622,615,120	958,165,510
Total revenue	268,846,354	66,704,036	622,615,120	958,165,510
Results				
Segment results	22,514,337	58,777,804	150,561,931	231,854,072
Unallocated expenses				125,035,048
Operating profit				106,819,024
Finance Cost				7,938,958
Other income including finance income				15,418,171
Profit before tax				114,298,237
Income taxes				40,257,652
Net profit				74,040,585

As at March 31, 2016

Particulars	(Amount in ₹)			Total
	Manpower management services	Infrastructure support services	Marketing and sales services	
Segment assets	45,088,354	130,442,661	123,446,594	298,977,609
Unallocable assets				183,412,977
Total assets				482,390,586
Segment liabilities	22,458,892	614,292	149,575,534	172,648,718
Unallocable liabilities				46,086,687
Total liabilities				218,735,405
Other information				
Capital expenditure-allocable	-	8,276,313	-	8,276,313
Capital expenditure-unallocable	-	-	-	9,121,763
Depreciation and amortisation- allocable	-	5,066,317	-	5,066,317
Depreciation and amortisation-unallocable	-	-	-	9,332,967
Other significant non-cash expenses (net) allocable	-	-	53,320	53,320
Other significant non-cash expenses (net) unallocable	-	-	-	560,148

a) Revenue and expenses have been identified to a segment on the basis of operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocable".

b) Segment assets and segment liabilities are assets and liabilities in representative segments. Investments and tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "unallocable".

Geographic Segment

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.



34 Leases

(i) As a lessee

The Company has taken various office premises under cancellable and non cancellable operating leases ranging from 11 months to 36 months with an option of renewal at the end of the lease term with mutual consent of both the parties. There are no restrictions imposed by the lessor in the lease agreements. Disclosure in respect of such operating leases is as given below:

Particulars	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Lease rent recognised in the Statement of Profit & Loss during the year (note 23 and 27)		
- in respect of cancellable leases (Including ₹ 225,000 on account of fixed assets taken on lease) (March 31 2016: Including ₹ 2,706,177 on account of fixed assets taken on lease)	7,028,687	6,964,543
- in respect of non-cancellable leases	3,059,866	2,512,536
	<u>10,088,553</u>	<u>9,477,079</u>
Future minimum lease payments for non cancellable leases:		
Not later than one year	3,146,521	1,358,643
Later than one year and not later than five years	3,965,639	-
Later than five years	-	-

(ii) As a lessor

The Company has given some of its fixed assets on cancellable operating lease. Lease terms are generally for one year.

Lease receipts are recognized in the Statement of Profit and Loss during the year amounting ₹ 6,275,617 (March 31 2016 ₹ 66,704,036). As the leases are cancellable leases hence disclosure relating to minimum lease receipts has not been provided. Refer note 11 for details of assets given on lease.

35 Transactions in foreign currency

a. Expenditure in foreign currency

Particulars	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Banquet and event materials	4,872,894	3,751,640
Equipment hire charges	7,010,333	3,355,159
Travelling & conveyance Expenses	1,414,319	828,744
Giveways	8,993,035	4,907,782
Professional Charges	2,995,140	4,003,182
Others	2,050,529	2,562,342
Total	<u>27,336,250</u>	<u>19,408,849</u>

b. Earnings in foreign currency

Particulars	(Amount in ₹)	
	March 31, 2017	March 31, 2016
Revenue from -		
- Managed manpower services	290,529	4,843,867
- Event management services	1,580,141	2,729,110
Total	<u>1,870,670</u>	<u>7,572,977</u>

36 Unhedged foreign currency exposure

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as follows:

		March 31 2017		March 31 2016	
		Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Trade receivables	USD	13,556	879,227	20,930	1,385,067
Trade Payables	USD	83,800	5,435,176	142,555	9,433,620
Advance to Supplier	USD	496	32,142	413	27,317
	SGD	28,515	1,324,011		
Short term loan and advances	SGD	432,560	20,084,668	140,000	6,881,000



37 Disclosure relating to suppliers registered under Micro Small and Medium Enterprise Development Act 2006:

	March 31, 2017	March 31 2016
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting period 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 period	-	-
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 period.	-	-
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.	-	-

38 Related Party Disclosure

The disclosure as required by the Accounting Standard - 18 (Related Party Disclosure) are given below:

(A) List of related parties with whom transactions have taken place:

Nature of relationship	Name of related party
Holding Company	CL Educate Limited
Subsidiary companies	Kestone Asia Hub Pte Limited (Formerly known as Career Launcher Asia Educational Hub Pte Limited)
Enterprises that are under common control with the reporting enterprise - Fellow subsidiaries	i. CL Media Private Limited ii. G K Publications Private Limited
Key Managerial Personnel	i. Mr. Gautam Puri ii. Mr. Nikhil Mahajan
Enterprises over which key managerial personnel exercise significant influence	i. Nalanda Foundation ii. Career Launcher Education Foundation

b. Included in the financial statements are the following amounts related to transactions and balances with related parties:

Particulars	March 31, 2017	31-Mar-16
Transactions with related parties		
a) Rendering of services		
<i>Holding Company</i>		
CL Educate Limited		
- Managed manpower services	-	235,260
- Marketing and sales services	3,161,445	13,514,900
- Online marketing support services	1,269,206	87,336
- Infrastructure support services	6,275,617	66,704,036
b) Interest income on loans given		
<i>Enterprises over which key managerial personnel exercise significant influence</i>		
- Career Launcher Education Foundation	651,200	651,200
- Nalanda Foundation	512,122	251,230
<i>Enterprises that are under common control with the reporting enterprise -Subsidiary/Follow subsidiaries</i>		
- Kestone Asia Hub Pte Limited	1,262,408	241,733
- CL Media Private Limited	4,066,505	1,899,587



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31 2017

c) Unsecured loans given		
<i>Enterprises over which key managerial personnel exercise significant influence</i>		
- Nalanda Foundation		2,000,000
<i>Enterprises that are under common control with the reporting enterprise -Subsidiary/Follow subsidiaries</i>		
- Kestone Asia Hub Pte Limited	14,474,767	6,834,029
- CL Media Private Limited	20,500,000	14,000,000
d) Repayment received of Unsecured Loan given		
<i>Enterprises over which key managerial personnel exercise significant influence</i>		
- Nalanda Foundation	746,078	
e) Debit notes received for expenses incurred by related parties on behalf of Company		
<i>Holding Company</i>		
- CL Educate Limited	11,817,896	9,840,872
- Career Launcher Infrastructure Private Limited		189,188
f) Amount incurred on behalf of:		
- CL Educate Limited		170,540
Balances outstanding as at year end		
a) Other current liabilities:		
Payable for expenses		
<i>Enterprises that are under common control with the reporting enterprise -Follow subsidiaries</i>		
- CL Media Private Limited		1,624,525
<i>Enterprises over which key managerial personnel exercise significant influence</i>		
- CL Educate Limited	3,570,144	10,436,221
b) Trade receivables:		
<i>Enterprises over which key managerial personnel exercise significant influence</i>		
- CL Educate Limited	143,317,485	142,339,135
- Career Launcher Education Foundation	7,527,875	7,527,875
c) Short term loans and advances:		
<i>Enterprises over which key managerial personnel exercise significant influence</i>		
- Career Launcher Education Foundation	4,070,000	4,070,000
- Nalanda Foundation	2,753,922	3,500,000
<i>Enterprises that are under common control with the reporting enterprise -Subsidiary/Follow subsidiaries</i>		
- CL Media Private Limited	42,591,000	22,091,000
- Kestone Asia Hub Pte Limited	20,084,668	6,881,000
d) Other Receivable		
Receivable against expenses incurred on behalf of related parties:		
- CL Educate Limited	170,540	1,181,531
e) Interest accrued but not due on loans given:		
<i>Enterprises over which key managerial personnel exercise significant influence</i>		
- Career Launcher Education Foundation	2,513,098	1,927,018
- Nalanda Foundation	42,779	1,535,791
<i>Enterprises that are under common control with the reporting enterprise -Subsidiary/Follow subsidiaries</i>		
- CL Media Private Limited	9,166,461	7,106,608
- Kestone Asia Hub Pte Limited	1,504,141	241,733
f) Security- Lien on Fixed deposits for loans taken by		
<i>Enterprises that are under common control with the reporting enterprise -Follow subsidiaries</i>		
- G K Publications Private Limited	20,000,000	20,000,000
g) Corporate guarantee against loan taken by the Company		
<i>Holding Company</i>		
- CL Educate Limited	115,000,000	95,000,000



Kestone Integrated Marketing Services Private Limited
Notes to the financial statements for the year ended March 31 2016

39 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.

Accordingly the board of directors approved CSR Policy of the Company at its meeting held on February 16 2015. In accordance with the provisions of Section 135 of the Companies Act 2013 the Company was required to spend ₹ 3,004,386 (Previous year ₹ 1,249,273) on prescribed CSR activities. However as the policy was approved towards the end of the previous financial year the Company could not implement the same and thus neither any CSR activity was undertaken nor any amount was spent towards CSR during the year and the company expects to spend the same in next financial year. Further in accordance with the guidance provided by the Institute of Chartered Accountants of India no provision has been recorded in the books of account towards such unspent expenditure.

40 Disclosure of transactions in Specified Bank Notes (SBNs) are as below:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	-	-	-
Permitted receipts	-	-	-
Permitted payments	-	-	-
Deposit in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

41 The Company has filed legal case against one of its debtor for recovery of outstanding receivables (including interest) amounting ₹ 1,728,769. The Company is of the view that such balance is fully recoverable and no provision is required.

42 Previous year figures have been regrouped/ reclassified wherever considered necessary to conform to the presentation of current year's financial statements.

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

Raj Kumar Agarwal
 Partner
 Membership No. :074715

Place: New Delhi
 Date: May 29, 2017



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

Gautam Puri
 Director
 DIN :00033548

Place: New Delhi
 Date: May 29, 2017



Nikhil Mahajan
 Director
 DIN :00033404