

**HARIBHAKTI & CO. LLP**

Chartered Accountants

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**Kestone Integrated  
Marketing Services Private  
Limited**

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**Statutory Audit for the year  
ended March 31, 2014**

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## INDEPENDENT AUDITORS' REPORT

To

The Members of Kestone Integrated Marketing Services Private Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Kestone Integrated Marketing Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

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


- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

  
Raj Kumar Agarwal  
Partner  
Membership No. 074715



Place: New Delhi  
Date: August 11, 2014

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Kestone Integrated Marketing Services Private Limited on the financial statements for the year ended March 31, 2014]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) The Company is a service Company engaged in the business of providing manpower, event management and infrastructure services. Accordingly, the provisions of clause (ii) of paragraph 4 of the Order are not applicable to the Company.
- (iii) (a) The Company has granted unsecured loan to three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 32,570,000 and the balance as at year end was ₹ 13,661,000.
- (b) In our opinion and according to the information and explanation given to us, rate of interest and other terms and conditions of loans granted to parties covered in the register maintained under section 301 of the Companies Act, 1956, are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of the above loans, the principal and interest are not yet due for repayment as per the terms of agreements.
- (d) There is no overdue amount in excess of Rs. 100,000 in respect of loans granted to parties listed in the register maintained under Section 301 of the Act.
- (e) The Company has not taken loan from any party covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clause (iii)(e), (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase fixed assets and sale of services *except for services related to event management*.

*In our opinion and according to the information and explanations given to us, the internal control system with regard to the sale of services related to event management need to be strengthened to be commensurate with the size of the Company and nature of its business.*

During the course of our audit, *except for continuing failure to correct major weakness in internal control system of the Company with regard to sale of services related to event management*, we have not observed any continuing failure to correct major weakness in the aforesaid internal control system of the Company.

There are no transactions with respect to sale of goods and purchase of inventory.



(v) (a) According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, in respect of transactions made in pursuance of contracts or arrangements entered aggregating ₹ 500,000 or more in value, the prices are not comparable since similar transactions have not been undertaken with any other party not covered under section 301 of the Act.

Unsecured loans granted to parties covered in the register maintained under section 301 of the Act, are dealt with in paragraphs (iii)(a), (iii)(b), (iii)(c) and (iii)(d) above.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) *The system of Internal Audit of the Company needs to be strengthened to be commensurate with the size and nature of its business.*

(viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the business activities of the Company.

(ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax and service tax and other statutory dues applicable to it.

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

As informed to us, investor education and protection fund, wealth-tax, customs duty, excise duty and cess are currently not applicable to the Company.

(b) According to the information and explanation given to us and records of the Company, dues outstanding in respect of Income tax which have not been deposited on account of any dispute are as follows.

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand	628,160	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)

As informed to us, Investor Education and Protection Fund, Wealth tax, Customs duty, Excise duty, cess are currently not applicable to the Company.

(x) The Company has no accumulated losses at the end of the financial year. Further, the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayments of dues to bank. The Company has not taken any loan from financial institutions. The Company has not issued any debentures.



# HARIBHAKTI & CO. LLP

Chartered Accountants

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause (xii) of paragraph 4 of the Order are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the security given by the company, for loans taken by one of the fellow subsidiary from banks during the year, are prima-facie not prejudicial to the interest of the company.
- (xvi) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year. Accordingly, the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the Company.
- (xx) The Company has not raised money by way of public issue during the year. Accordingly, the provisions of clause (xx) of paragraph 4 of the Order are not applicable to the Company.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Raj Kumar Agarwal

Partner

Membership No. 074715



Place: New Delhi

Date: August 11, 2014

**Kestone Integrated Marketing Services Private Limited**  
**Balance Sheet as at March 31, 2014**

	Note	March 31, 2014	(Amount in ₹) March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	10,000,000	10,000,000
Reserves and surplus	4	113,466,376	80,469,556
		<u>123,466,376</u>	<u>90,469,556</u>
<b>Non-current liabilities</b>			
Long term borrowings	5	3,000,900	6,628,718
Long-term provisions	6	5,094,998	5,287,818
		<u>8,095,898</u>	<u>11,916,536</u>
<b>Current liabilities</b>			
Short term borrowings	7	42,091,268	20,897,770
Trade payables	8	50,246,165	29,684,274
Other current liabilities	9	111,671,497	99,504,620
Short-term provisions	6	82,871	281,085
		<u>204,091,801</u>	<u>150,367,749</u>
<b>TOTAL</b>		<u><u>335,654,075</u></u>	<u><u>252,753,841</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	13,604,913	14,758,843
Intangible assets	11	1,196,847	622,453
Non current Investment	12	665,692	-
Deferred tax asset (net)	13	401,336	573,804
Long term loans and advances	14	51,420,929	36,635,026
		<u>67,289,717</u>	<u>52,590,126</u>
<b>Current assets</b>			
Trade receivables	15	157,925,404	111,834,239
Cash and bank balances	16	38,560,818	21,106,539
Short term loans and advances	17	20,894,476	30,619,213
Other current assets	18	50,983,660	36,603,724
		<u>268,364,358</u>	<u>200,163,715</u>
<b>TOTAL</b>		<u><u>335,654,075</u></u>	<u><u>252,753,841</u></u>
Summary of significant accounting policies	2		

The notes form an integral part of the financial statements.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Raj Kumar Agarwal  
Partner

Membership No. :074715



For and on behalf of board of directors of

Kestone Integrated Marketing Services Private Limited

Gautam Puri  
Director

Nikhil Mahajan  
Director

Place: New Delhi  
Date: August 11, 2014

Place: New Delhi  
Date: August 11, 2014

**Kestone Integrated Marketing Services Private Limited**  
**Statement of Profit and Loss for the Year Ended March 31, 2014**

	Note	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
<b>Income</b>			
Revenue from operations	19	758,283,830	638,126,989
Other income	20	7,301,906	4,175,715
<b>Total revenue</b>		<b>765,585,736</b>	<b>642,302,704</b>
<b>Expenses</b>			
Employee benefits expense	21	407,499,157	420,371,129
Finance cost	22	7,261,393	6,613,057
Depreciation and amortization expenses	23	4,011,398	5,533,703
Other expenses	24	297,071,164	171,450,220
<b>Total expenses</b>		<b>715,843,112</b>	<b>603,968,109</b>
<b>Profit before prior period items &amp; tax</b>		<b>49,742,624</b>	<b>38,334,595</b>
Prior period (income)/expense (net)	25	(344,212)	-
<b>Profit before tax</b>		<b>50,086,836</b>	<b>38,334,595</b>
Tax expense			
a. Current tax		15,733,000	11,850,000
b. Deferred tax charge/ (benefit)	13	172,468	(374,738)
c. Tax for earlier years		1,184,548	4,695,726
<b>Total tax expense</b>		<b>17,090,016</b>	<b>16,170,988</b>
<b>Profit for the year</b>		<b>32,996,820</b>	<b>22,163,607</b>
<b>Earning per share (in ₹)</b>			
(nominal value of ₹ 10 per share)	30	33.00	22.16
-Basic and diluted			

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

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

Raj Kumar Agarwal  
Partner  
Membership No. :074715

For and on behalf of board of directors of  
Kestone Integrated Marketing Services Private Limited

Gautam Puri  
Director

Nikhil Mahajan  
Director

Place: New Delhi  
Date: August 11, 2014

Place: New Delhi  
Date: August 11, 2014



**Kestone Integrated Marketing Services Private Limited**  
**Cash Flow Statement for the Year Ended March 31, 2014**

(Amount in ₹)

	Year ended March 31, 2014	Year ended March 31, 2013
<b>Cash flows from operating activities</b>		
Net profit before tax and prior period items	49,742,624	38,334,595
Adjustments for:		
Depreciation and amortization	4,011,398	5,533,703
Finance cost	7,261,393	6,613,057
Loss on sale of assets (net)	-	1,118
Prior period income	(344,212)	-
Non cash prior period income	344,212	-
Fixed assets written off	-	54,330
Bad debts written off	307,425	772,003
Balances written back	-	(681,805)
Provision for doubtful receivables	339,029	-
Miscellaneous Balances written off	679,905	-
Interest income	(6,297,707)	(3,427,527)
Unrealised forex loss/(gain)	70	(129,267)
	<u>56,044,137</u>	<u>47,070,207</u>
<b>Movement in assets and liabilities, net</b>		
Adjustments for changes in working capital:		
(Increase)/ decrease in trade receivables	(46,737,619)	6,356,015
(Increase)/ decrease in long term loans and advances	(999,880)	316,894
(Increase)/ decrease in short term loans and advances	(484,026)	4,508,545
(Increase)/decrease in other current assets	(10,045,898)	17,005,130
Increase/(decrease) in trade payables	20,561,891	8,398,229
Increase/(decrease) in other current liabilities	12,779,692	(26,972,053)
Increase/(decrease) in long term provisions	(192,820)	3,233,341
Increase/(decrease) in short term provisions	(198,214)	105,638
	<u>(25,316,873)</u>	<u>12,951,739</u>
<b>Cash flow from operations</b>	<u>30,727,264</u>	<u>60,021,945</u>
Less: Taxes paid (net of refund, including interest on refund)	30,703,571	14,236,087
<b>Net cash generated from operating activities (A)</b>	<u>23,693</u>	<u>45,785,859</u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(3,431,862)	(14,674,694)
Proceeds from sale of fixed assets	34,000	13,000
Investment in subsidiary	(665,692)	-
Fixed deposits made	(35,478,030)	(14,134,876)
Proceeds from maturity of fixed deposits	14,134,876	11,130,437
Loans given to related parties	(9,070,000)	(20,800,000)
Repayments received	18,909,000	-
Interest income received	1,963,669	1,358,257
<b>Net cash used in investing activities (B)</b>	<u>(13,604,039)</u>	<u>(37,107,876)</u>
<b>Cash flows from financing activities</b>		
Proceeds from short term borrowings	21,193,498	(11,666,379)
Proceeds from long term borrowings	-	11,500,000
Repayments of short term borrowings	-	(983,787)
Repayments of long term borrowings	(4,184,920)	(733,514)
Finance cost paid	(7,317,107)	(7,267,586)
<b>Net cash generated from /(used in) financing activities (C)</b>	<u>9,691,471</u>	<u>(9,151,266)</u>



**Kestone Integrated Marketing Services Private Limited**  
**Cash Flow Statement For The Year Ended March 31, 2014**

Net (decrease)/ increase in cash and cash equivalents (D)= (A) + (B) + (C)	(3,888,875)	(473,283)
Beginning of the year (E)	6,971,663	7,444,946
<b>End of the year (F)= (D) + (E)</b>	<b>3,082,788</b>	<b>6,971,663</b>
Deposits with original maturity for more than three months but realizable within twelve months from Balance Sheet date (G) (Refer note 16)	35,478,030	14,134,876
Deposits with maturity of more than twelve months from Balance Sheet date (H) (Refer note 16)	-	-
<b>Cash and bank balances as per balance sheet (I) = (F) + (G) - (H)</b>	<b>38,560,818</b>	<b>21,106,539</b>
Summary of significant accounting policies (Refer note 2)		

- i. The notes form an integral part of the financial statements.
- ii. The above cash flow statement has been prepared under the indirect method set out in AS-3 of the Companies (Accounting Standard) Rules, 2006 (as amended).

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

*Raj Kumar Agarwal*  
 Raj Kumar Agarwal  
 Partner  
 Membership No. :074715

For and on behalf of board of directors of  
 Kestone Integrated Marketing Services Private Limited

*Gautam Puri*  
 Gautam Puri  
 Director

*Nikhil Mahajan*  
 Nikhil Mahajan  
 Director

Place: New Delhi  
 Date: August 11, 2014

Place: New Delhi  
 Date: August 11, 2014

## 1. BACKGROUND

Kestone Integrated Marketing Services Private Limited ("the Company") was incorporated on February 03, 1997 under the Companies Act, 1956. The Company is a wholly owned subsidiary of CL Educate Limited (formerly known as Career Launcher (India) Limited). The Company is engaged in the business of providing manpower, event management, infrastructure support services and pass through transactions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (i) Basis for preparation of Financial Statements:

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

### (ii) Use of estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in future, actual results ultimately may differ from the estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### (iii) Operating cycle

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of The Companies Act, 1956. Based on the above criteria, the Company has ascertained its operating cycle as twelve months for the purpose of current/noncurrent classification of assets and liabilities.

### (iv) Revenue recognition

The Company derives its revenue from event management services, managed manpower services, infrastructure services and pass through transactions.

Revenue for event management service is recognised on completion of respective service, as per terms of respective agreement.

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

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

Pass through revenue arises on account of facility provided to customers, in which the company facilitates receipt of various services/goods to customers from various vendors by acting as a key vendor for the client. Revenue is recognized on the value of invoicing done to customer for the services/goods.

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

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

Income from interest is recognised on a time proportion basis.



**Kestone Integrated Marketing Services Private Limited**  
**Notes to the Financial Statements for the Year Ended March 31, 2014**

(v) Fixed Assets

*Tangible Assets*

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

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

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

*Intangible Assets*

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

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

(vi) Depreciation / Amortisation

Depreciation and amortisation has been calculated on Straight Line Method, based on useful life as estimated by the management estimates, which are equal to or higher than the rates specified as per schedule XIV of the Companies Act, 1956, which in the opinion of the management are reflective of the estimated useful lives of the Fixed Assets :-

Particulars	Useful life (years)
<b>Tangible Assets:</b>	
Furniture and fittings	10
Office equipment	10
Vehicle	10
Computer equipment	5
<b>Intangible Assets:</b>	
Software	5

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

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



**Kestone Integrated Marketing Services Private Limited**  
**Notes to the Financial Statements for the Year Ended March 31, 2014**

(vii) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

(viii) Borrowing cost

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

(ix) Foreign exchange transactions

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

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

Translation of integral and non integral foreign operations

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

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

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

(x) Employee Benefits

(a) 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 and bonus etc are recognized in the statement of profit and loss in the period in which the employee renders the related service.



**Kestone Integrated Marketing Services Private Limited**  
**Notes to the Financial Statements for the Year Ended March 31, 2014**

(b) Long term employee benefits:

(i) Defined contribution plans:

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 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 the portion of Employees Deposit Linked Insurance (EDLI), where a policy is taken from Life Insurance Corporation. These contributions are made to the fund administered and managed by the Government of India.

Employee State Insurance:

Employees whose wages/salaries are within the prescribed limits in accordance with the Employees State Insurance Act, 1948, are covered within this scheme. These contributions are made to the fund administered and managed by the Government of India.

The Company's contributions to these schemes are expensed off in the statement of profit and loss. The Company has no further obligations under these plans beyond its monthly contributions.

(ii) Defined benefit plans: Gratuity

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

(iii) Other long term benefits- Leave encashment

Benefits under the Company's leave encashment scheme constitute other employee benefits which are provided to the employees for 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 year. Actuarial gain and losses are recognized immediately in the statement of profit and loss.

(xi) Leases

*Where the Company is lessee*

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



**Kestone Integrated Marketing Services Private Limited**  
**Notes to the Financial Statements for the Year Ended March 31, 2014**

A leased asset is depreciated on a straight-line basis over the useful life of the asset as estimated by the management or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term and the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

*Where the Company is the lessor*

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

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

(xii) **Investments**

**Accounting treatment**

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

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

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

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

*Classification in the financial statements as per requirements of Revised Schedule VI*

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



**Kestone Integrated Marketing Services Private Limited**  
**Notes to the Financial Statements for the Year Ended March 31, 2014**

(xiii) Cash and cash equivalents

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

(xiv) Accounting for taxes on Income

Tax expense and benefits for the year comprising current tax and deferred tax is included in determining the net profit/loss for the year.

*Current Tax*

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

*Deferred Tax*

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

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

*Minimum Alternate tax (MAT)*

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

(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 year. The weighted average numbers of equity shares outstanding during the year 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 year 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 year, unless they have been issued at a later date.





**Kestone Integrated Marketing Services Private Limited**  
**Notes to the Financial Statements for the Year Ended March 31, 2014**

(xvi) Provisions, Contingent Liabilities and Contingent Assets:

*Provision*

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

*Contingent liabilities*

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

*Contingent assets*

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

(xvii) Material events

Material Events occurring after the Balance Sheet date and the date of signing of the financials are taken into cognizance.

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**Kestone Integrated Marketing Services Private Limited**  
**Notes to the Financial Statements for the Year Ended March 31, 2014**

**3. Share capital**

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

Particulars	March 31, 2014		March 31, 2013	
	Numbers	Amount in ₹	Numbers	Amount in ₹
<b>Authorised Shares</b>				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	1,000,000	10,000,000	1,000,000	10,000,000
<b>Issued, subscribed and fully paid up shares</b>				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	1,000,000	10,000,000	1,000,000	10,000,000

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

Particulars	March 31, 2014		March 31, 2013	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,000,000</b>	<b>10,000,000</b>	<b>1,000,000</b>	<b>10,000,000</b>

**b) Terms/rights attached to equity share**

**Voting**

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

**Dividends**

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

**Liquidation**

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

**c) Shares held by the holding Company / ultimate holding Company and/or their associates/ subsidiaries and shareholders holding more than 5% shares in the Company.**

The Company is a wholly owned subsidiary of CL Educate Limited contributing to 100% of the share capital of the Company either directly or through their nominees.

Name of the share holders	March 31, 2014		March 31, 2013	
	Numbers	% held	Numbers	% held
Equity share of ₹ 10 each, fully paid				
CL Educate Limited and its nominees <sup>(foot note a)</sup>	1,000,000	100.00	1,000,000	100.00
	<b>1,000,000</b>	<b>100.00</b>	<b>1,000,000</b>	<b>100.00</b>

Foot note a: None of the nominees individually own more than 5% of the total shares issued by the Company.

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



4. Reserves and surplus

Surplus in the Statement of Profit and Loss

	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Opening balance	80,469,556	58,305,949
Add: Profit after tax for the year from the Statement of Profit and Loss	32,996,820	22,163,607
<b>Total Reserves and surplus</b>	<b>113,466,376</b>	<b>80,469,556</b>

5. Long term borrowings

	(Amount in ₹)			
	Non current portion		Current maturities	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Unsecured term loans				
From bank	1,274,958	2,641,346	1,366,387	1,148,475
From Non Banking Finance Companies (NBFCs)*	1,725,942	3,987,372	2,214,283	2,989,297
	<b>3,000,900</b>	<b>6,628,718</b>	<b>3,580,670</b>	<b>4,137,772</b>
Amount disclosed under the head Other current liabilities ( Refer note 9)			(3,580,670)	(4,137,772)
<b>Net amount</b>	<b>3,000,900</b>	<b>6,628,718</b>	<b>-</b>	<b>-</b>

\* Personal guarantee by Mr. Nikhil Mahajan (Director of the Company).

	Year ending March 31, 2014	
	Interest rates	Repayment terms
Term loan from bank	17.50% p.a (Current base rate + Margin of 7.75%)	₹ 1,366,387 repayable in next one year from balance sheet date and ₹ 1,274,958 repayable in second year.
Term loan from Non Banking Finance Companies (NBFCs)	a. 16.64% p.a.	a. ₹ 1,175,037 repayable in next one year from balance sheet date and ₹ 979,292 repayable in second year.
	b. 19.53% p.a.	b. ₹ 1,039,246 repayable in next one year from balance sheet date and ₹ 746,650 repayable in second year.
	Year ending March 31, 2013	
	Interest rates	Repayment terms
Term loan from bank	17.50% p.a (Current base rate + Margin of 7.75%)	₹ 1,148,475 repayable in next one year from balance sheet date, and ₹ 1,366,387 repayable in second year and ₹ 1,274,958 repayable in third year.
Term loan from Non Banking Finance Companies (NBFCs)	a. 16.64% p.a.	a. ₹ 1,554,648 repayable in next one year from balance sheet date, ₹ 1,218,480 repayable in second year and ₹ 979,292 repayable in third year.
	b. 19.53% p.a.	b. ₹ 1,434,649 repayable in next one year from balance sheet date, and ₹ 1,089,925 repayable in second year and ₹ 746,650 repayable in third year.

6. Provisions

	(Amount in ₹)			
	Long Term		Short Term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for employee benefits: (Also refer note 28)				
Provision for gratuity	5,075,599	5,287,818	82,134	281,085
Provision for leave benefits	19,399	-	737	-
	<b>5,094,998</b>	<b>5,287,818</b>	<b>82,871</b>	<b>281,085</b>



7. Short term borrowings		(Amount in ₹)	
		March 31, 2014	March 31, 2013
<b>Secured</b>			
Loan repayable on demand			
Cash credit from bank		42,091,268	20,897,770
		<u>42,091,268</u>	<u>20,897,770</u>

Cash credit from bank	Security	Interest rates	Repayment terms
	a. Primary - First and exclusive charge on entire current assets of the Company both present and future.	a. 13.50% p.a (Current base rate + Margin of 4.75%) from April 1 to Oct 17, 2012.	Loan repayable on demand.
	B. Collateral - First and exclusive charge on movable fixed assets of the Company both present and future.	b. Oct 18, 2012 onwards-15% p.a (Current base rate + Margin of 4.25%).	
	C. Personal guarantee of Mr. Nikhil Mahajan and Mr. Gautam Puri, Directors of the Company.	C. 14% p.a (Current base rate + Margin of 3%) from Nov 8, 2013.	
	d. Corporate guarantee of CL Educate Limited (Holding Company).		
	e. Lien on fixed deposits amounting to ₹ 15,000,000 (Previous year ₹ 13,000,000)		

8. Trade payables		(Amount in ₹)	
		March 31, 2014	March 31, 2013
Trade payables ( Refer note 36 for details of dues to Micro, Small and Medium Enterprises)		50,246,165	29,684,274
		<u>50,246,165</u>	<u>29,684,274</u>

9. Other current liabilities		(Amount in ₹)	
		March 31, 2014	March 31, 2013
Current maturities of long term borrowings		3,580,670	4,137,772
Interest accrued but not due on borrowings		83,730	139,443
Unearned revenue		37,738,342	30,963,887
Employees related payables		51,302,282	41,309,447
Payable for expenses (Refer footnote 9.1 and 9.2)		2,184,833	9,280,449
Payable for stale cheque liability (Refer footnote 9.1)		5,930,263	5,510,019
Other payable :			
a. Service tax		4,136,214	2,292,958
b. Valued added tax/Central Sales tax		-	46,128
c. Tax deducted at source		3,185,430	2,417,003
d. Provident fund and Employees state insurance		3,301,858	3,193,389
e. Professional tax		227,875	214,125
		<u>111,671,497</u>	<u>99,504,620</u>

9.1 Refer note 36 for details of dues to Micro, Small and Medium Enterprises

9.2 Includes payable to related parties-Refer note 37.

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Kestone Integrated Marketing Services Private Limited  
Notes to the Financial Statements for the Year Ended March 31, 2014

10. Tangible assets

Particulars	Gross block ( at cost)				Accumulated depreciation				Net block	
	As at April 1, 2013	Additions	Disposal/ adjustments	As at March 31, 2014	Up to April 1, 2013	Depreciation for the year	Disposal/ adjustments	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Own assets</b>										
Office equipments #	5,022,850	1,006,802	-	6,029,652	1,285,791	546,709	-	1,832,500	4,197,152	3,737,059
Computer hardware #	19,940,157	1,379,656	69,500	21,250,313	9,265,481	2,959,121	69,500	12,155,102	9,095,211	10,674,676
Vehicles	240,730	-	-	240,730	235,981	1,200	-	237,181	3,549	4,749
Furniture and fittings #	2,259,693	124,079	-	2,383,772	1,917,334	157,437	-	2,074,771	309,001	342,359
<b>Total</b>	<b>27,463,430</b>	<b>2,510,537</b>	<b>69,500</b>	<b>29,904,467</b>	<b>12,704,587</b>	<b>3,664,467</b>	<b>69,500</b>	<b>16,299,554</b>	<b>13,604,913</b>	<b>14,758,843</b>
Previous Year	15,338,832	14,404,694	2,280,096	27,463,430	9,600,351	5,315,888	2,211,652	12,704,587	14,758,843	-

# Includes assets given on operating lease:

Assets	For the year ending March 31 , 2014				For the year ending March 31 , 2013			
	Gross block	Accumulated depreciation	Depreciation for the year	Net block	Gross block	Accumulated depreciation	Depreciation for the year	Net block
Office equipments	2,822,440	634,415	236,975	2,188,025	2,158,487	1,500,010	1,500,010	658,477
Computer hardware	9,189,320	3,187,557	1,687,547	6,001,763	8,955,621	1,500,010	1,500,010	7,455,611
Furniture and fittings	1,260,356	1,260,356	-	-	1,260,356	1,260,356	1,260,356	-
	<b>13,272,116</b>	<b>5,082,328</b>	<b>1,924,522</b>	<b>8,189,788</b>	<b>12,374,464</b>	<b>4,260,376</b>	<b>4,260,376</b>	<b>8,114,088</b>

11. Intangible assets

Particulars	Gross block ( at cost)				Accumulated amortization				Net block	
	As at April 1, 2013	Additions	Disposal/ adjustments	As at March 31, 2014	Up to April 1, 2013	Amortization for the year	Disposal/ adjustments	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
Computer Softwares ##	1,260,545	921,325	-	2,181,870	638,092	346,931	-	985,023	1,196,847	622,453
	<b>1,260,545</b>	<b>921,325</b>	<b>-</b>	<b>2,181,870</b>	<b>638,092</b>	<b>346,931</b>	<b>-</b>	<b>985,023</b>	<b>1,196,847</b>	<b>622,453</b>
Previous Year	990,545	270,000	-	1,260,545	420,278	217,814	-	638,092	622,453	-

## Includes assets given on operating lease:

Assets	For the year ending March 31 , 2014				For the year ending March 31 , 2013			
	Gross block	Accumulated depreciation	Depreciation for the year	Net block	Gross block	depreciation	Depreciation	Net block
Computer software	221,977	33,082	33,082	188,895	-	-	-	-
	<b>221,977</b>	<b>33,082</b>	<b>33,082</b>	<b>188,895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



12. Non current investment

	March 31, 2014	(Amount in ₹) March 31, 2013
(Non trade, un-quoted, at cost)		
In Subsidiary Company		
14,000 (Previous year Nil ) fully paid up equity shares of SGD 1 each of Kestone Asia Hub Pte Limited) (Formerly known as Career Launcher Asia Educational Hub Pte Limited)	665,692	-
	<u>665,692</u>	<u>-</u>

Aggregate amount of quoted investments and market value thereof- Rs Nil (March 31, 2013: Rs Nil)

Aggregate amount of unquoted investments - Rs 665,692 (March 31, 2013: Rs Nil)

13. Deferred tax asset (net)

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the net decrease in deferred tax asset of ₹ 172,468 (Increase in Previous year ₹ 374,738) for the current year has been recognised as charge in the Statement of Profit and Loss. The tax effect of significant timing differences as at March 31, 2014 that reverse in one or more subsequent years gave rise to the following net deferred tax assets as at March 31, 2014:

Deferred tax assets and liabilities are attributable to the following:

	March 31, 2014	Benefit/ (Charge) for the year 2014	(Amount in ₹) March 31, 2013
<b>Deferred tax assets</b>			
Provision for gratuity	1,673,426	(133,405)	1,806,831
Provision for leave benefits	6,534	6,534	-
Provision for bonus	324,336	324,336	-
Provision for doubtful advances	-	-	-
Provision for doubtful receivables	109,998	109,998	-
	<u>2,114,294</u>	<u>307,463</u>	<u>1,806,831</u>
<b>Total deferred tax assets</b>			
<b>Deferred tax liability</b>			
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation as per financial statements	1,712,958	(479,931)	1,233,027
	<u>1,712,958</u>	<u>(479,931)</u>	<u>1,233,027</u>
<b>Total deferred tax liability</b>			
	<u>401,336</u>	<u>(172,468)</u>	<u>573,804</u>
<b>Deferred tax asset (net)</b>			

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

14. Long term loans and advances

	March 31, 2014	(Amount in ₹) March 31, 2013
<b>Unsecured and considered good</b>		
Advance tax and tax deducted at source { net of provisions for tax amounting ₹ 46,291,415 (Previous year ₹ 30,558,415)}	49,330,397	35,544,374
Security deposits	2,090,532	1,090,652
	<u>51,420,929</u>	<u>36,635,026</u>

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15. Trade receivables (Refer footnote 15.1)

	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured and considered good	13,609,299	14,505,627
Unsecured and considered doubtful	339,029	-
Less: Provision for doubtful receivables	(339,029)	-
	<u>13,609,299</u>	<u>14,505,627</u>
Others - Unsecured and considered good	144,316,105	97,328,612
	<u>157,925,404</u>	<u>111,834,239</u>

15.1 Includes amount due from related parties (Refer note 37)

16. Cash and bank balances

	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Cash and cash equivalents		
Balances with banks:		
In current accounts	3,082,788	6,971,663
	<u>3,082,788</u>	<u>6,971,663</u>
Other bank balances		
Deposits with original maturity for more than three months but realizable within twelve months from Balance Sheet date ( Refer footnote 16.1)	35,478,030	14,134,876
	<u>35,478,030</u>	<u>14,134,876</u>
	<u>38,560,818</u>	<u>21,106,539</u>

16.1 Fixed deposits amounting ₹ 35,000,000 (Previous year ₹ 13,000,000) are under lien ,out of which fixed deposits amounting ₹ 15,000,000 (Previous year ₹ 13,000,000) are under lien towards cash credit facility from IndusInd Bank and fixed deposits amounting ₹ 20,000,000 (Previous year ₹ Nil) are under lien towards overdraft facility from Indusind Bank to GK Publication Private Limited (A fellow subsidiary with common Directors).

17. Short term loans and advances

	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Unsecured and considered good, unless otherwise stated		
Loans and advances to related parties (Refer note 37)	13,661,000	23,500,000
Advance to suppliers	3,444,514	2,722,998
Less: Provision for doubtful advances	288,872	-
	<u>3,155,642</u>	<u>2,722,998</u>
Security deposits	355,120	1,145,000
	<u>355,120</u>	<u>1,145,000</u>
Loans and advances to employees	1,015,110	825,274
Other loans and advances		
Prepaid expenses	2,707,604	2,425,941
	<u>2,707,604</u>	<u>2,425,941</u>
	<u>20,894,476</u>	<u>30,619,213</u>



18. Other current assets

	March 31, 2014	(Amount in ₹) March 31, 2013
Unbilled revenue	44,097,855	34,051,957
Interest accrued but not due on fixed deposits	1,004,558	831,265
Interest accrued but not due on loan given to related parties (Refer note 37)	5,881,247	1,720,502
	<u>50,983,660</u>	<u>36,603,724</u>

19. Revenue from operations

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Revenue from services rendered		
Manpower services	430,606,037	447,087,145
Event management	309,933,210	181,370,687
Infrastructure support services	17,527,412	7,668,288
Passthrough services	217,171	2,000,869
	<u>758,283,830</u>	<u>638,126,989</u>

20. Other Income

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Interest income on:		
Bank deposits	1,674,657	1,256,335
Loans given to related parties (Refer note 37)	4,623,050	1,359,437
Income tax refund	-	811,755
	<u>6,297,707</u>	<u>3,427,527</u>
Other non-operating income		
Miscellaneous Income	216,286	66,383
Balances written back	-	681,805
Profit on sale of fixed assets	34,000	-
Foreign exchange gain (net)	342,743	-
Excess provision for gratuity written back (Refer note 28)	411,170	-
	<u>1,004,199</u>	<u>748,188</u>
	<u>7,301,906</u>	<u>4,175,715</u>

21. Employee benefits expense

	Year ended March 31, 2014	(Amount in ₹) Year ended March 31, 2013
Salaries, wages & bonus and other benefits	377,650,970	386,224,147
Contribution to Provident fund & other funds (Refer note 28)	23,793,473	25,273,931
Gratuity expenses (Refer note 28)	-	3,338,979
Leave benefits expenses (Refer note 28)	20,136	-
Staff welfare expenses	6,034,578	5,534,072
	<u>407,499,157</u>	<u>420,371,129</u>

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22. Finance cost

	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Interest expense on borrowings	6,407,471	5,914,607
Other borrowing cost (loan processing fee and other charges)	853,922	698,450
	<u>7,261,393</u>	<u>6,613,057</u>

23. Depreciation and amortisation expense

	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Depreciation on tangible assets (Refer note 10)	3,664,467	5,315,889
Amortisation on intangible assets (Refer note 11)	346,931	217,814
	<u>4,011,398</u>	<u>5,533,703</u>

24. Other expenses

	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Banquet and hotel charges	33,709,821	39,587,068
Giveways	83,448,820	40,479,886
Travelling and conveyance	39,494,393	24,783,328
Equipment hire charges	15,754,225	18,744,049
Temporary manpower resources	18,039,210	6,433,841
Communication	7,523,061	9,345,978
Printing and stationery	8,091,475	6,975,958
Rent	5,563,810	4,859,857
Sponsorship Fee	24,300,179	-
Business promotion	8,235,867	380,673
Repair and maintenance		
Others	22,295	824,585
Office maintenance	1,867,441	1,696,146
Bad debts written off	307,425	772,003
Provision for doubtful receivables	339,029	-
Power and fuel	1,072,071	1,156,843
Legal and professional (Includes payment to auditors-Refer note 29)	2,104,401	1,812,501
Other professional services	43,812,669	11,219,639
Bank charges	217,928	233,418
Loss on disposal of fixed assets (net)	-	1,118
Fixed assets written off	-	54,330
Insurance	623,809	513,031
Rates and taxes	312,090	355,153
Foreign exchange loss (net)	-	304,213
Sundry balances written off	679,905	-
Miscellaneous expense	1,551,240	916,602
	<u>297,071,164</u>	<u>171,450,220</u>

25. Prior period (income)/expense (net)

	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Contribution to funds related to current year wrongly recorded in previous year	344,212	-
	<u>344,212</u>	<u>-</u>



26. Contingent liabilities

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
Claims made against the company not acknowledged as debts:		
- Income tax demand	628,160	-

The Assistant Commissioner of Income Tax has made some disallowances and raised a demand of ₹ 628,160 (including interest) for Assessment year 2011-12. The Company has filed an appeal against the demand notice with Commissioner of Income Tax (Appeals).

The Company is of the view that the order will be reversed at a higher level and the additions made will be deleted and hence no provision is required to be recorded.

27. Commitments

Particulars	(Amount in ₹)	
	March 31, 2014	March 31, 2013
- Capital commitments	160,429	-
- Other material commitments	-	-

28. Employee benefits obligations

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

A. Defined contribution plans:

- Provident Fund
- Employee State Insurance
- Employees Deposit Linked Insurance

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

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Employers Contribution to Provident Fund	13,850,824	16,449,296
Employers Contribution to Employee State Insurance	9,608,742	8,537,893
Contribution to Employee Deposit Linked Insurance	333,907	286,742
<b>Total (Refer note 21)</b>	<b>23,793,473</b>	<b>25,273,931</b>

B. Gratuity and other long term benefits:

The present value obligation is determined based on actuarial valuation as at balance sheet date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.



**Kestone Integrated Marketing Services Private Limited**  
**Notes to the Financial Statements for the Year Ended March 31, 2014**

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

**I. Actuarial assumptions**

Particulars	Gratuity (Funded)		Earned Leave (Non funded) (Refer footnote b) March 31, 2014
	March 31, 2014	March 31, 2013	
Discount rate (per annum)	9.08%	8%	9.08%
Rate of escalation in salary (per annum)	5%	5%	5%
Expected return on plan assets (per annum)	6.75%	9%	-
Expected average remaining working life of employees (years)	30.74	31.36	26.04
Normal Retirement age	58	58	58
Mortality	IALM (2006-08)	IALM (1994 - 96)	IALM (2006-08)
Withdrawal rates (per annum)	Project employees	Corporate Employees	Project Employees
0 to 30 years	4.57%	1.73%	4.57%
31 to 44 years	0.72%	0.06%	0.72%
44 to 58 years	0.01%	0.00%	0.01%

**Note:**

a. The discount rate has been assumed at 9.08% p.a. (previous year 8.00% p.a.) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b. This is the first year the Company is providing leave benefits to the employees of a specific project hence no previous year figures are given.

**II. Present Value of Obligation**

Particulars	Gratuity (funded)		Earned Leave (non funded)
	March 31, 2014	March 31, 2013	March 31, 2014
Present value of obligation at the beginning of the year	6,387,410	3,656,510	-
Current service cost	1,837,520	2,689,604	20,136
Interest cost	510,993	292,521	-
Actuarial (gains) / losses	(2,719,089)	451,370	-
Benefits paid	(579,495)	(702,595)	-
Present value of obligation at the end of the year	5,437,339	6,387,410	20,136



Kestone Integrated Marketing Services Private Limited  
Notes to the Financial Statements for the Year Ended March 31, 2014

III. Fair Value Of Plan Assets

(Amount in ₹)

Particulars	Gratuity (funded)	
	March 31, 2014	March 31, 2013
Fair value of plan assets at the beginning of the year	818,507	1,426,586
Expected return on plan assets	55,249	128,393
Contributions	-	-
Actuarial gains / (losses)	(14,655)	(33,877)
Benefits paid	(579,495)	(702,595)
Fair value of plan assets at the end of the year	279,606	818,507

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

(Amount in ₹)

Particulars	Gratuity (funded)		Earned Leave (non funded) March 31, 2014
	March 31, 2014	March 31, 2013	
Current service cost	1,837,520	2,689,604	20,136
Interest cost	510,993	292,521	-
Expected return on plan assets	(55,249)	(128,393)	-
Actuarial losses/(gains)	(2,704,434)	485,247	-
Expense recognized in the statement of profit & loss (note 20 and 21)	(411,170)	3,338,979	20,136

V. Amount recognised in the Balance Sheet

(Amount in ₹)

Particulars	Gratuity (funded)		Earned Leave (non funded) March 31, 2014
	March 31, 2014	March 31, 2013	
Present value of obligation at the end of the year	5,437,339	6,387,410	20,136
Fair value of plan assets at the end of the year	279,606	818,507	-
Funded status [Surplus / (Deficit)]	(5,157,733)	(5,568,903)	-
Unrecognized actuarial (gains)/losses	-	-	-
Net asset / (liability) recognized in the Balance Sheet	(5,157,733)	(5,568,903)	-
Amount classified as:			
Long term provision (note 6)	5,075,599	5,287,818	19,399
Short term provision (note 6)	82,134	281,085	737

VI. Experience adjustments

(Amount in ₹)

Particulars	Gratuity (funded)				
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Present value of obligation	(5,437,339)	(6,387,410)	(3,656,510)	(2,405,755)	(1,544,835)
Fair value of plan assets	279,606	818,507	1,426,586	1,316,198	1,218,702
Surplus / (Deficit)	(5,157,733)	(5,568,903)	(2,229,924)	(1,089,557)	(326,133)
Experience adjustments on plan liabilities- (loss) / gain	867,562	51,110	581,811	380,052	-
Experience adjustments on plan assets-(loss) / gain	(33,072)	(19,611)	7,856	(6,094)	-



**Kestone Integrated Marketing Services Private Limited**  
**Notes to the Financial Statements for the Year Ended March 31, 2014**

This is the first year the Company is providing leave benefits to the employees of a specific project hence there are no details for experience adjustments.

VII. Employer's best estimate for contribution for next year :

Gratuity fund ₹ 3,382,187  
 Earned Leave ₹ 9,268

**29. Payment to auditors (excluding service tax)**

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Statutory audit	1,000,000	750,000
Reimbursement of expenses	30,450	30,000
<b>Total</b>	<b>1,030,450</b>	<b>780,000</b>

**30. Earnings per share**

The calculation of Earnings per Share (EPS) has been made in accordance with Accounting Standard (AS) - 20 as below:

Particulars	Units	Year ended	Year ended
		March 31, 2014	March 31, 2013
Profits attributable to the Equity Shareholders	₹	32,996,820	22,163,607
Weighted average number of Equity shares outstanding during the year	Numbers	1,000,000	1,000,000
Nominal value of Equity shares	₹	10	10
Basic / Diluted Earnings Per Share	₹	33.00	22.16

**31. Segment reporting**

**Primary Segment**

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

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

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

**Infrastructure Services:** The Company provide the Infra Services (like providing Computers, Laptops, Furniture etc.) to its client to facilitate them to work in more advanced & comfortable atmosphere and thereby helps in achieving their goal.



Kestone Integrated Marketing Services Private Limited  
Notes to the Financial Statements for the Year Ended March 31, 2014

For the year ended March 31, 2014

Particulars	Business segments				Total
	Managed manpower services	Infrastructural Services	Event management services	Others	
<b>Revenue</b>					
External revenue	430,606,037	17,527,412	309,933,210	217,171	758,283,830
<b>Total revenue</b>	<b>430,606,037</b>	<b>17,527,412</b>	<b>309,933,210</b>	<b>217,171</b>	<b>758,283,830</b>
<b>Results</b>					
Segment results	50,293,635	15,569,808	60,096,845	217,171	126,177,459
Unallocated expenses					76,475,348
<b>Operating profit</b>					<b>49,702,111</b>
Finance cost					7,261,393
Other income including finance income					7,301,906
Prior period income (net)					344,212
Exceptional expenses					-
<b>Profit before taxes</b>					<b>50,086,836</b>
Income taxes					17,090,016
<b>Net profit</b>					<b>32,996,820</b>

As at March 31, 2014

Particulars	Business segments			Total
	Managed manpower services	Infrastructural Services	Event management services	
Segment assets	94,246,534	28,516,562	88,028,333	210,791,429
Unallocable assets				124,853,646
<b>Total assets</b>				<b>335,645,075</b>



Kestone Integrated Marketing Services Private Limited  
Notes to the Financial Statements for the Year Ended March 31, 2014

Segment liabilities	48,466,626	-	50,246,165	98,712,791
Unallocable liabilities				113,474,908
<b>Total liabilities</b>				<b>212,187,699</b>

Particulars	Business segments			Total
	Managed manpower services	Infrastructural Services	Event management services	
<u>Other information</u>				
Capital expenditure - allocable	-	1,119,629	-	1,119,629
Capital expenditure-unallocable				2,312,233
Depreciation and amortisation- allocable	-	1,957,604	-	1,957,604
Depreciation and amortisation-unallocable				2,053,794
Other significant non-cash expenses (net) allocable				-
Other significant non-cash expenses (net) unallocable				1,326,359

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Kestone Integrated Marketing Services Private Limited  
Notes to the Financial Statements for the Year Ended March 31, 2014

For the year ended March 31, 2013

Particulars	Business segments				Total
	Managed manpower services	Infrastructural Services	Event management services	Others	
Revenue					
External revenue	447,087,145	7,668,288	181,370,687	2,000,869	638,126,989
<b>Total revenue</b>	<b>447,087,145</b>	<b>7,668,288</b>	<b>181,370,687</b>	<b>2,000,869</b>	<b>638,126,989</b>
Results	61,028,538	7,668,288	25,000,228	2,000,869	95,697,923
Segment results	<b>61,028,538</b>	<b>7,668,288</b>	<b>25,000,228</b>	<b>2,000,869</b>	<b>95,697,923</b>
Unallocated expenses					54,925,986
<b>Operating profit</b>					<b>40,771,937</b>
Finance cost					6,613,057
Other income including finance income					4,175,715
Prior period income (net)					-
Exceptional expenses					-
<b>Profit before taxes</b>					<b>38,334,595</b>
Income taxes					16,170,988
<b>Net profit</b>					<b>22,163,607</b>

As at March 31, 2013

Particulars	Business segments			Total
	Managed manpower services	Infrastructural Services	Event management services	
Segment assets	97,870,012	16,499,868	43,911,180	158,281,060
Unallocable assets				94,472,781
<b>Total assets</b>				<b>252,753,841</b>





**Kestone Integrated Marketing Services Private Limited**  
**Notes to the Financial Statements for the Year Ended March 31, 2014**

Segment liabilities	39,311,578	-	40,244,336	79,555,914
Unallocable liabilities				82,728,371
<b>Total liabilities</b>				<b>162,284,285</b>

Particulars	Business segments			Total
	Managed manpower services	Infrastructural Services	Event management services	
<b>Other information</b>				
Capital expenditure - allocable	-	-	-	-
Capital expenditure-unallocable	-	-	-	14,674,694
Depreciation and amortisation- allocable	-	-	-	-
Depreciation and amortisation-unallocable	-	-	-	3,178,206
Other significant non-cash expenses (net) allocable	-	-	-	-
Other significant non-cash expenses (net) unallocable	-	-	-	4,166,430

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

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

**Geographic Segment**

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



Kestone Integrated Marketing Services Private Limited  
Notes to the Financial Statements for the Year Ended March 31, 2014

32. Leases

(i) As a lessee

The Company has taken various office premises and one car under cancellable/non cancellable operating leases with an option of renewal at the end of the lease term with mutual consent of both the parties. There are no scheduled escalation clauses and restriction imposed by the lessor in the lease agreements. Disclosure in respect of non-cancellable operating leases is as given below:

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Lease rent recognised in the Statement of Profit & Loss during the year (note 24)	5,563,810	4,859,857
<b>Future minimum lease payments</b>		
Not later than one year	2,476,920	580,800
Later than one year and not later than five years	653,640	-
Later than five years	-	-

(ii) As a lessor

The company has entered into service agreements for leasing some of its fixed assets which are cancellable in nature. Lease terms are generally for one year and disclosure required as given below:

Year ending	Class	Gross carrying amount	Accumulated depreciation/Amortisation	Depreciation /Amortisation for the year
March 31, 2014	Computer hardware	9,189,320	3,187,557	1,687,547
	Furniture and fittings	1,260,356	1,260,356	-
	Office equipments	2,822,440	634,415	236,975
	Computer software	221,977	33,082	33,082
March 31, 2013	Computer hardware	8,955,621	1,500,010	1,500,010
	Furniture and fittings	1,260,356	1,260,356	1,260,356
	Office equipments	2,158,487	397,440	397,440
	Computer software	-	-	-

33. Transactions in foreign currency

a. Expenditure in foreign currency

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Banquet and event materials	2,802,979	7,128,669
Equipment hire charges	48,550	80,805
Temporary manpower resources	137,563	-
Travelling & conveyance Expenses	561,947	545,172
Pass through	-	6,171,228
Others	4,131,853	715,298
Giveways	1,761,411	-
<b>Total</b>	<b>9,444,303</b>	<b>14,641,172</b>



Kestone Integrated Marketing Services Private Limited  
Notes to the Financial Statements for the Year Ended March 31, 2014

b. Earnings in foreign currency

Particulars	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Revenue from -		
- Manpower services	852,732	3,932,820
- Event management	14,724,097	1,853,085
- Passthrough services	2,281	4,896,410
<b>Total</b>	<b>15,579,110</b>	<b>10,682,315</b>

34. Un-hedged foreign currency exposure

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

	March 31, 2014		March 31, 2013	
	USD	₹	USD	₹
<b>Receivable in foreign currency</b>				
Trade receivables	3,815	229,061	54,900	2,979,961
Trade Payables	748	44,924	-	-

35. Additional information pursuant to paragraph 5(ii), 5(iii), 5(iv) , 5 (vii) and 5(Viii)(a), 5(Viii)(c), 5(Viii)(d) and 5(Viii)(e) of Part II of Schedule VI to the companies Act, 1956 to the extent, either nil or not applicable, has not been furnished.

36. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

	(Amount in ₹)	
	March 31, 2014	March 31, 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Principal amount due to micro and small enterprises	-	Refer note 36.1
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond day each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-

36.1 During the previous year, the Company has sent the written letters to all vendors. However, in absence of written response from all vendors, the liability of interest, if any, cannot be reliably estimated. Management is of opinion that there will be no liability in view of supplier profile of the Company.



**Kestone Integrated Marketing Services Private Limited**  
**Notes to the Financial Statements for the Year Ended March 31, 2014**

**37. Related Party Disclosure**

The disclosures as required by the Accounting Standard -18 "Related Party Disclosures" are given below:-

a. Names of related parties

Relationship	Name of related party
(i) Holding Company	: CL Educate Limited (formerly known as Career Launcher (India) Limited).
(ii) Subsidiary Company	: Kestone Asia Hub Pte Limited) (Formerly known as Career Launcher Asia Educational Hub Pte Limited) w.e.f December 04, 2013
(iii) Enterprises that are under common control with the reporting enterprise - Fellow subsidiaries	: CL Media Private Limited G K Publications Private Limited
(iv) Key managerial personnel	: Nikhil Mahajan : Gautam Puri
(v) Enterprises over which key managerial personnel exercise significant influence	: Nalanda Foundation Career Launcher Education Foundation Career Launcher Infrastructure Private Limited

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

Particulars	March 31, 2014 ₹	March 31, 2013 ₹
<b>Transactions with related parties</b>		
<b>a) Rendering of services</b>		
<i>Holding Company-</i>		
Event Management Services	6,279,600	2,631,360
Infrastructure support services	17,527,401	7,668,288
Managed Manpower Services	651,693	-
<b>b) Interest income on loans given</b>		
<i>Enterprises over which key managerial personnel exercise significant influence</i>		
- Career Launcher Education Foundation	556,752	273,756
- Nalanda Foundation	225,000	225,000
<i>Enterprises that are under common control with the reporting enterprise-Fellow subsidiaries</i>		
- CL Media Private Limited	3,841,403	860,681
<b>c) Interest expense on unsecured loans taken</b>		
<i>Holding Company-</i>	-	114,456



Kestone Integrated Marketing Services Private Limited  
Notes to the Financial Statements for the Year Ended March 31, 2014

d) Unsecured loans given

*Enterprises over which key managerial personnel exercise significant influence*

- Career Launcher Education Foundation 2,070,000 800,000

*Enterprises that are under common control with the reporting enterprise-Fellow subsidiaries*

- CL Media Private Limited 7,000,000 20,000,000

e) Repayment received of Unsecured Loan given

*Enterprises that are under common control with the reporting enterprise-Fellow subsidiaries*

- CL Media Private Limited 18,909,000 -

f) Repayment made of Unsecured Loan taken

*Holding Company-* - 983,787

g) Other expenses incurred by related parties on behalf of Company

*Holding Company* - 120,000

*Enterprises that are under common control with the reporting enterprise-Fellow subsidiaries*

- CL Media Private Limited - 842,700

h) Debit notes received for purchase of software by related parties on behalf of Company

*Holding Company* 201,977 78,608

i) Expenses incurred on behalf of related parties

*Holding Company* - 73,432

j) Investment made

*Subsidiary Company*

- Kestone Asia Hub Pte Limited) (Formerly known as Career Launcher Asia Educational Hub Pte Limited) 665,692 -



Kestone Integrated Marketing Services Private Limited  
Notes to the Financial Statements for the Year Ended March 31, 2014

Balances outstanding as at year end

a) Other current liabilities:

Payable for expenses

*Enterprises that are under common control with the reporting enterprise-Fellow subsidiaries*

- CL Media Private Limited 825,846 825,846

b) Trade receivables:

*Holding Company*

34,388,865 6,456,640

*Enterprises over which key managerial personnel exercise significant influence*

- Career Launcher Education Foundation 7,527,875 7,527,875

c) Short term loans and advances:

*Enterprises over which key managerial personnel exercise significant influence*

- Career Launcher Education Foundation 4,070,000 2,000,000  
- Nalanda Foundation 1,500,000 1,500,000

*Enterprises that are under common control with the reporting enterprise-Fellow subsidiaries*

- CL Media Private Limited 8,091,000 20,000,000

d) Interest accrued but not due on loans given:

*Enterprises over which key managerial personnel exercise significant influence*

- Career Launcher Education Foundation 754,858 253,877  
- Nalanda Foundation 894,513 692,013

*Enterprises that are under common control with the reporting enterprise-Fellow subsidiaries*

- CL Media Private Limited 4,231,875 774,613

e) Receivable against expenses incurred on behalf of related parties:

*Holding Company*

- 569,640

f) Investment

*Subsidiary Company*

- Kestone Asia Hub Pte Limited) (Formerly known as Career Launcher Asia Educational Hub Pte Limited) 665,692 -



**Kestone Integrated Marketing Services Private Limited**  
**Notes to the Financial Statements for the Year Ended March 31, 2014**

**g) Security- Lien on Fixed deposits for loans taken by**

*Enterprises that are under common control with the reporting enterprise-Fellow subsidiaries*

- G K Publications Private Limited 20,000,000 -

**h) Corporate guarantee against loan taken by the Company**  
*Holding Company*

75,000,000 65,000,000

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

As per our report of even date

For Haribhakti & Co. LLP

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

Raj Kumar Agarwal  
 Partner

Membership No.: 074715



For and on behalf of board of directors of

**Kestone Integrated Marketing Services Private Limited**

Gautam Puri  
 Director

Nikhil Mahajan  
 Director

Place: New Delhi  
 Date : August 11, 2014

Place: New Delhi  
 Date : August 11, 2014