
Kestone Integrated Marketing Services Pvt. Ltd.

Statutory Audit Report for
the year ended March 31,
2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Kestone Integrated Marketing Services Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Kestone Integrated Marketing Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 48 to the accompanying standalone Ind AS financial statements, which explains the management's evaluation of the financial impact on the Company due to lockdown and other restrictions imposed on account of COVID-19 pandemic situation. The assessment of the impact in the subsequent period is highly subjective and is dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.



Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Board report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher



than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;



- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. The matter described under Emphasis of Matter section above, in our opinion, may have an adverse effect on the functioning of the Company;
- f. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
- h. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the year. Hence, section 197 of the Act related to managerial remuneration is not applicable;

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

For Haribhakti & Co.LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Manoj Daga

Partner

Membership No. 048523

UDIN: 20048523AAAAAM5645

Place: Mumbai

Date: June 29, 2020



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Kestone Integrated Marketing Services Private Limited on the standalone Ind AS financial statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (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 no material discrepancies were noticed on such verification. 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 hold any immovable property. Accordingly, clause 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 services, marketing and sale services, online marketing support services and pass through services and does not have any inventory. Accordingly, clause 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has granted unsecured loan to a party covered in the register maintained under section 189 of the Act. The Company has not granted any loans other than mentioned above, secured or unsecured to companies, firms and Limited Liability Partnerships covered in the register maintained under section 189 of the Act.
- (a) The terms and conditions of loans granted by the Company to a party covered in the register maintained under section 189 of the Act, (total loan amount granted during the year Rs. Nil, and balance outstanding as at balance sheet date Rs. 40.70 lakhs) are prejudicial to the Company's interest as the Company is not charging interest on such loan.
 - (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 clause 3(iii)(b) 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 a party listed in the register maintained under Section 189 of the Act.
- (iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.



- (v) In our opinion, 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. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii)
- (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.
- No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, 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) There are no dues with respect to income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty which have not been deposited on account of any dispute.
- (viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institution and banks. The Company has no dues in respect of government & debenture holder during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (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) As the Company has not paid any managerial remuneration during the year, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Accordingly, clause 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the standalone Ind AS financial statements 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. Therefore, clause 3(xiv) of the Order is not applicable to the Company.



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(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) 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



Manoj Daga
Partner
Membership No. 048523
UDIN: 20048523AAAAAM5645



Place: Mumbai
Date: June 29, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Kestone Integrated Marketing Services Private Limited on the standalone Ind AS financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Kestone Integrated Marketing Services Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS 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 with reference to financial statements 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 (the "Guidance Note") 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to financial statements.



Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 weakness has been identified as at March 31, 2020:

- a) Comprehensive procurement policies for purchase of goods and services have not been documented, which could potentially result in the aforesaid Company procuring unnecessary goods and services, or procuring goods of lower quality, or procure goods and services at higher prices.

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

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.



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We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 standalone Ind AS financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone Ind AS financial statements of the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Manoj Daga

Partner

Membership No. 048523

UDIN:20048523AAAAAM5645

Place: Mumbai

Date: June 29, 2020



Kestone Integrated Marketing Services Private Limited
 Standalone Balance Sheet as at March 31, 2020
 (All amounts are Rupees in lacs, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	222.35	263.09
Right-of-use assets	4	155.45	-
Other intangible assets	5	39.31	46.97
Intangibles assets under development	6	213.59	-
Investments	7	478.74	255.07
Financial assets			
(i) Loans	8	37.12	59.59
(ii) Other financial assets	9	554.69	175.00
Deferred tax asset (net)	10	86.16	80.94
Non-current tax asset (net)	11	1,633.19	1,512.73
Other non-current assets	12	6.32	8.96
Total non-current assets		3,426.92	2,402.35
Current assets			
Financial assets			
(i) Trade receivables	13	2,707.21	4,120.61
(ii) Cash and cash equivalents	14	8.62	79.44
(iii) Bank balances other than (ii) above	15	240.82	799.65
(iv) Loans	16	126.77	319.52
(v) Other financial assets	17	381.85	827.29
Other current assets	18	570.96	368.24
Total current assets		4,036.23	6,514.75
Total assets		7,463.15	8,917.10
Equity and Liabilities			
Equity			
Equity share capital	19	100.00	100.00
Other equity	20	3,565.95	3,471.93
Total equity		3,665.95	3,571.93
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	21	274.78	525.87
(ii) Lease liabilities	22	56.71	-
Provisions	23	134.72	138.81
Other non-current liabilities	24	-	17.55
Total non-current liabilities		466.21	682.23
Current liabilities			
Financial liabilities			
(i) Borrowings	25	482.48	1,393.25
(ii) Trade payables	26		
- Total outstanding dues of micro enterprise and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,011.36	2,113.58
(iii) Lease liabilities	27	109.47	-
(iv) Other financial liabilities	28	423.96	606.52
Other current liabilities	29	301.55	548.05
Provisions	30	2.17	1.54
Total Current liabilities		3,330.99	4,662.94
Total liabilities		3,797.20	5,345.17
Total equity and liabilities		7,463.15	8,917.10

Significant accounting policies

2

The accompanying notes 1 to 51 are an integral part of these financial statements.

As per our report of even date

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



 Manoj Daga

Partner
 Membership No.: 048523

Place: Mumbai
 Date: June 29, 2020



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


 Gautam Puri

Director
 DIN: 00033548

Place: New Delhi
 Date: June 29, 2020


 Nikhil Mahajan

Director
 DIN: 00033404



Kestone Integrated Marketing Services Private Limited
 Standalone Statement of profit and loss for the year ended March 31, 2020
 (All amounts are Rupees in lacs, unless otherwise stated)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	31	10,669.68	11,976.17
Other income	32	246.06	149.63
Total income		10,915.74	12,125.80
Expenses			
Employee benefit expense	33	1,986.21	2,262.37
Finance costs	34	279.57	160.06
Depreciation and amortisation expense	35	219.01	91.14
Other expenses	36	8,379.47	9,207.38
Total Expenses		10,864.26	11,720.95
Profit before tax		51.48	404.85
Tax expense:			
Current tax	38	30.25	108.02
Tax adjustments relating to earlier years		3.50	-
Deferred tax		(19.34)	16.20
Total tax expense		14.41	124.22
Profit for the year (A)		37.07	280.63
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		36.72	14.73
Income tax relating to these items		(9.24)	(4.10)
Total other comprehensive income for the year (B)		27.48	10.63
Total comprehensive income for the year (A + B)		64.55	291.26
Earnings per equity share (in Rs.)			
Basic earnings per share	37	3.71	28.06
Diluted earnings per share		3.71	28.06

Significant accounting policies 2
 The accompanying notes 1 to 51 are an integral part of these financial statements.

As per our report of even date

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


 Manoj Daga
 Partner
 Membership No.:048523



Place: Mumbai
 Date: June 29, 2020

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

 
 Gautam Puri
 Director
 DIN: 00033548



Place: New Delhi
 Date: June 29, 2020

Kestone Integrated Marketing Services Private Limited
Standalone Statement of cash flows for the year ended March 31, 2020
(All amounts are Rupees in lacs, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax	51.48	404.85
Adjustments for:		
Depreciation and amortisation expense	219.01	91.14
Sundry balances written off	62.98	30.70
Profit on sale of property, plant and equipment	(14.82)	(0.07)
Finance cost	275.60	160.02
Adjustment for Loan Processing Fee	3.97	0.04
Liability no longer required written back	(40.04)	(68.03)
Unwinding of interest on security deposits	(8.03)	(7.05)
Lease equalisation reserve	-	5.17
Interest income	(82.63)	(70.39)
Impairment for trade receivable	9.11	32.32
Impairment for contract assets	0.23	-
Unrealised forex exchange gain (net)	(5.57)	(9.90)
Operating profit before working capital changes	471.29	568.80
Adjustment for (increase)/decrease in Assets		
- Trade receivables	1,404.23	(1,287.73)
- Non-current loans and other financial assets	29.83	(0.10)
- Current loans and other financial assets	165.35	536.26
- Other non current assets	2.64	7.64
- Other current assets	(203.81)	373.34
Adjustment for increase/(decrease) in Liabilities		
- Trade payables	113.04	146.86
- Provisions	33.26	47.12
- Other current financial liabilities	(173.08)	78.19
- Other current liabilities	(246.25)	122.43
Cash generated from operations	1,596.50	592.81
Less: Income tax paid (net of refunds)	(154.21)	(763.89)
Net cash generated from / (used in) operating activities (A)	1,442.29	(171.08)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(40.44)	(31.38)
Sale of property, plant and equipment	0.10	-
Purchase of intangible assets	(2.74)	(49.17)
Intangible under development	(280.22)	-
Sale of intangible under development	81.40	-
Proceeds from maturity of fixed deposits	516.08	251.40
Creation of fixed deposits	(336.94)	(934.12)
Repayment of loan to related party	-	45.07
Interest received	74.50	30.57
Net cash generated from / (used in) investing activities (B)	11.74	(687.63)
C. Cash flow from financing activities		
Proceeds from short term borrowings	-	455.98
Repayments from short term borrowings	(910.77)	(107.87)
Repayments of long term borrowings	(233.80)	(16.45)
Proceeds from long term borrowings	-	750.00
Payment of Processing charges	-	(7.50)
Interest paid	(263.53)	(157.02)
Payment of lease liability (Refer Note 40)	(116.75)	-
Net cash generated from / (used in) financing activities (C)	(1,524.85)	917.14
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(70.82)	58.43



Kestone Integrated Marketing Services Private Limited
 Standalone Statement of cash flows for the year ended March 31, 2020
 (All amounts are Rupees in lacs, unless otherwise stated)

Balance at the beginning of the year		
Cash and cash equivalents at the beginning of the year	79.44	21.01
Balance at the end of the year	<u>8.62</u>	<u>79.44</u>

Notes:

i. Component of cash & cash equivalents (Refer Note 14).

Balances with banks		
-Current accounts	8.62	79.44
	<u>8.62</u>	<u>79.44</u>

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

Particulars	Non-current borrowings	Current borrowings	Interest on borrowings
For the year ended March 31, 2020			
Balance as at April 1, 2019	759.67	1,393.25	1.81
Loan draws (in cash) /interest accrued during the year	-	-	220.28
Adjustment for Processing Fee	-	-	-
Loan repayments/interest payment during the year	(233.80)	(910.77)	(216.71)
Non Cash Item:			
Amortisation	3.97	-	-
Balance as at March 31, 2020	<u>529.84</u>	<u>482.48</u>	<u>5.38</u>
For the year ended March 31, 2019			
Balance as at April 1, 2018	33.58	1,045.14	0.25
Loan draws (in cash) /interest accrued during the year	750.00	455.98	158.58
Adjustment for Processing Fee	(7.50)	-	-
Loan repayments/interest payment during the year	(16.45)	(107.87)	(157.02)
Non Cash Item:			
Amortisation	0.04	-	-
Balance as at March 31, 2019	<u>759.67</u>	<u>1,393.25</u>	<u>1.81</u>

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

iv. The notes referred above form an integral part of the financial statements.

v. The cash flow statement has been prepared under the indirect method as set out in INDAS 7 cash flow statements.

As per our report of even date

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



Manoj Daga
 Partner
 Membership No.:048523

Place: Mumbai
 Date: June 29, 2020



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



Gautam Puri
 Director
 DIN: 00033548

Place: New Delhi
 Date: June 29, 2020





Nikhil Mahajan
 Director
 DIN: 00033404

Kestone Integrated Marketing Services Private Limited
 Standalone Statement of Changes in Equity for the year ended March 31, 2020
 (All amounts are Rupees in lacs, unless otherwise stated)

(a) Equity share capital

Particulars	Amount
Balance as at April 1, 2018	100.00
Change in equity share capital during the year 2018-19	-
Balance as at March 31, 2019	100.00
Change in equity share capital during the year 2019-20	-
Balance as at March 31, 2020	100.00

(b) Other equity

Particulars	Attributable to owners of the company			Total
	Reserves & Surplus		Items of OCI	
	Retained earnings	Deemed Equity	Remeasurement of defined benefit plans	
Balance as at April 1, 2018	3,156.23	5.75	17.23	3,179.21
Profit for the year	280.63	-	-	280.63
Additions during the year	-	1.46	-	1.46
Other comprehensive income for the year	-	-	10.63	10.63
Total comprehensive income for the year	280.63	1.46	10.63	292.72
Balance as at March 31, 2019	3,436.86	7.21	27.86	3,471.93
Impact of adoption of IND-AS 116 {Refer Note 2 (ix)}	12.66	-	-	12.66
Profit for the year	37.07	-	-	37.07
Additions during the year	-	16.81	-	16.81
Other comprehensive income for the year	-	-	27.48	27.48
Total comprehensive income for the year	49.73	16.81	27.48	94.02
Balance as at March 31, 2020	3,486.59	24.02	55.34	3,565.95

As per our report of even date

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



Manoj Daga
 Partner
 Membership No.:048523



Place: Mumbai
 Date: June 29, 2020

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



Gautam Puri
 Director
 DIN: 00033548



Place: New Delhi
 Date: June 29, 2020



Nikhil Mahajan
 Director
 DIN: 00033404

Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

1. Reporting Entity

Kestone Integrated Marketing Services Private Limited ("the Company") is a company domiciled in India, with its registered office situated at Plot No. 9A, Sector 27A, Mathura Road, Faridabad - Haryana - 121003. 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.

1. a Basis of preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These financial statements were authorised for issue by the Company's Board of Directors on June 29, 2020.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(ii) Current and non-current classification

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.

(iii) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated. The sign '0.00' in these financial statements indicates that the amount involves are below INR one thousand and the sign '-' indicates that the amount is nil.

(iv) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

(v) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are included in the following notes:

- Note no 40: lease classification; and
- Note no 46: classification of financial assets: assessment of business model within which the assets are held

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2020 is included in the following notes:

- Note no 42: measurement of defined benefit obligations and plan assets: key actuarial assumptions;
- Note no 2(iii) and 3: measurement of useful lives and residual values to property, plant and equipment;
- Note no 2(iv) and 4: measurement of useful lives of intangible assets;
- Note no 46: fair value measurement of financial instruments;
- Note no 38: recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.
- Note no 46: impairment of trade receivables: the Company review carrying amount of trade receivables at the end of each reporting period and provide for expected credit loss.

(vi) **Measurement of fair value**

A number of accounting policies and disclosures require measurement of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either -

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to/ by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole -

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2 –input other than quoted prices included in level 1 that are observable for the assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Input for the asset or liability that are not based on observable market data (unobservable inputs).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

2. Significant accounting policies:

(i) Revenue recognition

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be reliably measured. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

The Company earns revenue primarily from Managed Manpower Services (MMS), Marketing & sales services (Events), Online marketing & support services (Digital).

Revenue from services

Revenue for marketing & sales service, managed manpower services and online marketing support services is recognised in profit & loss statement over the period of time by measuring progress towards satisfaction of performance obligation for the services rendered at the reporting date. The Company uses output method for measurement of revenue from such services, as per terms of respective agreements.

Revenue as an agent

The Company derives its revenue from event & managed manpower services. When the Company determines that the nature of its promise, is a performance obligation to provide the specified goods or services itself (i.e. entity is the principal), then it recognises the revenue earned as the gross amount of consideration. However, where the Company promise, is to arrange, for the customer to provide goods/services as an agent then revenue is recognised only to extent of commission/markup/charges earned by it. In such cases the Company does not control the goods and services provided to a customer. The indicators evaluated by the Company to conclude if it is an agent are the following:

- (a) that another party is primarily responsible for fulfilling the contract;
- (b) the Company does not have any inventory risk
- (c) the Company does not have discretion in establishing prices for the other party's goods or services and, therefore, the benefit that the Company can receive from those goods or services is limited;
- (d) the Company's consideration is in the form of a commission / service charge or markup; and
- (e) the Company is not exposed to credit risk for the amount receivable from a customer in exchange for the other party's goods or services.

Contract Balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section vii(ii) in Financial instruments.

Contract Assets (Unbilled Revenue)

Contract Assets is an entity's right to consideration in exchange of service that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. This is recognised when there is excess of revenue earned over billings on contracts.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

Contract Liability (Unearned Revenue)

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Amounts billed and received or recoverable prior to the reporting date for services and such services or part of such services are to be performed after the reporting date are recorded as contract liabilities as per the provisions of the Ind AS-115 and shown in other current liabilities.

Use of significant judgements in revenue recognition: -

- The performance obligation is satisfied upon rendering of services as per the terms of contract. Measurement of progress of performance completion is based on judgement of Key Account Manager (KAM) of respective event and confirmed by the Chief executive officer (CEO).
- Contract fulfilment costs includes the sales incentives provided to employees for obtaining contract. The company has elected a practical expedient which allows the company to expense off the contract fulfilment cost immediately in the statement of Profit and Loss as the amortization period of the assets that the company otherwise would have used is one year or less.

The Company disaggregates revenue from contracts with customers by nature of services, geography and type of customers.

Revenue from Related Party is recognised based on transaction price which is at Arms-Length Price.

(ii) Recognition of interest income

Interest income

Interest income on time deposits and inter corporate loans is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

(iii) Property, plant and equipment:

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts, rebates and recoverable taxes and any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

Subsequent expenditure

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, which are equal to useful lives specified as per schedule II to the Act and is recognised in the statement of profit and loss.

The estimated useful lives of the assets are as under:

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

The management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

(iv) Intangible assets

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

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of profit and loss as incurred.



Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) the intention to complete the intangible asset and use or sell it;
- (iii) the ability to use or sell the intangible asset;
- (iv) how the intangible asset will generate probable future economic benefits;
- (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

The useful life of intangible asset is as follows:

Intangible asset	Useful life (in years)
Acquired and internally generated software	5

Amortisation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

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.

(v) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's or CGU's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU or an individual asset is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU or the asset.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis.

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

(vi) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. 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 capitalised as part of the cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

The Ministry of Corporate Affairs issued amendments to Ind AS 23, 'Borrowing Costs', which clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. There is no impact on the financial statement due to this amendment.

(vii) Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through profit and loss. Transaction cost of financial assets carried at fair value through profit and loss are expense in the statement of profit and loss.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:-

- amortised cost
- Fair value through other comprehensive income (OCI), or Fair value through profit and loss
- Investment in equity of subsidiary are accounted and carried at cost less impairment in accordance with IND AS 27.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. nonrecourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on de-recognition is recognised in the statement of profit & loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debts investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement and gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Offsetting

Financial assets and monetary liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

iv. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

v. Impairment

The Company recognises loss allowances for expected credit losses on:

- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for agreed credit period;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Expected credit loss

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due and is not recovered within agreed credit period.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets disclosed in the Balance Sheet.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(viii) Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that the carrying value will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the statement of profit and loss.

Once classified as held-for-sale the related assets are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

The gain or loss arising from de-recognition of an item of property, plant and equipment, classified as held for sale, shall be included in profit or loss when the item is derecognised; which is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

(ix) Leases

The Company has adopted the new accounting standard Ind AS 116 "Leases" w.e.f April 1, 2019 as per Companies (Indian Accounting Standards) amendment Rules, 2019, notified by MCA on March 30, 2019. Ind AS 116 is a single lessee accounting model and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use assets (ROU), and finance cost for interest accrued on lease liability.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Where the Company is a lessee

At the commencement date of the lease the Company recognizes a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments included in the measurement of the lease liability consist of the payments for the right of use the underlying assets during the lease term that are not paid at the commencement date of the lease.

The payments included in the measurement of the lease liability include fixed payments less any lease incentives receivable variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes a right-of-use asset from a lease contract at the commencement date of the lease, which is the date that the underlying asset is made available for use.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred and any lease payments made at or before the commencement date of the lease less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any and adjusted for any re measurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

It also considers possible asset retirement obligations in the cost of the right-of-use asset. Right-of-use assets are subject to impairment testing in future periods.

On date of transition, the Company has applied the standard using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. The Company has also applied the following practical expedient provided by the standard when applying Ind AS 116.

- a) By measuring the assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment recognized immediately before the date of initial applications.
- (b) The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment, consequently, the Company has recorded the lease liability at the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.
- c) not to reassess whether a contract is or contains a lease, accordingly the definition of lease in accordance with Ind AS 17 will continue to be applied to those leases entered or modified before April 1, 2019.
- (d) excluded the initial direct costs from measurement of the ROU asset
- (e) Not to recognize ROU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

This first time adoption of Ind AS 116 has resulted in recognizing Right-of-use assets and corresponding lease liability of Rs 282.94 Lacs as at March 31, 2020, increase in retained earnings by Rs 12.66 Lacs (net of tax) as at April 1, 2019 and a corresponding impact on total expenses of Rs 10.73 Lacs during the year ended March 31, 2020.

Where the Company is the lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(x) **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 year in which the employee renders the related service. The liabilities are presented as current employee benefit obligation in the statement of financial position.

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. Obligation for contribution to defined contribution plan are recognised as an employee benefit expenses in statement of profit and loss in the period during which the related services are rendered by the employees.

Defined Benefit Plan: Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity is accounted for on the basis of an actuarial valuation as at the balance sheet date. 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.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

Remeasurement of the net defined benefit liability, which comprise actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the other comprehensive income. The company's obligation in respect of the same is calculated by estimating the amount of future benefit that employee have earned in the current and prior period, discounting that amount and deducting the fair value of any plan assets.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The expected return on plan assets is based on the assumed rate of return of such assets.

The Company 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 accounting period. Actuarial gain and losses are recognised immediately in the statement of profit and loss.

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. There is no impact on the financial statement due to this amendment.

(xi) Foreign exchange transactions and translations

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying the foreign currency amount of exchange rate between the reporting currency and foreign currency at the date of transaction.

Conversion

Foreign currency monetary assets and liabilities outstanding as at balance sheet date are restated/translated using the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities which are measured in terms of historical cost denomination in foreign currency, are reported using the exchange rate at the date of transaction except for non-monetary item measured at fair value which are translated using the exchange rates at the date when fair value is determined.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

Exchange difference

Exchange difference arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they initially recorded during the year or reported in previous financials statement (other than those relating to fixed assets and other long term monetary assets) are recognized as income or expenses in the year in which they arise.

(xii) **Income tax**

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.



Kestone Integrated Marketing Services Private Limited
Notes to the standalone financial statements for the year ended March 31, 2020

(xiv) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

(xv) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year 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 year 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.

(xvi) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 - Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

The Board of Director(s) are collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 37 for segment information.



3 Property, plant and equipment

Particulars	Vehicles	Computers	Furniture and fixtures	Office equipment	Total
Gross carrying amount					
Balance as at April 1, 2018	62.21	213.60	154.63	158.98	589.42
Additions	-	29.15	-	2.30	31.45
Disposals	-	(0.31)	-	-	(0.31)
Balance as at March 31, 2019	62.21	242.44	154.63	161.28	620.56
Balance as at April 1, 2019	62.21	242.44	154.63	161.28	620.56
Additions	-	30.90	3.99	5.55	40.44
Disposals	-	(0.89)	-	-	(0.89)
Balance as at March 31, 2020	62.21	272.45	158.62	166.83	660.11
Accumulated depreciation					
Balance at April 1, 2018	11.94	156.39	30.88	70.88	270.09
Depreciation for the year	7.93	31.48	16.37	31.91	87.69
Disposals	-	(0.31)	-	-	(0.31)
Balance as at March 31, 2019	19.87	187.56	47.25	102.79	357.47
Balance at April 1, 2019	19.87	187.56	47.25	102.79	357.47
Depreciation for the year	7.96	27.61	16.69	28.87	81.13
Disposals	-	(0.84)	-	-	(0.84)
Balance as at March 31, 2020	27.83	214.33	63.94	131.66	437.76
Carrying amount (net)					
As at March 31, 2019	42.34	54.88	107.38	58.49	263.09
As at March 31, 2020	34.38	58.12	94.68	35.17	222.35

Note: 1. All the present and future movable fixed assets are subject to collateral charge to secure the Company's current borrowings referred in notes as cash credit from bank (refer note 25).

2. Vehicles are hypothecated for the vehicle loans from bank (Refer note 21).

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

4 Right-of-use assets

Particulars	Office premises	Total
Gross carrying amount		
Balance as at April 1, 2019*	282.94	282.94
Additions	-	-
Disposals	-	-
Balance as at March 31, 2020	282.94	282.94
Accumulated depreciation		
Depreciation for the year	127.49	127.49
Disposals	-	-
Balance as at March 31, 2020	127.49	127.49
Net book value as on March 31, 2020	155.45	155.45

* During the year, the Company recognised right-of-use assets as per Ind AS 116 "Leases" (Refer note 40)

5 Intangible assets

Particulars	Computer software	Total
Gross carrying amount		
Balance as at April 1, 2018	6.42	6.42
Additions	49.17	49.17
Disposals	-	-
Balance as at March 31, 2019	55.59	55.59
Balance as at April 1, 2019	55.59	55.59
Additions	2.74	2.74
Disposals	-	-
Balance as at March 31, 2020	58.33	58.33
Accumulated amortisation		
Balance as at April 1, 2018	5.17	5.17
Amortisation charged for the year	3.45	3.45
Disposals	-	-
Balance as at March 31, 2019	8.62	8.62
Balance as at April 1, 2019	8.62	8.62
Amortisation charged for the year	10.40	10.40
Disposals	-	-
Balance as at March 31, 2020	19.02	19.02
Carrying amount (net)		
As at March 31, 2019	46.97	46.97
As at March 31, 2020	39.31	39.31

Note: 1. All the present and future movable fixed assets are subject to collateral charge to secure the Company's current borrowings referred in notes as cash credit from bank (Refer Note 25).

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

3. Refer note 'a' below for internally generated intangible assets.



a. Details of internally generated

Particulars	Recruitment software (Sofi)	Total
Gross carrying amount		
Balance as at April 1, 2018	-	-
Additions	49.17	49.17
Disposals	-	-
Balance as at March 31, 2019	49.17	49.17
Balance as at April 1, 2019	49.17	49.17
Additions	-	-
Disposals	-	-
Balance as at March 31, 2020	49.17	49.17
Accumulated amortisation		
Balance as at April 1, 2018	-	-
Amortisation for the year	2.45	2.45
Disposals	-	-
Balance as at March 31, 2019	2.45	2.45
Balance as at April 1, 2019	2.45	2.45
Amortisation for the year	9.86	9.86
Disposals	-	-
Balance as at March 31, 2020	12.31	12.31
As at March 31, 2019	46.72	46.72
As at March 31, 2020	36.86	36.86

Sofi is a recruitment software and is capitalized on December 31, 2018 and it is a high-end resource matching solution for any company looking to hire technical & IT manpower that immediately analyses high volumes of IT personnel's CVs, evaluates, filters and sorts the most suitable candidates.

The cost of Sofi is the employee cost incurred in respect of the development of the software.

Sofi will help in;

- i) Using customer requirements as the basis for filtering through an unlimited number of CVs
- ii) Sorting through the CVs and suggesting the most relevant candidates
- iii) Contacting the best applicants & track applications

6 Intangibles assets under development

Balance at the beginning
 Additions
 Capitalised during the year
 Balances at th end

	As at March 31, 2020	As at March 31, 2019
	-	-
	213.59	-
	-	-
	213.59	-

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7 Investments

Investment in equity instruments of subsidiary

Unquoted, at cost

946,560 (March 31, 2019: 514,000) fully paid up equity shares of SGD 1 each of Kestone CL Asia Hub Pte Limited (Formerly known as Career Launcher Asia Educational Hub Pte Limited)

Total equity investment in subsidiaries

Aggregate amount of unquoted investments

Aggregate amount of quoted investments & market value thereof

Aggregate amount of impairment in value of investments

	As at March 31, 2020	As at March 31, 2019
	478.74	255.07
	478.74	255.07
	478.74	255.07
	-	-
	-	-

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

8 Non-current financial asset - loans

Unsecured, considered good

Security deposits

For explanation on the company credit risk management process. (Refer Note 46)

	As at March 31, 2020	As at March 31, 2019
	37.12	59.59
	37.12	59.59

9 Other non-current financial assets

Deposits with maturity for more than 12 months from the reporting date

	As at March 31, 2020	As at March 31, 2019
	554.69	175.00
	554.69	175.00

Note:

Fixed deposits amounting Rs 525.00 lacs (March 31, 2019 Rs. 175.00 lacs) are under lien, out of which fixed deposits amounting Rs. 150.00 lacs (March 31, 2019 Rs. Nil) are under lien towards cash credit facility from IndusInd Bank taken by the company and fixed deposits amounting Rs. 375.00 lacs (March 31, 2019 Rs 175.00 lacs) are under lien towards term loan facility from Tata Capital Financial Services Limited.

10 Deferred tax asset (net)

Deferred tax asset (net) (Refer Note 38)

	As at March 31, 2020	As at March 31, 2019
	86.16	80.94
	86.16	80.94

11 Non current tax assets (net)

Advance tax and tax deducted at source {net of provisions for tax amounting to Rs. 138.27 lakhs (March 31, 2019- Rs. 471.19 Lakhs)}

	As at March 31, 2020	As at March 31, 2019
	1,633.19	1,512.73
	1,633.19	1,512.73



12 Other non-current assets

	As at March 31, 2020	As at March 31, 2019
Prepaid rent	3.10	8.96
Prepaid financial guarantee commission	3.22	-
	6.32	8.96

13 Trade receivables

	As at March 31, 2020	As at March 31, 2019
Considered good - Unsecured	2,707.21	4,120.61
Trade receivables which have significant increase in credit risk	10.08	48.93
	2,717.29	4,169.54
Less: Impairment for trade receivable	(10.08)	(48.93)
	2,707.21	4,120.61
Trade receivables from related parties (included above)	1,322.03	1,011.16
	1,322.03	1,011.16

Note : 1. For trade receivables from related parties Refer Note 43.

2. The Company has measured Expected Credit Loss of trade receivable based on simplified approach as per Ind AS 109 "Financial Instruments" except on related party customers. (Refer Note 46)

3. For explanation on the Company credit risk management process (Refer Note 46)

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

5. Trade receivable are pledged as securities for borrowings taken from bank (Refer Note 25)

14 Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Balance with banks: - on current account	8.62	79.44
	8.62	79.44

For explanation on the company credit risk management process (Refer Note 46).

15 Bank balances other than cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Deposits with original maturity for more than 3 months but less than 12 months from the reporting date	240.82	799.65
	240.82	799.65

Note:

Fixed deposits amounting Rs 220.00 lacs (March 31, 2019 Rs. 790.00 lacs) are under lien, out of which fixed deposits amounting Rs. 220.00 lacs (March 31, 2019 Rs. 290.00 lacs) are under lien towards cash credit facility from IndusInd Bank taken by the company, fixed deposits amounting Rs. Nil (March 31, 2019 Rs 200.00 lacs) are under lien towards term loan facility from Tata Capital Financial Services Limited and fixed deposits amounting Rs. Nil (March 31, 2019 Rs. 300.00 lacs) are under lien towards overdraft facility taken from ICICI Bank.

For explanation on the company credit risk management process (Refer Note 46).



16 Current financial asset - loans*

Unsecured, considered good

	As at March 31, 2020	As at March 31, 2019
Security deposits	67.86	15.50
Loan to related parties (Refer note 43)	40.70	260.05
Loan to employees	18.21	16.43
Loan to others	-	27.54
	126.77	319.52

*For explanation on the company credit risk management process (Refer Note 46)

17 Other current financial assets

Contract Assets (Refer footnote iii)
Credit impaired

Interest accrued on fixed deposits
Interest accrued on loan given to related parties
Interest accrued on loan given to others
Amount recoverable from Non Banking Financial Company
Other receivable from related parties

	As at March 31, 2020	As at March 31, 2019
	216.50	697.51
	(0.23)	-
	216.27	697.51
	21.22	22.53
	115.16	104.38
	-	1.35
	0.31	1.52
	28.89	-
	381.85	827.29

Note:

- i) For explanation on the company credit risk management process (Refer Note 46)
- ii) Refer Note 43 for transactions with related party
- iii) For movement of contract assets, Refer Note 31 (iii)

18 Other current assets

Prepaid

Prepaid expenses
Prepaid financial guarantee commission
Prepaid rent

Advances

Advances to suppliers
Advances to employees
Balances recoverable from government authorities

	As at March 31, 2020	As at March 31, 2019
	33.08	38.68
	5.12	-
	5.87	7.69
	236.79	247.93
	11.14	5.94
	278.96	68.00
	570.96	368.24



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19 Share capital

	As at March 31, 2020	As at March 31, 2019
Authorised 1,000,000 (March 31, 2019: 1,000,000) equity shares of Rs 10 each	100.00	100.00
Issued, subscribed and paid-up 1,000,000 (March 31, 2019 : 1,000,000) equity shares of Rs 10 each	100.00	100.00
	100.00	100.00

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

a. Terms and rights attached to equity shares

Voting

Each holder of equity shares is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed. The Company has not declared or paid any dividend since its incorporation.

Liquidation

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distributed amounts will be in proportion to the number of equity shares held by each shareholders.

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

	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	10,00,000	10,00,000
Outstanding at the end of the year	10,00,000	10,00,000

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

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

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Percentage holding	No. of Shares	Percentage holding
CL Educate Limited and its nominees*	10,00,000	100%	10,00,000	100%
	10,00,000	100%	10,00,000	100%

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.

20 Other equity

	As at March 31, 2020	As at March 31, 2019
Surplus in the statement of profit and loss		
Opening balance	3,436.86	3,156.23
Impact of adoption of IND-AS 116 [Refer Note 2 (ix)]	12.66	-
Add: Net profit for the period	37.07	280.63
Closing balance (A)	3,486.59	3,436.86
Deemed equity contribution		
Opening balance	7.21	5.75
Additions	16.81	1.46
Closing balance (B)	24.02	7.21
Other comprehensive income		
Opening balance	27.86	17.23
Additions	27.48	10.63
Closing balance (C)	55.34	27.86
Total reserves and surplus (A+B+C)	3,565.95	3,471.93

Nature and purpose of other reserves/ other equity

Deemed equity

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

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21 Non-current borrowings

	As at March 31, 2020	As at March 31, 2019
Secured		
Term Loan from Financial Institutions	522.64	743.22
Vehicle loan from Banks	12.58	17.23
Total non-current borrowings	535.22	760.45
Less: Current maturities of non-current vehicle loan from banks (included in note 28)	5.05	4.63
Less: Current maturities of non-current borrowing from others (included in note 28)	250.01	229.17
Less: Interest accrued (included in note 28)	5.38	0.78
	274.78	525.87

Notes:

A) Nature of Security for secured non-current borrowings are as follows:

i) Term Loan from Financial Institution (Tata Capital)

Collateral security - Lien on Fixed Deposits amounting Rs. 375.00 lakhs (March 31, 2019: Rs 375.00 lakhs) (Refer Note 9 and 15)

Guarantees

- a. The Loan from Tata Capital is further secured by personal guarantees of directors of the company i.e. by, Mr. Gautam Puri and Mr. Nikhil
b. Aggregate amount of loans guaranteed by directors of the Company as at year end Rs. 750.00 lakhs (March 31, 2019: Rs.750.00 lakhs)

ii) Vehicle loans from bank (HDFC Bank) are secured against hypothecation of concerned vehicles.

B) Terms and conditions of outstanding borrowings are as follows:

For amount outstanding as at March 31, 2020

Particulars	Outstanding amount*	Equal monthly installment (EMI)	Rate of interest	Date of last EMI
Vehicle loan from Banks	6.25	0.25	8.76%	07-Jul-22
Vehicle loan from Banks	6.25	0.25	8.76%	07-Jul-22
	12.50			

Particulars	Outstanding amount#	Equal monthly Principal (EMP)	Rate of interest	Date of last EMP
Term loan from Financial Institutions	520.76	20.83	12.00%	01-Apr-22
	520.76			

*Excluding interest accrued.

#Excluding interest accrued and after adjustment of processing charges.

For amount outstanding as at March 31, 2019

Particulars	Outstanding amount*	Equal monthly installment (EMI)	Rate of interest	Date of last EMI
Vehicle loan from Banks	8.57	0.25	8.76%	07-Jul-22
Vehicle loan from Banks	8.57	0.25	8.76%	07-Jul-22
	17.14			

Particulars	Outstanding amount#	Equal monthly Principal (EMP)	Rate of interest	Date of last EMP
Term Loan from Financial Institutions	750.00	20.83	12.00%	01-Apr-22
	750.00			

*Excluding interest accrued.

#Excluding interest accrued and after adjustment of processing charges.

Note : Company's exposure to liquidity risk is disclosed in Note 46.

22 Non-current lease liabilities

	As at March 31, 2020	As at March 31, 2019
Lease liabilities (Refer Note 40)	56.71	-
	56.71	-



23 Non-current provisions

Provision for employee benefits
Gratuity (Refer Note 42)
Leave encashment (Refer Note 42)

	As at March 31, 2020	As at March 31, 2019
	132.15	136.34
	2.57	2.47
	134.72	138.81

Refer Note 30 for current portion of provision.

24 Other non-current liabilities

Lease equalisation reserve

	As at March 31, 2020	As at March 31, 2019
	-	17.55
	-	17.55

25 Current borrowings

Secured

Loan repayable on demand

From Bank

- Cash credit
- Bank Overdraft

	As at March 31, 2020	As at March 31, 2019
	482.48	979.35
	-	271.77
	482.48	1,251.12

Unsecured

Loan from Non Banking Financial Corporation

	-	142.13
	-	142.13

Total current borrowings

	482.48	1,393.25
--	---------------	-----------------

Note:

A) Nature of Security for current borrowings are as follows:

i) Cash credit (IndusInd Bank)

Primary security-

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

Collateral security-

- a. Lien on Fixed Deposits amounting Rs. 370.00 lakhs (March 31, 2019: Rs 290.00 lakhs) (Refer Note 9 & 15)
- b. First and exclusive charge on movable fixed assets of the Company both present and future.

Guarantees-

- a. Corporate guarantee of CL Educate Limited (Holding Company) amounting Rs. 1,850.00 lakhs (March 31, 2019 : Rs 1,450.00 lakhs)
- b. The facility is also secured by personal guarantees of directors of the company i.e. by, Mr. Gautam Puri and Mr. Nikhil Mahajan.

ii) Bank Overdraft (ICICI Bank)

Collateral security-

- a. Lien on Fixed Deposits amounting Rs. Nil (March 31, 2019: Rs 300.00 lakhs) (Refer Note 15)

iii) Loan from Non Banking Financial Corporation (Northern Arc)

Guarantees-

- a. The loan is secured by personal guarantees of directors of the company i.e. by, Mr. Gautam Puri and Mr. Nikhil Mahajan.

Interest rates

- i) 11.50% (previous year 11.50%) p.a. on Cash Credit from IndusInd Bank
- ii) 0.75% (previous year 0.75%) p.a. over and above the FD Interest rate on Overdraft facility from ICICI Bank.
- iii) Nil (previous year 14.50%) p.a for Loan from Northern Arc.

B) Terms and conditions of outstanding borrowings are as follows:

For amount outstanding as at March 31, 2019

Particulars	Outstanding amount	Equal monthly installment (EMI)	Rate of interest	Date of last EMI
Loan from Northern Arc	142.13	29.48	14.50%	13-Aug-19
	142.13			

Note : Company's exposure to liquidity risk is disclosed in Note 46.



26 Trade payables

Trade payables

- Total outstanding dues of micro enterprise and small enterprises
- Total outstanding dues of creditors other than micro enterprise and small enterprises

As at March 31, 2020	As at March 31, 2019
-	-
2,011.36	2,113.58
2,011.36	2,113.58

- (i) Refer Note 45 for dues to micro and small enterprises
- (ii) Refer Note 43 for payable to related parties
- (iii) Company's exposure to liquidity risk related to trade payables is disclosed in Note 46.

27 Current lease liabilities

Lease liabilities (Refer Note 40)

As at March 31, 2020	As at March 31, 2019
109.47	-
109.47	-

28 Other current financial liabilities

- Current maturities of non-current borrowings from bank
- Current maturities of non-current borrowings from financial institutions
- Interest accrued
- Employees related payables
- Receipts on behalf of clients

As at March 31, 2020	As at March 31, 2019
5.05	4.63
250.01	229.17
5.38	1.81
150.63	95.27
12.89	275.64
423.96	606.52

Note : Company's exposure to liquidity risk is disclosed in Note 46.

29 Other current liabilities

- Contract Liabilities*
- Statutory dues payable

As at March 31, 2020	As at March 31, 2019
248.98	350.77
52.57	197.28
301.55	548.05

*For movement of contract liabilities. Refer Footnote - 31 (ii)

30 Current provisions

- Provision for employee benefits
- Gratuity (Refer Note 42)
- Leave encashment (Refer Note 42)

As at March 31, 2020	As at March 31, 2019
2.13	1.51
0.04	0.03
2.17	1.54

Refer Note 23 for Non-current portion of provision.

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31 Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of services	10,669.68	11,976.17
	10,669.68	11,976.17

Notes:

i. Disaggregated revenue information

Set out below is the disaggregation of the revenue from contracts with customers:

a. For the year ended March 31, 2020

Category	Events	Digital	MMS	Total
Type of goods or service				
Sale of Services	6,372.43	2,861.41	1,435.84	10,669.68
Total revenue from contracts with customers	6,372.43	2,861.41	1,435.84	10,669.68
Geographical markets				
India	6,242.34	2,800.70	1,435.84	10,478.88
Overseas	130.09	60.71	-	190.80
Total revenue from contracts with customers	6,372.43	2,861.41	1,435.84	10,669.68

b. For the year ended March 31, 2019

Category	Events	Digital	MMS	Total
Type of goods or service				
Sale of Services	10,283.04	272.63	1,420.50	11,976.17
Total revenue from contracts with customers	10,283.04	272.63	1,420.50	11,976.17
Geographical markets				
India	10,218.75	250.79	1,403.54	11,873.08
Overseas	64.29	21.84	16.96	103.09
Total revenue from contracts with customers	10,283.04	272.63	1,420.50	11,976.17

ii. Changes in contract liability are as follows:-

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	350.77	297.09
Revenue recognised that was deducted from trade receivables as unearned revenue balance at the beginning of the year	(350.77)	(297.09)
Increase due to invoicing during the year, excluding amount recognised as revenue during the year	248.98	350.77
Balance at the end of the year	248.98	350.77

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied)

	Year ended March 31, 2020	Year ended March 31, 2019
Within one year	248.98	350.77
More than one year	-	-

iii. Changes in contract assets are as follows:-

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	697.51	1,221.15
Revenue recognised that was added to trade receivables as unbilled revenue balance at the beginning of the year	(697.51)	(1,146.70)
Increase due to amount not recognised as revenue during the year	216.50	623.06
Credit impaired	(0.23)	-
Balance at the end of the year	216.27	697.51

iv. Operating segments are the components of entity whose results are regularly reviewed by the entity's chief operating decision maker. The company has different categories of revenue but due to absence of discrete information about the expense incurred to earn that revenue is not sufficient for decision making with regard to resource allocation and performance measurement of a segment. Hence the company has not considered any revenue related information to be treated as operating segment.

v. It includes revenue from Related Party. (Refer Note 43)



vi. Revenue as an agent

The Company is involved in marketing and sale services. Such activities interalia involves, working at times, as an agent of the customers for certain events or for certain activities in an event. For example the customer at times request for collection of registration fees for the event, which is collected by the Company and paid to the customers. In such cases normally there are, either the related event revenue or normal fees/commission. In such case the revenue disclosed in the financials includes only the amount of the fees/commission in accordance with para 34 to 38 of Ind As 115. During the financial year 2019-20 the details of the collectable amount on behalf of the customers are detailed as under. Such amount is generally paid as and when collected and balance if any is disclosed under "Receipts on behalf of clients" as other current financial liability.

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
Amount collected/collectable on behalf of various customers	334.77	1,386.43
Amount of fees/commission/related charges forming part of the revenue for the year	29.21	90.11

The Company is involved in marketing and sale services. Such activities interalia involves, working at times, as agent of the customers for certain events or for certain activities in an event. For example the customer at times request for payment to various vendors for the services rendered to them, which is paid by the Company to various vendors and collected from customers. In such cases normally there are, either the related event revenue or normal fees/commission. In such case the revenue disclosed in the financials includes only the amount of the fees/commission in accordance with para 34 to 38 of Ind As 115. During the financial year 2019-20 the details of the amount paid/ payable on behalf of the customers are detailed as under. Such amount is generally collected from client as and when paid and balance if any is disclosed under "Trade Receivable" as current financial assets.

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
Amount paid/payable on behalf of various customers during the year	592.28	503.44
Amount of fees/commission/related charges forming part of the revenue for the year	63.43	35.85

32 Other income

	Year ended	Year ended
	March 31, 2020	March 31, 2019
Interest income from financial assets measured at amortised cost		
-Security deposits	8.03	7.05
Interest income on		
-Bank deposits	73.24	43.51
-Income tax refund	75.84	-
-Loans to related parties (Refer Note 43)	9.39	26.88
-MSME interest from debtors	18.62	-
Liabilities no longer required written back	40.04	68.03
Net gain on foreign exchange transaction	3.89	1.59
Profit on sale of property, plant and equipment	14.82	0.07
Miscellaneous income	2.19	2.50
	246.06	149.63



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33 Employee benefits expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	1,798.70	2,020.22
Contribution to provident and other funds (Refer Note 42)	72.45	83.81
Expenses related to post-employment defined benefit plan (Refer Note 42)	43.37	49.01
Expenses related to compensated absences (Refer Note 42)	0.11	1.14
Staff welfare expenses	71.58	108.19
	1,986.21	2,262.37

34 Finance cost

	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on borrowings	224.25	156.11
Interest on lease liabilities	23.71	-
Commission expense on financial guarantees	8.48	1.45
Other borrowing cost	23.13	2.50
	279.57	160.06

35 Depreciation and amortisation expense

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment	81.12	87.69
Depreciation on right-of-use assets (Refer Note 40)	127.49	-
Amortisation of intangible assets	10.40	3.45
	219.01	91.14

36 Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Banquet and hotel expense	1,224.07	1,409.61
Giveaways	1,699.54	1,525.86
Temporary manpower resources	653.88	607.23
Photography charges	47.43	68.07
Equipment hire charges	879.67	1,168.36
Sponsorship fees	62.40	112.63
Printing and stationery	84.52	95.48
Travelling expenses	584.41	583.68
Communication expenses	191.51	242.28
Rent (Refer Note 40)	22.80	156.71
Business promotion expenses	452.07	1,147.46
Repairs and maintenance	74.36	42.01
Insurance	52.90	31.61
Electricity charges	19.08	21.88
Sundry balances written off	62.98	30.70
Impairment for trade receivable	9.11	32.32
Impairment for contract assets	0.23	-
Event consultancy	2,097.00	1,794.13
Legal and professional charges (Refer Note i below)	89.09	83.59
Miscellaneous expenses	72.42	53.77
	8,379.47	9,207.38
Amount Written off:		
Bad Debts written off	38.85	103.50
Less: Provision made in earlier years	38.85	103.50
	-	-
	8,379.47	9,207.38



(i) Payment to auditors (excluding GST)

	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
Statutory audit	9.00	9.00
In other capacities		
Certification fees	0.75	0.55
Reimbursement of expenses	0.34	0.79
	10.09	10.34

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

	Year ended March 31, 2020	Year ended March 31, 2019
Basic and diluted earnings per share		
Basic and diluted earnings per share (Refer Note i & ii) (attributable to Equity Shareholders of the company)	3.71	28.06
Nominal Value per share (in Rs.)	10.00	10.00
i. Profit attributable to equity shareholders (used as numerator)		
Profit from operations	37.07	280.63
Profit attributable to equity shareholders	37.07	280.63
ii. Weighted average number of shares used as the denominator		
Opening balance of issued equity shares	10,00,000	10,00,000
Weighted average number of equity shares for basic and diluted EPS	10,00,000	10,00,000

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



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38 Income taxes

A. Amounts recognised in profit or loss

	Year ended March 31, 2020	Year ended March 31, 2019
Current tax expense		
Current year	30.25	108.02
Adjustments relating to earlier years	3.50	-
Total current tax expense (A)	33.75	108.02
Deferred tax expense/(benefit) (B)	(19.34)	16.20
Total tax expense (A+B)	14.41	124.22

B. Amounts recognised in Other Comprehensive Income

Income tax relating to items that will not be reclassified to profit or loss		
- Income tax relating to remeasurement of defined benefit plans	(9.24)	(4.10)
	(9.24)	(4.10)

C. Reconciliation of effective tax rate

	Year ended March 31, 2020		Year ended March 31, 2019	
	Rate	Amount	Rate	Amount
Profit before tax	25.17%	51.48	27.82%	404.85
Tax using the Company's domestic tax rate		12.96		112.63
Tax effect of:				
Tax effect of permanent timing difference		0.47		0.71
Tax adjustments relating to earlier years		3.50		-
Others		(2.52)		10.88
Total tax expense		14.41		124.22

D. Movement in deferred tax balances

	Year ended March 31, 2019*	Recognized in P&L	Recognized in OCI	Year ended March 31, 2020
Deferred tax assets				
Provision for employee benefits	39.04	(4.65)	9.24	34.45
Provision for bonus	11.34	11.32	-	0.02
Provision for allowance for doubtful debtors	13.61	11.07	-	2.54
Property, plant and equipment	13.56	(2.12)	-	15.68
Amortisation of security deposits	5.22	2.52	-	2.70
Trade payable - provisions	-	(28.67)	-	28.67
Other Equity- deemed equity contribution	-	(6.04)	-	6.04
Lease liabilities	-	(41.82)	-	41.82
Sub- total (a)	82.77	(58.39)	9.24	131.92
Deferred tax liabilities				
Long Term Borrowings	2.08	1.20	-	0.88
Amortisation of prepaid rent	4.63	2.37	-	2.26
Right-of-use assets	-	(39.12)	-	39.12
Other current asset - Prepaid financial guarantee	-	(2.10)	-	2.10
Trade receivable	-	(1.40)	-	1.40
Sub- total (b)	6.71	(39.05)	-	45.76
Net deferred tax asset (a-b)	76.06	(19.34)	9.24	86.16

Note: Opening balance of deferred tax assets on lease liabilities has been restated by Rs 4.88 lacs to give impact of transition to Ind AS 116 (Refer note 2(ix)).

	Year Ended March 31, 2018	Recognized in P&L	Recognized in OCI	Year ended March 31, 2019
Deferred tax assets				
Provision for employee benefits	35.75	(7.39)	4.10	39.04
Provision for bonus	20.32	8.98	-	11.34
Provision for allowance for doubtful debtors	41.27	27.66	-	13.61
Provision for doubtful supplier advances	0.13	0.13	-	-
Lease equalisation reserve	4.32	(0.56)	-	4.88
Property, plant and equipment	(1.05)	(14.61)	-	13.56
Amortisation of security deposits	3.91	(1.31)	-	5.22
Sub- total (a)	104.65	12.90	4.10	87.65
Deferred tax liabilities				
Long Term Borrowings	-	(2.08)	-	2.08
Amortisation of prepaid rent	3.41	(1.22)	-	4.63
Sub- Total (b)	3.41	(3.30)	-	6.71
Net deferred tax asset (a-b)	101.24	16.20	4.10	80.94



39 Contingent liabilities, contingent assets and commitments

a. Commitments

There are no capital or other commitments as on March 31, 2020 and March 31, 2019

b. Contingent liabilities

There are no contingent liabilities as on March 31, 2020 and March 31, 2019.

40 Leases

The company has applied Ind AS 116 with the date of initial application of April 01, 2019. As a result, the company has changed its accounting policy for lease contracts as per the accounting policy para 2(ix).

Leases as a lessee

The Company has significant leasing agreements in respect of operating leases for its various office premises & godwons. These lease arrangements are for a period between 12 months to 60 months and include both cancellable and non-cancellable leases.

Lease liabilities

The movement in lease liabilities during the year ended March 31, 2020 is as follows :

Particulars	As at March 31, 2020
Balance as at April 01, 2019	282.94
Additions	-
Finance cost accrued during the period	23.71
Payment of lease liabilities*	(140.47)
Balance as at March 31, 2020	166.18
Non-current Lease liabilities	56.71
Current Lease liabilities	109.47

*Payment of lease liabilities includes payment of principal of lease liabilities amounting of Rs. 116.76 Lacs and interest of lease liabilities amounting of Rs. 23.71 Lacs.

The details of the contractual maturities of lease liabilities as at March 31, 2020 on undiscounted basis are as follows :

Particulars	As at March 31, 2020
not later than one year	122.42
later than one year and not later than five years	61.31
later than five years	-
Total	183.73

Right-of-use assets (ROU)

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows :

Particulars	As at March 31, 2020
Balance as at April 01, 2019	282.94
Additions	-
Depreciation	(127.49)
Balance as at March 31, 2020	155.45

The rental expense recorded for short-term leases in the Statement of Profit & Loss during the year amounting to Rs. 12.57 lacs.



41 Segment information

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

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

i. Geographic information

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

a) Revenue from external customers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	10,478.89	11,873.08
Outside India	190.79	103.09
Total	10,669.68	11,976.17

b) Non-current assets

Total of non-current assets other than financial instruments, investment in subsidiaries and deferred tax assets broken down by location of the assets, is shown below:

Particulars	As at March 31, 2020	As at March 31, 2019
India	637.02	319.02
Outside India	-	-
Total	637.02	319.02

ii. Information about products and services

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

iii. Major customer

Revenue from transactions with external customer amounting to 10 per cent or more of the Company's revenue is as follows:

Client Name	As at March 31, 2020	As at March 31, 2019
Customer 1	3,357.71	2,718.78
Customer 2	1,192.74	2,588.24

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42 Employee benefits

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

(i) Defined Contribution Plans

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

	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to Provident Fund	67.86	74.87
	67.86	74.87

(ii) Defined Benefit Plan

Gratuity

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit

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

	As at March 31, 2020	As at March 31, 2019
Net defined benefit liability		
Liability for Gratuity	134.28	137.64
Total employee benefit liabilities	134.28	137.64
Non-current	132.15	136.13
Current	2.13	1.51

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

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

	Year ended March 31, 2020			Year ended March 31, 2019		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at the beginning of the year	139.66	2.02	137.64	110.20	3.91	106.29
Included in profit and loss						
- Current service cost	32.82	-	32.82	40.72	-	40.72
- Past service cost	-	-	-	-	-	-
- Interest cost	10.70	0.15	10.55	8.60	0.31	8.29
	183.18	2.17	181.01	159.52	4.22	155.30
Included in OCI						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- financial assumptions	(27.08)	-	(27.08)	2.97	-	2.97
- demographic assumptions	(0.08)	-	(0.08)	-	-	-
- experience adjustment	(9.76)	-	(9.76)	(17.83)	-	(17.83)
- Return on plan assets excluding interest income	-	(0.19)	0.19	-	(0.13)	0.13
	(36.92)	(0.19)	(36.73)	(14.86)	(0.13)	(14.73)
Other						
Contributions paid by the employer	-	10.36	(10.36)	-	4.19	(4.19)
Benefits paid	(10.05)	(9.21)	(0.84)	(5.00)	(5.00)	-
Fund management charges	-	(1.10)	1.10	-	(1.15)	1.15
Admin charges	-	(0.10)	0.10	-	(0.11)	0.11
	(10.05)	(0.05)	(10.00)	(5.00)	(2.07)	(2.93)
Balance as at the end of the year	136.21	1.93	134.28	139.66	2.02	137.64

C. Expenses recognised in the profit and loss account

	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	32.82	40.72
Net interest cost	10.55	8.29
	43.37	49.01

D. Plan assets

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

	As at March 31, 2020	As at March 31, 2019
Funds Managed by Insurer (investment with insurer)	100%	100%



E Actuarial assumptions

a) Economic assumptions

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

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.76%	7.66%
Expected rate of future salary increase	6.00%	8.00%

b) Demographic assumptions

	As at March 31, 2020	As at March 31, 2019
i) Retirement age (years)	58	58
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012- Withdrawal rate (%)	100% of IALM (2006- Withdrawal rate (%)
iii) Ages	External/Internal	External/Internal
Upto 30 years	2.32/1.22%	2.32/1.22%
From 31 to 44 years	1.77/0.90%	1.77/0.90%
Above 44 years	0.14/0.06%	0.14/0.06%

F. Sensitivity analysis

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

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

	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(11.43)	12.72	(11.50)	11.85
Expected rate of future salary increase (0.5% movement)	12.75	(11.56)	11.75	(11.51)

G. Description of Risk Exposures

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

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

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

Particulars	March 31, 2020	March 31, 2019
Duration of defined benefit obligation		
Less than 1 year	2.13	1.71
Between 1-2 years	1.88	1.36
Between 2-5 years	9.53	5.89
Over 5 years	122.67	130.70
Total	136.21	139.66

Expected contributions for the next annual reporting period as at March 31, 2020: Rs 50.96 lakhs (March 31, 2019: Rs 61.63 lakhs).

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 22.17 years (March 31, 2019: 22.33 years).

(ii) Other long-term employee benefits:

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



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

	As at March 31, 2020	As at March 31, 2019
Defined benefit liability		
Liability for leave encashment	2.61	2.51
Total employee benefit liabilities	2.61	2.51
Non-current	2.57	2.48
Current	0.04	0.03

B. **Movement in net defined benefit liability**

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

	Year ended March 31, 2020	Year ended March 31, 2019
Balance as at the beginning of the period	2.51	1.66
Not considered in last year	-	-
Included in profit or loss		
Current service cost	1.06	1.14
Fund management charges	-	-
Admin charges	-	-
Received from LIC against Provision	-	-
Interest cost (income)	0.19	0.13
	3.76	2.93
- Actuarial loss (gain) arising from:		
- financial assumptions	(0.49)	0.06
- demographic assumptions	-	(0.01)
- experience adjustment	(0.66)	(0.18)
-Return on plan assets excluding interest income	-	-
	(1.15)	(0.13)
Other		
Contributions paid by the employer	-	-
Benefits paid	-	(0.29)
	-	(0.29)
Balance as at the end of the period	2.61	2.51

C. **Expenses recognised in the profit and loss account**

	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	1.06	1.14
Actuarial (gain)/loss	(1.15)	(0.13)
Net interest cost	0.19	0.13
	0.10	1.14

D. **Actuarial assumptions**

a) **Economic assumptions**

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

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.76%	7.66%
Expected rate of future salary increase	6.00%	8.00%

b) **Demographic assumptions**

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

	Year ended March 31, 2020	Year ended March 31, 2019
	58	58
100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2006-08)
Withdrawal rate (%)	Withdrawal rate (%)	Withdrawal rate (%)
	Nil	Nil
	2.23%	2.23%
	0.00%	0.00%



E. Sensitivity analysis

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

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

	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(0.19)	0.21	(0.19)	0.21
Expected rate of future salary increase (0.5% movement)	0.21	(0.19)	0.20	(0.19)

F. Description of Risk Exposures

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

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

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

Particulars	March 31, 2020	March 31, 2019
Duration of defined benefit obligation		
Less than 1 year	0.04	0.03
Between 1-2 years	0.05	0.05
Between 2-5 years	0.12	0.13
Over 5 years	2.40	2.30
Total	2.61	2.51

Expected contributions for the next annual reporting period as at March 31, 2020: Rs. 1.19 lacs (March 31, 2019: Rs. 1.10 lacs).
The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 17.80 years (March 31, 2019: 18.08 years).

43 Related parties

A. List of related parties

(i) Related parties where control exists:

a) Holding company

Name of the company	Type	Place of incorporation	Ownership interest	
			March 31, 2020	March 31, 2019
CL Educate Limited	Immediate and ultimate parent entity	India	100%	100%

b) Subsidiary company

Name of the company	Type	Place of incorporation	Ownership interest	
			March 31, 2020	March 31, 2019
Kestone CL Asia Hub Pte Limited (Formerly known as Kestone Asia Hub Pte Limited)	Direct	Singapore	100%	100%
Kestone CL US Limited	Indirect	USA	100%	100%

(ii) Other related parties with whom transactions have taken place:

c) Key Managerial Personnel (KMP)

Mr. Gautam Puri, Non-Executive Director
Mr. Nikhil Mahajan, Non-Executive Director

d) Fellow subsidiaries

CL Media Private Limited
G K Publications Private Limited
Career Launcher Education Infrastructure and Services Limited
Accendere Knowledge Management Services Private Limited
Career Launcher Infrastructure Private Limited
Ice Gate Educational Institute Private Limited

e) Enterprises in which key management personnel and their relatives having control and significant influence

Career launcher Education Foundation, India



B. Transactions with the above in the ordinary course of business

	Year ended March 31, 2020	Year ended March 31, 2019
a. Rendering of services		
Holding company		
- CL Educate Limited	-	35.65
- Marketing and sales services	117.32	72.84
- Online marketing support services	15.80	8.00
- Managed Manpower Services		
Subsidiary		
- Kestone CL Asia Hub Pte Ltd	381.59	16.96
- Marketing and sales services		
Fellow subsidiary		
- CL Media Private Limited	84.16	25.26
- Marketing and sales services	0.87	0.60
- Online marketing support services		
b. Interest income on loans given		
Fellow subsidiary		
- CL Media Private Limited	-	4.24
Subsidiary company		
- Kestone CL Asia Hub Pte Limited	9.39	17.55
Enterprises over which key managerial personnel exercise significant influence		
- Career Launcher Education Foundation	-	5.09
c. Repayment received of unsecured loans given		
Fellow subsidiary		
- CL Media Private Limited	-	45.07
d. Debit notes/Invoices received for expenses incurred/Services rendered by related parties on behalf of Company		
Holding company		
- CL Educate Limited	58.90	79.55
Fellow subsidiary		
- CL Media Private Limited	4.69	323.80
e. Amount incurred on behalf of		
Holding company		
- CL Educate Limited	71.46	39.19
Subsidiary company		
- Kestone CL US Limited	12.00	-
f. Loan converted into Investment made during the year		
Subsidiary company		
- Kestone CL Asia Hub Pte Limited#	223.68	-
g. Repayment of Interest		
Fellow subsidiary		
- CL Media Private Limited	-	5.10
h. Amount Incurred in relation to share option cost for the employees of the company		
Holding company		
- CL Educate Limited	2.16	4.70



C. Balances outstanding as at year end

a. Trade Receivable

	As at March 31, 2020	As at March 31, 2019
Enterprises over which key managerial personnel exercise significant influence		
- Career Launcher Education Foundation	-	75.28
Holding company		
- CL Educate Limited	607.93	821.97
Fellow subsidiary		
- CL Media Private Limited	133.78	50.30
- Career Launcher Education Infrastructure and Services Limited	17.50	
Subsidiary company		
- Kestone CL Asia Hub Pte Limited	439.96	16.96

b. Interest accrued but not due on loans given:

Enterprises over which key managerial personnel exercise significant influence		
- Career Launcher Education Foundation	34.79	34.63
Subsidiary company		
- Kestone CL Asia Hub Pte Limited	80.37	69.75

c. Receivable against expenses incurred on behalf of related parties:

Holding company		
- CL Educate Limited	122.86	46.65

d. Other receivable**:

Holding company		
- CL Educate Limited	28.89	-

d. Current loan:

Enterprises over which key managerial personnel exercise significant influence		
-Career Launcher Education Foundation	40.70	40.70
Subsidiary company		
- Kestone Asia Hub Pte Limited#	-	219.35

e. Trade payables

Holding company		
- CL Educate Limited	0.38	59.74

f. Advances to suppliers

Fellow subsidiary		
- CL Media Private Limited	9.07	14.52
- Accendere Knowledge Management Services Private Limited	-	0.53

Subsidiary company		
- Kestone CL US Limited	12.00	-

g. Guarantees against loan taken by the Company

Holding company		
- CL Educate Limited	1,850.00	1,450.00

h. Guarantees given by promoters

a. The Loan from Tata Capital is further secured by personal guarantees of directors of the company i.e. by, Mr. Gautam Puri and Mr. Nikhil Mahajan. Aggregate amount of loans guaranteed by directors of the Company as at year end Rs. 750.00 lacs (March 31, 2019: Rs. 750 lacs).

b. The cash credit facility and Loan from Northern Arc is further secured by personal guarantees of directors of the company i.e. by, Mr. Gautam Puri and Mr. Nikhil Mahajan.



Terms and conditions of transactions with the related parties:

- 1) All transactions of rendering of services & other with these related parties are priced on an arm's length basis and resulting outstanding balances are to be settled in cash. None of the balances are secured.
- 2) The principal amount of loan outstanding to Kestone Asia Hub Pte Limited carry a variable interest as agreed between both the parties from time to time. The current rate of interest is 8% respectively.

** The loan given to Nalanda foundation which has been trasferred to CL Educate Limited, during the year.

During the year no fresh loan has been given. Loan which was given to Kestone CL Asia Hub Pte Ltd. for Rs. 223.68 lakhs has been converted into investment during the year. Difference is due to the forex reinstatement.

44 Corporate Social Responsibility

As the company is ceases to be covered under sub-section (1) of section 135 of the Act for the three consecutive financial years (FY 2016-17, 2017-18 & 2018-19), it shall no longer to be required to-

- (a) constitute a CSR Committee; and
- (b) comply with the provisions contained in sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of section 135.

Hence, the Company was not required to spend any amount as on March 31, 2020. However, the Company has followed the practice of carrying forward the CSR funds remaining unspent in any particular year. On this basis, the cumulative amount that remained to be spent on CSR activities, as on March 31, 2020, was Rs. 56.45 lacs. The company spent on the expenditure related to the corporate social responsibility as per the Section 135 of the Act, read with Schedule VII thereof during the year ending March 31, 2020 Rs. Nil out of Rs. 56.45 lacs on prescribed CSR activities. 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.

	Year ended March 31, 2020	Year ended March 31, 2019
Amount required to be spent as per Section 135 of the Act	-	14.81
Shortfall amount of previous years	56.45	41.64
Total (A)	56.45	56.45
Amount spent during the year (B)	-	-
Shortfall carried forward to next year (A-B)	56.45	56.45

- 45 There are no outstanding dues payable to micro and small enterprises as at March 31, 2020 as registered under the Micro, Small and Medium Enterprise Development Act 2006. The micro and small enterprises has been indentified by the Management based on the information available with the Company.



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46. Fair value measurement and financial instruments

a. Financial instruments - by category and fair values hierarchy

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

i. As on March 31, 2020

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Security deposits	-	-	37.12	37.12	-	-	37.12
Other Financial Assets	-	-	554.69	554.69	-	-	-
Current							
Trade receivables	-	-	2,707.21	2,707.21	-	-	-
Cash and cash equivalents	-	-	8.62	8.62	-	-	-
Bank balances other than cash and cash equivalents	-	-	240.82	240.82	-	-	-
Loans and security deposits	-	-	126.77	126.77	-	-	-
Other financial assets	-	-	381.85	381.85	-	-	-
Total	-	-	4,057.08	4,057.08	-	-	37.12
Financial liabilities							
Non-current							
Borrowings	-	-	274.78	331.49	-	-	-
Lease liabilities	-	-	56.71	56.71	-	-	56.71
Current							
Borrowings	-	-	482.48	482.48	-	-	-
Trade payables	-	-	2,011.36	2,011.36	-	-	-
Lease liabilities	-	-	109.47	109.47	-	-	109.47
Other financial liabilities	-	-	423.96	423.96	-	-	-
Total	-	-	3,358.76	3,415.47	-	-	166.18

ii. As on March 31, 2019

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Security deposits	-	-	59.59	59.59	-	-	59.59
Other financial assets	-	-	175.00	175.00	-	-	-
Current							
Trade receivables	-	-	4,120.61	4,120.61	-	-	-
Cash and cash equivalents	-	-	79.44	79.44	-	-	-
Bank balances other than cash and cash equivalents	-	-	799.65	799.65	-	-	-
Loans and security deposit	-	-	319.52	319.52	-	-	-
Other financial assets	-	-	827.29	827.29	-	-	-
Total	-	-	6,381.10	6,381.10	-	-	59.59
Financial liabilities							
Non-current							
Borrowings	-	-	525.87	525.87	-	-	-
Current							
Borrowings	-	-	1,393.25	1,393.25	-	-	-
Trade payables	-	-	2,113.58	2,113.58	-	-	-
Other financial liabilities	-	-	606.52	606.52	-	-	-
Total	-	-	4,639.22	4,639.22	-	-	-

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

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

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

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2020 and March 31, 2019.



Valuation techniques and processes

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

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

Valuation technique used to determine fair value

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

b. Financial risk management

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

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

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

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



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b. Financial risk management (continued)

(i) Credit risk

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

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	2,707.21	4,120.61
Cash and cash equivalents	8.62	79.44
Balances other than cash and cash equivalents	240.82	799.65
Loans	163.89	379.11
Other financial assets	936.54	1,002.29

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

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

Trade receivables

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

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

The gross carrying amount of trade receivables is Rs. 2,717.29 lakhs (March 31, 2019 Rs. 4,169.54 lakhs). Trade receivables are generally realised within the credit period.

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

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

Particulars	Gross carrying amount	
	As at March 31, 2020	As at March 31, 2019
1-90 days past due	2,155.82	3,066.36
91 to 180 days past due	81.19	414.62
More than 180 days past due	480.28	688.56
	2,717.29	4,169.54

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

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	48.93	120.11
Impairment loss reversed	(38.85)	(71.18)
Balance at the end	10.08	48.93

Movement in the allowance for impairment in respect of contract asset:

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	-	-
Impairment loss recognised	0.23	-
Balance at the end	0.23	-



b. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of Rs. 249.44 lakhs as at March 31, 2020 (March 31, 2019: Rs. 879.09 lakhs) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at March 31, 2020	Carrying amount	Contractual cash flows			
		Total	Less than one year	Between one year and five years	More than 5 years
Borrowings					
Vehicle loan From Banks*	12.58	13.88	5.94	7.94	-
Term Loan from Financial Institutions*	522.64	588.71	298.84	289.87	-
Cash credit from banks	482.48	482.48	482.48	-	-
Trade payables	2,011.36	2,011.36	2,011.36	-	-
Employees related payables	150.63	150.63	150.63	-	-
Receipts on behalf of clients	12.89	12.89	12.89	-	-
Total	3,192.58	3,259.95	2,962.14	297.81	-

*Includes future cash outflow towards estimated interest on borrowings

**For contractual maturities of lease liabilities as at March 31, 2020 on undiscounted basis (Refer Note 40).

As at March 31, 2019	Carrying amount	Contractual cash flows			
		Total	Less than one year	Between one year and five years	More than 5 years
Borrowings					
-From banks					
Vehicle loans*	17.23	19.82	5.94	13.88	-
Term Loan from Tata Capital*	743.22	889.79	301.09	588.70	-
Unsecured Loan from Northern Arc*	143.16	147.41	147.41	-	-
Cash credit from banks	979.35	979.35	979.35	-	-
Overdraft from ICICI	271.77	271.77	271.77	-	-
Trade payables	2,113.58	2,113.58	2,113.58	-	-
Employees related payables	95.27	95.27	95.27	-	-
Receipts on behalf of clients	275.64	275.64	275.64	-	-
Total	4,639.22	4,792.63	4,190.05	602.58	-

*Includes future cash outflow towards estimated interest on borrowings



B. Financial risk management (continued)

(iii) Market risk

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

Currency risk

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

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2020 and March 31, 2019 are as below:

Particulars	March 31, 2020							
	USD	Amount in INR	SGD	Amount in INR	AUD	Amount in INR	GBP	Amount in INR
Financial assets								
Trade receivables	1.03	77.49	0.36	18.88	-	-	-	-
Other receivables	-	-	1.56	80.37	-	-	-	-
	1.03	77.49	1.92	99.25	-	-	-	-
Financial liabilities								
Trade payables	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Net exposure in respect of recognised assets and liabilities	1.03	77.49	1.92	99.25	-	-	-	-

Particulars	March 31, 2019							
	USD	Amount in INR	SGD	Amount in INR	AUD	Amount in INR	GBP	Amount in INR
Financial assets								
Trade receivables	0.54	37.23	0.38	19.15	-	-	-	-
Other receivables	-	-	5.70	289.10	-	-	-	-
	0.54	37.23	6.08	308.25	-	-	-	-
Financial liabilities								
Trade payables	0.54	37.57	-	-	0.05	2.66	0.07	5.96
	0.54	37.57	-	-	0.05	2.66	0.07	5.96
Net exposure in respect of recognised assets and liabilities	(0.00)	(0.34)	6.08	308.25	(0.05)	(2.66)	(0.07)	(5.96)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2020 and March 31, 2019, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
Year ended March 31, 2020				
USD	0.77	(0.77)	0.58	(0.58)
SGD	0.99	(0.99)	0.74	(0.74)
Total	1.76	(1.76)	1.32	(1.32)
Year ended March 31, 2019				
USD	(0.00)	0.00	(0.00)	0.00
SGD	3.08	(3.08)	2.22	(2.22)
AUD	(0.03)	0.03	(0.02)	0.02
GBP	(0.06)	0.06	(0.04)	0.04
Total	2.99	(2.99)	2.16	(2.16)

USD: United States Dollar, SGD: Singapore Dollar, AUD: Australian Dollar, GBP : Great Britain Pound



B. Financial risk management (continued)

Interest rate risk

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

Exposure to interest rate risk

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

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

Particulars	As at March 31, 2020	As at March 31, 2019
Cash credit from bank	482.48	979.35
Loan from NBFC	-	142.13
Total	482.48	1,121.48

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on CC Limit from Bank				
Year ended March 31, 2020	4.77	(4.77)	3.57	(3.57)
Year ended March 31, 2019	5.10	(5.10)	3.68	(3.68)

47 Capital management

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

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

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

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	1,017.70	2,154.73
Less : Cash and cash equivalent	249.44	879.09
Adjusted net debt (A)	768.26	1,275.64
Total equity (B)	3,665.95	3,571.93
Adjusted net debt to adjusted equity ratio (A/B)	20.96%	35.71%



48 COVID-19

Due to spread of 'COVID-19' pandemic the Government imposed a nationwide lockdown and other restrictions on movement with effect from March 25, 2020. Consequently, the Company's offices were closed, but business operations continued uninterrupted.

The company has drawn projected cash flow for the next one year, based on certain assumptions and have concluded that the Company will have sufficient liquidity to continue its operations. There are possibility of delays in case of customers which are taken care by Expected Credit Loss Model (ECL).

In assessing the recoverability of its current assets including trade receivables, loan and advances, the Company has considered internal and external information up to the date of approval of these financial statements, and has performed sensitivity analysis on the assumptions based on current indicators of the future economic conditions and considered the same in preparing these financial statements. The Company is confident of recovering the carrying amount of these assets.

However, the impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the management will continue to closely monitor any material changes to future economic conditions.

49 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

50 The Board of Directors of the Company in its meeting held on November 27, 2018 has approved a 'Scheme of Arrangement ('the Scheme') for amalgamation of the Company into CL Educate Limited, the Holding Company with effect from the appointed date and upon the Scheme becoming effective. An application under Regulation 37 of the SEBI (LODR) Regulations, 2015 was filed with the National Stock Exchange of India Limited ("NSE") and BSE Ltd. ("BSE"), for the proposed amalgamation of the Company, CL Media Private Limited, Accendre Knowledge Management Services Private Limited, Career Launcher Education Infrastructure & Services Private Limited and G.K. Publications Private Limited ("Amalgamating Company") and CL Educate Limited ("Amalgamated Company"). The scheme will be effective upon approval from National Company Law Tribunal (NCLT). The appointed date as per the Scheme is April 01, 2019.

51 Previous year's notes/ figures have been regrouped / rearranged as per the current year's presentation for the purpose of comparability.

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



Manoj Daga
Partner
Membership No.:048523

Place: Mumbai
Date: June 29, 2020



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



Gautam Puri
Director
DIN: 00033548

Place: New Delhi
Date: June 29, 2020



Nikhil Mahajan
Director
DIN: 00033404