

DIRECTORS' REPORT

Dear Shareholders,

Your Directors presents the 35th Annual Report of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2018.

Financial Results/State of Company's Affairs

During the year under review, the Company earned total consolidated revenue of ₹ 774.47 lakhs for the year as against ₹ 789.48 lakhs in the previous year. Standalone revenues during the year stood at ₹ 323.73 lakhs as against ₹ 359.91 lakhs in the previous year.

The consolidated loss for the year stood at ₹ 140.25 lakhs as against the consolidated loss before tax ₹ 78.73 lakhs in the previous year. The standalone loss for the year was ₹ 137.62 lakhs as against the standalone loss before tax of ₹ 44.33 lakhs in the previous year.

Dividend

The Directors have refrained from recommending dividend for the year under review.

Transfer to Reserves

Your Company does not recommend any amount to transfer to reserves for the financial year 2017-18.

Share Capital and changes therein

There was no change in Share Capital of the Company during the year under review.

Change in the Nature of Business

During the year under review there was no change in the nature of business of the Company.

Operations

The Company is currently engaged in Vocational training in media and entertainment sectors under the brand name "EMDI Institute of Media & Communication" (EMDI) - a leader in Event Management, Advertising, PR and Journalism. This year EMDI enters its 17th year of pioneering training. The Company is currently offering courses of EMDI at Mumbai, Delhi, Bengaluru and Dubai. EMDI - Dubai courses are accredited by EDEXCEL ASSURED CENTRE, UK's largest vocational accreditation board and EMDI Dubai is probably the only Institute offering industry relevant specialised courses in Dubai.

The Company also offers industry relevant Post Graduate Diploma in Global Sports Management courses under the brand "IRONWOOD SPORTS MANAGEMENT GLOBAL ACADEMY" (ISMGA). ISMGA is perhaps India's only Academy to offer a Global offering in Sports Management across India and Dubai. ISMGA aims to train candidates with the right talent that can help grow sports businesses. With a panel of experienced faculty and a rich exposure to the global sports industry through an internship abroad, ISMGA provides tailor-made courses to suit the requirements of the industry. ISMGA offers job oriented course for candidates interested in sports management.

The Company offers specialized course in Wedding Planning with an in-depth knowledge in the fields of creativity, customs & rituals, floral and stage design, venue and catering, besides other aspects such as entertainment, technology and international best practices.

The Company formed an Advisory Board with Industry stalwarts like: Mr. Ashok Advani founder publisher of the Business India Group of Publications, Mr. Ravi Shastri cricket legend and Team India Cricket Coach, Mr. Brian Tellis founder of Fountainhead Promotions & Events and Mr. Nagesh Alai, Former Group Chairman of FCB Ulka Group as member of Advisory Board.

Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 (the Act) and Articles of Association of the Company, Ms. Bela Desai will retire by rotation as Director at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Brief profile of Ms. Bela Desai is annexed to the Notice of Annual General Meeting as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent Directors in terms of Section 149(6) of the Companies Act, 2013 and the requirements of Listing Regulations:

1. Mr. Abbas Patel
2. Dr. Anil Naik

The Independent Directors of the Company has given declaration of independence as provided under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

During the year, Mr. Samkeet Patel has resigned as a Chief Financial Officer of the Company and in his place, the Board appointed Ms. Dhara Shah as a Chief Financial Officer of the Company. Mr. Nowshir Engineer has resigned as a Director of the Company with effect from 31st October, 2017. The Board places on record its appreciation for the valuable contribution made by him during his tenure as a Director of the Company. Ms. Preeta D'Souza has appointed as a Chief Executive Officer of the Company w.e.f. 14th December, 2017 by Board of Directors.

Details of Remuneration to Directors

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended has been appended as ANNEXURE A to this Report.

Particulars of Employees

There were no such employees of the Company for which the information required to be disclosed pursuant to Section 197 of the Companies Act read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

Number of Meetings of the Board

During the financial year ended on 31st March, 2018 the Board of Directors of your Company have met 6 (Six) times viz. 15th May, 2017; 17th August, 2017; 13th September, 2017; 14th December, 2017; 15th January, 2018 and 12th February, 2018. For further details, please refer Report on Corporate Governance of this Annual Report.

Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013 in relation to financial statements for the year ended 31st March, 2018, the Board of Directors to the best of their knowledge and ability, confirm/state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the loss of the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Details of Committees of the Board

Composition of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, number of meetings held of each Committee during the financial year 2017-18 and meetings attended by each member of the Committee as required under the Companies Act, 2013 and SEBI LODR are provided in Corporate Governance Report forming part of this report.

The Recommendation by the Audit Committee as and when made to the Board has been accepted by it.

Material Changes and Commitment affecting the Financial Position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between 31st March, 2018 and the date of this report other than those disclosed in this report.

Significant and Material Orders passed by the Regulators or Courts or Tribunals

There are no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of your Company and its future operations.

Maintenance of Cost Records

The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act.

Subsidiary Companies and Joint Ventures

Your Company has one subsidiary company viz., EMDI (Overseas) FZ LLC, a wholly owned subsidiary. The Company is also one of the partners in EMDI Wedding Academy LLP (50% share).

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013. Further there has been no material change in the nature of business of the subsidiaries.

The gross revenue of subsidiary for the financial year ended March 2018 stood at AED 25,56,780/- (Previous Year: AED 2,389,111). During the year, the Subsidiary Company's Profit stood at AED 54,342/- (Previous year loss: AED 146,666).

The gross revenue of joint venture partnership for the financial year ended March 2018 stood at ₹ 10.45 lakhs as against ₹ 21.86 lakhs in the previous year. The loss before tax for the financial year ended March 2018 was ₹ (0.05) lakhs as against profit of ₹ 0.18 lakhs in the previous year.

Consolidated Financial Statements

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of subsidiary company and joint venture partnership for the year ended 31st March, 2018 in Form AOC – 1 is attached to the financial statements of the Company. As required under the Companies Act, 2013 and the Listing Regulations, the Company has prepared the Consolidated Financial Statements of the Company along

with its subsidiary and joint venture partnership as per Accounting Standard which form part of the Annual Report and Accounts.

The Annual Accounts of the subsidiary company and joint venture partnership along with related detailed information will be made available to the shareholders of the Company seeking such information. The Annual Accounts of the subsidiary company and joint venture partnership are also kept for inspection by any members at the Registered Office of the Company on all working days except Saturdays, during business hours upto the date of the meeting.

Whistle Blower Policy/Vigil Mechanism

Your Company has framed Whistle Blower Policy to deal with instances of fraud and mismanagement, if any in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The details of the policy are given in Corporate Governance Report and policy is available on the Company's website www.greycellsltd.com.

Business Risk Management

Your Company has approved Risk Management Policy wherein all material risks faced by the Company are identified and assessed. For each of the risks identified, corresponding controls are assessed and policies and procedure are put in place for monitoring, mitigating and reporting risk on a periodic basis.

Nomination and Remuneration Policy

As required under Section 178 of the Companies Act, 2013 the Board of Directors has approved the Nomination and Remuneration Policy, which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for determining qualifications, positive attributes, independence of Directors and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013. Gist of this policy are given in **Annexure - B** to this report. The detailed policy is available on the Company's website www.greycellsltd.com

Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted the Internal Complaint Committee to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The policy is available on the Company's website www.greycellsltd.com.

The following is summary of sexual harassment complaints received and disposed off during the calendar year:

No. of complaints received	Nil
No. of complaints disposed off	Nil

Extract of Annual Report

The details forming part of the Extract of Annual Return in Form MGT – 9 as required under Section 92 of the Companies Act, 2013 is included in this report as **Annexure - C** and form integral part of this Report.

Auditors and Auditors' Report

Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules made thereunder, M/s. A. T. Jain & Co., Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the Annual General Meeting (AGM) of the Company held on 29th September, 2017 till the conclusion of the AGM to be held in the year 2022.

The notes on accounts referred to in the Auditors' Report are self-explanatory and do not require further clarifications by the Board.

Secretarial Auditor

The Board has appointed M/s. A. K. Jain & Co., Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as **Annexure - D** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks or disclaimer. However the observation mentioned in the Secretarial Audit Report is self explanatory.

Instances of fraud, if any reported by the Auditors

There have been no instances of fraud reported by the Statutory Auditors or Secretarial Auditors under Section 143(12) of the Companies Act, 2013.

Adequacy of Internal Financial Control with reference to the financial statements

The Company has an Internal Financial Control System commensurate with the size, scale and complexity of its operations. Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating action on continuing basis. The Internal Financial Control System has been routinely tested and certified by Statutory as well as Internal Auditors. Significant Audit observations and follow up actions thereon are reported to the Audit Committee.

Compliance with Secretarial Standards

The Company complies with Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Deposit from Public

The Company has not accepted any deposits from public within the purview of Chapter V of the Companies Act, 2013 and rules made thereunder. During the year under review and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Corporate Social Responsibility

In terms of Section 135 of the Companies Act, 2013, provisions of Corporate Social Responsibility are not applicable to the Company.

Particulars of Loans, Guarantees or Investments by Company

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements forms part of this report.

Related Party Transactions

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. No material related party transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

All related party transactions are placed before the Audit Committee and also before the Board for approval on quarterly basis. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature.

The details of the related party transactions as required under Indian Accounting Standard (IND AS) 24 are set out in Note No. 31 to the standalone financial statements forming part of this Annual Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations the Board of Directors of the Company has carried out annual evaluation of its own performance, its Committees and individual directors, the Board as a whole and that of Chairman after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking in to account the views of Executive Director and Non-executive Directors, performance evaluation of Independent Directors being evaluated.

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo

a) Conservation of Energy

The Company is not involved in any manufacturing activity and hence has low energy consumption levels. Nevertheless, the Company makes all efforts to conserve and optimize the use of energy by using energy – efficient infrastructure, computers and equipments with latest technologies.

b) Technology Absorption and Research and Development

The Company's research and development focus is on developing new frameworks, processes and methodologies to improve the speed and quality of service delivery.

c) Foreign Exchange Earnings and Outgo

The earnings and expenditure in foreign exchange were as under:

Earning	₹ 0.53 lakhs
Expenditure	₹ 2.95 lakhs

Corporate Governance Report and Management's Discussion and Analysis Report

A separate section on Corporate Governance along with the Management Discussion & Analysis and certificate from the company secretary in whole time practice regarding compliance of conditions of Corporate Governance stipulated as per Part B and C of Schedule V of the Listing Regulations is annexed to and forms part of the Director's Report.

Pursuant to the provisions of the Listing Regulations, your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing Regulations are complied with.

Acknowledgements

Your Directors wish to thank all Employees, Bankers, Investors, Business Associates, Advisors etc. for their continued support during the year.

By order of the Board of Directors of
Greycells Education Limited

Place : Mumbai
Date : 13th August, 2018

Abbas Patel
Chairman