



GREYCELLS EDUCATION LIMITED

**Annual Report
2010 - 2011**

CORPORATE INFORMATION

Name of the Company : **Greycells Education Limited**
 Registered Office : D-2, 1st Floor, Poddar Chambers,
 126, Mathuradas Compound, N.M. Joshi Marg,
 Lower Parel (West), Mumbai - 400013

BOARD OF DIRECTORS

Mr. Nowshir Engineer : Managing Director
 Ms. Bela Desai : Promoter, Non-executive Director
 Mr. Abbas Patel : Independent, Non-executive Director, Chairman
 Dr. Anil Naik : Independent, Non-executive Director

Mr. Dharmesh Parekh : Company Secretary & Compliance Officer

COMMITTEE OF BOARD

AUDIT COMMITTEE

Mr. Abbas Patel : Chairman & Member
 Dr. Anil Naik : Member
 Ms. Bela Desai : Member

REMUNERATION COMMITTEE

Mr. Abbas Patel : Chairman & Member
 Ms. Bela Desai : Member
 Dr. Anil Naik : Member

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Ms. Bela Desai : Chairperson & Member
 Mr. Abbas Patel : Member
 Mr. Nowshir Engineer : Member

SHARE TRANSFER COMMITTEE

Ms. Bela Desai : Chairperson & Member
 Mr. Abbas Patel : Member
 Mr. Nowshir Engineer : Member

AUDITORS

Ford, Rhodes, Parks & Co.
 Chartered Accountants

BANKERS

The Federal Bank Limited
 ICICI Bank Limited
 Kotak Mahindra Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.
 E-2/3, Ansa Industrial Estate, Sakivihar Road,
 Saki Naka, Andheri (East), Mumbai – 400 072
 Tel : 28470652 / 28470653
 Fax : 28475207
 E-Mail : ansar@bigshareonline.com

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NOTICE

NOTICE is hereby given that the ANNUAL GENERAL MEETING of the shareholders of GREYCELLS EDUCATION LIMITED will be held at the Registered office of the Company at D-2, 1st Floor, Poddar Chambers, 126, Mathuradas Compound, N.M. Joshi Marg, Lower Parel (West), Mumbai - 400013 on Thursday, September 29, 2011 at 9.30 a.m. to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet as on March 31, 2011 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
- To appoint a Director in place of Ms. Bela Desai, who retires by rotation and, being eligible, offers herself for re-appointment.
- To appoint M/s. Ford, Rhodes, Parks & Co., Chartered Accountants, the retiring Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS

- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 310 and 311 read with provisions of Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, on recommendation and approval of Remuneration Committee and subject to the approval of the Central Government (Ministry of Corporate Affairs) and/or such other authority, as may be required, if any, consent of the shareholders of the Company be and is hereby accorded for Mr. Nowshir Engineer be and is hereby re-designated and re-appointed as Managing Director of the Company for a period of three years with effect from 1st July, 2011 on the terms and conditions as set out in explanatory statement as annexed hereto in accordance with and subject to the limits prescribed in Schedule XIII of the Companies Act, 1956 or any amendment or any modifications thereto and subject to such statutory approvals as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, alter and modify such salary and perquisites as may be agreed to between the Board of Directors and Mr. Nowshir Engineer within the limits specified in part II of Schedule XIII of the Companies Act, 1956 as amended from time to time.

RESOLVED FURTHER THAT notwithstanding anything herein above stated where in any financial year during the currency of tenure of Mr. Nowshir Engineer as Managing Director, the Company incurs loss or its profits are inadequate, the Company shall pay to Mr. Nowshir Engineer remuneration by way of salary, allowance and perquisites not exceeding the limits specified in part II of Schedule XIII of the Companies Act, 1956 as amended from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to execute such deeds, documents and writings and do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

- To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 314 (1) and all other applicable provisions, if any, of the Companies Act, 1956 and the rules and regulations thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the shareholders of the Company be and is hereby accorded to M/s. La Consultants, a firm in which Ms. Bela Desai, a Director of the Company, is a proprietor to hold and continue to hold the position of consultants and advisors on allied matters and on such matters as may be assigned to it by the Company from time to time at a remuneration not exceeding Rs. 2,00,000/- per month exclusive of all out-of-pocket expenses w.e.f. 1st April, 2011.

RESOLVED FURTHER THAT any one of the Director of the Company be and is hereby authorized to decide within the overall limits specified in this regard, the remuneration and modify the terms and conditions of appointment from time to time and to do all such acts, deeds, matters and things as may be necessary for the purpose of giving effect to this resolution without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

- To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 314 (1) and all other applicable provisions, if any, of the Companies Act, 1956 and the rules and regulations thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the shareholders of the Company be and is hereby accorded to M/s. Value Line Advisors Private Limited, a company in which Ms. Bela Desai, a Director of the Company, is a Director to hold and continue to hold the position of advisors on allied matters and on such matters as may be assigned to it by the Company from time to time at a remuneration not exceeding Rs. 2,00,000/- per month exclusive of all out-of-pocket expenses w.e.f. 1st April, 2011.

RESOLVED FURTHER THAT any one of the Director of the Company be and is hereby authorized to decide within the overall limits specified in this regard, the remuneration and modify the terms and conditions of appointment from time to time and to do all such acts, deeds, matters and things as may be necessary for the purpose of giving effect to this resolution without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board of Directors

Place : Mumbai
Date : 12th August, 2011

Dharmesh Parekh
Company Secretary

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is appended hereto.
- Members are requested to bring their copy of the Annual Report to the meeting.
- The Register of Members & Share Transfer Books of the Company will remain closed from September 26, 2011 to September 29, 2011 (both days inclusive).
- Member/s desirous of getting any information on the accounts and operations of the Company are requested to write to the Company at least seven days before the date of the meeting.
- As per the provisions of the amended Companies Act, 1956 facility for nominations is available to the shareholders of the Company.
- Members are requested to intimate change of address, if any, in case of shares held in electronic form to the concerned depository participant quoting their DP Id number and in case of shares held in physical form to the Registrar & Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd. at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072.
- Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.

10. Attendance Slip is annexed to the Proxy Form. Members are requested to fill up the particulars of the attendance slip, affix their signature in the appropriate place and hand it over to the Company's officials/ Registrars at the entrance of the Meeting venue.

ANNEXURE TO THE NOTICE

INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE-APPOINTMENT OF DIRECTOR

Ms. Bela Desai, aged 46 years, is a Fellow member of the Institute of Company Secretaries of India and holds a Degree in Law. With a career spanning over 16 years in Corporate India, her expertise is in areas of corporate structuring, mergers and acquisitions, fund raising etc.

She is a non-independent, non-executive director on the Company's Board. She is also a member of Audit Committee & Remuneration Committee and Chairperson of Shareholders / Investors Grievance Committee & Share Transfer Committee of the Company. She holds 4,94,100 equity shares (being 8.22%) in the Company.

She is also on the Board of Value Line Advisors Private Limited, Systematik Finvest Private Limited and Eduhub Education Private Limited.

By Order of the Board of Directors

Place : Mumbai
Date : 12th August, 2011

Dharmesh Parekh
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

The Board of Directors at its meeting held on June 29, 2011 on recommendation and approval of Remuneration Committee approved the appointment of Mr. Nowshir Engineer as Managing Director of the Company for a period of 3 years with effect from 1st July, 2011 on the following terms:

Details of terms of appointment of Mr. Nowshir Engineer.

1. Period : 3 years w.e.f. 1st July, 2011.
2. Remuneration : He is appointed as Managing Director without any remuneration with authority to Board to modify the terms in consultation with remuneration committee.

The particulars set out in the resolution(s) referred above together with the explanatory statement may be treated as an abstract under Section 302 of the Companies Act, 1956.

Your Directors recommends the ordinary resolution for your approval.

None of the Directors, except Mr. Nowshir Engineer, is interested or concerned in the resolution.

Item No. 5

It is proposed to appoint M/s. La Consultants as a consultant and advisor on allied matters and on such other matter as may be assigned to it by the Company from time to time so that the company could reap maximum benefits. The resolution will enable the Company to engage the services of the said firm for the solution of specific problems pertaining to the aforesaid matters on monthly basis. The Board feels that appointment of the said firm would be in the overall interests of the company and the terms are reasonable especially when considering her background. M/s. La Consultants holding the position of consultants and advisors at a remuneration not exceeding Rs. 2,00,000/- per month exclusive of all out-of-pocket expenses w.e.f. 1st April, 2011.

Approval of the Central Government shall not be required for appointment of M/s. La Consultants under Section 314 (1B) of the Companies Act, 1956 as amended, as the monthly remuneration payable to them does not exceed the overall limits specified by the Central Government from time to time.

Accordingly, approval of the members by a special resolution is sought under Section 314 (1) and other applicable provisions, if any, of the Companies Act, 1956.

Your Directors recommend the special resolution for your approval.

None of the Directors, except Ms. Bela Desai, is interested or concerned in the resolution.

Item No. 6

It is proposed to appoint M/s. Value Line Advisors Private Limited as an advisor on allied matters and on such other matter as may be assigned to it by the Company from time to time so that the company could reap maximum benefits. The resolution will enable the Company to engage the services of the said company for the solution of specific problems pertaining to the aforesaid matters on monthly basis. The Board feels that appointment of the said company would be in the overall interests of the company and the terms are reasonable especially when considering their background. M/s. Value Line Advisors Private Limited holding the position of advisors at a remuneration not exceeding Rs. 2,00,000/- per month exclusive of all out-of-pocket expenses w.e.f. 1st April, 2011.

Approval of the Central Government shall not be required for appointment of M/s. La Consultants under Section 314 (1B) of the Companies Act, 1956 as amended, as the monthly remuneration payable to them does not exceed the overall limits specified by the Central Government from time to time.

Accordingly, approval of the members by a special resolution is sought under Section 314 (1) and other applicable provisions, if any, of the Companies Act, 1956.

Your Directors recommend the special resolution for your approval.

None of the Directors, except Ms. Bela Desai, is interested or concerned in the resolution.

By Order of the Board of Directors

Place : Mumbai
Date : 12th August, 2011

Dharmesh Parekh
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the Annual Report of the Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2011.

Financial Results

The Company earned total revenue of ₹ 950.34 lacs for the year as against ₹ 791.30 lacs in the previous year, registering a growth of 20% over the previous year. Standalone revenues during the year stood at ₹ 605.79 lacs as against ₹ 486.12 lacs in the previous year, registering a growth of 24% over the previous year.

The consolidated loss before tax for the year stood at ₹ 565.01 lacs as against ₹ 9.97 lacs in the previous year. Standalone loss before tax for the year was ₹ 561.58 lacs as against profit of ₹ 32.03 lacs in the previous year.

Dividend

The Directors have refrained from recommending dividend for the year.

Operations

The Company is currently engaged in the field of education in media, entertainment, finance and sports management. It runs "EMDI Institute of Media & Communication" in India and Dubai - a leader in Advertising, Event Management, PR and Journalism. EMDI Institute of Media and Communication has received the "**Chanakya Awards - 2011**" for the **Business Communication School of the year from Public Relations Council of India (PRCI)**.

The Company also caters to the rapidly-expanding field of finance education through its venture **Business India Institute of Finance (BIIF)**, Delhi.

The joint venture Eduhub Education Pvt Ltd, offers first ever comprehensive program in Sports Management to train future sports marketing and management professionals under "**Indian Institute of Sports Management (IISM)**."

At the onset of the academic year 2011-12, the Company has added a few feathers to its cap - The Company's event management courses delivered has been conferred accreditation from **Event and Entertainment Management Association (EEMA)**, an association of the most reputed event management agencies in the country.

The Company's Post Graduate courses have been conferred formal recognition from **Griffith University**. The graduates from EMDI now be accepted directly into certain Griffith Masters programs. Griffith is one of the leading higher education providers in Australia, established since 1975. Griffith is a member of Innovative Research Universities of Australia (IRUA) and focuses its research efforts in areas of strategic importance locally, nationally and globally.

The Post Graduate Diploma in Advertising and Communication is accredited by **International Advertising Association (IAA)**. All the courses delivered by EMDI (Overseas) FZ LLC in Dubai continue to be accredited by City and Guilds, UK's largest vocational awarding body.

Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Ms. Bela Desai retires by rotation as Director at the ensuing Annual General Meeting and being eligible, offers herself for reappointment. Brief resume of Ms. Bela Desai is annexed to the Notice of Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

Mr. Nowshir Engineer has been re-appointed and re-designated as Managing Director of the Company w.e.f. 1st July, 2011 subject to the approval of members and the Central Government at the ensuing Annual General Meeting.

Mr. Uday Sinh Wala and Mr. Deepak Choudhary resigned from directorship of the Company. The Board places on record its appreciation for the valuable contribution made by them as a Directors of the Company.

Share Warrant

During the year, your Company has issued and allotted 13,00,000 convertible equity share warrants of ₹ 10/- each at a price of ₹ 55/- per share warrant (including premium of ₹ 45/- each per share warrant) on preferential basis to the promoter and non promoter entities as per Chapter VII of SEBI (ICDR) Regulations, 2009. As per the terms of issue of equity warrant, an amount equivalent to 25% of the issue price aggregating to ₹ 1,78,75,000/- was received and is retained in Share Warrants account.

Utilization of Right Issue Funds

At the end of 30th June, 2011, the Company has utilized ₹ 1136.72 lacs towards the object of the rights issue and the balance unutilized amount of ₹ 1.39 lacs continue to be invested in units of mutual fund and balance in current account.

Subsidiary Company

The Consolidated Financial Statements has been drawn up in accordance with the applicable accounting standards, forms part of the Annual Report. As per General Circular No.2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, general exemption was granted to all holding companies from the provisions of Section 212 in relation to subsidiaries of holding companies provided certain conditions are fulfilled. Hence, the Company is not attaching the annual accounts of the subsidiary companies alongwith the accounts of the Company. As instructed in General Circular No.2/2011 dated 8th February, 2011, a gist of the financial performance of the subsidiaries is contained in the report. The Company will make available these documents/details upon request by any member of the Company or its subsidiaries, interested in obtaining the same. These documents will also be available for inspection during business hours at Company's Registered Office and respective offices of subsidiaries.

A statement of financial position of the Company's subsidiaries, EMDI (Overseas) FZ LLC and Eduhub Education Private Limited pursuant to Section 212 of the Companies Act, 1956 is annexed and forms part of this Report.

Auditors

The Company's statutory auditors, M/s. Ford, Rhodes, Parks & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The notes on accounts referred to in the Auditors' Report are self explanatory and therefore do not require further clarification by the Board of Directors.

Fixed Deposits

During the year under review, the Company has not accepted any deposits under Section 58-A of the Companies Act, 1956.

Particulars of employees

Since none of the employees of the Company was drawing remuneration in excess of the limits laid down pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, details therewith are not furnished.

Particulars of Conservation of Energy, technology absorption and foreign exchange earning 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:

Earnings	₹ 4.95 lacs
Expenditure	₹ 3.27 lacs

Corporate Governance

A separate section on Corporate Governance along with Management Discussion & Analysis forming part of Director's Report and the certificate from the Secretary in whole time practice regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed to and forms part of the Director's Report.

Directors Responsibility Statement

In terms of Section 217 (2AA) of the Companies Act, 1956, in relation to financial statements for the year ended 31st March, 2011, the Board of Directors confirm/state that:

- In the preparation of the Annual Accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 31st March, 2011 and of the loss of the Company for the year ended as on that date;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis.

Acknowledgements

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

By Order of the Board of Directors

Place: Mumbai

Abbas Patel

Date: 12th August, 2011

Chairman

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

Company's Philosophy on Corporate Governance

Your Company's philosophy on Corporate Governance is aimed at optimizing the balance between stakeholders' interest and corporate goals through the efficient conduct of its business and meeting their obligation in a manner that is guided by transparency, accountability and integrity. The Company endeavours to comply with the requirements of Corporate Governance not merely as a regulatory requirement but also in spirit.

The Board of Directors of the Company fully support and endorses Corporate Governance practices as per the provisions of the amended Clause 49 of the Listing Agreement as applicable from time to time. The following is a report on the status with respect to compliance with Corporate Governance for the year ended 31 March, 2011.

COMPLIANCE WITH SEBI CODE OF CORPORATE GOVERNANCE

1. Board of Directors:

Seven meetings of the Board of Directors were held during the year ended March 31, 2011 on 04.05.2010, 28.05.2010, 13.08.2010, 21.10.2010, 12.11.2010, 29.11.2010 and 10.02.2011. Attendance of Directors at the Board Meetings & Annual General Meeting are as under:

Sr. No.	Names of Directors	Number of board meetings held whilst a Board member	Number of Board meetings attended	Whether attended last AGM held on 24.09.2010
1	Uday Sinh Wala@	7	1	Yes
2	Bela Desai	7	6	Yes
3	Abbas Patel	7	6	Yes
4	Deepak Choudhary@	7	7	Yes
5	Nowshir Engineer	7	1	No
6	Anil Naik	7	5	Yes

@Mr. Uday Sinh Wala and Mr. Deepak Choudhary have resigned w.e.f. 10.02.2011 & 30.06.2011 respectively.

The Directors of the Company possess highest personal and professional ethics, integrity and values, and are committed to representing the long term interest of the stakeholders. The Company's Board comprises 4 Directors with considerable experience in their respective fields. Of these 3 Directors are Non Executive Directors. The Chairman of the Board is an Independent Non-Executive Director.

Details of Composition, Category of Directors, their other Directorships, Committee memberships:

Composition and category of Directors						
Sr. No.	Name	Designation	Category	Directorship in other Companies	Board Committees on which member	Board Committees on which Chairperson
1	Abbas Patel	Chairman & Director	Independent, Non-Executive Director	1	2	2
2	Nowshir Engineer	Managing Director	Non-independent, Executive Director	4	0	0
3	Bela Desai	Director	Promoter, Non-Executive Director	3	2	2
4	Anil Naik	Director	Independent, Non-Executive Director	4	4	0

No Director is related to any other Director on the Board in terms of the definition of relative given under the Companies Act, 1956.

No compensation is paid to Non-Executive Directors except sitting fees. No sitting fee is paid to the Executive Directors for attending the board meetings.

Equity Shares held by Non-Executive Directors are as follows:

Name of Director	Equity Shares held
Abbas Patel	40,000
Bela Desai	4,94,100
Anil Naik	Nil

The Board of Directors has laid down the Code of Conduct applicable to the Board members and senior executives of the Company. A declaration by the Managing Director affirming compliance to the Code of Conduct by the board members & senior executives is also annexed separately at the end of this report.

A brief resume of the Director offering herself for re-appointment at the Annual General Meeting is provided in the annexure/explanatory statement annexed to the notice convening the Annual General Meeting for the year 2011.

2. Audit Committee

The Company has an Audit Committee at the Board level with powers and role that are in accordance with Clause 49 II (C) and (D) of the Listing Agreement. The Company has a qualified and Independent Audit Committee with all its members being Non-Executive Directors, to oversee the accounting and financial governance of the Company. The Committee acts as a link between the management, statutory auditors and the Board of Directors. Details of Committee meetings held during the year ended 31st March, 2011 and attendance of members are as under:

Sr. No.	Name	Designation	Category	Number of Meetings	
				Held	Attended
1	Abbas Patel	Chairman & Member	Independent, Non-Executive Director	4	3
2	Bela Desai	Member	Promoter, Non-Executive Director	4	3
3	Anil Naik	Member	Independent, Non-Executive Director	4	4

The scope of the functioning of the audit committee is to review, from time to time, the internal control procedures, the accounting policies of the Company and such other functioning as may be recommended from time to time by SEBI, Stock Exchanges and/or the Companies Act, which inter-alia include review of:

1. Management Discussion and Analysis of financial condition and result of operations.
2. Statement of significant related party transactions submitted by the management.
3. Internal audit reports relating to internal control strengths & weaknesses.
4. Appointment, removal & terms of remuneration of Internal Auditors.

3. Shareholders / Investors' Grievance Committee

The Company has a Shareholders / Investors' Grievance Committee to focus on the prompt and effective redressal of the shareholders grievances and strengthening of the investor relations. The broad functions of the Committee includes redressal of shareholder and investor complaints pertaining to transfer of shares, non-receipt of share certificates, non-receipt of annual report, change of address, non-receipt of declared dividend and any other complaints received from the Shareholders/Investors etc. During the year under review, the Committee met four times, details of attendance by the Committee members are as under:

Sr. No.	Name	Designation	Category	Number of Meetings	
				Held	Attended
1	Bela Desai	Chairperson & Member	Promoter, Non-Executive Director	4	3
2	Abbas Patel	Member	Independent, Non-Executive Director	4	3
3	Deepak Choudhary@	Member	Non-independent, Executive Director	4	4
4	Nowshir Engineer#	Member	Non-independent, Executive Director	0	0

@Mr. Deepak Choudhary has resigned w.e.f. 30.06.2011.

#Mr. Nowshir Engineer has appointed as a member of the committee w.e.f. 01.07.2011

Mr. Dharmesh Parekh - Company Secretary is the Compliance Officer of the Company as approved by the Board of Directors.

During the year ended March 31, 2011 the Company did not receive any complaints and there were no outstanding complaints pending for more than one month. There were no cases, which were not solved to the satisfaction of shareholders.

4. Remuneration Committee

The Company has a Remuneration Committee at the Board level with

the powers and role that are in accordance with Clause 49A of the Listing Agreement and the Members of the Committee are as under :

Sr. No.	Name	Designation	Category	Number of Meetings	
				Held	Attended
1	Abbas Patel	Chairman & Member	Independent, Non-Executive Director	1	1
2	Bela Desai	Member	Promoter, Non-Executive Director	1	1
3	Uday Sinh Wala@	Member	Non Independent, Non-Executive Director	1	1
4	Anil Naik#	Member	Non Independent, Non-Executive Director	0	0

@Mr. Uday Sinh Wala has resigned w.e.f. 10.02.2011.

#Dr. Anil Naik was appointed as a member of the remuneration committee w.e.f. 10.02.2011

The Remuneration Committee performs the following functions :

1. To frame the Company's Policy from time to time on :
 - a. Compensation Policy to Directors
 - b. Role of Directors
 - c. Other matters relating to Directors and Employees
2. To recommend suitable candidates to Board for appointment as Executive/Non-Executive Director.
3. To review performance and recommend remuneration of Executive Directors' to the Board.
4. To review the role and conduct of Director's other than Members of the Committee and inform the Board.

Remuneration Policy

The Company has a credible and transparent policy in determining and accounting for the remuneration of Directors. The remuneration policy is aimed at attracting and retaining high caliber talent. Executive Directors are entitled for the remuneration by way of Salary and Commission not to exceed limits prescribed under the Companies Act, 1956.

The Executive Director is appointed for a period of 3 years w.e.f. 1st July, 2011. The details of remuneration paid to Managing Directors during the year ended 31st March, 2011, have been provided under Notes on Accounts.

5. Other Committees

The Share Transfer Committee, which approves share transfers, transmission, issue of duplicate shares etc. and to sign documents, share certificates, deeds etc. in this regard.

6. Subsidiary Company

During the year under review the Company have two unlisted subsidiary companies namely EMDI (Overseas) FZ LLC and Eduhub Education Private Limited. The Audit Committee reviews the financial statement of the subsidiary companies. The statements of all significant transactions of the unlisted subsidiary companies are placed regularly before the Board of Directors for their review.

7. Disclosures

There are no material transactions with related parties, which require separate disclosure. A comprehensive list of related party transactions as required by Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India, forms part of note no.11 of Notes to Accounts of Schedule L to the accounts in the Annual Report.

There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

There is no material pecuniary transaction with any Non-Executive as well as Independent Directors of the Company that requires a separate disclosure.

The Board reviews the risk assessment and minimization procedure from time to time. The risk management issues are discussed in detail in the report of Management Discussion and Analysis.

The Management Discussion and Analysis Report is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement.

The Company has complied with the requirements of the Listing Agreement as well as the regulations/guidelines prescribed by the Securities and Exchange Board of India. There has been no instance of non-compliance by the Company or no penalties were imposed on the Company by the Bombay Stock Exchange Limited or SEBI or any other statutory authority on any matter related to capital market during the last three years.

The details of compliance with mandatory requirements of Clause 49 are as contained in this Report.

8. Green initiative in Corporate Governance - Electronic Mode of service of documents.

The Ministry of Corporate Affairs (MCA) has issued General Circular No. 17/2011 dated 21.04.2011 and General Circular No. 28/2011 dated 20.05.2011 for making awareness about the Green Initiative in Corporate Governance - Electronic mode of service of documents to the members of the Company.

To support the Green initiative in Corporate Governance, we propose to send all communications, including Notice of Annual General Meeting and Annual Report of the Company for the year 2010-2011 through electronic mode to your valid e-mail address available in the register of Members of the Company. Physical copies will be sent to those shareholders who do not have valid e-mail address.

This initiative by the Government will not only go a long way in conservation of the environment but also enable you to receive notices/documents, etc. promptly and without loss in postal transit. In order to receive notices/documents of the Company on email, you would be required to update your email with your Depository Participant (DP) with NSDL/CDSL. As and when there are changes in your email address, you are requested to keep your DP informed of the same.

We request your support in this endeavor to receive the eversion of the Annual Report for the year ended 31.03.2011 and also in future. The Members holding shares in electronic mode may update their e-mail IDs with their depository participants to ensure that the Annual Reports and other documents reach them at their preferred e-mail IDs and where the shares are held in physical form, please get your e-mail IDs updated in the records of the Registrar and Share Transfer Agent/Company. Besides ensuring that your mailbox has adequate free capacities to receive approximately 5 MB of communication.

However, in case you do desire to receive the Annual Report in physical form, you are requested to inform us by sending an email to companysecretary@greycellsltd.com indicating your decision. You will be entitled to receive a copy of the annual report at free of cost.

Please note that the Annual Report will also be available on the Company's website www.greycellsltd.com for viewing/downloading. Physical copies of the Annual Report will also be available at our Registered Office in Mumbai for inspection during office hours.

We look forward to your whole-hearted response for the success of this green initiative. Assuring you of our best services at all times.

9. CEO Certification

Certificate from Mr. Nowshir Engineer, Managing Director in terms of Clause 49 (V) of the Listing agreement entered into with the Bombay Stock Exchange Limited was placed before the Board of Directors of the Company at their meeting held on 12th August, 2011 and is annexed to this report.

10. Company Secretary's Certificate on Corporate Governance

Certificate from M/s. A. K. Jain & Co, Company Secretaries in terms of Clause 49 (VII) of the Listing agreement is attached and forms part of this report.

11. General Body Meetings

Location and time of last three AGMs held

Year ended 31st March	Date of AGM	Time of AGM	Venue
2010	September 24, 2010	9.30 A.M.	D-2, 1st Floor, Poddar Chamber, 126, Mathuradas Compound, N.M. Joshi Marg, Lower Parel (W), Mumbai - 400013
2009	September 30, 2009	10 A.M.	VMDL Campus, 4th Floor, Opp. Lilavati Hospital, Bandra Reclamation, Mumbai - 400 050
2008	September 22, 2008	9 A.M.	VMDL Campus, 4th Floor, Opp. Lilavati Hospital, Bandra Reclamation, Mumbai - 400 050

Special Resolution passed in the last three Annual General Meetings:

1. Register and Index of Members - Annual General Meeting held on 22nd September, 2008.
2. Authority to Board for creation of Charges/Mortgages - Annual General Meeting held on 24th September, 2010.

During the year under review, the following special resolution(s) were passed by the Company's shareholders through postal ballot under Section 192A of the Companies Act, 1956 and Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 :

1. Declassification of Promoters
2. Alteration of Main Object Clause and
3. Issue of Equity Share Warrants on Preferential Allotment Basis

Further, no resolution proposed at the ensuing Annual General Meeting needs to be passed through Postal Ballot.

12. Means of communications

Quarterly/annual results are published in Free Press Journal & Nav Shakti. Up-to-date financial results, annual reports, shareholding patterns, press releases, information on new developments and business opportunities are also available on the Company's website www.greycellsltd.com. Shareholders information forms part of the Annual Report.

SHAREHOLDER INFORMATION

AGM: Date, Time and Venue	Thursday, September 29, 2011 at 9.30 a.m. at D-2, 1st Floor, Poddar Chambers, 126, Mathuradas Compound, N.M. Joshi Marg, Lower Parel (West), Mumbai - 400013
Corporate Identity Number (CIN)	L65910MH1983PLC030838 With the MCA21 initiative of the Ministry of Corporate Affairs going live, the Company's master data and details of corporate filings made by the Company with the MCA may be viewed by the members and other stakeholders at www.mca.gov.in using the above mentioned CIN
Financial Calendar for 2011-12	(tentative and subject to change)
Financial reporting for the quarter ending June 30, 2011	On or before August 15, 2011
Financial reporting for the quarter ending September 30, 2011	On or before November 15, 2011
Financial reporting for the quarter ending December 31, 2011	On or before February 15, 2012

Financial reporting for the year ending March 31, 2012	End May, 2012
Date of Book Closure	September 26, 2011 to September 29, 2011 (both days inclusive)
Dividend Payment Date	N.A.
Listing on Stock Exchanges Stock code Fees	The Bombay Stock Exchange Ltd. Code – 508918 The Listing fees paid to the BSE for the financial year 2011-12
Market price data	The Company's shares are frequently traded.
Registrar and Share Transfer Agents	Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072 Phone : 28470652 / 53 Fax : 28475207 Email: ansar@bigshareonline.com
Share Transfer System	Shares transfers in physical form are registered and returned within 30 days of lodgment, if documents are clear in all respects and demat request are normally confirmed within prescribed time from date of the receipt. During the year under review total 1,50,000 equity shares transferred on 22.10.2010 in physical form.
Dematerialization of shares and liquidity	The Company's equity shares have been admitted in electronic/dematerialized mode by both Central Depository Services (India) Limited and National Securities Depository Limited under the International Securities Identification Number (ISIN) INE791H01011. This number is required to be mentioned in each correspondence relating to the dematerialization of shares of the Company. As on 31st March, 2011, 98.05% of the company's total number of shares have been dematerialized. The Company has paid the custodial charges to the respective depository participant for the financial year 2011-12.
Outstanding Warrants, conversion date and likely impact on equity	The Company has 13,00,000 outstanding convertible equity share warrants of ₹ 10/- each issued and allotted at a price of Rs. 55/- per share warrant on preferential basis to the promoter and non promoter entities as per Chapter VII of SEBI (ICDR) Regulations, 2009. As per terms of issue, the warrant holder will have an option to apply for and be allotted one equity share of the Company per equity warrant at any time after the allotment of equity warrant but on or before the expiry of 18 months from the date of allotment of equity warrant, in one or more tranches. The total paid-up capital of the Company will be 73,07,715 equity shares of Rs. 10/- each amounting to Rs. 7,30,77,150/- assuming full conversion of equity warrant. The equity shares to be issued on conversion of convertible share warrants and allotted in terms of issue shall rank pari passu in all respects with the existing equity shares of the Company including entitlement of dividend. The warrant holder shall also be entitled further bonus/right issues if

	any just as equity shares or other securities convertible into equity shares by the Company in the same proportion and manner as any other shareholder of the Company and the Company shall reserve a proportion of such entitlement for the warrant holders.
Plant Locations	N.A.
Registered Office and Address for correspondence	GREYCELLS EDUCATION LTD. D-2, 1 st Floor, Poddar Chamber, 126, Mathuradas Compound, N.M. Joshi Marg, Lower Parel (West), Mumbai – 400013

Stock Market Data

The Monthly High and Low quotation of equity shares traded on BSE are as under :

Month	Bombay Stock Exchange	
	High (₹)	Low (₹)
April' 10	59.85	49.00
May' 10	54.45	40.00
June' 10	55.00	35.05
July' 10	53.65	44.40
August' 10	61.85	44.95
September' 10	57.85	43.10
October' 10	58.60	44.25
November' 10	74.55	48.55
December' 10	51.90	44.40
January' 11	49.50	34.20
February' 11	42.50	32.30
March' 11	49.00	33.25

● **Distribution of Shareholding as on March 31, 2011**

Distribution – As on March 31, 2011					
Range	Shareholders		Shares		
No. of Shares	Numbers	% to Total	Numbers	% to Total	
1 - 5000	639	71.08	96,099	1.60	
5001 - 10000	69	7.67	57,358	0.95	
10001 - 20000	48	5.34	79,223	1.32	
20001 - 30000	29	3.23	74,871	1.25	
30001 - 40000	13	1.45	46,372	0.77	
40001 - 50000	10	1.11	47,930	0.80	
50001 - 100000	33	3.67	2,47,549	4.12	
100001 and above	58	6.45	53,58,313	89.19	
Total	899	100.00	60,07,715	100.00	

● **Shareholding Pattern as on March 31, 2011**

Category	No. of shares held	Percentage of shareholding
Promoter's holding		
- Indian Promoters	13,12,567	21.85%
- Foreign Promoters	—	—
Non-Promoters Holding		
Foreign Institutional Investors	2,29,152	3.81%
Bodies Corporate	17,75,505	29.55%
Indian Public	13,61,581	22.67%
Clearing Member	192	0.00%
Non Resident Indians	13,28,718	22.12%
Total	60,07,715	100.00%

Managing Director's Certification pursuant to Clause 49 of the Listing Agreement

I, Nowshir Engineer, Managing Director of Greycells Education Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the Balance Sheet as on and Profit and Loss Account for the year ended 31st March, 2011 (consolidated and unconsolidated), and all its schedules and notes on accounts, as well as the cash flow statements and the Directors' Report;
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of, the company's affairs, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and I have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Company's disclosure, controls and procedures; and
 - d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting;
6. I have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company (and persons performing the equivalent functions)
 - a) all deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies;
 - b) significant changes, if any, in internal controls during the year covered by this report;
 - c) all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
 - d) instances of significant fraud of which I am aware, that involves management or other employees who have a significant role in the Company's internal control system;
7. I affirm that I have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and I have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices; and
8. I further declare that all board members and senior executives have affirmed compliance with the code of conduct for the current year.

For Greycells Education Limited

Place: Mumbai
Date : August 12, 2011

Nowshir Engineer
Managing Director

Certificate on Corporate Governance pursuant to Clause 49 of the Listing Agreement

To
The Members of
Greycells Education Limited.

We have examined the compliance of conditions of Corporate Governance by Greycells Education Limited (The Company), for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Ltd.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination in accordance with the guidance note on certification of Corporate Governance as stipulated in clause 49 of the Listing Agreement and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an express of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A.K. Jain & Co
Company Secretaries

Mumbai
August 12, 2011

Ashish Jain
Proprietor
(C.P.No. 6124)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Education Industry

India has the 3rd largest education system globally and has a network of more than 1 million schools and 18000 higher education institutions. India's population in the age group of upto 24 years constitutes 52% of the total population. This showcases that more than half of the country's population falls in the target market for education and related services. Private final consumption expenditure on education is on the rise. This shows that with an increase in per capita income, people are willing to spend more on education once their basic needs of food and clothing are satisfied. Exciting prospects lie ahead for the Indian Education sector. Being in its nascent stage, we expect the sector to grow at a strong pace over the next few years. With robust growth in the service sector in India, it is expected that further proliferation in demand for quality educational services and growth in this sector. We can see that the coming decade in India will be a decade of the growth and evolution of the education industry. We believe that segments vocational training and education provide huge opportunities within the education sector.

The Government has taken several measures to improve education at the elementary level in the country, the major ones being the implementation of the Right of Children to free and Compulsory Education (RTE) Act, 2009. The conventional programs like Sarva Shiksha Abhiyan and Madhyamik Shiksha Abhiyan have been given importance as they have helped to make remarkable uplift in education. The Sarva Shiksha Abhiyan is intended for the enlargement and growth mainly in the primary education. India spends 2 - 4% of their GDP on education along with peers like Brazil, Russia and China. Developed countries spend anywhere between 5-6%. In order to convert the vast young population of India into a resource driven force, India will have to incur far higher proposes to increase the education expenditure to 5% of GDP from the current levels of 3%. India's expenditure on higher education will grow nearly 13% annually in the next 10 years driven by the private sector, said a report released by human resource development (HRD) minister Mr. Kapil Sibal. The Indian Government and private sector are expected to increasingly invest in educational infrastructure at all stages, including schools, higher education institutions and skills development centres. The higher education sector has been given huge importance in India, as it is the power tool which helps to build the country's knowledge base.

"Higher education spends in India are currently estimated at Rs.46,200 crore and are projected to grow over Rs.150,000 crore in the next 10 years, reflecting an average growth rate of 12.8%. The typical Indian household spends the most on education today after food and transport. Average household education expenditure in India has risen from 1.46% of annual income in 1981 to 2.55% in 2008 and 7.5% in 2010. Nearly 55% of Indian middle-class households have started saving for higher education of their children. The shift towards a services economy is creating a large demand for skilled workforce, which in turn will drive enrolment in higher education. Changing macroeconomic trends are creating new categories of students. They are also increasing the willingness to pay for academic quality, employability-linked education as well as foreign education. Rajan Bharti Mittal, president of FICCI, said education is the "biggest game changer" for India and critical for sustained economic growth. The report says India's higher education system is already the largest in the world in terms of number of institutes, and the third largest in terms of enrolment. (Source : Joint Report of Ernst and Young (E&Y) and Federation of Indian Chamber of Commerce and Industry (FICCI).

Mr. Amitabh Jhingan, Partner, Education sector leader, E&Y, stated in its Foreword, "The higher education system in the country is poised at a crucial stage in its growth." Professor M. Anandakrishnan, Chairman, FICCI Higher Education Committee, stated in the Foreword, "FICCI as a change agent has been working diligently towards influencing the government to bring about requisite policy changes for providing the right impetus to the growth of higher education sector." The government's role in facilitating these new changes and possibilities are evaluated within the backdrop of increased private

sector participation in higher education to meet the funding gaps. The inaugural day's session on 'Institutional Reforms in Indian Higher Education' was chaired by Ms. Vibha Puri Das, Secretary, Higher Education, MHRD, Government of India. "With new higher education laws currently under the consideration of the Parliament to make accreditation mandatory, curb malpractices and fast track adjudication of disputes, there is much to reflect and analyze in the context of major institutional reforms that are underway," Ms. Das said. (Source: Global Conference, FICCI Higher Education Summit 2010 at New Delhi).

The Indian Government is focused on improving and expanding both the quality and reach of the education system in the country. To this end, it has made a significant budgetary allocation and has been looking at further liberalization of policies to allow greater and more diverse investment in the education sector in India. Further in view of urgent need for greater clarity on regulation, which would reduce the need for current complicated structures of ownership and encourage greater public-private participation in the education sector, the Government has shown favor towards greater private participation and more Foreign Direct Investment (FDI) in the education sector. The Indian Government is expected to continue to play a leading role in the expansion of the education market in India.

2. Vocational Training in India and the need for private participation

Worldwide, education comprises of two different deliverable factions - mainstream education and vocational education. Fields such as event management, hospitality and advertising have now emerged as career options for students. In India, as elsewhere in the world, courses imparting practical knowledge are the fastest growing segment in the world of education.

Union Budget 2011 has offered a significant hike for the promotion of education and for the implementation of Vocational Training Programs at the secondary education level which will come into force from 2011-12 onwards positively help in increasing the better employability of youth community of the country. This will help the country to craft a working class of youth who are competent and will further balance the demand and supply condition. This in turn helps the country to become stable during economic upheavals, besides also propelling it forward in the endeavour to be a knowledge oriented economy.

Low levels of enrolment at the tertiary level provides a huge market for private players in vocational training. India ranks low in terms of the percentage of population with a formal vocational training. Additionally, the phenomenal growth seen in sectors like vocational training over the last few years has created several job opportunities and a huge demand for relevant talent - a gap that can be plugged by private players addressing the demand for education.

Education and skill development remained a top agenda with the Government, with greater private sector participation. The recent initiatives by the Government such as the Foreign Educational Institution Bill 2010, are harbingers of potential deregulation and increasing acceptance of private companies in the education sector.

India has the highest numbers of illiterate people in the world, this creates a large market of potential clients for education companies to cater to. Further the quantity and quality of education has become an immediate concern for the Indian economy and is leading to an increased awareness of the need for education, which creates further growth opportunities for the private sector. The Indian middle class is willing to pay for quality education, as it is strongly believed to be an important pre-requisite for securing a job with good pay. As the quality of education in government schools needs improvement, this creates a tremendous opportunity for private players offering quality education. The propensity to pay for this is increasing with time, thus creating a huge and growing market. In addition to the above, this sector is fairly insulated from any potential market downturn.

With an enormously large base of school drop outs, who pursue various employability options, the prospects of emerging streams like Vocational Training looks bright and shining. The various Commissions and Committees formed by the respective governments have made recommendations for expansion and improvement of industrial,

technical and vocational education in the Country and accordingly government has expanded number of technical schools both as part of secondary schools as well as separate vocational and industrial training institutes. The Commission, however, stressed the responsibility of technical and vocational education for training not only those who will seek employment but also for those who will create employment.

Our Company attempts to bridge the widening gap between academia and industry requirements by catering to the student base at vocational level and making them industry ready. Our vision is to be an Institute of vocational learning, focusing on developing intellectual, personal and employability skills of our students. In the Indian private educational space, Greycells is a name synonymous for a wide range of high quality educational services and content, services and satisfaction have been the 3 critical success levers in Company's journey and they continue to be our core strengths. Industry's changing landscape and emerging challenges, our courses are well poised to deliver talent and harness the potential of young minds. Our courses in tandem with industry are well poised to train the youth to meet the challenges of a rapidly developing society and nation.

The Company offers programs that range from skill enhancement courses to job-oriented. The comprehensive courses and content will provide segment specific guidance to make candidates the best in their chosen field. The Company focused on imparting industry relevant skill to youth to make them industry - ready and skilled personnel using quality content and practices. Vocational education is education for employability therefore all our course encourage candidates to enhance employability skills, provide additional skills, look at industries which are growing and attract value.

3. Media and Entertainment (M&E) Industry and Developments

The FICCI-KPMG report on Indian Media and Entertainment Industry released at the inaugural session of FICCI FRAMES on March 23, 2011. The overall M&E market in India is expected to grow at a compounded annual growth rate of 14 percent per annum through 2015 to reach INR 1.3 trillion. India is one of the largest media consuming markets in the world, however, the size and scale of industry is limited when compared with global M&E Industry.

Dr. Amit Mitra, Secretary General, FICCI, said that "The key industry highlights are the growing potential of the regional markets, increasing media penetration and per capita consumption and increasing importance of New Media driven by changing media consumption patterns". According to Rajesh Jain, Head of Media and Entertainment, KPMG, "The resurgence in advertising, growth in subscription revenues, thrust on digitization, and emerging avenues for content monetization were the key growth drivers for the Indian Media & Entertainment industry in 2010. However going forward, it will become imperative for media companies to reset their business models and build greater focus on profitability and changing consumer preferences". (Source: FICCI - KPMG Indian Media and Entertainment Industry Report 2011).

Mature players are increasingly looking to build scale across the media value chain and explore cross media synergies. In addition, existing foreign players are looking to expand their Indian portfolio and several other are expected to make and entry into India. Inorganic growth is likely to be a preferred route for many of these players. With increased digitization and accountability, Indian media companies are also expected to generate greater interest from private equity players.

The phenomenal exponential development witnessed in recent years in media & entertainment has made these one of the most rapidly performing sectors in our economy. Government's liberal economic policy paved way for dynamic local entrepreneurs to spearhead this boom. Key drivers for Entertainment Industry is economic growth of the country in general and rising disposable income levels in particular, gradually liberalizing attitude of the government, greater interface with international companies, favorable regulatory initiatives, liberalized foreign investment regime etc. (Source : Ministry of External Affairs, Government of India - report by FICCI and KPMG)

The industry is looking at tapping newer target segments, geographies and mediums, while tapping the potential of the existing ones. The

M&E industry is increasingly becoming fragmented in nature due to entry of newer players and newer customers and regions getting added. The entry of newer players in the market has had a positive impact on the overall market as it has helped in expanding the market size. This will continue in future with new players emerging to capture newer set of audiences with advancements in their product, marketing and distribution to tap these customer segments. We have seen existing players expanding horizons by coming out of their traditional businesses and establishing presence in other domains. Foreign players are also looking at increasing investments in their Indian portfolios. Growing regionalization is also helping some regional players to become strong by tapping newer markets.

The M&E industry relies heavily on its human capital for business success and differentiation, as it is talent driven to a great extent. The industry has dealt with a lack of supply of trained professionals in the sector for a long time. Investment in educational institutions providing specialized courses for skilled technicians is a step in the right direction to develop talent and meet the demand of the industry. The curriculum in media schools can be made sensitive to the actual needs of the industry to impart basic and advanced skills. This will help in creating talent within the M&E industry, thereby reducing the need to hire people from other sectors.

Today, more than 1,500 EMDI students alone are employed and work at various companies in event management, advertising, PR & media sector at various levels. Our Company is marshalling its talent pool and resources to contribute relevant, top-of-the-line work in the field of vocational training, both in India and abroad. We are one of the very few companies providing integrated vocational training in media and entertainment space in India and Dubai.

The strength of reputation and brand name of the Company is dependent on the quality and scope of our course offerings, and we continue to devote significant resources to enhance our current offerings and develop new quality educational programs and services that are responsive to the evolving market. The mission of the Company is to create a global conglomerate that sets new standards of excellence in Education, Entertainment and Media and grows future leaders of the industry.

4. Environment

Employment witnessed a strong up-cycle among rapidly developing economies such as India and China with hiring pressures mounting. However hardening energy prices, rising interest rates and sticky inflation indicated ongoing volatility and uncertainty in the future outlook. In this environment, the education and training sector remained a key determinant of economic growth and recovery, both for India and rest of the world and therefore a top priority for governments at policy levels.

The financial year 2010-11 saw a progression in economic trends from cautious optimism at the beginning of the year leading into full scale recoveries and rapid growth in many emerging economies by the year end. The growth and development of the Company has a significant impact on the Education system and standards it is capable of offering. India has made huge advancement in the Education sector as per the statistics.

In this environment, the education and training sector remains a key determinant of economic growth and recovery, both for India and rest of the world. Governments are increasingly looking to education and skill development to promote economic growth. Extensive funding and policy reforms are occurring in India with skills development and vocational training high on the agenda of the Government and the Planning Commission.

5. Union Budget 2011-12

In the Union Budget 2011-12, an amount of Rs.52,057 Crore is set aside for education which is an increase of 24 per cent over the current year. As for the year 2011-2012, in the Union Budget, the Ministry has put forward a proposal to apportion an amount of Rs.21,000 Crore, which is almost 40% higher than that of the last year, which was of Rs.15,000 Crore in the Budget for 2010-11. An

improved centrally sponsored proposal, to introduce Vocational Training Programs at the secondary education level, will come in force from 2011-12 onwards in order to focus on better employability of youth in the country.

The Union Budget 2011 has given more priority for the improvement of access of higher education to students along with the improvement in equity and excellence. Other main policy initiatives in the Higher and Technical Education are of the general expansion of various universities and colleges. There will be scholarships to students opting for higher education and many schemes have been implemented to subsidise interest on education loans for professional courses. This has been introduced in order to encourage higher education among students from the economically backward category.

6. Outlook

Vocational Training is the 'sun rise' industry. The Company will continue its process of exploring the potential in additional areas of related service offerings. These new developments will have a positive impact on the Company in the years to come. The Company plans to continue to expand its brand and product portfolios and its service and distribution networks in India and abroad in the near future, both organically and inorganically via strategic acquisitions and associations.

The Company believes that growth is planned & focused and based on efficient use of available resources to grow the business and we plan to retain and strengthen our leadership position in the marketplace. The Company will endeavor to be 'partner by choice' to both the industry and students and thereby increase the number of students manifold in the years to come.

Growth is a way of life in Greycells. Our growth is a combination of both organic and inorganic growth. Greycells shall continue to look for strategic opportunities in the acquisition are as well as fast and efficient penetration into the Indian domestic market for organic growth. The Company will continue to seek to pursue selective strategic acquisitions, majority investments and joint venture investments to augment its capabilities, broaden its service offerings and increase its geographic presence and to tap the huge unexplored markets both at domestic front as well as global front.

Our vision has to be broad enough to be able to see how we make the individual productive in changing world and what role education and learning can play in it. A broad vision such as this helps crafts a corporate strategy that creates superior value for our shareholders. Your Company has continued its journey towards sustainable growth and capitalization of the opportunities presented by the rapidly expanding education market.

7. Opportunities and Threats

Opportunities

The Company will look to maximise locations of presence and verticals in education to reach out to the student community and provide world class education. The Company shall seek to build on strengths and the management expertise and have to build a value based organisation that will come to dominate the media education industry.

Being a largely under-penetrated field, the education industry in India holds enormous opportunities for growth. While the entry barriers are likely to stay high for new companies in the near future, those that have already established themselves are likely to see tremendous growth. This is mainly due to the growing awareness of the need for quality education as well as the increasing population of students in the country, which are likely to lead to companies in the industry adopting operation models that can enable them to overcome both rigid regulations as well as low scalability. In areas of services, expertise and knowledge, your Company with its team of professionals is expected to tap the potential opportunities for growth. Our vision is to rethink every aspect of the education value chain to focus on processes, new business models, disruptive technology and building a trusted brand.

Institutions have varying requirements and the private sector may be able to offer innovative solutions that offer quality services and value for money. An inefficient public education system, high socio-aspirational value attached to education and increasing affordability have all converged to drive demand for quality education. While inefficiencies in the public education system and price discovery have created a substantial opportunity in the private education space in India, there is a dearth of players across segments offering scale. We believe this is the key reason for the sector to have attracted limited capital. Therefore opportunities for the new initiative are rising across the gamut of private sector.

The Company is always trying to push the envelope on ways to leverage the opportunities to provide high quality education content to students. It is trying to bring these to the students in every manner in which they would like to utilize it - through varying formats, styles and different devices. The Company has been on the forefront of heralding the next advancement in learning, thus becoming a distinctive player in bringing knowledge to students across geographical and cultural borders.

The Company will look at presence both domestic and internationally as in locations, collaboration with leading universities/education institutions to deliver courses to their existing students and resource/research opportunities globally. This shall mean a multifaceted and multi cultural education imparting entities with focus on world class education and standards. The Company plans to continue to expand its brand, scalability and distribution networks through franchisee/business associates in India and abroad.

The Company by geographic coverage strengthening its presence in business with a clear focused approach which would help increase revenue growth, improve profitability as well as de-risk the company from economic slowdowns. The Company will continue to tap opportunity to grow its business both organically and inorganically via strategic acquisitions in India and abroad.

The Growing acceptance of vocational institutes and the focus on the media and entertainment sector as a serious career option in the minds of parents, key decision makers, students alike - will ensure that courses presented by Greycells are readily accepted in the market.

In this environment, Greycells strengthened its position by building strong credentials as one of the largest providers of vocational and professional skills across various service sectors. Given the above credentials, the Company is uniquely positioned to take advantage of both the long term trend towards improvement of education and skill levels as well as increasing outsourcing in India and overseas. The Company's diverse operations are testament to its firm focus and strength.

Threats

Indian Education system is facing challenges like "poor quality of education" and "access to education". Both these challenges lead to the underperformance of the education system. The further challenges are uneducated & untrained population, irrelevance of courses, inadequate syllabus, inadequate practical training, poor enrolment, high drop-outs, lack of employment opportunities etc. Low enrollments and high dropout rates all though the chain, results in a very inadequate supply to the organized work force.

The industry will need a vast talent pool of creative professionals to meet the growing demand of remains the biggest concern to limiting growth and expansion. It is imperative for the Government and universities to take the onus of fostering education in the field of media and communication. This could be either through tie-ups with educational institutions or through a structured approach by training the people in media and education. However, given our reputation and relationships, we expect to be able to continue to overcome this weakness and attract quality talent.

One of the related challenge is to attract talented people to work with the Company and also retaining the pool of this talent. The

Company is focused on ensuring and has implemented employee friendly policies.

The key management is responsible for the day-to-day operations and they are indeed the key force in driving the business growth. There is always a risk that we may lose our key management team. If key management unable or unwilling to continue with us, we may find it difficult to replace such people and our business may be adversely affected. As we are in service industry, our growth and operations are dependent on the management team.

Our success is mainly attributable to our reach, experience and quality processes. We recognize that we can only grow and prosper if we can:

- a. acquire and retain top quality talent on a continual basis
- b. execute efficiently and manage growth challenges
- c. education for employability
- d. 100% Industry Faculty Model
- e. deliver relevant and innovative content to the students
- f. remain close to the students at all times
- g. on the job training
- h. earn while you learn
- i. placement opportunities

Another large challenge is managing expectation from students. Due to the previous achieved success in the field, especially when there was the first mover advantage - if the new courses or existing courses do not live upto expectations, it may lead to dissatisfaction.

8. Segment-wise Performance

The Company operates only in one segment and hence segmentwise performance has not been given.

9. Subsidiaries

EMDI (Overseas) FZ LLC is a wholly owned subsidiary of the Company caters into vocation of education, including teaching graduates, undergraduate and working professionals in the field of Event Management, Advertising & Design, Public Relations, Media, Journalism, Wedding Planning, Radio Jockeying, Disc Jockeying, etc. in the form of class room training and workshops through general courses, specialist programs, comprehensive event and media management courses and training programs.

The joint venture company Eduhub Education Private Limited caters into business of providing vocational training in the field of event management, public relations and advertising and journalism. The Company also owns and manages the International Institute of Sports Management and imparts education and training in sports management and related areas through the Institute.

10. Risks

Risk is an integral part of corporate world today for any going concern and our endeavor has been to maximize stakeholder value by achieving on appropriate balance between risks and return. Since risk taking is intrinsic to business growth, all business entities face risks either from external environment or from internal operations. The most significant risks which the company has identified with mitigation plan are :

- ❖ External Risks (Political, Environment, Slowdown in economic growth, Change in Education policy, Currency Rate Fluctuation, Competition, Changes in Law and Natural Calamities) and
- ❖ Internal Risks (Business Concentration, Investment Process, Human Resource Management, Core Faculty etc.)

Further any change in tax law in India, particularly income tax and service tax might be to increase tax liability of the company thereby putting pressure on profitability.

To mitigate the same, the Company has constantly endeavored to

broaden the charter of risk management to include opportunities as well as threats. It uses an integrated risk management approach, based on a number of techniques to cover the full range of risks in the framework. Today, risk assessment and mitigation is an important part of decision making and management at all levels of the company. To mitigate this, the Company will initiate steps for rationalization of infrastructure.

Apart from the regular operational & business risks, the other major risks faced by the Company are:

a) *Business Concentration*

The Company's business today is largely concentrated in vocational training primarily in few verticals of media and entertainment.

The poor performance of our Business Associates leads to downfall in projected revenues, which is out of our control. Further low quality services rendered by Business Associates to students may also one of the risk areas for the Company. To mitigate this risk, our senior officers frequently visit the centers and ensure that courses shall be conducted according to the Operational Manual established by the Company. The Company can also take corrective measures to keep up the requisite academic standards.

To mitigate the risk arising from this concentration, the Company will strive towards expanding the Company's' business in additional areas of related service offerings.

b) *Core Faculty*

The faculty who plays a pivotal role in the system of education. Further majority of our faculty members are visiting faculties from various industries and are in other occupation besides teaching at our centres. Any exodus by the visiting faculties can have adverse impact on business of the company. Failure to attract/ retain qualified faculty members who have the necessary domain expertise or failure to provide continuous training to our faculty members so as to keep them abreast with the changing student expectations, examination pattern and other key trends that are necessary to effectively deliver the course may affect the pace of our growth and teaching quality across all our learning centres in different locations. Also, non availability of qualified faculty in one or more of our locations may have a material and adverse effect on our business.

The lack of trained faculties will be a serious area of concern. To overcome, the Company taps professionals from relevant industry. All faculty members lecture on subjects of their expertise, resulting in experience sharing, interaction and networking of these professional with the students. The faculty members contribute to our overall performance by providing good quality training to the students and thus enable us to maintain our brand and reputation. The team of outstanding and dedicated faculty members provides comprehensive and systematic guidance to students who aspire for nothing but the best.

c) *Entry of Other players*

The lack of an entry barrier with respect to a private setup offering similar certificate courses is a threat. Centres offering similar courses are the first level of competition, however competition which enters the market, offers a poor product and then is forced to shut down later on is even worse as it spoils the education market and trust towards the other credible players.

d) *Enrollment of students*

The Company's ability to attract students to enroll for courses depend on several factors such as to offer new courses, enhancing existing courses in response to changing industry needs, student's demands, expanding our geographic reach, effectively marketing courses to a broader base of prospective students and responding to competitive pressures. Our course content incorporates the latest global trends and concepts, which required by fast growing and ever changing industry. Further the Company's course content is developed by subject experts possessing long years of academic and industry

related experience. The content so created is constantly upgraded to suit the requirements of the educational institutions and expectations of the student community.

11. Social Responsibility

India ramps up its economic development engine, millions of job will be created which need a new educational order to deliver the skilled people that the economy needs. Education serves a critical function in helping societies become learning institutes and knowledge economies. Your Company believes in being a responsible part of the community and contributing back to it in every possible manner. We are thinking deeply about how we can deliver on the same. The Company's focus has been the differently abled part of the society. The Company fulfills its mission with a huge sense of corporate social responsibility. The Company's aim is to nurture excellence in the professional and personal growth of geographically dispersed students by developing a unique study culture among them. This is achieved by providing education and training to make them employable.

SWAT (Students Working Against Tobacco) a registered NGO is a youth initiative against tobacco, operating at an awareness platform. The objective of SWAT is to urge India's youth to stay away from the ravages and dangers of smoking. The SWAT team has taken various initiatives in the form of events to spread this message over the years by organizing Smoke Free Bike Rally, College Festival Activities, Candle Walk, Loud and Proud Smoke Free Rock Concert etc.

Our business is focused on delivering good products and services to our customers and creating wealth for our shareholders; we must also be mindful of our contribution to society and use our finite capital and time to contribute to advancing the wealth of knowledge in society and making the lives of young people more fulfilling.

12. Internal Control Systems

The Company recognizes the importance of internal controls and has suitable internal control systems and processes in place for the smooth conduct of the business. Company's internal controls are commensurate with its size and nature of its business. Internal control systems in the Company are intended to provide reasonable assurance that assets are safeguarded against loss from unauthorized use and all transactions are executed in accordance with Management's authorization and properly and promptly recorded and accounting records are adequate for the preparation of financial statements and other financial information. The management continuously reviews the internal control systems and procedures to ensure orderly and efficient conduct of business. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors and independent Audit Committee.

FORWARD LOOKING STATEMENT

Forward-looking statement in this Annual Report should be read in conjunction with the following cautionary statements. Certain expectations and projections regarding future performance of the Company referenced in this Annual Report are forward - looking statements. These expectations and projections are based on currently available competitive, financial and economic data along with the Company's operating plans and are subject to certain future events and uncertainties, that could cause actual results to differ materially from those that may be indicated by such statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a new information, future events or otherwise.

13. Discussion on Financial Performance with respect to Operational Performance

The financial performance of the year ending March 31, 2011 reflects the steps have been initiated to become a more focused company, moving into areas where we have huge opportunities and greater long term potential.

The authorized share capital of the Company is ₹ 8,00,00,000/- divided into 80,00,000 equity shares of ₹ 10/- each. The paid up share capital of the Company is ₹ 6,00,77,150/- divided into 60,07,715 equity shares of par value ₹ 10/- each.

The loss of ₹ 280 lacs shown under exceptional item represent one time exceptional loss on disinvestment of the entire shareholding (held for strategic purpose) in Concept Communication Limited to demonstrate non-alliance with a particular agency.

Highlights of the Company's standalone financial performance are as under:

(₹ in thousand)

Particulars	2010-2011	2009-2010
Revenues	60579.14	48612.21
PBDIT	(9886.54)	9756.65
PBT & Exceptional Item	(15157.72)	6613.43
PBT	(56157.72)	3202.85
PAT	(55690.70)	4158.76
EPS:- Basic & Diluted	(9.27)	1.09

14. Human Resources

The key management is responsible for the day-to-day operations and they are indeed the key force in driving the business growth. The Company has strong management team with experience and expertise and focus in the areas of media and entertainment education. The management team effectively plans and oversees implementation of growth strategies. We believe that the strong and experienced management team enables us to understand the needs and preferences of the student community and industry that is critical for overall success and growth of the Company. To reduce attrition levels, the Company has initiated a number of programs that include an empowered work environment, learning opportunities, employee friendly policies and competitive compensation packages.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
GREYCELLS EDUCATION LIMITED**

1. We have audited the attached Balance Sheet of Greycells Education Limited as at 31st March, 2011, together with the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, as amended to date, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments referred to in paragraph (3) above, 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 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 appears from our examination of the books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e) On the basis of the written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
 - ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date, and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W

Astha Kariya
Partner
Membership No. 122491

Place : Mumbai
Date : 29th June, 2011

**Annexure to the Auditors' Report
(Referred to in paragraph 3 thereof)**

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 (the Act), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of the audit, we further report that: -

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the management during the year and there were no material discrepancies noticed on such physical verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business.
 - (c) During the year, the Company has not disposed off a substantial part of fixed assets so as to affect the going concern status of the Company.
2. The Company did not hold any inventories during the year.
3. (a) The Company has granted interest bearing unsecured loans to two companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 14,060,290 and the year-end balance of such loans granted was ₹ 6,260,907.

As informed to us there is no stipulation as to the repayment of the principal amount of these loans.

Based on the explanations given by the management regarding the nature of these loans, in our opinion, the rate of interest and other terms and conditions of the aforesaid loans granted by the Company are prima facie not prejudicial to the interest of the Company.

 - (b) The Company had taken an unsecured interest free loan from a party covered in the register maintained under Section 301 of the Act. The Company has also taken an interest bearing loan from a party covered in the register maintained under Section 301 of the Act. The maximum amount of such loans involved during the year was ₹ 6,804,093 and the year-end balance of loans taken from such parties was ₹ Nil.

In our opinion, the rate of interest and the other terms and conditions of the aforesaid loans taken by the Company are not, prima facie, prejudicial to the interest of the Company.

The Company is regular in the repayment of interest in case of the interest bearing loans. As informed to us there is no stipulation as to the repayment of the principal amount of these loans.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of fixed assets and for the sale of services. During the course of our audit, we have neither been informed nor have we observed any continuing failure to correct major weaknesses in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) Based on the information and explanations given to us, we are unable to comment on whether such transactions exceeding the value of rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices, as no comparative prices

- were available in view of the exclusive nature of these transactions.
6. The Company has not accepted any deposits from the public within the meaning of the provisions of Sections 58A and 58AA or any relevant provisions of the Act.
 7. *The Company has no internal audit system in operation during the year.* However, in our opinion, the Company had adequate internal controls in place during the year, commensurate with its size and the nature of its business.
 8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, of the Company.
 9. a) According to the information and explanations given to us by management and on the basis of the examination of the books of account carried out by us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Excise Duty, Cess and other statutory dues, wherever applicable, with the appropriate authorities. There were no undisputed arrears of statutory dues outstanding as at 31st March 2011 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us by management and the records of the Company examined by us, there were no disputed dues in respect of Income tax, Sales-tax, Custom Duty, Wealth Tax, Service tax, Excise Duty and Cess as at 31st March, 2011, which have not been deposited.
 10. The accumulated losses of the Company as at 31st March 2011, are not more than fifty percent of its net worth. The Company has incurred cash losses during the financial year ended on 31st March, 2011, but has not incurred a cash loss in the immediately preceding financial year.
 11. In our opinion, and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of its dues to any financial institution or bank. The Company has not issued any debentures during the year.
 12. As per the books and records of the Company examined by us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. Clause (xiii) of the Order is not applicable, as the Company is not a chit fund company or nidhi / mutual benefit fund / society.
 14. The Company has not dealt or traded in shares, securities, debentures or other investments during the year.
 15. According to the information given to us and as per the records examined by us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
 16. As per the information and explanations given to us, the Company has not taken or utilised any term loan during the year.
 17. 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.
 18. During the year, the Company has made preferential allotment of share warrants to parties and companies covered in the register maintained under Section 301 of the Act.
 19. The Company has not issued any debentures during the year.
 20. We have verified the end use of the money raised by way of rights issue made from the public in the previous year as disclosed in the notes to the financial statements.
 21. According to the information and explanations given to us by the management and on the basis of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of fraud on or by the Company during the year.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W

Astha Kariya
Partner
Membership No. 122491

Place : Mumbai
Date : 29th June, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As At 31st March, 2011		As At 31st March, 2010	
		₹	₹	₹	₹
SOURCES OF FUNDS :					
SHAREHOLDERS FUNDS					
Share Capital	A	60,081,025		60,081,025	
Share Warrants	A-1	17,875,000		-	
Reserves and Surplus	B	286,459,666		286,459,666	
		<u>364,415,691</u>		<u>346,540,691</u>	
UNSECURED LOAN					
From Director		-		2,210,000	
TOTAL		<u>364,415,691</u>		<u>348,750,691</u>	
APPLICATION OF FUNDS :					
FIXED ASSETS					
Gross Block	C	68,473,207		61,439,440	
Less: Depreciation / Amortization / Impairment		<u>56,054,816</u>		<u>51,670,440</u>	
Net Block		12,418,391		9,769,000	
Capital Advance		294,500		307,244	
		<u>12,712,891</u>		<u>10,076,244</u>	
INVESTMENTS					
	D	231,585,636		277,674,814	
DEFERRED TAX ASSET (NET)					
		1,014,206		547,184	
CURRENT ASSETS, LOANS AND ADVANCES					
Current Assets :					
Sundry Debtors	E	1,623,606		2,275,713	
Cash and Bank Balances	F	3,303,203		5,022,323	
Loans and Advances	G	<u>15,373,970</u>	<u>20,300,779</u>	<u>9,259,931</u>	<u>16,557,966</u>
Less: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	H	11,316,269		10,692,750	
Provisions		<u>762,383</u>	<u>12,078,652</u>	<u>643,598</u>	<u>11,336,348</u>
Net Current Assets			<u>8,222,127</u>		<u>5,221,619</u>
MISCELLANEOUS EXPENDITURE					
(To the extent not written off / adjusted)					
Preliminary Expenses			40,700		81,400
PROFIT AND LOSS ACCOUNT			<u>110,840,130</u>		<u>55,149,430</u>
TOTAL		<u>364,415,691</u>		<u>348,750,691</u>	
ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS					
	L				

As Per Our Report Of Even Date

For and on behalf of the board

 For Ford, Rhodes, Parks & Co.
 Chartered Accountants
 Firm's Registration No. 102860W

 Deepak Choudhary
 Managing Director
 (Indian Operations)

 Nowshir Engineer
 Managing Director
 (International Operations)

 Astha Kariya
 Partner
 Membership No : 122491

 Place : Mumbai
 Dated : 29th June, 2011

 Dharmesh Parekh
 Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year Ended 31st March, 2011		Year Ended 31st March, 2010	
		₹	₹	₹	₹
INCOME					
Course Fees		56,249,324		46,573,212	
Other Income	I	<u>4,329,819</u>	60,579,143	<u>2,038,993</u>	48,612,205
EXPENDITURE					
Direct Expenses	J	22,974,129		16,665,405	
Employee Cost		6,841,696		5,741,726	
Advertisement and Marketing Expenses		15,367,194		5,771,682	
Administrative Expenses	K	25,241,960		10,636,045	
Interest and Finance Charges		273,205		187,396	
Preliminary Expenses		40,700		40,700	
Depreciation / Amortisation		<u>4,997,981</u>	<u>75,736,865</u>	<u>2,955,819</u>	<u>41,998,773</u>
PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS			(15,157,722)		6,613,432
EXCEPTIONAL ITEMS -					
Loss on sale of Investment			(28,000,000)		-
Provision for diminution in the value of long term Investment			(13,000,000)		-
Right Issue Expenses			-		<u>(3,410,578)</u>
PROFIT / (LOSS) BEFORE TAX			(56,157,722)		3,202,854
Current Tax			-		-
Previous Year Tax Adjustment			-		2,825
Deferred Tax Adjustment			467,022		953,081
PROFIT / (LOSS) AFTER TAX			(55,690,700)		4,158,759
Balance Brought forward from Previous Year			(55,149,430)		(59,308,189)
Balance carried forward to Balance Sheet			(110,840,130)		(55,149,430)
Earning Per Share in ₹ - Basic and Diluted (See note no.13)			(9.27)		1.09
ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS					
	L				

As Per Our Report Of Even Date

For and on behalf of the board

 For Ford, Rhodes, Parks & Co.
 Chartered Accountants
 Firm's Registration No. 102860W

 Deepak Choudhary
 Managing Director
 (Indian Operations)

 Nowshir Engineer
 Managing Director
 (International Operations)

 Astha Kariya
 Partner
 Membership No : 122491

 Place : Mumbai
 Dated : 29th June, 2011

 Dharmesh Parekh
 Company Secretary

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011**

	As At 31st March, 2011	As At 31st March, 2010
	₹	₹
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED CAPITAL		
8,000,000 Equity Shares of ₹ 10/- each	<u>80,000,000</u>	<u>80,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
6,007,715 Equity Shares of ₹ 10 each fully paid up.	<u>60,077,150</u>	<u>60,077,150</u>
Add : Amount paid up on 1550 Forfeited Equity Shares	<u>3,875</u>	<u>3,875</u>
TOTAL	<u><u>60,081,025</u></u>	<u><u>60,081,025</u></u>
Notes : Out of above 1,190,000 shares are issued for consideration other than cash. 2,276,215 equity shares of ₹ 10 each fully paid up were issued and allotted at a premium of ₹ 40 per share on Rights Basis in FY 2009-10.		
SCHEDULE 'A-1'		
SHARE WARRANTS		
EQUITY SHARE WARRANTS		
1,300,000 (Previous Year NIL) partly paid share warrants of ₹ 55 each, ₹ 13.75 paid up (see note no.7)	<u>17,875,000</u>	<u>-</u>
TOTAL	<u><u>17,875,000</u></u>	<u><u>-</u></u>
SCHEDULE 'B'		
RESERVES AND SURPLUS		
Share Premium :		
As per last Balance Sheet	<u>285,579,100</u>	<u>194,530,500</u>
Add : Addition during the year for issue of Shares	<u>-</u>	<u>91,048,600</u>
	<u>285,579,100</u>	<u>285,579,100</u>
General Reserve :		
As per last Balance Sheet	<u>880,566</u>	<u>880,566</u>
TOTAL	<u><u>286,459,666</u></u>	<u><u>286,459,666</u></u>

SCHEDULE 'C' FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION /AMORTIZATION				NET BLOCK		
	AS AT 31/03/2010	ADDITIONS	DELETIONS	AS AT 31/03/2011	UPTO 31/03/2010	DURING THE YEAR	ON DELETIONS	AS AT 31/03/2011	IMPAIRMENT OF ASSETS UPTO 31/03/2011	W.D.V. AS ON 31/03/2011	W.D.V. AS ON 31/03/2010
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Tangible Assets:											
Furniture & Fixtures	1,479,967	978,339	1,354,538	1,103,768	395,714	536,861	504,597	427,978	-	675,790	1,084,253
Office Equipment	374,233	259,734	-	633,967	111,161	64,272	-	175,433	-	458,534	263,072
Computer System	3,156,181	232,650	-	3,388,831	1,703,167	642,160	-	2,345,327	-	1,043,504	1,453,014
Air Conditioners	303,000	1,046,844	303,000	1,046,844	63,152	103,391	75,583	90,960	-	955,884	239,848
Electrical Instalation	121,271	-	121,271	-	25,026	8,399	33,426	-	-	-	96,245
Radio System	400,000	-	-	400,000	103,540	41,238	-	144,778	-	255,222	296,460
Sound Equipment	41,500	122,163	-	163,663	12,943	20,576	-	33,519	-	130,144	28,557
Library Books	95,000	77,149	-	172,149	95,000	77,149	-	172,149	-	-	-
Office Improvement	-	6,095,697	-	6,095,697	-	1,650,752	-	1,650,752	-	4,444,945	-
Intangible Assets:											
Goodwill	7,635,920	-	-	7,635,920	3,054,368	1,527,184	-	4,581,552	-	3,054,368	4,581,552
Computer Software	350,000	-	-	350,000	224,001	125,999	-	350,000	-	-	125,999
Trade Marks	2,000,000	-	-	2,000,000	400,000	200,000	-	600,000	-	1,400,000	1,600,000
Perpetual Right (Ek Din)	23,912,368	-	-	23,912,368	23,912,368	-	-	-	23,912,368	-	-
Perpetual Right (WWR)	15,100,000	-	-	15,100,000	15,100,000	-	-	-	15,100,000	-	-
Perpetual Right (Anjuman)	6,470,000	-	-	6,470,000	6,470,000	-	-	-	6,470,000	-	-
TOTAL	61,439,440	8,812,576	1,778,809	68,473,207	51,670,441	4,997,981	613,606	10,572,448	45,482,368	12,418,391	9,768,998
Capital Advance	-	-	-	-	-	-	-	-	-	294,500	307,244
Total	-	-	-	-	-	-	-	-	-	12,712,891	10,076,242
Previous Year	61,004,268	1,028,672	593,500	61,439,440	48,942,342	2,955,819	227,721	51,670,441	-	10,076,242	12,061,925

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
 AS AT 31ST MARCH, 2011**
SCHEDULE 'D' : INVESTMENTS

NAME OF THE COMPANY	NO OF SHARES / UNITS AS AT 31-3-2011	NO OF SHARES / UNITS AS AT 31-3-2010	COST AS AT 31-3-2011 ₹	COST AS AT 31-3-2010 ₹
LONG TERM INVESTMENTS IN SHARES / UNITS (at Cost) :				
A FULLY PAID-UP EQUITY SHARES (UNQUOTED)				
i) IN SUBSIDIARY :				
EMDI (Overseas) FZ LLC (F.V. AED 1000)	50	50	161,002,810	161,002,810
Eduhub Education Pvt Ltd (F.V ₹ 10)	10,400	-	1,612,000	-
ii) IN OTHERS :				
EMDI Web Solutions Pvt. Ltd. (F.V ₹ 10)	-	9,500	-	19,000
Access Atlantech Edutainment (I) Ltd (F.V ₹10)	245,554	245,554	50,400,000	50,400,000
Concept Communication Ltd. (F.V ₹ 10)	-	175,000	-	35,000,000
Minds Eye Production Pvt. Ltd. (F.V ₹ 10) (Erstwhile Grey Cells Communication & Production Pvt Ltd)	50,000	50,000	13,000,000	13,000,000
			226,014,810	259,421,810
Less :				
Provision for diminution in value of long term Investment			(13,000,000)	-
Total (A)			213,014,810	259,421,810
CURRENT INVESTMENTS IN SHARES / UNITS : (Lower of cost and market value)				
B UNITS OF MUTUAL FUNDS (QUOTED)				
HDFC Cash management Fund Treasury Advantage Plan	106,746.511	1,819,568.780	1,070,826	18,253,004
DSP Black Rock FMP-3M Series 28	1,750,000	-	17,500,000	-
			18,570,826	18,253,004
Total (B)			18,570,826	18,253,004
TOTAL (A + B)			231,585,636	277,674,814

	AS ON 31/03/2011		AS ON 31/03/2010	
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Aggregate Value of Quoted Investments	18,570,826	18,570,826	18,253,004	18,253,004
Aggregate Value of Unquoted Investments	226,014,810	NA	259,421,810	-
	244,585,636	NA	277,674,814	-

Note : The NAV of the units as on 31st March, 2011 is taken as market value

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
 AS AT 31ST MARCH, 2011**

	As At 31st March, 2011		As At 31st March, 2010	
	₹	₹	₹	₹
SCHEDULE 'E'				
SUNDRY DEBTORS - (Unsecured)				
Debts outstanding for more than six months :				
Considered Good	1,623,606		1,320,257	
Considered Doubtful	<u>5,896,574</u>	7,520,180	<u>6,127,935</u>	7,448,192
Other Debts Considered Good		-		955,456
		<u>7,520,180</u>		<u>8,403,648</u>
Less : Provision for Doubtful Debts		<u>(5,896,574)</u>		<u>(6,127,935)</u>
TOTAL		<u><u>1,623,606</u></u>		<u><u>2,275,713</u></u>
SCHEDULE 'F'				
CASH AND BANK BALANCES				
Cash on hand		256,737		244,623
Balances with Scheduled Bank :				
In Current Account	3,046,466		3,277,700	
In Fixed Deposit	-		1,500,000	
		<u>3,046,466</u>		<u>4,777,700</u>
TOTAL		<u><u>3,303,203</u></u>		<u><u>5,022,323</u></u>
SCHEDULE 'G'				
LOANS AND ADVANCES				
Loans to Subsidiaries		6,260,907		-
Loans Others		-		1,737,210
Advances Recoverable in Cash or in kind or for value to be received		4,519,113		4,393,016
Deposit		3,147,375		2,231,800
Interest Accrued and Due		-		26,214
Advance Tax and TDS		1,446,575		871,691
TOTAL		<u><u>15,373,970</u></u>		<u><u>9,259,931</u></u>
SCHEDULE 'H'				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors	2,843,075		2,684,634	
Advance Fees received from Students	<u>8,473,194</u>		<u>8,008,116</u>	
		11,316,269		10,692,750
PROVISIONS				
Provision for Tax		433,025		433,025
Provision for Gratuity		<u>329,358</u>		<u>210,573</u>
TOTAL		<u><u>12,078,652</u></u>		<u><u>11,336,348</u></u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31ST MARCH, 2011**

	Year Ended 31st March, 2011	Year Ended 31st March, 2010
	₹	₹
SCHEDULE 'I'		
OTHER INCOME		
Premier Relation Fees	2,700,000	1,450,000
Interest on Income Tax Refund	-	34,753
Interest accrued on Bank Fixed Deposits (TDS ₹ 6,687, Previous Year ₹ 21,664)	66,871	149,319
Interest Others	855,357	-
Dividend Income	469,263	253,004
Provision for doubtful debts written back	231,361	-
Sundry balances written back	-	15,134
Miscellaneous Income	6,967	136,783
TOTAL	4,329,819	2,038,993
SCHEDULE 'J'		
DIRECT EXPENSES		
Faculty Fees	3,809,962	3,399,926
Business Auxiliary Services	18,319,815	12,870,921
Work Shop Expenses	70,986	12,000
Certification Fees	213,813	-
Student Activity	559,553	327,260
Software Fees	-	55,298
TOTAL	22,974,129	16,665,405
SCHEDULE 'K'		
ADMINISTRATIVE EXPENSES		
Rates and Taxes	2,500	5,000
Repair and Maintenance	409,878	186,692
Legal and Professional Fees	9,721,156	2,644,400
Business Development Expenses	89,360	306,387
Auditors Remuneration :		
Audit Fees	50,000	50,000
Others	36,000	37,330
Postage and Courier	52,841	33,860
Printing and Stationery	770,694	436,986
Company Law Matter and Listing Fees	280,664	221,031
Rent and Other Compensation	9,023,377	4,131,373
Telephone Expenses	557,449	445,829
Travelling Expenses	1,228,128	1,142,755
Conveyance Expenses	434,249	281,845
Bad Debts written off	231,361	-
Provision for Doubtful Debts	-	231,361
Exchange Rate Difference	282,714	-
Loss on Sale of Fixed Assets	1,085,704	122,279
Other Miscellaneous Expenses	985,885	358,917
TOTAL	25,241,960	10,636,045

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

Schedule 'L'- ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES:

(i) Accounting Convention

The Accompanying Financial Statements have been prepared in accordance with the historical cost convention and in accordance with the Companies Act, 1956 and in all material aspects with applicable accounting standards issued by the Institute of Chartered Accountants of India.

(ii) Revenue Recognition

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. Income from the student fees are recognized over the period of instruction of course. Non-refundable premier relationship fees receivable under business association agreements are taken to income as and when due.

Dividend income is accounted for as and when declared.

(iii) Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation / amortization.

a) The Company provides depreciation on tangible fixed assets as per written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

b) Intangible assets are amortized as under :

- i) Goodwill over the period of five years.
- ii) Trade Mark over the period of ten years.
- iii) Computer software are written off equally over a period of three years.
- iv) Capital expenditure on office improvement is amortized equally over the lease period.

(iv) Impairment of Assets

At each balance sheet date the Company reviews the carrying value of assets for any possible impairment. An impairment loss is recognized when the carrying amount of asset exceeds its recoverable amount which is the higher of net realizable amount as on the Balance Sheet date and the present value of the economic benefit resulting from the future use of the asset.

(v) Investments

Investments are capitalized at cost of acquisition plus incidental expenses. Provision for diminution in the value of long term investments is made in accordance with Accounting Standard 13 issued by the Institute of Chartered Accountants of India.

(vi) Employee Benefits

The Company provides for gratuity benefits to its employees as per the provisions of The Payment of Gratuity Act, 1972. The gratuity benefit scheme is unfunded and provision for the same is made on actuarial basis.

(vii) Foreign Currency Translation

Transactions in foreign currency are recorded at exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the period end are translated at the period end exchange rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Profit and Loss Account.

Non monetary foreign currency items like investments in foreign subsidiaries are carried at cost and expressed in Indian currency at the rate of exchange prevailing at the time of making the original investment.

(viii) Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past

events and it is probable that there will be an outflow of resources. Contingent liabilities are disclosed in the notes to accounts.

(ix) Taxation

Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.

(x) Deferred Tax

Deferred tax assets / liabilities resulting from timing differences between book and tax profits is accounted for at the current rate of tax to the extent that the timing differences are expected to crystallise in future. Deferred tax assets in respect of carried forward business losses and unabsorbed depreciation as per Income Tax provisions is recognized only if there is virtual certainty of recoupment of the same out of future taxable income.

(B) NOTES TO THE ACCOUNTS

1. Capital commitments not provided for (net of capital advances) ₹ 112,000 (Previous Year - ₹ 98,786).

2. No vendors have informed the Company of their being registered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, as per the information available with the Company, there are no amounts payable to such vendors as at the year end.

3. Managerial Remuneration:

PARTICULARS	2010-11 (₹)	2009-10 (₹)
Salary and Allowances	1,340,401	1,146,783

4. Deferred Tax Asset / (Liability) of ₹ 1,014,206 (Previous Year - Deferred Tax Assets ₹ 547,184) as on 31/03/2011 is on account of :

PARTICULARS	2010-11 (₹)	2009-10 (₹)
Depreciation	355,964	(407,316)
Provision for Doubtful Debts	-	71,491
Right Issue Expenses	556,951	843,095
Others	101,291	39,914
Total	1,014,206	547,184

No Deferred tax asset has been recognized on unabsorbed depreciation and carried forward business losses as there is no virtual certainty that the same will be realized out of future taxable income.

5. The Company operates an unfunded gratuity scheme for its employees. The disclosures in respect of the scheme as required in the Accounting Standard 15 – 'Employee Benefits', issued by the Institute of Chartered Accountants of India' are given below :

Defined Benefit Plans

Gratuity Scheme (Unfunded Scheme)

In accordance with Accounting Standard 15 (Revised 2005), actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:-

PARTICULARS	2010-11	2009-10
Discount Rate (per annum)	8.25%	8.00%
Salary Escalation	6.00%	6.00%
Attrition Rate	2.00%	2.00%
Expected Average remaining working lives of employees (years)	5 years	2 years

A) PARTICULARS	2010-11 (₹)	2009-10 (₹)
Changes in the Present Value of Benefit Obligation		
Opening Present Value of Obligation at the beginning of the Current Period	210,573	87,862
Interest Cost	16,846	6,809
Current Service Cost	120,391	105,623
Past Service cost- Non Vested Benefit	-	-

Past Service cost- Vested Benefit Liability Transferred in	-	-
Liability Transferred out	-	-
Actuarial (gain) / loss on obligations	(18,452)	10,279
Closing Present Value of Obligation	329,358	210,573
Included in Provisions (Refer Schedule H)		

B) Table of Recognition of Transitional Liability	2010-11 (₹)	2009-10 (₹)
Unrecognized Transitional Liability at the start of the period	-	-
Transitional Liability recognized during the period	-	-
Unrecognized Transitional Liability at the end of the period	-	-

C) Amount recognized in the Balance Sheet	2010-11 (₹)	2009-10 (₹)
Fair Value of Plan Assets as at the end of the year	-	-
Present value of obligation at the end of the period	329,358	210,573
Difference	(329,358)	(210,573)
Past service cost – Non vested Benefit recognized at the end of the period	-	-
Unrecognized transitional liability at the end of the period	-	-
Liability/(Asset) recognized in the Balance Sheet	-	-
Net amount recognized in the balance sheet	(329,358)	(210,573)

D) Expenses recognized in the Income Statement	2010-11 (₹)	2009-10 (₹)
Current Service Cost	120,391	105,623
Interest Cost	16,846	6,809
Actuarial (Gain)/Loss	(18,452)	10,279
Past service cost – Non vested Benefit recognized during the period	-	-
Past service cost – Vested Benefit recognized during the period	-	-
Transitional liability recognized during the period	-	-
Total Expenses recognized in the Profit and Loss Account	118,785	122,711

E) Balance Sheet Reconciliation	2010-11 (₹)	2009-10 (₹)
Opening Net Liability	210,573	87,862
Expenses as above	118,785	122,711
Net Transfer In	-	-
(Net Transfer out)	-	-
Employer's Contribution	-	-
Net amount Recognized in the balance sheet	329,358	210,573

6. The Company has carried out business operations only in the segment of 'Education' during the year and also the previous year. Hence segment reporting as per Accounting Standard 17 – 'Segment Reporting', issued by The Institute of Chartered Accountant of India, has not been given.

7. During the year, the Company has issued and allotted 1,300,000 partly paid convertible share warrants for cash to Promoters and Non

Promoter Group on preferential allotment basis. These share warrants are convertible into equity shares of ₹ 10 each at a premium of ₹ 45 per share in the ratio 1:1 and the so converted equity shares shall rank parri passu in all respects with the existing equity shares of the Company. As per SEBI (ICDR) Regulations, 2009, the conversion of these warrants will be made within the period of 18 months from the date of allotment in one or more tranches subject to full payment being received and on such terms and conditions as the Board may deem appropriate. If the investors do not opt for the conversion of the warrants, the upfront amount so paid would stand forfeited by the Company and all the rights attached to the warrants shall lapse automatically.

As per the terms of issue of the share warrants, an amount equivalent to 25% of the issue price of the warrants amounting to ₹ 17,875,000 was received and is retained under share warrants.

8. During the previous year, the Company made a right issue of 2,276,215 equity shares at the rate ₹ 50 per share including premium of ₹ 40 per share. The right issue was fully subscribed and the shares were allotted on 09.11.2009. An amount of ₹ 95,445,480 out of the proceeds of the rights issue has been utilized upto the previous year towards the objects of the issue. During the year, the Company has utilized ₹ 15,888,289 and the balance amount pending utilization is temporarily invested in mutual fund.

Deployment of funds collected through rights issue :

Particulars	Proposed Deployment (₹)	Amount Deployed till 31.03.11 (₹)
Investment in Subsidiary	16,403,723	16,403,723
Setting up of New Centre	20,500,000	18,162,441
Repayment of Borrowings	43,500,000	43,500,000
Issue Expenses	3,550,000	3,410,578
General Corporate Purposes	29,857,027	29,857,027
Total	113,810,750	111,333,769
Balance		2,476,981

Unutilized balance of ₹ 2,476,981 remains invested in liquid fund ₹ 1,070,826 and balance in designated current account.

9. During the previous year, the Company has acquired a further 10% of the equity shares in its subsidiary company - EMDI (Overseas) FZ LLC, a limited liability company registered in Dubai, United Arab Emirates, which is engaged in vocational training. With the acquisition of this 10% of shares, the Company holds 100% of the equity shares in this subsidiary.

10. During the year, the Company has entered in to a business association contract with Mrs. Ruchi Mahajan (Associate) for conducting finance courses at Delhi, which operates as a separate division of the Company. Under the contract, the associate is entitled to receive management fees plus a share in the profit / loss of this division. Accordingly, the expenses of this division have been netted out to the extent of the associate's share of expenditure aggregating to ₹ 2,573,324.

11. **Related Party disclosures :**

(A) **List of Companies under Common Control**

Subsidiaries
EMDI (Overseas) FZ LLC
Eduhub Education Pvt Ltd

(B) **Names of related parties with whom transactions have taken place during the year / previous year :**

a) Key Management Personnel :
Deepak Choudhary
Nowshir Engineer

b) Transactions with Related Parties :

Nature of Transactions	Subsidiaries	With Key Managerial Personnel
Loan Given by the Company		
EMDI (Overseas) FZ LLC	9,109,008 (-)	
Eduhub Education Pvt Ltd	3,850,355 (-)	
Loan given received Back		
EMDI (Overseas) FZ LLC	4,654,050 (-)	
Eduhub Education Pvt Ltd	2,545,980 (-)	
Business auxiliary services paid		
Eduhub Education Pvt Ltd	1,438,239 (-)	
Premier Relation Fees		
Eduhub Education Pvt Ltd	500,000 (-)	
Interest charged		
EMDI (Overseas) FZ LLC	494,528 (-)	
Eduhub Education Pvt Ltd	167,570 (-)	
Managing Director's Remuneration		1,340,401 (1,146,782)
Purchase of Investments	-	- (16,403,723)
Balances of related enterprises at the year end: Debit /(Credit)		
EMDI (Overseas) FZ LLC	4,949,486 (-)	
Eduhub Education Pvt Ltd	1,311,431 (-)	

* Figures in bracket indicate previous year figures

12. Foreign Currency Income and Expenses

PARTICULARS	2010-11 (₹)	2009-10 (₹)
Earnings In Foreign Currency		
Interest	494,528	-
Expenses in Foreign Currency		
Travelling	211,613	113,466
Marketing	-	260,644
Accredited Certification Fees	115,625	351,017
Fixed Assets Purchase	-	38,171

13. Earnings per share:

PARTICULARS	2010-11 (₹)	2009-10 (₹)
(a) Net Profit/ (Loss) after tax	(55,690,700)	4,158,759
(b) Number of equity shares of ₹ 10 each outstanding during the year (No. of shares)	6,007,715	4,623,277
(c) Basic earnings per share (₹)	(9.27)	0.90

The effect of anti-dilutive potential equity shares are ignored for calculating diluted earnings per share.

14. Figures of the previous year have been regrouped and reclassified wherever necessary to make them comparable with the figures of the current year.

As Per Our Report Of Even Date

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W

Astha Kariya
Partner
Membership No : 122491

Place : Mumbai
Dated : 29th June, 2011

For and on behalf of the board

Deepak Choudhary
Managing Director
(Indian Operations)

Dharmesh Parekh
Company Secretary

Nowshir Engineer
Managing Director
(International Operations)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	31st March 2011 ₹	31st March 2010 ₹
Cash Flow from Operating Activities		
Net Profit/(Loss) before tax	(56,157,722)	3,202,854
Adjustment for:		
Depreciation	4,997,981	2,955,819
Preliminary Expenses w/off	40,700	40,700
Loss on sale of Assets	1,085,704	122,279
Interest Expenses	273,205	(149,319)
Interest on Fixed Deposit with Bank	(66,871)	187,396
Dividend Income	(469,263)	(253,004)
Operating Profit/(Loss) before working capital changes	(50,296,266)	6,106,725
Adjustment for:		
Trade and other Receivables	652,107	(1,158,293)
Trade and other Payables	623,519	2,500,880
Loans and Advances	721,752	301,244
Provision for Gratuity	118,785	210,573
	2,116,163	1,854,404
Cash generated from operations	(48,180,103)	7,961,129
Direct taxes (paid) / refund	(574,885)	(358,712)
Cash Flow before extra ordinary items	(48,754,988)	7,602,417
Extraordinary items / Exceptional Items		
Right issue expenses	-	3,410,578
Loss on sale of Investments	28,000,000	-
Provision for diminution in value of Investments	13,000,000	-
Net Cash from Operating Activities	(7,754,988)	11,012,995
Cash Flow from Investing Activities		
(Purchase) / Sale of Fixed Assets	(8,733,076)	(785,172)
(Purchase) / Sale of Investments	5,089,178	(34,656,727)
Loans given to subsidiary net of repayments received	(6,260,907)	-
Capital Advance	12,744	(307,244)
Net Cash used in Investing Activities	(9,892,061)	(35,749,143)
Cash Flow from Financing Activities		
Issue of Equity Shares	-	33,860,750
Rights issue Expenses	-	(3,410,578)
Share Warrant money received	17,875,000	-
Interest	(273,205)	(187,396)
Interest on Fixed Deposit with Bank	66,871	149,319
Dividend Income	469,263	253,004
Loans received / (repaid) during the year	(2,210,000)	(2,800,000)
Net Cash from Financing Activities	15,927,929	27,865,099
Net Increase/(Decrease) in cash and cash equivalents	(1,719,120)	3,128,951
Cash and cash equivalents at the beginning of the year (Opening Balances)	5,022,323	1,893,374
Cash and cash equivalents at the end of the year	3,303,203	5,022,323
Cash and Cash Equivalents comprise :		
Cash on hand	256,737	244,623
Balances with Scheduled banks in		
- Current Accounts	3,046,466	3,277,700
- Deposit Accounts	-	1,500,000
Cash and Cash Equivalents as at the end of the year	3,303,203	5,022,323

Notes :

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statement".
- Previous Year figures have been re-grouped and rearranged wherever necessary.

As Per Our Report Of Even Date

For and on behalf of the board

 For Ford, Rhodes, Parks & Co.
 Chartered Accountants
 Firm's Registration No. 102860W

 Deepak Choudhary
 Managing Director
 (Indian Operations)

 Nowshir Engineer
 Managing Director
 (International Operations)

 Astha Kariya
 Partner
 Membership No : 122491

 Place : Mumbai
 Dated : 29th June, 2011

 Dharmesh Parekh
 Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details			
CIN Number	L65910MH1983PLC030838	State Code	11
Balance Sheet Date	31-03-2011		
II Capital Raised during the year (Amount ₹ in '000)			
Public Issue	Nil	Bonus Issue	Nil
Right Issue	Nil	Private Placement	Nil
III Position of Mobilization and Deployment of Funds (Amount ₹ in '000)			
Total Liabilities	3,64,416	Total Assets	3,64,416
Sources of Funds :			
Paid-up Capital	60,081	Reserves & Surplus	2,86,460
Secured Loans	Nil	Unsecured Loans	Nil
Deferred Tax Liability	1,014	Share Warrant	17,875
Application of Funds :			
Net Fixed Assets	12,713	Investments	2,31,586
Net Current Assets	8,222	Misc. Expenditure	41
Accumulated Losses	1,10,840		
IV Performance of Company (Amount ₹ in '000)			
Turnover	60,579	Total Expenditure	75,737
Profit/(Loss) Before Tax	(56,158)	Profit/(Loss) After Tax	(55,691)
Earnings Per Share in ₹	(9.27)	Dividend rate %	Nil
V Generic Names of Principal Products / Services of Company (As per Monetary Terms)			
Item Code No.	N.A.		
(ITC Code)			
Product Description	NOT APPLICABLE		

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary	EMDI (FZ) Overseas LLC	Eduhub Education Pvt.Ltd.
(A) The Financial Year of the Subsidiary Company	31st March, 2011	31st March, 2011
(B) Shares of the Subsidiary held by GREYCELLS EDUCATION LIMITED on the above dates		
(a) Number and face value	50 Equity Shares of AED 1000 each fully paid up.	20,400 Equity Shares of ₹10/- each fully paid up.
(b) Extent of holding	100%	51%
(C) The net aggregate of Profit/(Loss) of the Subsidiary Companies so far as it concerns the members of GREYCELLS EDUCATION LTD.		
(a) not dealt with In the accounts of GREYCELLS EDUCATION LTD. for the year ended March 31, 2011 amounted to-		
(i) For the subsidiary's financial year ended as in (A) above.	AED 130,364	₹ (1,005,014)
(ii) For the previous financial years of the subsidiary since they became the Holding Company's Subsidiary.	AED (675,249)	NIL
(b) dealt with in the accounts of the GREYCELLS EDUCATION LTD. for the year ended March 31, 2011 amounted to-		
(i) For the Subsidiary's financial year ended as in (A) above.	NIL	NIL
(ii) For the previous financial years of the Subsidiary since they became the Holding Company's Subsidiary.	NIL	NIL

Name of the Company Capital	Share	Reserves	Total Assets	Total Liabilities	Details of Intestment	Turnover	Profit Before Taxation	Provision for Taxation	Profit/(loss) After Taxation	Proposed Dividend
	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED
EMDI (FZ) overseas LLC	50,000	(1,643,209)	508,186	2,101,395	-	2,464,724	130,364	-	130,364	-
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Eduhub Education Pvt.Ltd	204,000	(523,383)	3,060,514	3,379,897	-	6,600,242	(1,970,685)	(69)	(1,970,616)	-

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

Report of the Auditors to the Board of Directors of Greycells Education Limited on the consolidated financial statement of Greycells Education Limited and its subsidiary.

1. We have audited the attached Consolidated Balance Sheet of Greycells Education Limited ("the Company") and its subsidiaries ("the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account for the year ended on that date annexed thereto, and the Consolidated Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of ₹ 66.05 lakhs as at 31st March, 2011, total revenues of ₹ 301.1 lakhs and total net cash inflows of ₹ 21.84 lakhs for the year ended on that date.

These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.

4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 - 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Greycells Education Limited and its subsidiary.
5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Greycells Education Limited and its aforesaid subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31st March, 2011;
 - (b) in the case of the consolidated profit and loss account, of the results of operations of the Group for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W

Astha Kariya
Partner

Membership No. 122491

Mumbai : 29th June, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As At 31st March, 2011		As At 31st March, 2010	
		₹	₹	₹	₹
SOURCES OF FUNDS :					
SHAREHOLDERS FUNDS					
Share Capital	A		60,081,025		60,081,025
Share Warrant	A-1		17,875,000		-
Reserves and Surplus	B		286,459,666		286,459,666
			<u>364,415,691</u>		<u>346,540,691</u>
Minority Interest (see note 15)			(156,457)		-
UNSECURED LOANS					
From Director		12,852,216		11,925,414	
Other Loans		<u>72,808</u>	<u>12,925,024</u>	<u>4,403,189</u>	<u>16,328,603</u>
TOTAL			<u>377,184,258</u>		<u>362,869,294</u>
APPLICATION OF FUNDS :					
FIXED ASSETS					
Gross Block	C		247,927,554		237,246,135
Less: Depreciation / Amortization / Impairment			<u>58,235,024</u>		<u>52,693,079</u>
Net Block			189,692,530		184,553,057
Capital Advance			294,500		307,244
			<u>189,987,030</u>		<u>184,860,301</u>
INVESTMENTS					
	D		68,970,826		116,672,004
DEFERRED TAX ASSET - (Net)					
			1,014,275		547,184
CURRENT ASSETS, LOANS AND ADVANCES					
Current Assets :					
Sundry Debtors	E	2,283,387		3,450,892	
Cash and Bank Balances	F	5,726,804		5,135,030	
Loans and Advances	G	<u>11,528,230</u>	<u>19,538,421</u>	<u>11,404,134</u>	<u>19,990,055</u>
Less: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	H	20,519,802		22,461,178	
Provisions		<u>1,658,454</u>	<u>22,178,256</u>	<u>1,393,702</u>	<u>23,854,880</u>
Net Current Assets			(2,639,835)		(3,864,825)
MISCELLANEOUS EXPENDITURE					
(To the extent not written off / adjusted)					
Preliminary Expenses			40,700		81,400
PROFIT AND LOSS ACCOUNT			118,753,999		63,682,130
FOREIGN CURRENCY TRANSLATION ACCOUNT - (DEBIT BALANCE)			1,057,265		891,101
TOTAL			<u>377,184,258</u>		<u>362,869,294</u>
ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS					
	L				

As Per Our Report Of Even Date

For and on behalf of the board

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W

Deepak Choudhary
Managing Director
(Indian Operations)

Nowshir Engineer
Managing Director
(International Operations)

Astha Kariya
Partner
Membership No : 122491

Place : Mumbai
Dated : 29th June, 2011

Dharmesh Parekh
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year Ended 31st March, 2011		Year Ended 31st March, 2010	
		₹	₹	₹	₹
INCOME					
Course Fees		91,749,182		76,825,902	
Other Income	I	<u>3,285,359</u>	95,034,541	<u>2,304,111</u>	79,130,013
EXPENDITURE					
Direct Expenses	J	24,327,553		19,490,814	
Employee Cost		16,558,581		14,783,176	
Advertisement and Marketing Expenses		22,725,793		12,818,941	
Administrative Expenses	K	40,166,719		26,053,807	
Interest and Finance Charges		560,898		187,396	
Preliminary Expenses		40,700		40,700	
Depreciation / Amortization		<u>6,155,550</u>	<u>110,535,794</u>	<u>3,342,001</u>	<u>76,716,836</u>
PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS			(15,501,253)		2,413,178
EXCEPTIONAL ITEMS -					
Loss on sale of Investment			(28,000,000)		-
Provision for diminution in the value of long term Investment			(13,000,000)		-
Right Issue Expenses			-		(3,410,578)
PROFIT / (LOSS) BEFORE TAX			(56,501,253)		(997,400)
Current Tax			-		-
Previous Year Tax Adjustment			-		2,825
Deferred Tax Adjustment			467,091		953,081
PROFIT / (LOSS) AFTER TAX			(56,034,162)		(41,495)
Less: Minority Interest			(962,293)		-
PROFIT / (LOSS) AFTER TAX			(55,071,869)		(41,495)
Balance Brought forward from Previous Year			(63,682,130)		(63,640,635)
Balance carried forward to Balance Sheet			<u>(118,753,999)</u>		<u>(63,682,130)</u>
Earning Per Share in ₹ - Basic and Diluted (See note no.14)			(9.17)		(0.01)

**ACCOUNTING POLICIES AND
NOTES TO THE ACCOUNTS**

L

As Per Our Report Of Even Date

 For Ford, Rhodes, Parks & Co.
 Chartered Accountants
 Firm's Registration No. 102860W

 Astha Kariya
 Partner
 Membership No : 122491

 Place : Mumbai
 Dated : 29th June, 2011

For and on behalf of the board

 Deepak Choudhary
 Managing Director
 (Indian Operations)

 Dharmesh Parekh
 Company Secretary

 Nowshir Engineer
 Managing Director
 (International Operations)

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2011**

	As At 31st March, 2011	As At 31st March, 2010
	₹	₹
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED CAPITAL 8,000,000 Equity Shares of ₹ 10 each	80,000,000	80,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL 6,007,715 Equity Shares of ₹ 10 each fully paidup. Add : Amount paid up on 1,550 Forfeited Equity Shares	60,077,150 3,875	60,077,150 3,875
TOTAL	60,081,025	60,081,025

Notes :

Out of above 1,190,000 shares are issued for consideration other than cash.
2,276,215 equity shares of ₹ 10 each fully paid up were issued and allotted at a premium of ₹ 40 per share on Rights Basis in FY 2009-10.

SCHEDULE 'A-1'

SHARE WARRANTS

EQUITY SHARE WARRANTS

1,300,000 (Previous Year NIL) partly paid share warrants of ₹ 55 each, ₹ 13.75 paid up (see note no.8)

17,875,000

-

TOTAL

17,875,000

-

SCHEDULE 'B'

RESERVES AND SURPLUS

Share Premium :

As per last Balance Sheet

285,579,100

194,530,500

Add : Addition during the year for issue of Shares

-

91,048,600

285,579,100

285,579,100

General Reserve :

As per last Balance Sheet

880,566

880,566

TOTAL

286,459,666

286,459,666

SCHEDULE 'C' FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION /AMORTIZATION					NET BLOCK	
	AS AT 31/03/2010	ADDITIONS	DELETIONS	AS AT 31/03/2011	UPTO 31/03/2010	ON ADDITIONS	ON DELETIONS	AS AT 31/03/2011	IMPAIRMENT OF ASSETS UPTO 31/03/2011	AS ON 31/03/2011	AS ON 31/03/2010
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Tangible Assets:											
Furniture & Fixtures	4,140,025	2,917,018	1,354,538	5,702,505	1,192,599	1,348,242	504,597	2,036,244	-	3,666,262	2,947,426
Office Equipment	374,233	391,587	-	765,820	111,161	77,763	-	188,924	-	576,896	263,072
Computer System	3,413,500	567,845	-	3,981,345	1,818,068	825,489	-	2,643,557	-	1,337,788	1,595,433
Air Conditioners	303,000	1,350,969	303,000	1,350,969	63,152	138,530	75,583	126,098	-	1,224,871	239,848
Motor Car	475,410	-	-	475,410	110,854	85,675	-	196,528	-	278,882	364,556
Electrical Instalation	121,271	-	121,271	-	25,026	8,399	33,426	-	-	-	96,245
Radio System	400,000	-	-	400,000	103,540	41,238	-	144,778	-	255,222	296,460
Sound Equipment	41,500	147,226	-	188,726	12,943	22,620	-	35,563	-	153,163	28,557
Library Books	95,000	84,531	-	179,531	95,000	80,466	-	175,466	-	4,066	-
Office Improvement	-	6,095,697	-	6,095,697	-	1,650,752	-	1,650,752	-	4,444,945	-
Intangible Assets:											
Goodwill on Consolidation	172,413,908	773,355	-	173,187,263	-	-	-	-	-	173,187,263	172,413,908
Goodwill	7,635,920	-	-	7,635,920	3,054,368	1,527,184	-	4,581,552	-	3,054,368	4,581,552
Computer Software	350,000	-	-	350,000	224,001	125,999	-	350,000	-	-	125,999
Trade Marks	2,000,000	65,000	-	2,065,000	400,000	208,941	-	608,941	-	1,456,059	1,600,000
Perpetual Right (Ek Din)	23,912,368	-	-	23,912,368	23,912,368	-	-	-	23,912,368	-	-
Perpetual Right (WWR)	15,100,000	-	-	15,100,000	15,100,000	-	-	-	15,100,000	-	-
Perpetual Right (Anjuman)	6,470,000	-	-	6,470,000	6,470,000	-	-	-	6,470,000	-	-
Website Expense	-	67,000	-	67,000	-	14,253	-	14,253	-	52,747	-
TOTAL	237,246,135	12,460,228	1,778,809	247,927,554	52,693,080	6,155,550	613,606	12,752,656	45,482,368	189,692,530	184,553,056
Capital Advance	-	-	-	-	-	-	-	-	-	294,500	307,244
Total	237,246,135	12,460,228	1,778,809	247,927,554	52,693,080	6,155,550	613,606	12,752,656	45,482,368	189,987,030	184,860,300
PREVIOUS YEAR	220,280,382	17,559,254	593,500	237,246,136	49,578,799	3,342,001	227,721	7,210,711	45,482,368	-	-

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET
 AS AT 31ST MARCH, 2011**
SCHEDULE 'D' : INVESTMENTS

NAME OF THE COMPANY	NO OF SHARES / UNITS AS AT 31-3-2011	NO OF SHARES / UNITS AS AT 31-3-2010	COST AS AT 31-3-2011 ₹	COST AS AT 31-3-2010 ₹
LONG TERM INVESTMENTS IN SHARES / UNITS (at Cost) :				
A FULLY PAID-UP EQUITY SHARES (UNQUOTED)				
EMDI Web Solutions Pvt. Ltd. (F.V ₹ 10)	-	9,500	-	19,000
Access Atlantech Edutainment (I) Ltd (F.V ₹10)	245,554	245,554	50,400,000	50,400,000
Concept Communication Ltd (F.V ₹ 10)	-	175,000	-	35,000,000
Minds Eye Production Pvt Ltd (F.V ₹ 10)				
(Erstwhile Grey Cells Communication & Production Pvt Ltd)	50,000	50,000	13,000,000	13,000,000
		63,400,000	98,419,000	
Less :				
Provision for diminution in value of long term Investments			(13,000,000)	-
TOTAL (A)			50,400,000	98,419,000
CURRENT INVESTMENTS IN SHARES / UNITS : (Lower of cost and market value)				
B UNITS OF MUTUAL FUNDS (QUOTED)				
HDFC Cash management Fund Treasury Advantage Plan	106,746.511	1,819,569	1,070,826	18,253,004
DSP BLACK ROCK FMP-3M Series 28	1,750,000	-	17,500,000	-
TOTAL (B)			18,570,826	18,253,004
TOTAL (A + B)			68,970,826	116,672,004

	AS ON 31-3-2011		AS ON 31-3-2010	
	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
Aggregate Value of Quoted Investments	18,570,826	18,570,826	18,253,004	18,253,004
Aggregate Value of Unquoted Investments	50,400,000	-	116,672,004	-
	68,970,826	-	134,925,008	-

Note : The NAV of the units as on 31st March, 2011 is taken as market value

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2011**

	As At 31st March, 2011		As At 31st March, 2010	
	₹	₹	₹	₹
SCHEDULE 'E'				
SUNDRY DEBTORS - (Unsecured)				
Debts outstanding for more than six months :				
Considered Good	2,283,387		1,320,257	
Considered Doubtful	<u>5,896,574</u>	8,179,961	<u>6,127,935</u>	7,448,192
Other Debts Considered Good.		-		<u>3,058,225</u>
		8,179,961		10,506,417
Less : Provision for Doubtful Debts		<u>(5,896,574)</u>		<u>(7,055,525)</u>
TOTAL		<u><u>2,283,387</u></u>		<u><u>3,450,892</u></u>
SCHEDULE 'F'				
CASH AND BANK BALANCES				
Cash on hand		274,479		244,614
Balances with Scheduled Bank :				
In Current Account	5,452,325		3,390,416	
In Fixed Deposit	<u>-</u>		<u>1,500,000</u>	
		5,452,325		4,890,416
TOTAL		<u><u>5,726,804</u></u>		<u><u>5,135,030</u></u>
SCHEDULE 'G'				
LOANS AND ADVANCES				
Loans - Others		-		1,737,210
Advances Recoverable in Cash or in kind or for value to be received		5,938,980		5,433,445
Deposit		4,110,568		3,335,574
Interest Accrued and Due		-		26,214
Advance Tax and TDS		1,478,682		871,691
TOTAL		<u><u>11,528,230</u></u>		<u><u>11,404,134</u></u>
SCHEDULE 'H'				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors	3,888,935		5,621,620	
Advance Fees received from Students	<u>16,630,867</u>		<u>16,839,558</u>	
		20,519,802		22,461,178
PROVISIONS				
Provision for Tax		433,025		433,025
Provision for Gratuity		1,225,429		960,677
TOTAL		<u><u>22,178,256</u></u>		<u><u>23,854,880</u></u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31ST MARCH 2011**

	Year Ended 31st March, 2011 ₹	Year Ended 31st March, 2010 ₹
SCHEDULE 'I'		
OTHER INCOME		
Premier Relation Fees	2,200,000	1,450,000
Interest on Income Tax Refund	-	34,753
Interest accrued on Bank Fixed Deposits (TDS ₹ 6,687, Previous Year ₹ 21,664)	66,871	149,319
Interest Others	189,310	-
Dividend Income	469,263	253,004
Provision for doubtful debts written back	231,361	-
Sundry balances written back	-	15,134
Rent	-	248,992
Miscellaneous Income	128,554	152,909
TOTAL	3,285,359	2,304,111
SCHEDULE 'J'		
DIRECT EXPENSES		
Faculty Fees	6,494,906	5,576,473
Business Auxiliary Services	16,881,576	12,870,921
Work shop Expenses	70,986	12,000
Certification Fees	213,813	-
Student Activity	666,272	327,260
Other Direct Expenses	-	648,862
Software Fees	-	55,298
TOTAL	24,327,553	19,490,814
SCHEDULE 'K'		
ADMINISTRATIVE EXPENSES		
Rates and Taxes	437,070	5,000
Repair and Maintenance	545,645	247,585
Legal and Professional Fees	11,244,893	5,180,759
Business Development Expenses	142,653	306,387
Auditors Remuneration :		
Audit Fees	255,687	243,517
Taxation Matter	30,000	-
Others	33,000	37,330
Postage and Courier	56,386	33,860
Printing and Stationery	1,036,400	671,773
Company Law Matter and Listing Fees	280,664	221,031
Rent and Other Compensation	18,874,032	14,003,049
Electricity Charges	69,090	-
Telephone Expenses	1,368,170	1,440,815
Travelling Expenses	1,619,597	1,282,926
Conveyance Expenses	546,109	281,845
Bad Debts written off	231,361	-
Vehicle Expenses	80,025	76,026
Provision for Doubtful Debts	456,931	1,158,951
Exchange Rate Difference	282,714	-
Loss on Sale of Fixed Assets	1,085,704	122,279
Other Miscellaneous Expenses	1,490,588	740,674
TOTAL	40,166,719	26,053,807

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

Schedule 'L'- ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES :

I Accounting Convention

The Accompanying Financial Statements have been prepared in accordance with the historical cost convention and in accordance with the Companies Act, 1956 and in all material aspects with applicable accounting standards issued by the Institute of Chartered Accountants of India.

Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

- a) The Financial Statements of Subsidiaries have been combined on a line by line basis by adding together the book values of like item of assets, liabilities, income and expenditure after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
- b) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions or other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's financial statements.
- c) The functional currency of the Parent Company is Indian Rupee. The functional currency of the subsidiary is its respective local currency. Its accounts are converted from its local currency to Indian Rupees in the following manner:

All income and expense items are translated at the average rate of exchange applicable for the period. All monetary and non-monetary assets and liabilities are translated at the closing rate as on Balance Sheet date. The equity share capital is stated at the exchange rate at the date of investment. The exchange difference arising out of the year / period end translation is debited or credited to Foreign Currency Translation Account.
- d) The difference between the Company's Cost of investments in the subsidiaries over its portion of equity at the time of acquisition of shares is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

(ii) Revenue Recognition

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. Income from the student fees are recognized over the period of instruction of course. Non-refundable Premier relationship fees receivable under business association agreements is taken to income as and when due.

Dividend income is accounted for as and when declared.

(iii) Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation / amortization.

- a) Depreciation on tangible fixed assets is provided as per written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- b)
 - a) Intangible assets are amortized as under :
 - i) Goodwill (except goodwill arising on account of this consolidation) over the period of five years.
 - ii) Trade Mark over the period of ten years.
 - iii) Computer software are written off equally over a period of 3 years.
 - iv) Capital expenditure on office improvement is amortized equally over the lease period.

(iv) Impairment of Assets

At each balance sheet date, the carrying value of assets is reviewed for any possible impairment. An impairment loss is recognized when

the carrying amount of asset exceeds its recoverable amount which is the higher of net realizable amount as on the Balance Sheet date and the present value of the economic benefit resulting from the future use of the assets.

(v) Investments

Investments are capitalized at cost of acquisition plus incidental expenses. Provision for diminution in the value of long term investments is made in accordance with Accounting Standard 13 issued by the Institute of Chartered Accountants of India.

(vi) Employee Benefits

Gratuity benefits to employees is provided as per the provisions of The Payment of Gratuity Act, 1972. The gratuity benefit scheme is unfunded and provision for the same is made on actuarial basis.

(vii) Foreign Currency Translation

Transactions in foreign currency are recorded at exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the period end are translated at the period end exchange rates. The difference in translation of monetary assets and liabilities and realised gains and losses in foreign currency is recognised in the profit and loss account.

Non monetary foreign currency items like investment in foreign subsidiary is carried at carried at the cost and expressed in the Indian currency at the rate of exchange prevailing at the time of making the original investment.

(viii) Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are disclosed in the notes to accounts.

(ix) Taxation

Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.

(x) Deferred Tax

Deferred tax assets / liabilities resulting from timing differences between book and tax profits is accounted for at the current rate of tax to the extent that the timing differences are expected to crystallize in future. Deferred tax assets in respect of carried forward business losses and unabsorbed depreciation as per Income Tax provisions is recognized only if there is virtual certainty of recoupment of the same out of future taxable income.

II NOTES TO THE ACCOUNTS

- 1. The subsidiary companies considered in the consolidated financials statements are:

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest	Accounting year ending on
EMDI (Overseas) FZ LLC	U.A.E.	100%	31/3/2011
Eduhub Education Pvt. Ltd.	India	51%	31/3/2011

- 2. Capital commitments not provided for (net of capital advances) ₹ 112,000 (Previous Year - ₹ 98,786).
- 3. No vendors have informed the Company of their being registered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, as per the information available with the Company, there are no amounts payable to such vendors as at the year end.
- 4. **Managerial Remuneration**

Particulars	2010-11 ₹	2009-10 ₹
Salary and Allowances	4,647,384	4,185,279

5. Deferred Tax Asset of ₹ 1,014,275/- (Previous Year Deferred Tax Asset ₹ 547,184 as on 31/03/2011 is on account of :

Particulars	2010-11 ₹	2009-10 ₹
Depreciation	355,895	(407,316)
Provision for Doubtful Debts	-	71,491
Right Issue Expenses	556,951	843,095
Others	101,291	39,914
Total	1,014,137	547,184

No Deferred tax asset has been recognized on unabsorbed depreciation and carried forward business losses as there is no virtual certainty that the same will be realized out of future taxable income.

6. The Group operates an unfunded gratuity scheme for certain of its employees. The disclosures in respect of the scheme as required in the Accounting Standard 15 – 'Employee Benefits', issued by the Institute of Chartered Accountants of India' are given below :

Defined Benefit Plans

Gratuity Scheme (Unfunded Scheme)

In accordance with Accounting Standard 15 (Revised 2005), actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:-

Particulars	2010-11 ₹	2009-10 ₹
Discount Rate (per annum)	8.25%	8.00%
Salary Escalation	6.00%	6.00%
Attrition Rate	2.00%	2.00%
Expected Average remaining working lives of employees (years)	5 years	2 years

A)

Changes in the Present Value of Benefit Obligation	2010-11 ₹	2009-10 ₹
Opening Present Value of Obligation at the beginning of the Current Period	210,573	87,862
Interest Cost	16,846	6,809
Current Service Cost	120,391	105,623
Past Service cost- Non Vested Benefit	-	-
Past Service cost- Vested Benefit	-	-
Liability Transferred in	-	-
Liability Transferred out	-	-
Actuarial (gain) / loss on obligations	(18,452)	10,279
Closing Present Value of Obligation	329,358	210,573
Included in Provisions (Refer Schedule H)		

B)

Table of Recognition of Transitional Liability	2010-11 ₹	2009-10 ₹
Unrecognized Transitional Liability at the start of the period	-	-
Transitional Liability recognized during the period	-	-
Unrecognized Transitional Liability at the end of the period	-	-

C)

Amount recognized in the Balance Sheet	2010-11 ₹	2009-10 ₹
Fair Value of Plan Assets as at the end of the year	-	-
Present value of obligation at the end of the period	329,358	210,573
Difference	(329,358)	(210,573)
Past service cost – Non vested Benefit recognized at the end of the period	-	-
Unrecognized transitional liability at the end of the period	-	-
Liability/(Asset) recognized in the Balance Sheet	-	-
Net amount recognized in the balance sheet	(329,358)	(210,573)

D)

Expenses recognized in the Income Statement	2010-11 ₹	2009-10 ₹
Current Service Cost	120,391	105,623
Interest Cost	16,846	6,809
Actuarial (Gain)/Loss	(18,452)	10,279
Past service cost – Non vested Benefit recognized during the period	-	-
Past service cost – Vested Benefit recognized during the period	-	-
Transitional liability recognized during the period	-	-
Total Expenses recognized in the Profit and Loss Account	118,785	122,711

E)

Balance Sheet Reconciliation	2010-11 ₹	2009-10 ₹
Opening Net Liability	210,573	87,862
Expenses as above	118,785	122,711
Net Transfer In	-	-
(Net Transfer out)	-	-
Employer's Contribution	-	-
Net amount Recognized in the balance sheet	329,358	210,573

Subsidiary - (EMDI FZ LLC) : A charge is made for the full amount of the statutory gratuity due to employees as at the Balance Sheet date, in accordance with the UAE labor Law. The cost of providing these benefits is charged as an expense and the charge for the year ended 31st March, 2011 was AED 11,454 equivalent to ₹ 142,220 (Previous Year AED 18,882 equivalent to ₹ 243,599).

7. The Group has carried out business operations only in the segment of 'Education' during the year and also the previous year. Hence segment reporting as per Accounting Standard 17 – 'Segment Reporting', issued by The Institute of Chartered Accountant of India, has not been given.
8. During the year, the Company has issued and allotted 1,300,000 partly paid convertible share warrants for cash to Promoters and Non Promoter Group on preferential allotment basis. These share warrants are convertible into equity shares of ₹ 10 each at a premium of ₹ 45 per share in the ratio 1:1 and the so converted equity shares shall rank parri passu in all respects with the existing equity shares of the Company. As per SEBI (ICDR) Regulations, 2009, the conversion of these warrants will be made within the period of 18 months from the date of allotment in one or more tranches subject to full payment being received and on such terms and conditions as the Board may deem appropriate. If the investors do not opt for the conversion of the warrants, the upfront amount so paid would stand forfeited by the Company and all the rights attached to the warrants shall lapse automatically. As per the terms of issue of the share warrants, an amount equivalent to 25% of the issue price of the warrants amounting to ₹ 17,875,000 was received and is retained under share warrants.
9. During the previous year, the Company made a right issue of 2,276,215 equity shares at the rate ₹ 50 per share including premium of ₹ 40 per share. The right issue was fully subscribed and the shares were allotted on 09.11.2009. An amount of ₹ 95,445,480 out of the proceeds of

the rights issue has been utilized up to the previous year towards the objects of the issue. During the year the Company has utilized ₹ 15,888,289 and the balance amount pending utilization is temporarily invested in mutual fund.

10. Deployment of funds collected through rights issue :

Particulars	Proposed Deployment ₹	Amount Deployed till 31.03.11 ₹
Investment in Subsidiary	16,403,723	16,403,723
Setting up of New Centre	20,500,000	18,162,441
Repayment of Borrowings	43,500,000	43,500,000
Issue Expenses	3,550,000	3,410,578
General Corporate Purposes	29,857,027	29,857,027
Total 113,810,750	111,333,769	
Balance		2,476,981

Unutilized balance of ₹ 2,476,981 remains invested in liquid fund ₹ 1,070,826 and balance in designated current account .Previous year figures have been regrouped wherever necessary to make them comparable.

11. During the previous year, the Company has acquired a further 10% of the equity shares in its subsidiary company- EMDI (Overseas) FZ, LLC, a limited liability company registered in Dubai, United Arab Emirates, which is engaged in vocational training. With the acquisition of this 10% of shares, the Company holds 100% of the equity shares in the subsidiary.

12. During the year, the Company has entered in to a business association contract with Mrs. Ruchi Mahajan (associate) for conducting finance courses at Delhi, which operates as a separate division of the company. Under the contract, the associate is entitled to receive management fees plus a share in the profit / loss of this division. Accordingly, the expenses of this division have been netted out to the extent of the associate's share of expenditure aggregating to ₹ 2,573,324

13. **Related Party disclosures:**

(A) **List of Companies under Common Control - NIL**

(B) **Names of related parties with whom transactions have taken place during the year / previous year :**

(a) Key Management Personnel :

Deepak Choudhary
Nowshir Engineer
Rasika Kulkarni

(b) Transactions with Related Parties :

Nature of Transactions	With Key Managerial Personnel ₹
Managing Director's Remuneration	4,647,384 (4,185,279)
Purchase of Investments	- (16,403,723)

* Figures in bracket indicate previous year figures

14. **Earnings per share:**

PARTICULARS	2010-11 ₹	2009-10 ₹
(a) Net Profit / (Loss) after tax	(55,071,869)	4,158,760
(b) Number of equity shares of ₹ 10 each outstanding during the year (No. of shares)	6,007,715	4,623,277
(c) Basic / Diluted earnings per share (₹)	(9.17)	0.90

The effect of anti-dilutive potential equity shares are ignored for calculating diluted earnings per share.

15. The negative minority interest (debit balance) represents minority share of losses in the subsidiary to the extent the minority have a binding obligation to make good the same.

16. Figures of the previous year have been regrouped and reclassified wherever necessary to make them comparable with the figures of the current year.

As Per Our Report Of Even Date

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W

Astha Kariya
Partner
Membership No : 122491

Place : Mumbai
Dated : 29th June, 2011

For and on behalf of the board

Deepak Choudhary
Managing Director
(Indian Operations)

Nowshir Engineer
Managing Director
(International Operations)

Dharmesh Parekh
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	31st March 2011 ₹	31st March 2010 ₹
Cash Flow from Operating Activities		
Net Profit / (Loss) before tax	(56,501,253)	(997,400)
Adjustment for:		
Depreciation	6,155,550	3,342,001
Preliminary Expenses w/off	40,700	40,700
Loss on sale of Assets	1,085,704	122,279
Interest Expenses	560,898	187,396
Interest on Fixed Deposits	(66,871)	(149,319)
Dividend Income	(469,263)	(253,004)
Operating Profit / (Loss) before working capital changes	(49,194,535)	2,292,653
Adjustment for:		
Trade and other Receivables	1,167,505	(835,250)
Trade and other Payables	(1,941,376)	4,281,321
Loans and Advances	482,895	(546,408)
Provision for Gratuity	264,752	377,080
	(26,226)	3,276,743
Cash generated from operations	(49,220,761)	5,569,396
Direct taxes (paid) / refund	(606,991)	(358,712)
Cash Flow before extra ordinary items	(49,827,752)	5,210,684
Right issue expenses	-	3,410,578
Extra ordinary items/Exceptional Items	28,000,000	-
Provision for diminution in the value of Investments	13,000,000	-
Foreign Currency translation reserve	(166,164)	2,629,779
Net Cash from Operating Activities	(8,993,917)	11,251,041
Cash Flow from Investing Activities		
(Purchase) / Sale of Fixed Assets	(11,607,373)	(912,031)
Purchase of Minority Interest in Subsidiary	-	(16,403,723)
(Purchase) / Sale of Investments	6,701,178	(18,253,004)
Capital Advance	12,744	(307,244)
Net Cash used in Investing Activities	(4,893,451)	(35,876,002)
Cash Flow from Financing Activities		
Issue of Equity Shares	-	33,860,750
Rights issue Expenses	-	(3,410,578)
Proceeds from Issue of shares to Minority	100,000	-
Share Warrant money received	17,875,000	-
Miscellaneous Expenditure	(67,519)	-
Interest	(560,898)	(187,396)
Interest on Fixed Deposits	66,871	149,319
Dividend Income	469,263	253,004
Loans received / (repaid) during the year	(3,403,579)	(4,573,060)
Net Cash from Financing Activities	14,479,138	26,092,039
Net Increase / (Decrease) in cash and cash equivalents	591,774	1,467,078
Cash and cash equivalents at the beginning of the year (Opening Balances)	5,135,030	3,667,951
Cash and cash equivalents at the end of the year	5,726,804	5,135,030
Cash and Cash Equivalents comprise :		
Cash on hand	274,479	244,614
Balances with Scheduled banks in		
- Current Accounts	5,452,325	3,390,416
- Deposit Accounts	-	1,500,000
Cash and Cash Equivalents as at the end of the year	5,726,804	5,135,030

Notes :

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statement".
- Previous Year figures have been re-grouped and rearranged wherever necessary.

As Per Our Report Of Even Date

 For Ford, Rhodes, Parks & Co.
 Chartered Accountants
 Firm's Registration No. 102860W

 Astha Kariya
 Partner
 Membership No : 122491

 Place : Mumbai
 Dated : 29th June, 2011

For and on behalf of the board

 Deepak Choudhary
 Managing Director
 (Indian Operations)

 Dharmesh Parekh
 Company Secretary

 Nowshir Engineer
 Managing Director
 (International Operations)

GREY CELLS

EDUCATION LIMITED

ATTENDANCE SLIP

GREYCELLS EDUCATION LIMITED

D-2, 1st Floor, Poddar Chamber, 126, Mathuradas Compound, N.M. Joshi Marg, Lower Parel (West), Mumbai - 400013

(Please complete this Attendance Slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the Annual General Meeting of the Shareholders of the Company being held on Thursday, September 29, 2011 at 9.30 a.m at D-2, 1st Floor, Poddar Chamber, 126, Mathuradas Compound, N.M. Joshi Marg, Lower Parel (West), Mumbai - 400013

Folio No. _____ No. of Shares held _____

DP Id. _____ Client Id. _____

Name of the Shareholder: _____
(1st name)

(Joint Holder)

Name of Proxy _____
(To be filled in case of the proxy attends instead of shareholder)

Signature of Shareholder/Proxy* _____

* Strike out whichever is not applicable

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GREY CELLS

EDUCATION LIMITED

PROXY FORM

GREYCELLS EDUCATION LIMITED

D-2, 1st Floor, Poddar Chamber, 126, Mathuradas Compound, N.M. Joshi Marg, Lower Parel (West), Mumbai - 400013

Folio No. _____ No. of Shares held _____

DP Id. _____ Client Id. _____

I/We _____
of _____ being a member/members of GREYCELLS EDUCATION LIMITED hereby appoint _____ of _____
or falling him/her _____ of _____
as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, September 29, 2011 or any adjournment thereof.

Affix a
Re.1/-
Revenue
Stamp

Signed this _____ day of _____ 2011

Note : The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a shareholder of the Company.



Tear Here



BOOK POST



If undelivered please return to:

GREYCELLS EDUCATION LIMITED
D-2, 1st Floor, Poddar Chamber,
126, Mathuradas Compound,
N.M. Joshi Marg, Lower Parel (West),
Mumbai – 400013