

## INDEPENDENT AUDITOR'S REPORT

To,  
**The Members of GREYCELLS EDUCATION LIMITED**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GREYCELLS EDUCATION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that gives a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting standards) Rules 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matter

We draw attention to Note No 30 to standalone financial statements, which states that no impairment of cost of investment in the wholly owned subsidiary-EMDI (Overseas) FZ LLC, Dubai, has been provided in the statements for the reasons stated in the note.

### Other Matter

The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2017 and the transition date opening balance sheet as at 1<sup>st</sup> April, 2016 included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by other auditors, on which they expressed an qualified opinion dated 15<sup>th</sup> May 2017 and unmodified opinion dated 19<sup>th</sup> May 2016 respectively. The adjustments to those financial statements for the differences in accounting policies adopted by the Company on transition have been audited by us.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in "**Annexure A**" a statement on the matters specified in paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report, to the extent applicable, 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 Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended);
- e) On the basis of the written representations received from the Directors of the company as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact of pending litigation on its financial position in its standalone financial statements.
  - ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For M/s. A.T. Jain & Co.**  
**Chartered Accountants**  
**(Registration No. 103886W)**

**(Sushil T Jain)**  
**Partner**  
**Membership No. 033809**

**Place : Mumbai.**  
**Date :30<sup>th</sup> May, 2018**

**“Annexure A” to the Independent Auditors’ Report on the Standalone Financial Statement of GREYCELLS EDUCATION LIMITED.**

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) The company has no immovable properties. Accordingly, the provisions of clause 3(1)(c) of the Order are not applicable.
- 2) The company did not hold any inventories during the year. Therefore the provisions of paragraph 3(ii) (a) and (b) of the Order are not applicable to the Company.
- 3) The Company has granted unsecured loan to a wholly owned subsidiary, covered in the register maintained under Section 189 of the Act.
- a) In our opinion and on the basis of explanation given to us, the terms and conditions on which the loans had been granted to the party were not prima facie prejudicial to the interest of the company.
- b) The loan is repayable on demand and there is no overdue.
- 4) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect to the loans given and investment made.
- 5) According to the information and explanation given to us, the Company has not accepted any deposits from the public during the year. Therefore the provisions of paragraph 3(v) of the Order are not applicable to the Company.
- 6) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013.
- 7) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employee’s State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities.
- According to the information and explanations given to us no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable
- (b) Details of dues of income tax which has not been deposited as at March 31, 2018 on account of disputes are given below:

Name of the Statute to which the matter pertains	Nature of Dues	Forum where dispute is pending	Amount (Rs)	Financial Year
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax – (Appeals)- 16	51,300/-	2008-09

- 8) In our opinion and according to the information and explanations given to us the Company does not have any loans or borrowings from banks, financial institutions or government and has not issued any debentures.

- 9) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- 10) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 11) According to the information and explanation given to us and based on the examination of the records of the company, the Company has not paid any managerial remuneration.
- 12) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly the provision of Clause 3(xii) of the Order is not applicable.
- 13) According to the information and explanation given to us and based on our examination of records of the company, transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order is not applicable to the Company.
- 15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order is not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For A.T Jain & Co**  
**Chartered Accountants**  
**(Registration no.103886W)**

**Place : MUMBAI**  
**Date : 30<sup>th</sup> May, 2018**

**Sushil T Jain**  
**(Partner)**  
**Membership No: 033809**

**Annexure-B to the Independent Auditors' Report on the Standalone Financial Statements of Greycells Education Limited**
**Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **GREYCELLS EDUCATION LIMITED** ("the Company") as of 31 March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended as on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes accordance with in generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has in all material respects, an adequate internal, financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s. A.T. Jain & Co.**  
**Chartered Accountants**  
**(Registration No. 103886W)**

**(Sushil T Jain)**  
**Partner**  
**Membership No. 033809**

**Place : Mumbai**  
**Date : 30<sup>th</sup> May, 2018**