NAVNEET®

Knowledge is wealth

NEL/NSE/71/2018 9th August, 2018

The Secretary
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor, Plot No.C/1,
'G' Block, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400051

Dear Sirs,

Ref. : Scrip Code – NAVNETEDUL

Sub: Compliance of Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements),Regulations,2015.

In accordance with Regulations, 34(1) please find attached herewith Annual Report for the financial year 2017-18 adopted by the shareholders at the 32nd AGM of the Company held on Tuesday,24th July,2018 at P.L.Deshpande Maharashtra Kala Academy, Mini Theatre, 3rd Floor, Ravindra Natya Mandir, Sayani Road, Mumbai-400025.

Thanking you,

Yours faithfully,
FOR NAVNEET EDUCATION LIMITED

AMIT D. BUCH
COMPANY SECRETARY

NAVNEET®

Knowledge is wealth



32nd Annual Report 2017-2018

NOURISHING KNOWLEDGE IN LIFE

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Forward-looking statements:

In this annual report, we have disclosed certain forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make certain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

Board of Directors

Kamlesh S. Vikamsey (Chairman)
Gnanesh D. Gala (Managing Director)
Raju H. Gala (Joint Managing Director)
Bipin A. Gala (Whole time Director)
Anil D. Gala (Whole time Director)
Shailendra J. Gala (Whole time Director)
Atul J. Shethia (Whole time Director)
Mohinder Pal Bansal (Director)
Nilesh S. Vikamsey (Director)
Tushar K. Jani (Director)
Dr. Vijay B. Joshi (Director)
Usha Laxman (Director)

Company Secretary

Amit D. Buch

Chief Financial Officer

Deepak L. Kaku

Auditors

M/s. N.A. Shah Associates LLP
Chartered Accountants, Mumbai

Internal Auditors

Mahajan & Aibara
Chartered Accountants, Mumbai

Bankers

ICICI Bank Ltd.
The Hongkong and Shanghai Banking Corporation Bank Ltd.
DBS Bank Ltd.
Kotak Mahindra Bank Ltd.
HDFC Bank Ltd.
BNP Paribas

Registered Office

Navneet Bhavan,
Bhavani Shankar Road,
Dadar (West),
Mumbai – 400 028.

Corporate Identity Number

L22200MH1984PLC034055

Ahmedabad Office

Navneet House, Gurukul Road,
Memnagar,
Ahmedabad - 380 052.

Works

*Village Dantali,
Behind Kasturi Nagar
Dist. & Tal. Gandhinagar, Gujarat.

*Village Sayali, Silvassa
*Rakanpur, Taluka Kalol,
Dist. Mehsana.
*Village Khaniwade,
Tal. Vasai, Dist. Palghar

e-mail

investors@navneet.com

Website

www.navneet.com

Registrar and Share Transfer Agents

Link Intime India Pvt. Ltd.,
C- 101,247 Park,
L.B.S Marg,
Vikhroli (West),
Mumbai–400 083
Tel : +9122 49186000
Fax : +912249186060
E-mail-mt.helpdesk@linkintime.co.in
Website- www.linkintime.co.in

CHAIRMAN'S COMMUNIQUÉ

Dear Shareholders,



Once again, I begin this letter with a sense of pride in Navneet Education Limited.

Before I articulate on Navneet's performance, with a heavy heart, I write to inform that our beloved patriarchs and Co-Founders of Navneet Family, Shri Dungarshi R. Gala and Shri Jitendra L. Gala (Bababhai) and Ex-Chairman Shri Shivji Vikamsey, left for their heavenly abode. They will always be remembered as great visionaries. May their soul rest in peace. There are many in the community who will deeply mourn their passing as theirs' was a life of service, love, compassion and excellence. On behalf of all the Directors and stakeholders, I pay tribute to these great souls and pray to God to give strength and courage to all Gala and Vikamsey family members to bear this irreparable loss.

This year was a significant one because it saw the Indian Government take some bold steps towards new fiscal and tax policies supported by a more robust statistical framework to report economic numbers. Some of these measures have since been implemented, most notably the unified Goods and Service Tax (GST) from 1st July, 2017.

We had a relatively average year amidst economic changes. In the backdrop of the above, I am pleased to report that your Company reported revenue growth at a meagre rate. We ended FY 2017-18 with a total revenue of ₹ 116,145 Lakh; a growth of 4% and our Profit after tax at ₹ 15,321 Lakh.

The segments' highlights are as under:

- Publication Revenue increased by 5.7% to ₹ 62,821 Lakh.
- Stationery Revenue increased by 3.08% to ₹ 50,096 Lakh.

Though there was a slack in the growth in our Revenue, the company maintained its profitability at its EBIDTA levels with Publication business EBIDTA at 33.9% (Last year: 34%) and Stationery Business EBIDTA at 10.1% (Last Year: 11%). The Company's financial position remained strong, thereby proving the stability and sustainability of the Business, even in adverse conditions.

The year also reinforced our belief that a successful and robust business can be built only on the basis of its ability to generate cash flows from its core operations on a sustainable basis. Our fundamentals are strong and we have successfully maintained

India remained as one of the world's fastest-growing economy in 2017-18. Despite headwinds and short-term disruptions, the country grew well above the 7% mark. It remained a hot spot destination for foreign investments ahead of China and US.

our stability through our vision and strength.

Often, we hear that the present civilization will become a paperless civilization in the near future. However, we believe that this idea will take many more years to become a reality in India due to less access to technology such as the Internet, boost to primary education, and the tradition of keeping a hard copy of all important documents in all workplaces. Further, a paperless society will not form in future so easily as books will continue to get published and all the products will need to be packaged. This leaves us with a vast opportunity and hence, over the years, we aim to increase our turnover rate through incremental sales.

NEL has evolved itself into a robust, dynamic and forward-looking company in the course of the last thirty-two years.

INR 116,145 Lakh
Total Revenue

INR 15,322 Lakh
Net PAT

NEL continues to broaden its business. The recently acquired Indiannica Learning Pvt. Ltd. (earlier known as Encyclopaedia Britannica (India) Pvt. Ltd.) focuses on enriching the learning experiences of learners digitally. The revenue of the subsidiary stood at ₹ 5,762 Lakh. Revenue from operations of NEL's other subsidiary eSense Learning Pvt. Ltd. stood at ₹ 1,748 Lakh. The loss of the company reduced by 23% to ₹ 505 Lakh. The subsidiary company continues its focus on scaling up the quality of revenues with reducing the share of hardware revenues and focusing on B2B model for sustainable growth.

As we continue our journey, we will always align ourselves with our core values and the preferences of the New India. We will continue to be innovative with our print offerings and grow our digital footprint.

At Navneet, we commenced our journey more than six decades ago. We have been continuously investing to build strong brands, robust manufacturing infrastructure, wide and deep distribution network and high-quality products with a global appeal. We have not drifted from our core values. This has helped us in tiding over challenging times and continuing to grow without jeopardizing the financial strength and integrity of the business.

Our performance so far, and our initiatives going ahead, are both driven by people. I thank my colleagues on the Board for their support and guidance, and our employees for their relentless drive to take Navneet to the next level, as well as, I thank our shareholders and vendors for their continued support and partnership.

Thank You,

Kamlesh S. Vikamsey
Chairman

OUR IDENTITY



Navneet Education Limited founded by the Gala Family- is an educational syllabus-based content provider in Print & Digital medium, a manufacturer of Scholastic Paper stationery, a publisher of General & Children books and also has a wide range of Scholastic Non-Paper stationery products.

Over the years, the company has built a strong brand in the Educational Content & Scholastic Stationery gaining a leadership position.

The company has a dominant market share of about 65% in western India. And, with a new range of supplementary books for students of CBSE and ICSE Boards, its educational products are now available across India.



MISSION

To provide the highest quality of educational products and services to customers in the language/medium of their choice.

VISION

To provide students with best quality supplementary study material at affordable price.

To provide students with International quality school stationery products.

To harness the power of Information Technology and bring home its wonder to children through electronic media.

To create a global village of student community through the internet.

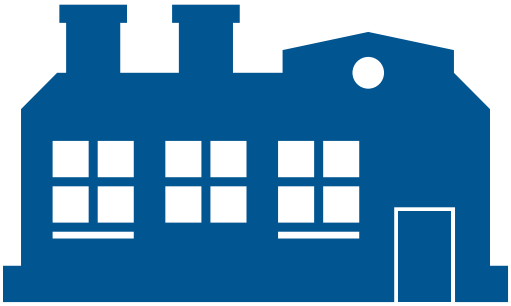
QUICK FACTS

1959
Established

More than
5,000
Titles published

5
Number of languages published

3
Number of subsidiaries



4 Plants

INR 15,322

FY2018 PAT in Lakh

INR 116,145

FY2018 Total Revenue in Lakh

INR 26,392

FY2018 EBITDA in Lakh

INR 80,841

FY2018 Networth in Lakh

SEGMENTAL OVERVIEW

Content Publishing

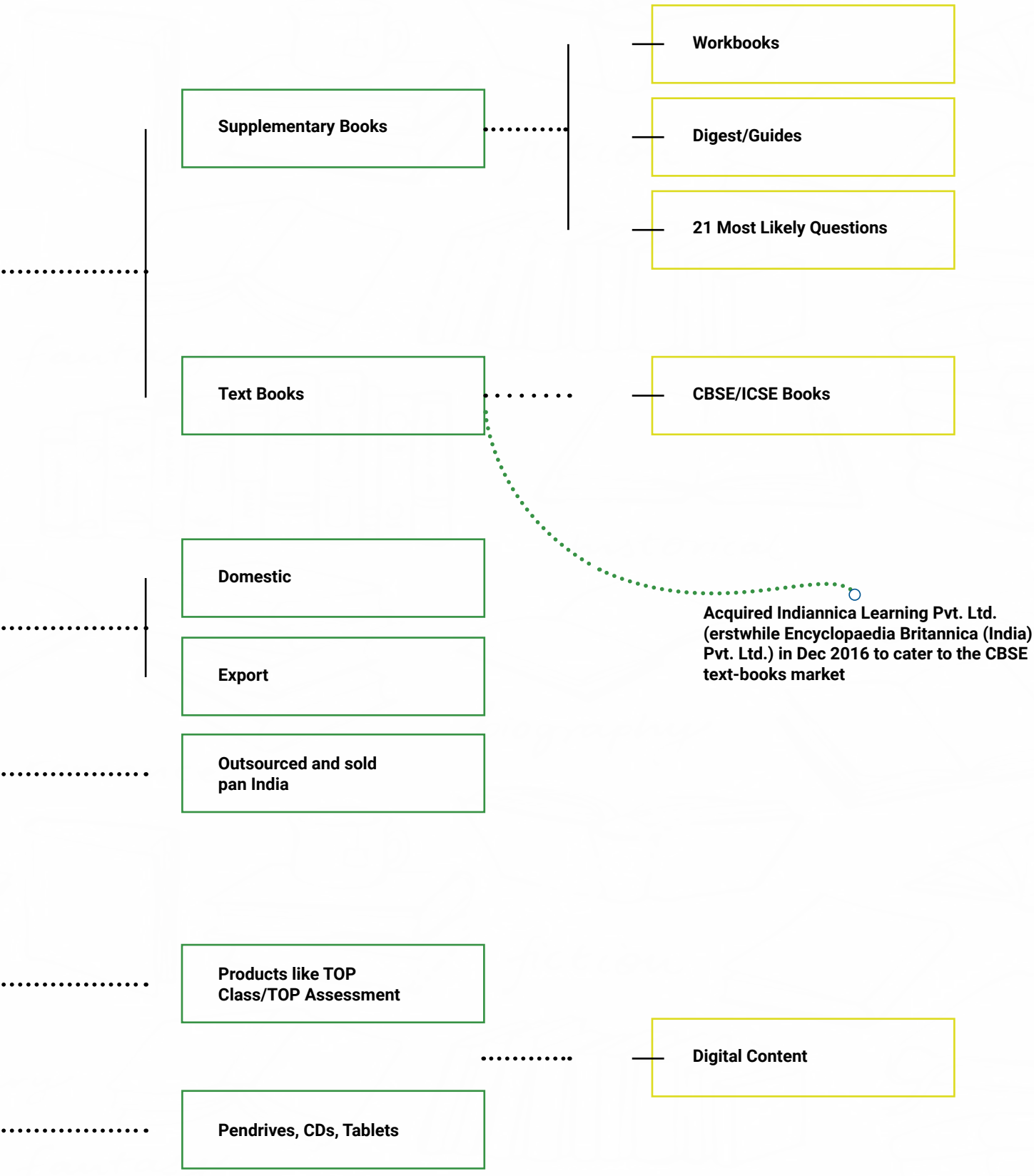
- Curriculum Segment
- Non-curriculum Segment

Stationery

- Paper Stationery
- Non-Paper Stationery

E-Learning

- B2B
- B2C


Supplementary Books
Workbooks
Digest/Guides
21 Most Likely Questions
Text Books
CBSE/ICSE Books
Domestic
Export
Outsourced and sold pan India
Acquired Indiannica Learning Pvt. Ltd. (erstwhile Encyclopaedia Britannica (India) Pvt. Ltd.) in Dec 2016 to cater to the CBSE text-books market
Products like TOP Class/TOP Assessment
Digital Content
Pendrives, CDs, Tablets

GLIMPSE OF WORKSPACES

Khaniwade


Outside view


Heidelburg 6 Color Printing Machine

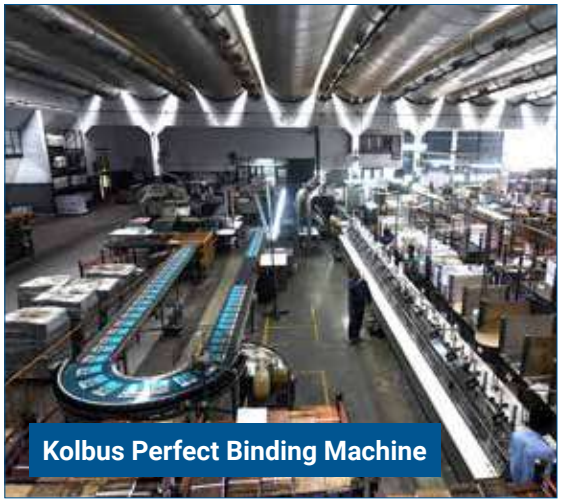

Inside view


Web Rulling Machine


Packing process

Dantali

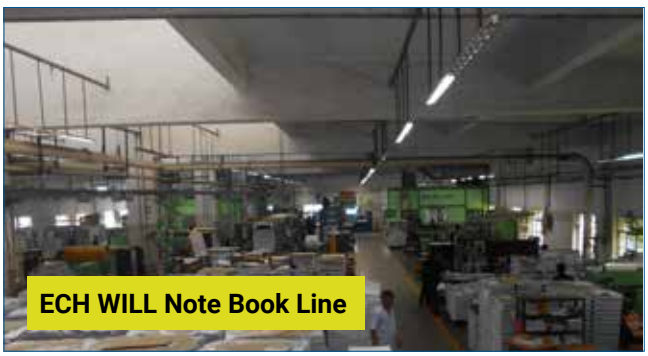

Office view


Kolbus Perfect Binding Machine


Inside view of factory


Komori Five Color Offset Machine

Silvassa

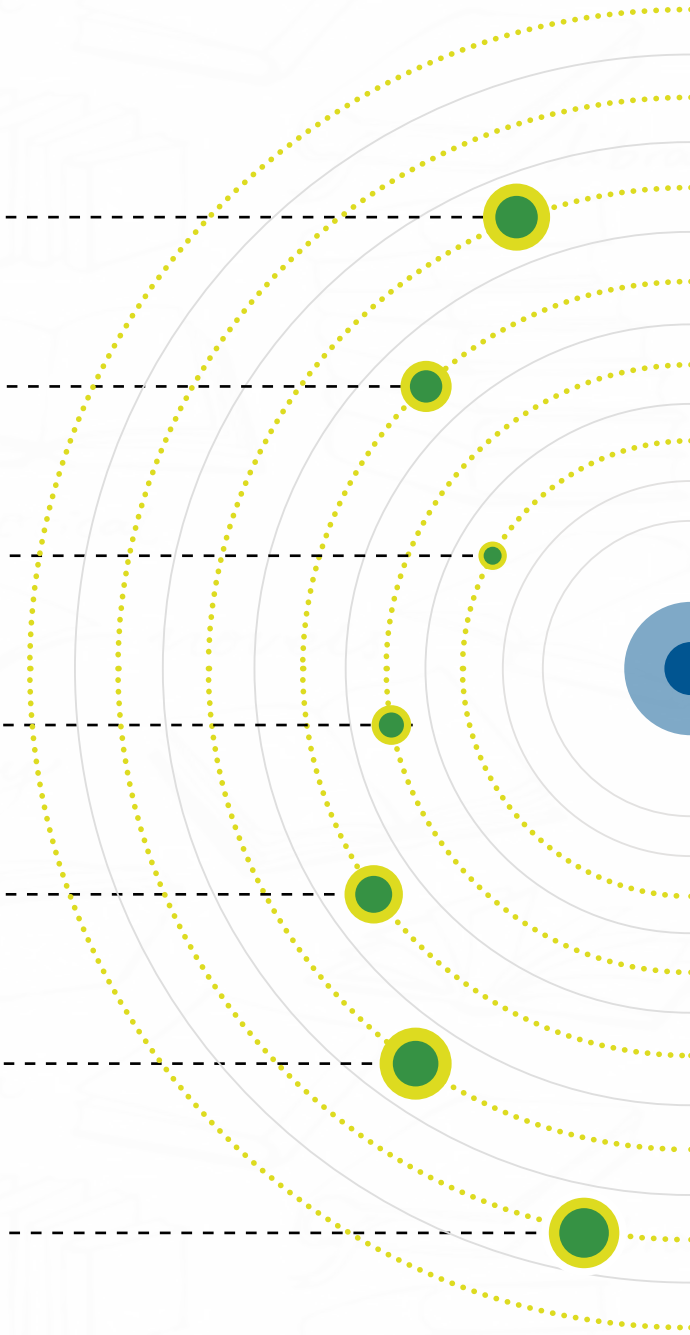

ECH WILL Note Book Line


ECH WILL Rulling Machine


Kolbus Hard Binding Machine


Kugler Spiral Binding Machine

EVOLUTION OVER THE YEARS



First Digest/Guide published for Std X — **1959**

Workbook concept introduced — **1970**

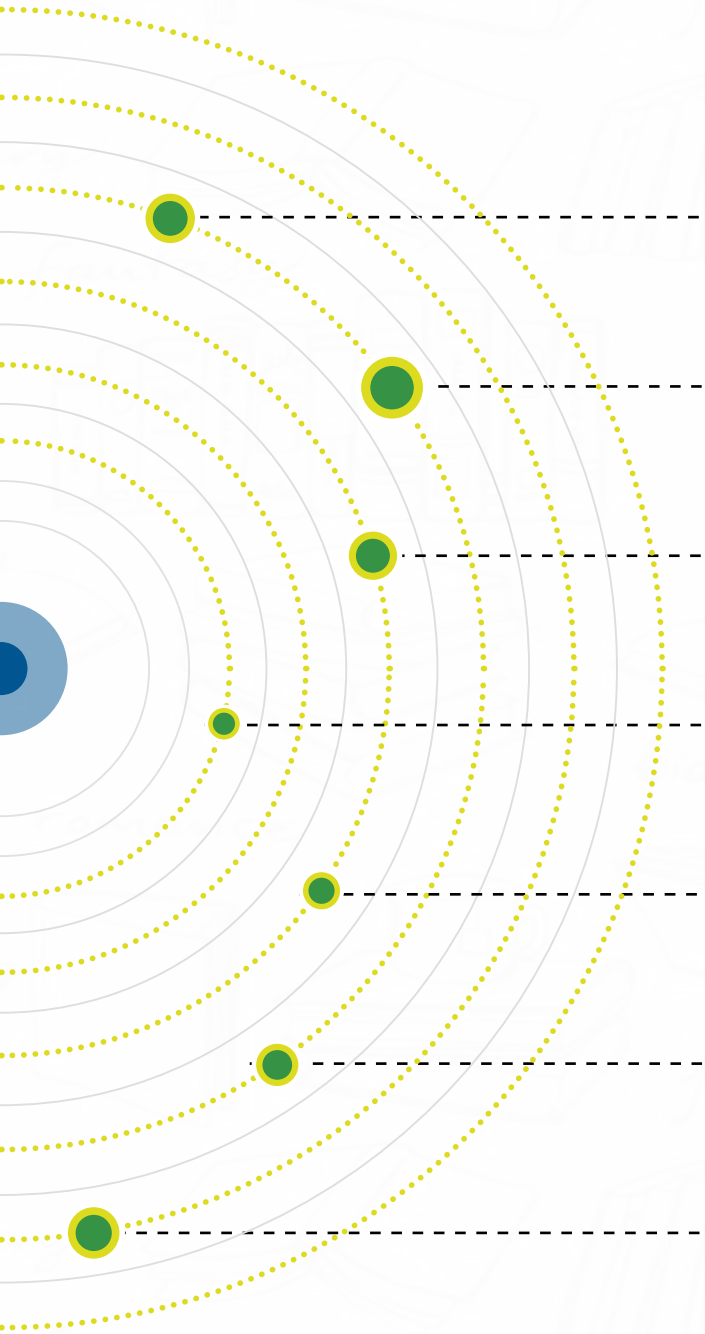
Published 21 Most likely Question sets — **1975**

Children Books introduced — **1990**

Started Manufacturing Scholastic Stationery — **1993**

First and only Educational Publisher to be listed on BSE & NSE — **1994**

Stationery capacity reached 100tns/day. ISO Certification awarded — **2000**



2003 — Implementation of SAP & KAIZEN

2008 — Entered B2B Digital Learning space

2011 — Ventured into School Management

2014 — Entered B2C Digital Learning space

2016 — New Scholastic Stationery brand YOUVA launched;

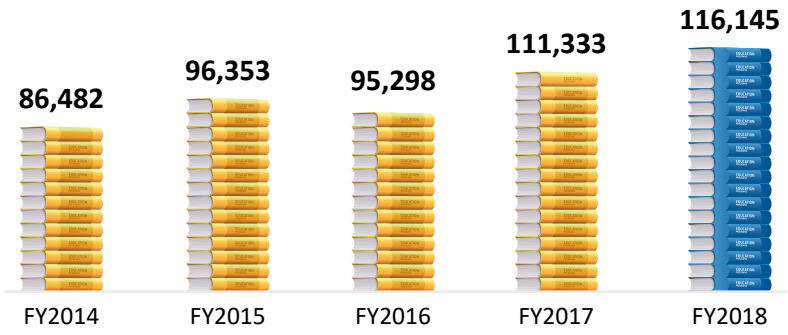
Acquired Indiannica Learning Pvt. Ltd. (earlier Encyclopaedia Britannica (India) Pvt. Ltd.)

2017 — Achieved Milestone Turnover of 1,000 Crores.

2018 — Introduction of premium stationery products under the brand "HQ".

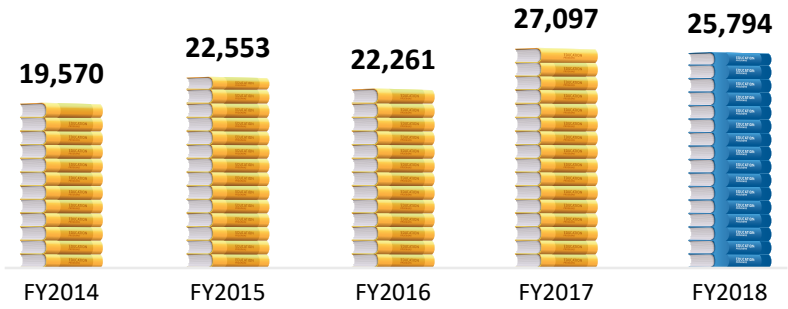
FINANCIAL MOMENTUM

REVENUE
(₹ in Lakh)



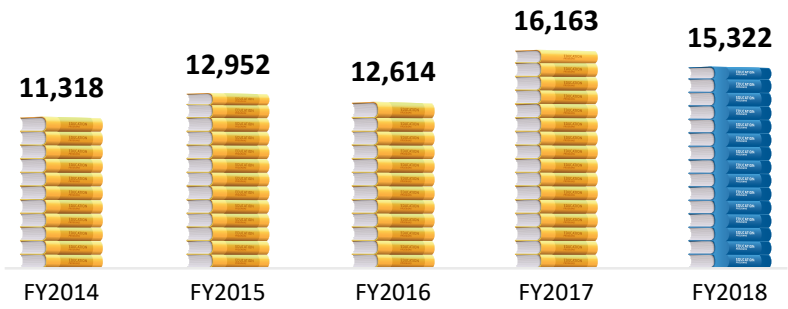
7.5% CAGR

PBDT
(₹ in Lakh)



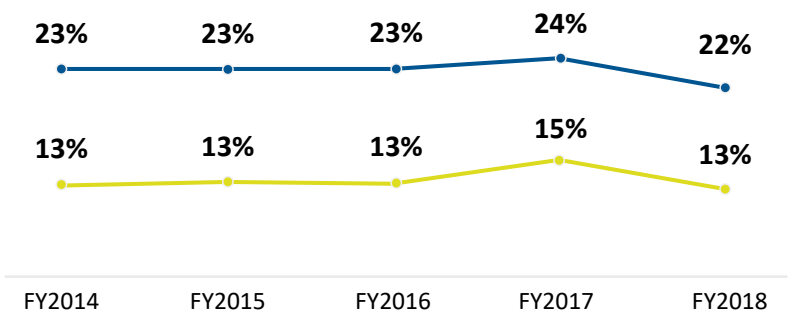
7.1% CAGR

PAT
(₹ in Lakh)



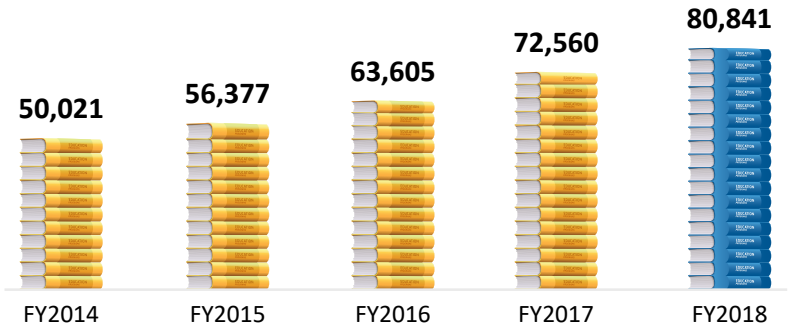
7.9% CAGR

PBDT & PAT MARGIN



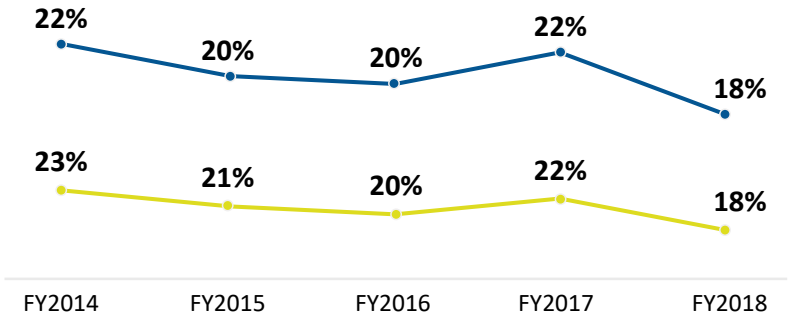
Net Worth

(₹ in Lakh)

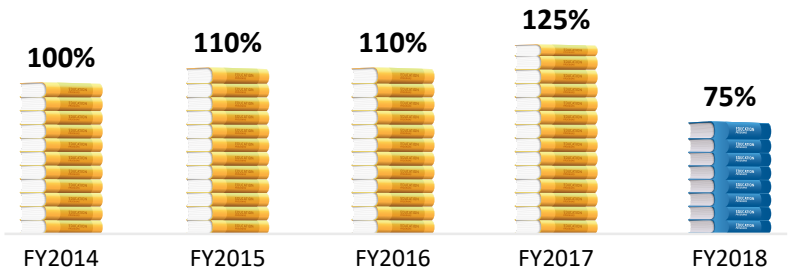


13% CAGR

ROCE & RONW



Dividend



FINANCIAL HIGHLIGHTS STANDALONE

Particulars	2013-14	
Revenue from Operations	86,131	
Other Income	352	
Total Revenue	86,482	
PBDT	19,570	
Depreciation	2,201	
PBT	17,370	
Tax	6,052	
Net Profit (PAT)	11,318	
Other Comprehensive Income (Net of Tax)		
Total Comprehensive Income (PAT + OCI)	11,318	
Dividend	4,766	
Dividend (%) - (Face Value at ₹ 2/-)	100	
Book Value (Face Value at ₹ 2/-) *	21.0	
Equity Capital	4,764	
Other Equity	45,223	
Gross Block	35,172	
Net Block	18,487	
Return on Net Worth (%) (Total OCI/ Networth)	22.6	
Return on Capital Employed (Total OCI/ Capital Employed)	22.2	
EBDITA Margin %	23.9	
Pat Margin %	13.1	
Current Ratio	1.63	
Debt-Equity **	0.0	
EPS (Post Tax) (₹ 2/- per share)	4.8	
EPS (Pre Tax) (₹ 2/- per share)	7.3	
CEPS (Post Tax) (₹ 2/- per share)	5.7	
CEPS (Pre Tax) (₹ 2/- per share)	8.2	
Dividend Payout % to Net profits	49.3	
MARKET CAP (Rs.in Cr.)	1,354.3	

Notes:
* The figures are after considering the issue of Bonus Shares.
** Debt consist of Long term borrowings.
The figures are ₹ In Lakh except for EPS, CEPS, Book Value & figures in %

2014-15	2015-16	2016-17	2017-18
96,007	93,390	108,941	113,224
346	1,908	2,392	2,921
96,353	95,298	111,333	116,145
22,553	22,261	27,097	25,794
2,819	2,676	2,499	2,349
19,734	19,585	24,598	23,445
6,781	6,971	8,434	8,124
12,952	12,614	16,163	15,322
32	12	(49)	(470)
12,984	12,626	16,115	14,852
5,241	5,241	5,839	3,503
110	110	125	75
23.7	26.4	31.1	34.6
4,764	4,764	4,671	4,671
57,900	57,634	67,889	76,170
36,071	39,205	40,220	42,925
16,947	17,692	16,795	17,457
20.7	20.2	22.2	18.4
20.5	19.9	21.8	18.1
24.4	24.8	25.7	22.8
13.5	13.5	14.8	13.5
2.78	3.18	2.58	2.58
0.0	0.0	0.0	0.0
5.4	5.3	6.8	6.4
8.3	8.2	10.3	9.8
6.6	6.4	7.8	7.4
9.5	9.3	11.4	10.8
48.7	50.0	43.5	27.5
2,364.3	1,995.1	3,795.3	3,335.2

OUR PRODUCTS

eLEARNING

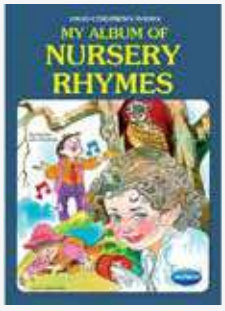


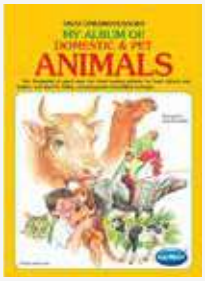






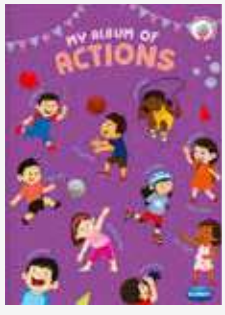
CHILDREN'S BOOK





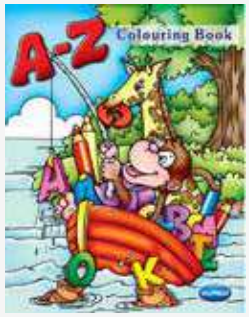




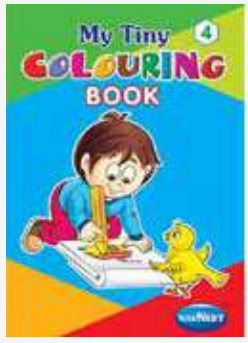




PRE SCHOOL

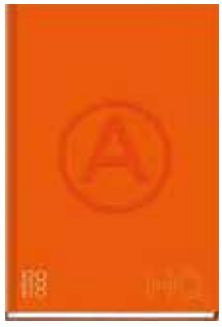






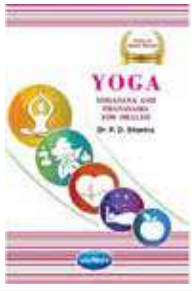
SCHOOL STATIONERY











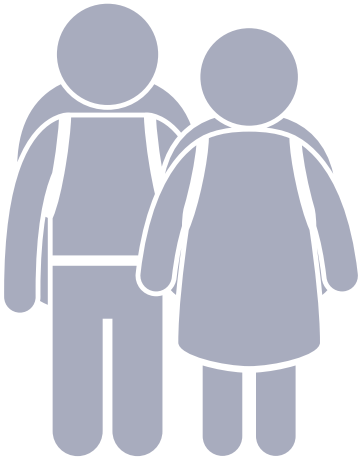


eSense
Ensuring Success



15,000+
Video

2,00,000+
MCQs



7,50,000+
Students

15,000+
Videos

2,00,000+
MCQs

AWARDS



OHSAS 18001:2007 for Occupational Health & Safety Managment System Certificate



FMB for Outstanding Performance



CII - 5S Excellence, Silvassa



ISO 9001:2008 for Quality Management System



Financial Express CFO Award



Forest Stewardship Council Certificate



CII - 5S Excellence, Khaniwade



eSense Service Excellence



CSR Leadership Award



CII - Gold Level, Khaniwade



ISO 14001:2004 for Environmental Management System Certificate



CII - Gold rating as per CII National 5S Excellence, Khaniwade



Platinum Level Warehouse, Khaniwade



Gold Level Warehouse, Silvassa

COMMITTED TO CREATE A DIFFERENCE



Shri Gnanesh D.Gala, Managing Director inaugurating of short film on " Fight Against Childhood Obesity" in presence of Hon. Chief Minister of Maharashtra.

Shri Gnanesh D.Gala, Managing Director inaugurating annual mega camp medical for women at Kutch, Gujarat.



Free eye check-up at mega camp in Kutch, Gujarat Supported by Navneet.





Women taking training on embroidery at ITI supported by Navneet.

Women's mega medical camp at Kutch, Gujarat.





Students from underprivileged school benefiting from digital learning supported by Navneet



Annual Cricket camp supported by Navneet.

BOARD OF DIRECTORS

Shri Kamlesh S. Vikamsey
Chairman

Qualification : Chartered Accountant

Date of Birth : 06 December 1960

Director wef : 30 May 1992

Professional Career
He is a qualified Chartered Accountant with over 35 years of experience in Accounting & Finance, Taxation, Corporate and Advisory services. He is a senior partner of a reputed Chartered Accountancy firm. Currently, he is Chairperson of the External Audit Committee of International Monetary Fund, Washington D.C., USA; Dy. Chairperson of the Audit Advisory Committee of UNICEF, New York, USA and Member of the Independent Management Advisory Committee of International Telecommunication Union, Geneva, Switzerland. He is also a member of the Appellate Authority constituted under Chartered Accountants Act, 1949 & Member at MAT - Ind AS Committee of CBDT. He was the Chairperson of the Audit Advisory Committee of the United Nations Development Programme and a member of the Indian Advisory Board at Intuit. He was the President of the Confederation of Asian and Pacific Accountants (CAPA) during 2007-2009 and Board Member of the International Federation of Accountants from 2005 until 2008. He was the President of the ICAI during 2005-06. He has served as a member of various advisory and expert committees at national and international levels.

Shri Gnanesh D. Gala
Managing Director

Qualification : B. Com.

Date of Birth : 02 January 1963

Director wef : 01 June 2013

Professional Career
He heads key areas of finance, taxation and legal of the Company and has over three decades of experience in the corporate world during which he forged the strengths of the Company.

Shri Raju H. Gala
Joint Managing Director

Qualification : Diploma in Printing Technology

Date of Birth : 01 July 1963

Director wef : 01 June 2013

Professional Career
He has over three decades of experience in purchase and marketing and heads the marketing department for the Company's Gujarat operations.

Shri Bipin A. Gala
Whole time Director

Qualification : Diploma in Printing Technology

Date of Birth : 22 December 1950

Director wef : 01 June 2013

Professional Career
He oversees all matters pertaining to maintenance of existing and setting up of new estates and plants of the Company.

Shri Anil D. Gala
Whole time Director

Qualification : B. Com.

Date of Birth : 03 April 1957

Director wef : 01 June 2013

Professional Career
He has over three decades of experience and has mastered the fine art of publishing, its myriad processes from content creation to printing, marketing, sales and distribution. He has been instrumental in creating over 500 titles published by the Company.

Shri Shailendra J. Gala
Whole time Director

Qualification : B. Com.

Date of Birth : 21 January 1969

Director wef : 01 June 2013

Professional Career
He has over two decades of experience in marketing of stationery products of the Company. His key role is product development, designing, manufacturing, sales and marketing of stationery products.

BOARD OF DIRECTORS

Shri Atul J. Shethia
Whole time Director

Qualification : AICWA

Date of Birth : 03 July 1967

Director wef : 01 June 2013

Professional Career
He has a rich experience of over two decades in the field of production planning and operations of the stationery manufacturing units of the Company.

Shri Nilesh S. Vikamsey
Non-Executive &
Non-Independent Director

Qualification : Chartered Accountant, DISA

Date of Birth : 16 August 1964

Director wef : 01 June 2013

Professional Career
He is a senior partner in one of the reputed Chartered Accountancy firm. He is immediate past President (2017-18), elected member of the Central Council, the Apex decision making body of the Institute of Chartered Accountants of India(ICAI). He is a Chairman & a Member of various committees of ICAI and also member of various other committee constituted by Government bodies. He has over two decades of experience and expertise in the field of audit, management consultancy, special audits, due diligence, corporate restructuring valuation, strategic planning, mergers and amalgamation.

Shri Mohinder Pal Bansal
Independent Director

Qualification : Chartered Accountant

Date of Birth : 08 May 1957

Director wef : 01 June 2013

Professional Career
He has over 25 years of experience in M&A, strategic advisory, capital markets, a portfolio company integration as well as post-acquisition performance management in India, Asia and Europe. He has significant hands-on operational experience in conducting due diligence, structuring and negotiating transactions.

Shri Tushar K. Jani
Independent Director

Qualification : B. Sc.

Date of Birth : 29 April 1953

Director wef : 24 June 2010

Professional Career
He is an innovative entrepreneur with over three decades of experience in corporate world. He is the past Chairman of Maharashtra State Council of CII. He has envisioned, founded and mentored numerous companies.

Smt. Usha Laxman
Independent Director

Qualification : B. Com.

Date of Birth : 08 January 1958

Director wef : 11 August 2014

Professional Career
She has over 25 years' experience in the field of education. She was the educational head of a playschool and nursery of an NGO. Besides, she has experience of handling marketing in India and whole of Asia for software consulting solutions.

Dr. Vijay B. Joshi
Independent Director

Qualification : M.Sc., Ph.D.

Date of Birth : 12 April 1957

Director wef : 31 October 2013

Professional Career
He is Chief Consultant to Rashtriya Uchchatar Shiksha Abhiyan, Maharashtra. He is a member of the Academic Council of University of Mumbai. He is also a member in various committees associated with education. Dr Joshi is an ex-principal of K J Somaiya College of Science and Commerce. DrJoshi has knowledge on design and development of content architecture and guidance for creation of content for an education e-learning material and website.

MANAGEMENT DISCUSSION AND ANALYSIS



Global Economy

In 2017, global growth at 3.8 percent was the strongest since 2011. Economic activity in 2017 ended on a high note. It was supported by recovery in investments. With financial conditions still supportive, global growth is expected to tick up to a 3.9 percent rate in both, 2018 and 2019. Advanced economies shall grow faster than its potential this year and next year. Aggregate growth in emerging market and developing economies is projected to firm further, with continued strong growth in emerging Asia and Europe and a modest upswing in commodity exporters after three years of weak performance.

The cyclical upswing underway since mid-2016 has continued to strengthen. Some 120 economies, accounting for three-quarters of the world GDP, have seen a pickup in growth on year-on-year terms in (2017), the broadest synchronized global growth upsurge since 2010. Among advanced economies, growth in the third quarter of 2017 was higher than projected in the fall, notably in Germany, Japan, Korea, and the United States. Key emerging market and developing economies, including Brazil, China, and South Africa, also posted third-quarter growth stronger than the fall forecasts. High-frequency hard data and sentiment indicators point to a continuation of strong momentum in the fourth quarter. World trade has grown strongly in recent months, supported by a pickup in investment, particularly among advanced economies and increased manufacturing output in Asia. Purchasing managers' indices indicate firm manufacturing activity ahead, consistent with strong consumer confidence pointing to healthy final demand.



IMF's World Economic Outlook

Year	Actual(%)		Projection(%)	
	2016	2017	2018	2019
World Output	3.2	3.8	3.9	3.9
Advanced Economies	1.7	2.3	2.5	2.2
Emerging Market and Developing Economies	4.4	4.8	4.9	5.1

With rising investment spending in advanced economies and an end to the investment decline in some commodity-exporting emerging market and developing economies, world growth is projected to strengthen from 3.8 percent in 2017 to 3.9 percent in 2018 and 2019, driven by a projected pickup in growth in emerging market and developing economies and resilient growth in advanced economies.

Outcomes exceeded the October 2017 World Economic Outlook forecasts in the Euro area, Japan, the United States & China and continued to improve gradually in commodity exporters.

Indian Economy

The year 2017 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. The growth in the first half of the year suffered even while the rest of the world bloomed. The slack seen at the beginning of 2017 bottled out as 2018 set in. As of today, the economy is on recovery path. We believe that India's economic outlook remains promising for FY17-18 and is expected to strengthen further in FY18-19.

As per IMF and World Bank, world economy is expected to grow at 3.7% and 3.1% in 2018 while the Indian economy is expected to grow at 7.4% and 7.3%, respectively for 2018 and 2019, lifted by strong private consumption as well as fading effects of the currency exchange initiative and implementation of the national Goods and Services Tax. Over the medium term, growth is expected to gradually rise with continued implementation of structural reforms that raise productivity and give incentives to private investments. However, the signs of green shoots should not be taken for granted as downside risks remain.

Some of the significant challanges for 2018 are how to deal with the economy in its recovery phase with the ever-increasing inflation and how to manage high fiscal deficit and increasing debt burden. On the positive side, currently India is the world's seventh-largest economy at USD 2.2 trillion, sitting between France and Italy. A report by World Economic Forum has projected that by 2050, the Indian economy is expected to be the world's second-largest, behind only China.

(Source - IMF World Economic Outlook April 2018)

Industry Analysis

Indian Educational, Publication & Digital Industry

The education sector in India is estimated at US$ 91.7 billion in FY18 and is expected to reach US$ 101.1 billion in FY19. Our country has become the second largest market for e-learning after the US. The sector is expected to reach US$ 1.96 billion by 2021 with around 9.5 million users. Increasing internet penetration is helping education delivery. India's book market which is currently worth ₹ 261 billion (making it the sixth largest in the world and the second largest of the English language ones), is expected to touch ₹ 739 billion by 2020, says a survey. The study estimates a CAGR (compound annual growth rate) of 19.3 per cent for the industry in the next five years.

Supplementary Books Industry

Overall in India, most of the schools are state board affiliated schools and the remaining schools follow CBSE and ICSE Board. Major wraparound book markets are for state board affiliated school textbooks.

All the state governments, which publish state government textbooks, have upgraded the textbooks to almost the level of CBSE textbooks and therefore we need more of supplementary textbooks for teachers to teach well and students to understand better. We, therefore, NEL's focus will continue to remain in supplementary book markets.

Textbook market

The demand for private textbooks is increasing rapidly in India. As many regional medium schools are changing their language of teaching from regional languages to English and from State Board (English) to CBSE Board. CBSE board uses more private books. Thus, the need for private

books is increasing across India. Thus, supplementary and textbooks business has a huge amount of potential in the future.

Digital Learning

Digital learning is not only followed in CBSE Board or ICSE Board, nowadays even SSC Board wants to adopt Digital Learning. But the schools from SSC Board face various challenges like the implementation of digital products, investments in hardware and adoption by teachers. Even though these challenges exist, many schools want to adopt digital learning due to peer pressure. Also, there is an increasing demand from students and guardians to follow digital learning in schools. Thus, there is a growing opportunity, not only for B2B business but also for B2C business.

(Source - IBEF)

Risks & challenges

Stiff competition for curriculum-based CBSE publication business.

NEL has ventured in the CBSE curriculum-based business through the acquisition of Indiannica India Pvt. Ltd. (Formerly known as Encyclopaedia Britannica). This segment is mainly dominated by well-established large players. Indiannica is a relatively small player in the INR30 Billion CBSE publication industry. With the recent acquisition of Indiannica, we aim at growing steadily in CBSE segment, which is a fast growing market.

Stationery segment dependent on exports for growth

The domestic stationery market is mainly dominated by large players such as ITC, which have strong financial muscle with its large distribution network & presence across the entire value chain. NEL's stationery segment has been mainly driven by record growth in the export business. Any slowdown in exports and extreme volatility in the currency could be a negative for the segment.

Raw material prices

Any prolonged volatility in raw material prices-along with the inability to pass on higher prices due to stiff competitive intensity-could impact overall profitability.

Government policy reforms

With the policy on license introduced by the state govt of Maharashtra, supplementary books published by Navneet and various other publishers are based on textbooks published by the state govt. First time in the history of India, the education department of Maharashtra has decided to levy a license fee for usage of their textbooks. Any drastic change in license fees and non-issuance of license are risks for supplementary book business.

Navneet Education Limited

Company Overview

Gala group ventured into publishing of supplementary books in the year 1959 with "Navneet", "Vikas" and "Gala" brand. Later the business was consolidated in 1 company in the year 1993 and now called as Navneet Education Ltd.

Today, Navneet, under its umbrella publishes various supplementary books for the state of Maharashtra and Gujarat, various textbooks / extra-curricular activity books under the brand "Grafalco" and Textbooks for CBSE and ICSE segments under the brand "Indiannica" whereas Various Digital products in the brand "Top Scorer".

Navneet manufactures various scholastic stationery for Exports and Domestic markets. In Domestic markets, it sells under the brand "Youva".

Navneet is also part of one School management company which manages 19 CBSE schools under the brand "Orchids The International School".

Key Competitive Advantages

Presence across the entire spectrum of the K-12 education ecosystem

The education industry encompasses a diverse set of products and services, including supplementary education material, textbooks, digital solutions, school stationery, educational institutions, etc. Navneet Education Ltd (NEL), one of the oldest & most prudent players in the fast-growing and under-tapped Indian private education industry, is spread across the entire gamut of the education space. It has expanded from publishing state board supplementary books to CBSE curriculum-based textbooks (Indiannica Learning). It also has significant presence in the school stationery segment, along with digital learning (E-sense) and K-12 school management (Orchids The International School).

Strong growth visibility in the publication segment aided by syllabus changes.

For past 6 decades, NEL has been an undisputed leader enjoying significant economies of scale in the state board supplementary publishing business in Gujarat & Maharashtra. NEL is a pioneer in both the states in the K-12 supplementary publication segment. Its market

share in Maharashtra & Gujarat is 65% & 70% respectively. Publication business follows a cycle that is very close to syllabus changes in state boards of Maharashtra & Gujarat, which changes every six years in tranches. Syllabus change of higher standard yields higher growth.

Geared-up to capture pan-India opportunity via Indiannica Learning Pvt. Ltd.

Indiannica Learning's business is a perfect complement to NEL's supplementary publishing business. It not only provides it an access to newer geographies but also assists NEL in diversifying its product portfolio and augmenting its presence in fast-growing curriculum based CBSE publishing. The acquisition of Indiannica Learning has allowed NEL to diversify its geographical reach and will make it a pan-India player with a strong foothold in the CBSE curriculum. The company will market Indiannica's existing India-specific syllabus titles such as 'Know for Sure' and 'The English Channel' and publish textbooks for the CBSE board. NEL with its 6-decade experience in the K-12 publishing business is well-poised to capture the transition wherein private state boards schools are converting to CBSE & ICSE syllabus schools. State board schools currently comprise ~98% of overall schools in India. Access to the fast-growing CBSE curriculum segment will enable NEL to reduce its heavy dependence on first quarter revenues and state board syllabus changes. The fourth quarter is the strongest for Indiannica, since 75-80% of revenues are generated then. NEL for the last six decades has been a dominant state board publisher in Maharashtra & Gujarat, which only contributes 2-3% of Indiannica Learning's overall revenues. NEL is slated to be a key beneficiary of the strong trend in transition from state boards to CBSE & ICSE boards in the states of Maharashtra & Gujarat. It will also benefit from Indiannica's presence in 25 states with a strong foothold in Delhi, Punjab, Rajasthan, Haryana and Uttar Pradesh.

Steadfast export growth, a key driver for the stationery segment

NEL's stationery segment has been propelled by record export growth in its paper stationery business (28% CAGR over FY11-17). Its international products are exported to various geographies such as the US, Latin America, Africa & Middle East. The US alone contributes ~50% to total export revenue. NEL's In-house design, printing & product development team has helped transform it from a commoditized paper stationery player to a value-added & tailor-made supplier for large retailers like Walmart, Target, Office Depot etc.

'Digital Learning' products aimed at transforming teaching process.

NEL through its subsidiary 'eSense Learning Pvt. Ltd' forayed in the digital education business in FY09 through its digital classroom product 'Top-class'. Its major focus was to capitalise on the fast-growing transformation in the school teaching process from traditional boards to smart classrooms. There are currently 3600+ schools using Top-class as a preferred product. After FY14, NEL started selling 'Top-Class' only as a content provider which was initially sold with hardware (laptop & speakers). Its cost structure mainly includes content & marketing costs.

NEL's 'Top-scorer' product provides learning through Audio-visual mode. It helps in getting clarification on a particular concept. Along with Audiovisual content that aims at concept clarity, TOPScorer provides practice tests and analytics that makes students exam ready. Uniquely, TOPScorer is the only platform which provides line to line animation from the textbooks and thus resulting in better marks for the student.

NEL's 'Top-Assessment' helps in assessing child's progress and reinforce academic excellence. It helps in student engagement, encourage group discussion and helps in continuous evaluation. It is student-centric and also helps in easy paper setting. It makes the students ready for exams. It also helps teachers reinforce learning with the power of technology and add new dimensions of excellence to your teaching style.

Navneet Business Segments Performance

Content Publishing Segment:

During the year there was a change in the syllabus in Maharashtra and Gujarat which helped increase in Publishing Revenue by 5.7% in FY 2017-18. The Revenue of Publication segment stood at ₹ 62,820 Lakh in FY2018 as compared to ₹ 59,433 Lakh in FY2017. The PBIT in the segment stood at ₹ 21,294 Lakh during the year as compared to ₹ 21,361 Lakh last year. The segment would continue to show good growth for next few years on account of Syllabus change.

Stationery Segment:

Stationery segment surged by 3.08% YoY over the previous year from ₹ 48,600 lakh to ₹ 50,097 Lakh. The growth can be attributed to Exports Business. The Stationery Exports grew at the rate of 2.39% over the previous year. The Company shall strive to focus on the Exports Business and is expecting to make strategic relationships which will help the Company to step on to the next level.

Net Profits:

Your Company's Total Comprehensive Income for FY 2017-18 was ₹ 14,852 Lakh as compared to last year's ₹ 16,115 Lakh. Growth expected in supplementary book business could not be achieved and which in turn could not compensate the increase in operational cost. Rupee appreciation also reduced the margins in export business.

Subsidiaries

Investment in School Management Company:

"Orchids The International School" is now an established player in the direct education business which Navneet owns through its stake of 35% in associate Company "K12 Techno Services Pvt. Ltd.". The 12 schools now have an occupancy rate of 52% and expected to rise in the next fiscal to 75-80%. The Company plans to expand schools under its management.

E-Learning Segment:

The revenue of your Company's subsidiary eSense Learning Private Limited stood at ₹ 1,748 Lakh for FY18 as compared to ₹ 2,195 Lakh in the previous year. The loss of the company decreased by 23% to ₹ 505 Lakh in FY18 as compared to the loss of ₹ 669 Lakh in the previous year. The subsidiary company continues its focus on scaling up the quality of revenues with reducing the share of hardware revenues and focusing on B2B model for sustainable growth.

Acquisition of Indiannica Learning Pvt. Ltd.:

Your Company acquired Indiannica Learning Pvt. Ltd. (Formerly known as Encyclopaedia Britannica (India) Pvt. Ltd.) making it Company's wholly owned subsidiary Company. The subsidiary was acquired by your company on 30th December, 2016. Your company's subsidiary focuses on enriching the learning experiences of learners digitally. The revenue of the subsidiary stood at ₹ 5,762 Lakh for FY18 as compared to ₹ 7,146 Lakh in the previous year. The company posted a loss of ₹ 1,926 Lakh in FY18 as compared to Loss after tax of ₹ 1,540 Lakh in the previous year. Your company's subsidiary continues to focus on providing specialised curriculum solutions for the new age classrooms and home learning environment. We restructured the operations and spent a significant amount of money on development of new titles, the benefit of which will come over the years.

Dividend Policy:

Your Directors recommended dividend of ₹ 1.50 (75%) per share for the financial year 2017-18. The dividend so declared works out to about 43.60% (including dividend distribution tax) of Total OCI as against your Company's policy of distribution of minimum of 28.36% of its net profit.

Profitability:

NEL ended the financial year on a positive note with pre-tax profits of ₹ 23,445 Lakh and post-tax profit of ₹ 15,321 Lakh against ₹ 24,598 Lakh and ₹ 16,163 Lakh respectively in the previous year. NEL always focuses on maximizing the wealth of investors. With a continued focus on controlling the costs and maintaining a comfortable debt-equity ratio, the company is witnessing improved the profitability and belief for sustaining the same in the coming years.

Five years Dividend history

Financial Year	Dividend (%)	Profit after Tax (₹ In Lakh)	% of PAT (Incl. DDT)
2017-18	75	15,321	29.41
2016-17	125	16,163	46.47
2015-16	110	12,780	49.35
2014-15	110	12,930	48.79
2013-14	100	11,318	49.30

Credit Rating:

During the year under review CRISIL has reassigned CRISIL A1+ (pronounced CRISIL A one Plus) rating to the short-term debt Programme (including Commercial Paper) of the Company. The instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. During the year under review CARE Ratings has reaffirmed CARE AA+ (pronounced CARE Double A Plus) rating to the Long /Short Term Bank facilities of the Company. The bank facilities covered with this rating are considered to have very strong degree of safety regarding timely payment.

5 Years Financial Performance

(₹ in Lakh)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Total Revenue	86,482	96,194	95,298	111,333	116,145
Operating Expenses	65,912	72,663	72,689	83,889	89,753
EBITDA	20,570	23,531	22,609	27,444	26,392
EBITDA Margin	24%	24%	24%	25%	23%
Depreciation	2,201	2,819	2,676	2,499	2,349
Capital Employed	50,943	57,240	63,777	74,077	82,205
EBIT	18,369	20,712	19,933	24,945	24,043
ROCE	36%	36%	31%	34%	29%
PAT	11,318	12,930	12,626	16,163	15,322
Networth	50,021	56,377	62,398	72,560	80,841
ROE	23%	23%	20%	22%	19%
Total Debt to Equity	1.72	1.49	1.29	1.37	1.40

Risk Management:

Navneet Education Limited (NEL) continues to deploy a well-articulated risk management framework. This is based upon a three-tiered approach encompassing (i) enterprise risks, (ii) process risks, and (iii) compliance risks.

(i) Enterprise risk management ensures that the Company continue to evaluate the risk and also ensures that the mitigation processes are in place.

(ii) Process risk management involves assurances by the Company's internal audit department regarding the effectiveness of the business and financial controls and processes in all key activities across the various businesses.

(iii) Compliance risk management comprises a detailed mechanism of assurances with respect to adherence of all laws and regulations, with a comprehensive reporting process that cascades upwards from the accountable business line executives to NEL's Audit Committee and then on to the Board of Directors.

The outcomes of the business review meetings conducted by management and internal audit regarding processes and their compliance, as well as observations of the Audit Committee and the Board of Directors are continuously incorporated to capture new risks and update the existing ones. All three dimensions of NEL's Risk Management framework are reviewed annually for their relevance and modifications, as required. The businesses and internal audit make regular presentations to the Audit Committee for detailed review. The risk management process, including its tracking and adherence, is substantially e-enabled for greater consistency and better reporting capabilities.

Foreign Exchange:

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use these for trading or speculation purposes.

Corporate Social Responsibility:

The Company has constituted CSR committee and contributes, *inter-alia*, in the area of Healthcare, Education, Disaster Relief and Animal Welfare. During FY 2017-18, your Company has contributed ₹ 435.56 Lakh towards CSR projects.

Geographical Presence

In 1993, the company saw promise in the export of Stationery products, for which it now has state-of-art manufacturing facilities in Virar (near Mumbai), Guma, Dantali and Silvassa (Union Territories bordering Maharashtra and Gujarat).

Today, with more than 500 Stock Keeping Units, Navneet is one of the largest paper stationery brands in India. It is also the leader in premier stationery in markets like the USA, Africa, Europe and the Middle East. NEL also has a subsidiary named Navneet (HK) Limited.

Internal Controls:

NEL believes that a strong internal controls framework is an essential pre-requisite for growing its businesses. To that end, it has effective and efficient internal control system under which review of various divisions, sales offices and corporate headquarters is carried out. Annual internal audit scope covers key areas of operations identified by a team of experts. Each of which is vetted by statutory auditors, Audit Committee and the Board, which is being monitored every quarter and occasionally between successive quarters of the significant internal audit observations, compliance with statutes, risk management and control systems. The Audit Committee assesses the adequacy and effectiveness of inputs given by internal auditor and suggests improvement for strengthening internal controls from time to time. NEL's internal controls have been designed to provide a reasonable assurance with regard to maintaining adequate internal controls, monitoring of operations, safeguarding assets and regulatory compliances. The Company uses SAP ERP across organisation which has over the years considerably enhanced the internal control mechanism.

Industrial Relations:

Industrial relations were cordial at all locations. In challenging business conditions, the support from the workforce was positive throughout. The Company had 2,572 employees as on 31st March, 2018.

Cautionary Statement:

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Management has based these forward-looking statements on its current expectations and projections about future events. The management of NEL has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and therefore, may include amounts based on informed judgements and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. Such statements involve known and unknown risks significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.

NOTICE

Knowledge is wealth

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Members of Navneet Education Limited will be held on Tuesday, 24th July, 2018 at 3.30 p.m. at P.L. Deshpande Maharashtra Kala Academy, Mini Theatre, 3rd Floor, Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400025 to transact the following business:

ORDINARY BUSINESS

1) To receive, consider and adopt the:

   (a) Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 including the Audited Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss for the year ended on that date together with the Reports of Board of Directors and Independent Auditors thereon; and

   (b) Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018 including the Audited Consolidated Balance Sheet as at 31st March, 2018 and the Consolidated Statement of Profit and Loss for the year ended on that date together with the Report of Independent Auditors thereon.

2) To declare a dividend for the Financial Year ended 31st March, 2018.

3) To appoint a Director in place of Shri Gnanesh D. Gala (DIN:00093008), who retires by rotation, and being eligible, offers himself for re-appointment.

4) To appoint a Director in place of Shri Raju H. Gala (DIN: 02096613), who retires by rotation, and being eligible, offers himself for re-appointment.

5) To appoint a Director in place of Shri Nilesh S. Vikamsey (DIN:00031213), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded to the re-appointment of Shri Gnanesh D. Gala (DIN:00093008) as Managing Director of the Company for a period of 5 (Five) years with effect from 1st June, 2018 on the terms and conditions including remuneration as set out in the draft Agreement to be entered into by the Company with him as approved by the Board of Directors with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Gnanesh D. Gala so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, for the time being in force.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

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

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel)Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded to the re-appointment of Shri Raju H. Gala (DIN:02096613) as Joint Managing Director of the Company for a period of 5 (Five) years with effect from 1st June, 2018 on the terms and conditions including remuneration as set out in the draft Agreement to be entered into by the Company with him as approved by the Board of Directors with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Raju H. Gala so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, for the time being in force.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in accordance with the provisions of Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded to the re-appointment of Shri Bipin A. Gala (DIN:00846625) as Whole time Director of the Company for a period of 5 (Five) years with effect from 1st June, 2018 on the terms and conditions including remuneration as set out in the draft Agreement to be entered into by the Company with him as approved by the Board of Directors with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Bipin A. Gala so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, for the time being in force.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in accordance with the provisions of Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded to the re-appointment of Shri Anil D. Gala (DIN:00092952) as Whole time Director of the Company for a period of 5 (Five) years with effect from 1st June, 2018 on the terms and conditions including remuneration as set out in the draft Agreement to be entered into by the Company with him as approved by the Board of Directors with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Anil D. Gala so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, for the time being in force.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in accordance with the provisions of Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel)Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded to the re-appointment of Shri Shailendra J. Gala (DIN:00093040) as Whole time Director of the Company for a period of 5 (Five) years with effect from 1st June, 2018 on the terms and conditions including remuneration as set out in the draft Agreement to be entered into by the Company with him as approved by the Board of Directors with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Shailendra J. Gala so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, for the time being in force.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in accordance with the provisions of

Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Company be and is hereby accorded to the re-appointment of Shri Atul J. Shethia (DIN: 00094108) as Whole time Director of the Company for a period of 5 (Five) years with effect from 1st June, 2018 on the terms and conditions including remuneration as set out in the draft Agreement to be entered into by the Company with him as approved by the Board of Directors with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Atul J. Shethia so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, for the time being in force.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take such steps as may be necessary , proper or expedient to give effect to this resolution."

NOTES:

(1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE (ON POLL) INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY, IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED, STAMPED, SIGNED AND SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF COMPANIES, SOCIETIES, PARTNERSHIP FIRMS ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/ AUTHORITY AS APPLICABLE ISSUED ON BEHALF OF APPOINTING ORGANISATION. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY(50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL PAID UP SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PROXY SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.

IN CASE OF JOINT HOLDERS ATTENDING THE MEETING, ONLY SUCH JOINT HOLDER WHO IS HIGHER IN THE ORDER OF NAMES WILL BE ENTITLED TO VOTE.

(2) The Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts in respect of Special Business at Item Nos. 6 to 11 is annexed hereto and forms part of the Notice.

(3) Members/ Proxies should bring duly filled Attendance Slip enclosed here with to attend the Meeting.

(4) The Register of Members and the Share Transfer Books of the Company will remain closed from 17th July, 2018 to 24th July, 2018 (both days inclusive) for the purpose of determining entitlement for payment of dividend and AGM.

(5) The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid to those Members whose names stand registered on the Company' Register of Members:

a) as beneficial Owners as at the end of business hours on Monday, 16th July, 2018 as per the list furnished by National Securities Depository Limited(NSDL) and Central Depositories Services (India) Limited in respect of shares held in dematerialisation form.

b) as members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company on or before on Monday, 16th July, 2018.

(6) Pursuant to provisions of Section 124 of the Companies Act,2013, the amount of dividend remaining unclaimed as unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to "Investor Education and Protection Fund" (IEPF) of the Central Government. Accordingly, the Company has transferred unclaimed or unpaid amounts of interim dividend for the financial year 2010-11 to the IEPF. Dividend declared by the Company thereafter, is still lying in the respective unpaid dividend accounts of the Company. Members who have not yet encashed these dividend(s) are requested to contact Company's Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Ltd.

Unclaimed final dividend for financial year 2010-11 and Interim Dividend for financial Year 2011-12 is due for transfer to IEPF in October and December, 2018 respectively. Kindly note that no claim shall lie against the Company after the transfer of the said dividend

amount to IEPF.

(7) As per Section 124 (6) and Section 125 of the Companies Act, 2013, and Investor Education and Protection Fund (IEPF) Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/ claimants whose shares and unclaimed dividend have been transferred to IEPF may claim the same by making an application to IEPF Authority in Form 5 (available on www. iepf.gov.in) along with requisite fees.

(8) Change of Address/ Bank details: Members holding shares in physical form are requested to inform the Company's Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Ltd. immediately of any change in their address and bank details. Members holding shares in dematerialised forms are requested to intimate all changes with respect to their address, bank details, bank mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records which would help Company to provide efficient and better service to the Members.

(9) Members holding shares in dematerialised form are requested to provide their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) with their Depository Participants. Members holding shares in physical form are requested to provide their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) along with their Folio Number to Company's Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Ltd.

(10) The Securities and Exchange Board of India (SEBI) vide its earlier circulars have made the Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction. Members are requested to submit the PAN details to their respective Depository Participants in case of holdings in dematerialisation form or the Company's Registrar and Share Transfer Agents in case of holdings in physical form, mentioning the correct folio number.

(11) As required under Regulation 36 of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, the relevant details of Directors retiring by rotation and seeking re-appointments at the Annual General Meeting are given in the notes to the Notice of the AGM.

(12) All documents referred in the accompanying Notice and Explanatory Statement are open for inspection at the Registered office of the Company on all working days between 11.00 am and 1.00 pm excluding Saturdays up to the date of AGM.

(13) Members desiring any information, as regards the Financial Statements are requested to write to the Company at least ten days before the date of Annual General Meeting to enable the Management to keep the information ready.

(14) In terms of Section 107 and 108 of the Companies Act, 2013 read with the Rules made thereunder, the Company is pleased to provide the facility to its Members holding shares in physical or dematerialised form as on the cut-off date, being 17th July, 2018 to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice and the business may be transacted through e-Voting Services provided by Company's Registrar and Share Transfer Agents namely M/s. Link Intime India Pvt. Ltd.

(15) Details of the process and manner of e-voting are being sent to all the members along with the Annual General Meeting Notice.

(16) In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, upon poll being demanded, in the larger interest of the Members, the Chairman may order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the Annual General Meeting Notice. For abundant clarity, in the event of a poll, please note that members who have exercised the right to vote by electronic means shall not vote by way of poll at the meeting. The voting right of the Members shall be in proportion to the shares of the paid up equity share capital of the Company, subject to the provisions of the Companies Act, 2013. The poll process shall be conducted and scrutinised and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Rules made thereunder.

(17) The Results declared along with Scrutinizer's Report(s) will be available on the website of the Company www. navneet.com, within two (2) days of passing of the resolutions and communication of the same to Bombay Stock Exchange Ltd. and National Stock Exchange of

India Ltd.

(18) Instructions for shareholders to vote electronically:

(A) Log-in to e-Voting website of Link Intime India Private Limited (LIIPL)

1. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: https://instavote.linkintime.co.in.

2. Click on "Login" tab, available under 'Shareholders' section.

3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

4. Your User ID details are given below:

a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID

b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID

c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

5. Your Password details are given below:

If you are using e-Voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on your registered address sticker indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI (Date of Incorporation) as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. • Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above-mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction No. 4.

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having a valid email address, Password will be sent to the shareholders' registered e-mail address. Else, a shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(B) Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

   Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

   Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/ Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

(C) General Guidelines for shareholders:

12. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

    They are also required to upload a scanned certified true copy of the board resolution /authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

13. The Voting period begins on Friday 20th July, 2018 (9.00am) and ends on Monday 23rd July, 2018 (5.00pm). During this period shareholders of the Company holding shares either in physical form or in dematerialised form, as on cut-off (record date)-Tuesday 17th July, 2018, may cast their vote electronically. The e-voting module shall be disabled by Company 's Registrar and Share Transfer Agents for voting Thereafter.

14. During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

15. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat accounts.

16. In case the shareholders have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an email to insta.vote@linkintime.co.in or Call us :- Tel : 022 - 49186000.

17. CS Sunil M. Dedhia (COP No.2031) Proprietor of Sunil M. Dedhia & Co. Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

18. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against , if any, forthwith to the Chairman of the Company.

19. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's report shall be placed on the Company's website www.navneet.com and on the website of Company's Registrar and Share Transfer Agents namely www.instavote.linkintime.co.in within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE and NSE.

By Order of the Board of Directors

sd/-
Amit D. Buch
Company Secretary

Place: Mumbai
Date: 10th May, 2018

Brief details of Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the ICSI:

Particulars	**Shri Gnanesh D. Gala**	**Shri Bipin A. Gala**
Date of birth/ age	2nd January 1963/55 years	22nd December 1950/67 years
Date of Appointment on Board	1st June, 2013	1st June, 2013
Qualifications	B.Com.	Diploma in Printing Technology
Experience and expertise in specific functional areas	He heads key area of finance, taxation and legal of the Company and has over three decades of experience in the corporate world during which period he forged the strengths of the Company.	He oversees all matters pertaining to maintenance of old and setting up of new estates and plants of the Company.
Directorships held in other (excluding foreign) Companies	Shemaroo Entertainment Ltd., K12 Techno Services Pvt. Ltd. Kutchi Angel Networks Pvt. Ltd. Deltecs Infotech Pvt. Ltd.	Gala Infrastructure Pvt. Ltd.
Memberships/Chairmanships of Committees across public companies	Chairman - Audit Committee - Shemaroo Entertainment Ltd.	Nil
Number of shares held in the Company	3164669	2124569
Remuneration last drawn (including sitting fees, if any)	₹ 1,32,28,600/-	₹ 1,32,28,600/-
Relationship with other Directors/ Key Management Personnel/ Manager	He is related to Shri Anil D. Gala, Whole time Director as brother.	Nil
Number of meeting of the Board attended during the year	4	3

Particulars	**Shri Anil D. Gala**	**Shri Raju H. Gala**
Date of birth/ age	3rd April 1957/61 years	1st July 1963/54 years
Date of Appointment on Board	1st June, 2013	1st June, 2013
Qualifications	B.Com	Diploma in Printing Technology
Experience and expertise in specific functional areas	He has over three decades of experience and has mastered the fine art of publishing, its myraid from content creation to printing, marketing, sales and distribution. He has been instrumental in creating over 500 titles published by the Company.	He has over three decades of experience in purchase and marketing and heads the marketing department for the Company's Gujarat operations.
Directorships held in other (excluding foreign) Companies	Indiannica Learning Pvt. Ltd.	eSense Learning Pvt. Ltd.
Memberships/Chairmanships of Committees across public companies	Nil	Member, Audit Committee-eSense Learning Pvt.Ltd.
Number of shares held in the Company	3290511	1136709
Remuneration last drawn (including sitting fees, if any)	₹ 1,32,28,600/-	₹ 1,32,28,600/-

Relationship with other Directors/ Key Management Personnel/ Manager	He is related to Shri Gnanesh D. Gala, Managing Director as brother.	Nil
Number of meeting of the Board attended during the year	3	3

Particulars	**Shri Shailendra J. Gala**	**Shri Atul J. Shethia**
Date of birth/ age	21st January 1969/49	3rd July 1967/50 years
Date of Appointment on Board	1st June, 2013	1st June, 2013
Qualifications	B.Com.	ICWA
Experience and expertise in specific functional areas	He has over two decades of experience in marketing of stationery products of the Company. His key role is product development, designing, sales and marketing of stationery products.	He has rich experience of over two decades in the field of production, planning and operations of stationery manufacturing unit of the Company.
Directorships held in other (excluding foreign) Companies	Nil	Nil
Memberships/Chairmanships of Committees across public companies	Nil	Nil
Number of shares held in the Company	1309008	Nil
Remuneration last drawn (including sitting fees, if any)	₹ 1,24,85,853/-	₹ 59,96,184/-
Relationship with other Directors/ Key Management Personnel/ Manager	Nil	Nil
Number of meeting of the Board attended during the year	4	4

Particulars	**Shri Nilesh S. Vikamsey**
Date of birth/ age	16th August 1964/53 years
Date of Appointment on Board	1st June, 2013
Qualifications	C.A.,DISA
Experience and expertise in specific functional areas	He is a senior partner in one of the reputed Chartered Accountancy firm. He is immediate past President (2017-18), elected member of the Central Council, the Apex decision making body of the Institute of Chartered Accountants of India(ICAI). He is Chairman & Member of various committees of ICAI and also member of various other committee constituted by Government bodies. He has over two decades of experience and expertise in the field of audit, management consultancy, special audits, due diligence, corporate restructuring valuation, strategic planning, mergers and amalgamation etc.
Directorships held in other (excluding foreign) Companies	India Infoline Ltd.,India Infoline Finance Ltd., SBI Life Insurance Company Ltd., Rodium Realty Ltd.,The Federal Bank Ltd.,IIFL Wealth Management Ltd.,HLB Office & Services Pvt.Ltd.Trunil Properties Pvt.Ltd., Barkat Properties Pvt.Ltd., Thomas Cook (India) Ltd., PNB Housing Finance Ltd., SOTC Travel Ltd. NSEIT Ltd., (Section 25 Company)

Memberships/Chairmanships of Committees across public companies	Chairman of Audit Committee – (i) Thomas Cook (India) Ltd. (ii) SOTC Travel Ltd. Member of Audit Committee – (i) IIFL Holdings Ltd. (ii) SBI Life Insurance Company Ltd. (iii) IIFL Wealth Management Ltd. (iv) PNB Housing Finance Ltd. (v) India Infoline Finance Ltd. (vi) NSEIT Ltd.(Section 25 Company)
Number of shares held in the Company	Nil
Remuneration last drawn (including sitting fees, if any)	₹ 30,000/- (Sitting Fees)
Relationship with other Directors/ Key Management Personnel/ Manager	He is related to Shri Kamlesh S. Vikamsey, Chairman as brother.
Number of meeting of the Board attended during the year	1

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 6

Based on the recommendation of Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has re-appointed Shri Gnanesh D. Gala as the Managing Director of the Company for a period of 5 (Five) years wef 1st June, 2018, subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him as approved by the Board of Directors. The material terms and conditions of the said draft Agreement are as under:

1. **Period of Agreement:** 1st June, 2018 to 31st May, 2023

2. **Remuneration:**

   a) **Basic Salary :**

   Basic Salary of ₹ 5.61 Lakh per month with a power to the Board to give one or more annual increment subject to a maximum basic salary of ₹10.00 Lakh per month.

   b) **Perquisites / Allowances:**

   In addition to salary, the Managing Director shall be entitled to the following perquisites/ allowances:

   Dearness allowance, house rent allowance, gas, electricity, conveyance allowance, leave travel allowance, bonus, reimbursement of medical expenses(whether in India or abroad) and medical insurance premium for self and family, fees of clubs subject to a maximum of two clubs which will include admission fees but will not include life membership fees, use of car with driver, reimbursement of medical expenses (whether in India or abroad) and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board from time to time.

   c) Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

   i) contribution to the Provident Fund, Contribution to Gratuity Fund as per the rules of the Company.

   ii) Gratuity payable at the rate not exceeding half a month's salary for every completed year of service.

   iii) Encashment of leave.

   Explanation: For the purpose of this Agreement, "Family" means the spouse and dependent children of Managing Director.

   d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

3. Where in any financial year during the currency of the tenure of Managing Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/ allowances as aforesaid.

4. Managing Director shall be entitled to annual leave for a period of thirty-five days and shall be entitled to accumulate earned leave for a maximum of ninety days.

5. Managing Director shall be entitled to:

   a) the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and

   b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively for the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors.

6. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.

7. Notwithstanding anything to the contrary contained in

the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 90 days notice in writing in that behalf without the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and Managing Director shall cease to be the Managing Director of the Company. The said notice period of 90 days may be waived mutually.

8. The terms and conditions of the said appointment herein and/ or agreement may be altered and varied by the Board of Directors from time to time at their discretion as they may deem fit so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013, or any other amendments made hereafter in that regard.

9. The other terms and conditions of the agreement are such as are customarily contained in the agreement of similar nature.

10. The said re-appointment / agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/ approved as aforesaid.

The draft Agreement to be entered into between the Company and Shri Gnanesh D. Gala is open for inspection at the Registered Office of the Company on any working days between 11.00 a.m. and 1.00 p.m. excluding Saturdays up to the date of Annual General Meeting.

Your Directors recommend the resolution at Item No. 6 of the Notice for your approval.

Shri Gnanesh D. Gala is interested in the said resolution as it pertains to his own re-appointment. Shri Anil D. Gala is deemed to be interested in the said resolution as he is related to Shri Gnanesh D. Gala.

Details of Shri Gnanesh D. Gala are provided in the notes to the Notice.

The other relatives of Shri Gnanesh D. Gala may be deemed to be interested in the said resolution at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

None of the other Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution.

Item No. 7

Based on the recommendation of Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has re-appointed Shri Raju H. Gala as the Joint Managing Director of the Company for a period of 5 (Five) years wef 1st June, 2018 subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him. as Approved by the Board of Directors. The material terms and conditions of the said draft Agreement are as under:

1. **Period of Agreement:** 1st June, 2018 to 31st May, 2023

2. **Remuneration:**

   a) **Basic Salary :**

   Basic Salary of ₹ 5.61 Lakh per month with a power to the Board to give one or more annual increment subject to a maximum basic salary of ₹ 10.00 Lakh per month.

   b) **Perquisites / Allowances:**

   In addition to salary, the Joint Managing Director shall be entitled to the following perquisites/ allowances:

   Dearness allowance, house rent allowance, gas, electricity, conveyance allowance, leave travel allowance, bonus, reimbursement of medical expenses(whether in India or abroad) and medical insurance premium for self and family, fees of clubs subject to maximum of two clubs which will include admission fees but will not include life membership fees, use of car with driver, reimbursement of medical expenses (whether in India or abroad) and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board from time to time.

   c) Joint Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

i) Contribution to the Provident Fund, Contribution to Gratuity Fund as per the rules of the Company.

ii) Gratuity payable at the rate not exceeding half a month's salary for every completed year of service.

iii) Encashment of leave.

Explanation: For the purpose of this Agreement, "Family" means the spouse, dependent parents and dependent children of Joint Managing Director.

d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

3. Where in any financial year during the currency of the tenure of Joint Managing Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/ allowances as aforesaid.

4. Joint Managing Director shall be entitled to annual leave for a period of forty days and shall be entitled to accumulate earned leave for a maximum of ninety days.

5. Joint Managing Director shall be entitled to:

a) the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and

b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively for the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors.

6. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.

7. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 90 days notice in writing in that behalf without the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and Joint Managing Director shall cease to be the Joint Managing Director of the Company. The said notice period of 90 days may be waived mutually.

8. The terms and conditions of the said appointment herein and/ or agreement may be altered and varied by the Board of Directors from time to time at their discretion as they may deem fit so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013, or any other amendments made hereafter in that regard.

9. The other terms and conditions of the agreement are such as are customarily contained in the agreement of similar nature.

10. The said re-appointment / agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/ approved as aforesaid.

The draft Agreement to be entered into between the Company and Shri Raju H. Gala is open for inspection at the Registered Office of the Company on any working days between 11.00 a.m. and 1.00 p.m. excluding Saturdays up to the date of Annual General Meeting.

Your Directors recommend the resolution at Item No. 7 of the Notice for your approval.

Shri Raju H. Gala is interested in the said resolution as it pertains to his own re-appointment.

Details of Shri Raju H. Gala are provided in the notes to the Notice.

The other relatives of Shri Raju H. Gala may be deemed to be interested in the said resolution at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the said resolution.

Item No. 8

Based on the recommendation of Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has re-appointed Shri Bipin A. Gala as Whole time Director of the Company for a period of 5 (Five) years wef 1st June, 2018, subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him as approved by the Board of Directors. The material terms and conditions of the said draft Agreement are as under:

1. **Period of Agreement:** 1st June, 2018 to 31st May, 2023

2. **Remuneration:**

   a) **Basic Salary :**

   Basic Salary of ₹5.61 Lakh per month with a power to the Board to give one or more annual increment subject to a maximum basic salary of ₹ 10.00 Lakh per month.

   b) **Perquisites / Allowances:**

   In addition to salary, Whole time Director shall be entitled to the following perquisites/ allowances:

   Dearness allowance, house rent allowance, gas, electricity, conveyance allowance, leave travel allowance, bonus, re-imbursement of medical expenses(whether in India or abroad) and medical insurance premium for self and family, fees of clubs subject to maximum of two clubs which will include admission fees but will not include life membership fees, use of car with driver, reimbursement of medical expenses (whether in India or abroad) and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board from time to time.

   c) Whole time Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

      i) contribution to the Provident Fund, Contribution to Gratuity Fund as per the rules of the Company.

      ii) Gratuity payable at the rate not exceeding half a month's salary for every completed year of service.

      iii) Encashment of leave.

      Explanation: For the purpose of this Agreement, "Family" means the spouse, dependent parents and dependent children of Whole time Director.

   d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

3. Where in any financial year during the currency of the tenure of Whole time Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/ allowances as aforesaid.

4. Whole time Director shall be entitled to annual leave for a period of thirty-five days and shall be entitled to accumulate earned leave for a maximum of ninety days.

5. Whole time Director shall be entitled to:

   a) the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and

   b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively for the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors.

6. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.

7. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate

the Agreement, at any time by giving to the other party 90 days notice in writing in that behalf without the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and Whole time Director shall cease to be the Whole time Director of the Company. The said notice period of 90 days may be waived mutually.

8. The terms and conditions of the said appointment herein and/ or agreement may be altered and varied by the Board of Directors from time to time at their discretion as they may deem fit so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013 or any other amendments made hereafter in that regard.

9. The other terms and conditions of the agreement are such as are customarily contained in the agreement of similar nature.

10. The said re-appointment/agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/ approved as aforesaid.

The draft Agreement to be entered into between the Company and Shri Bipin A. Gala is open for inspection at the Registered Office of the Company on any working days between 11.00 a.m. and 1.00 p.m. excluding Saturdays up to the date of Annual General Meeting.

Your Directors recommend the resolution at Item No. 8 of the Notice for your approval.

Shri Bipin A. Gala is interested in the said resolution as it pertains to his own re-appointment.

Details of Shri Bipin A. Gala are provided in the notes to the Notice.

The other relatives of Shri Bipin A. Gala may be deemed to be interested in the said resolution at Item No. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the said resolution.

Item No. 9

Based on the recommendation of Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has re-appointed Shri Anil D. Gala as Whole time Director of the Company for a period of 5 (Five) years wef 1st June, 2018 subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him as approved by the Board of Directors. The material terms and conditions of the said draft Agreement are as under:

1. **Period of Agreement:** 1st June, 2018 to 31st May, 2023

2. **Remuneration:**

   a) **Basic Salary :**

   Basic Salary of ₹ 5.61 Lakh per month with a power to the Board to give one or more annual increment subject to a maximum basic salary of ₹ 10.00 Lakh per month.

   b) **Perquisites / Allowances:**

   In addition to salary, Whole time Director shall be entitled to the following perquisites/ allowances:

   Dearness allowance, house rent allowance, gas, electricity, conveyance allowance, leave travel allowance, bonus, reimbursement of medical expenses(whether in India or abroad) and medical insurance premium for self and family, fees of clubs subject to a maximum of two clubs which will include admission fees but will not include life membership fees, use of car with driver, reimbursement of medical expenses (whether in India or abroad) and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board from time to time.

   c) Whole time Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

   i) Contribution to the Provident Fund, Contribution to Gratuity Fund as per the rules of the Company.

   ii) Gratuity payable at the rate not exceeding half a

month's salary for every completed year of service.

iii) Encashment of leave.

Explanation: For the purpose of this Agreement, "Family" means the spouse, dependent parents and dependent children of Whole time Director.

d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

3. Where in any financial year during the currency of the tenure of Whole time Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/ allowances as aforesaid.

4. Whole time Director shall be entitled to annual leave for a period of thirty-five days and shall be entitled to accumulate earned leave for a maximum of ninety days.

5. Whole time Director shall be entitled to:

a) the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and

b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively for the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors.

6. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.

7. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 90 days notice in writing in that behalf without the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and Whole time Director shall cease to be the Whole time Director of the Company. The said notice period of 90 days may be waived mutually.

8. The terms and conditions of the said appointment herein and/ or agreement may be altered and varied by the Board of Directors from time to time at their discretion as they may deem fit so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013 or any other amendments made hereafter in that regard.

9. The other terms and conditions of the agreement are such as are customarily contained in agreement of similar nature.

10. The said re-appointment/agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/ approved as aforesaid.

The draft Agreement to be entered into between the Company and Shri Anil D. Gala is open for inspection at the Registered Office of the Company on any working days between 11.00 a.m. and 1.00 p.m. excluding Saturdays up to the date of Annual General Meeting.

Your Directors recommend the resolution at Item No. 9 of the Notice for your approval.

Shri Anil D. Gala is interested in the said resolution as it pertains to his own re-appointment. Shri Gnanesh D. Gala is deemed to be interested in the said resolution as he is related to Shri Anil D. Gala.

Details of Shri Anil D. Gala are provided in the notes to the Notice.

The other relatives of Shri Anil D. Gala may be deemed to be interested in the said resolution at Item No. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the said resolution.

Item No. 10

Based on the recommendation of Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has re-appointed

Shri Shailendra J. Gala as Whole time Director of the Company for a period of 5 (Five) years wef 1st June, 2018, subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him as approved by the Board of Directors. The material terms and conditions of the said draft Agreement are as under:

1. **Period of Agreement:** 1st June, 2018 to 31st May, 2023

2. **Remuneration:**

   a) **Basic Salary :**

   Basic Salary of ₹ 5.28 Lakh per month with a power to the Board to give one or more annual increment subject to a maximum basic salary of ₹ 10.00 Lakh per month.

   b) **Perquisites / Allowances:**

   In addition to salary, Whole time Director shall be entitled to the following perquisites/ allowances:

   Dearness allowance, house rent allowance, gas, electricity, conveyance allowance, leave travel allowance, bonus, reimbursement of medical expenses(whether in India or abroad) and medical insurance premium for self and family, fees of clubs subject to a maximum of two clubs which will include admission fees but will not include life membership fees, use of car with driver, reimbursement of medical expenses (whether in India or abroad) and telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board from time to time.

   c) Whole time Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

   i) Contribution to the Provident Fund, Contribution to Gratuity Fund as per the rules of the Company.

   ii) Gratuity payable at the rate not exceeding half a month's salary for every completed year of service.

   iii) Encashment of leave.

   Explanation: For the purpose of this Agreement, "Family" means the spouse, dependent parents and dependent children of Whole time Director.

   d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

3. Where in any financial year during the currency of the tenure of Whole time Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/ allowances as aforesaid.

4. Whole time Director shall be entitled to annual leave for a period of thirty-five days and shall be entitled to accumulate earned leave for a maximum of ninety days.

5. Whole time Director shall be entitled to:

   a) the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and

   b) the reimbursement of travelling , hotel and other expenses incurred by him in India and abroad exclusively for the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors.

6. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.

7. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 90 days notice in writing in that behalf without the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and Whole time Director shall cease to be the Whole time Director of the Company. The said notice period of 90 days may be waived mutually.

8. The terms and conditions of the said appointment herein and/ or the agreement may be altered and varied by the Board of Directors from time to time at their discretion as they may deem fit so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013 or any other amendments made hereafter in that regard.

9. The other terms and conditions of the agreement are such as are customarily contained in the agreement of similar nature.

10. The said re-appointment/agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/ approved as aforesaid.

The draft Agreement to be entered into between the Company and Shri Shailendra J. Gala is open for inspection at the Registered Office of the Company on any working days between 11.00 a.m. and 1.00 p.m. excluding Saturdays up to the date of Annual General Meeting.

Your Directors recommend the resolution at Item No. 10 of the Notice for your approval.

Shri Shailendra J. Gala is interested in the said resolution as it pertains to his own re-appointment.

Details of Shri Shailendra J. Gala are provided in the notes to the Notice.

The other relatives of Shri Shailendra J. Gala may be deemed to be interested in the said resolution at Item No. 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the said resolution.

Item No. 11

Based on the recommendation of Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has re-appointed Shri Atul J. Shethia as Whole time Director of the Company for a period of 5 (Five) years wef 1st June, 2018, subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him as approved by the Board of Directors. The material terms and conditions of the said draft Agreement are as under:

1. **Period of Agreement:** 1st June, 2018 to 31st May, 2023

2. **Remuneration:**

   a) **Basic Salary :**

   Basic Salary of ₹ 4.00 Lakh per month with a power to the Board to give one or more annual increment subject to a maximum basic salary of ₹ 8.00 Lakh per month.

   b) **Perquisites / Allowances:**

   In addition to salary, Whole time Director shall be entitled to the following perquisites/ allowances:

   House rent allowance, conveyance allowance, leave travel allowance, bonus, use of car with driver, telephone and internet facilities at residence and mobile phone facility, assignment of key man and other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board from time to time.

   c) Whole time Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

   i) Contribution to the Provident Fund, Contribution to Gratuity Fund as per the rules of the Company.

   ii) Gratuity payable at the rate not exceeding half a month's salary for every completed year of service.

   iii) Encashment of leave.

   Explanation: For the purpose of this Agreement, "Family" means the spouse, dependent parents and dependent children of Whole time Director.

   d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

3. Where in any financial year during the currency of the tenure of Whole time Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/ allowances as aforesaid.

4. Whole time Director shall be entitled to annual leave for a period of thirty days and shall be entitled to accumulate earned leave for a maximum of ninety days.

5. Whole time Director shall be entitled to:
   a) the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and

   b) the reimbursement of travelling , hotel and other expenses incurred by him in India and abroad exclusively for the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors.

6. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.

7. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 90 days notice in writing in that behalf without the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and Whole time Director shall cease to be the Whole time Director of the Company. The said notice period of 90 days may be waived mutually.

8. The terms and conditions of the said appointment herein and/ or agreement may be altered and varied by the Board of Directors from time to time at their discretion as they may deem fit so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013, or any other amendments made hereafter in that regard.

9. The other terms and conditions of the agreement are such as are customarily contained in the agreement of similar nature.

10. The said re-appointment/agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/ approved as aforesaid.

The draft Agreement to be entered into between the Company and Shri Atul J. Shethia is open for inspection at the Registered Office of the Company on any working days between 11.00 a.m. and 1.00 p.m. excluding Saturdays up to the date of Annual General Meeting.

Your Directors recommend the resolution at Item No. 11 of the Notice for your approval.

Shri Atul J. Shethia is interested in the said resolution as it pertains to his own re-appointment.

Details of Shri Atul J. Shethia are provided in the notes to the Notice.

The other relatives of Shri Atul J. Shethia may be deemed to be interested in the said resolution at Item No. 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

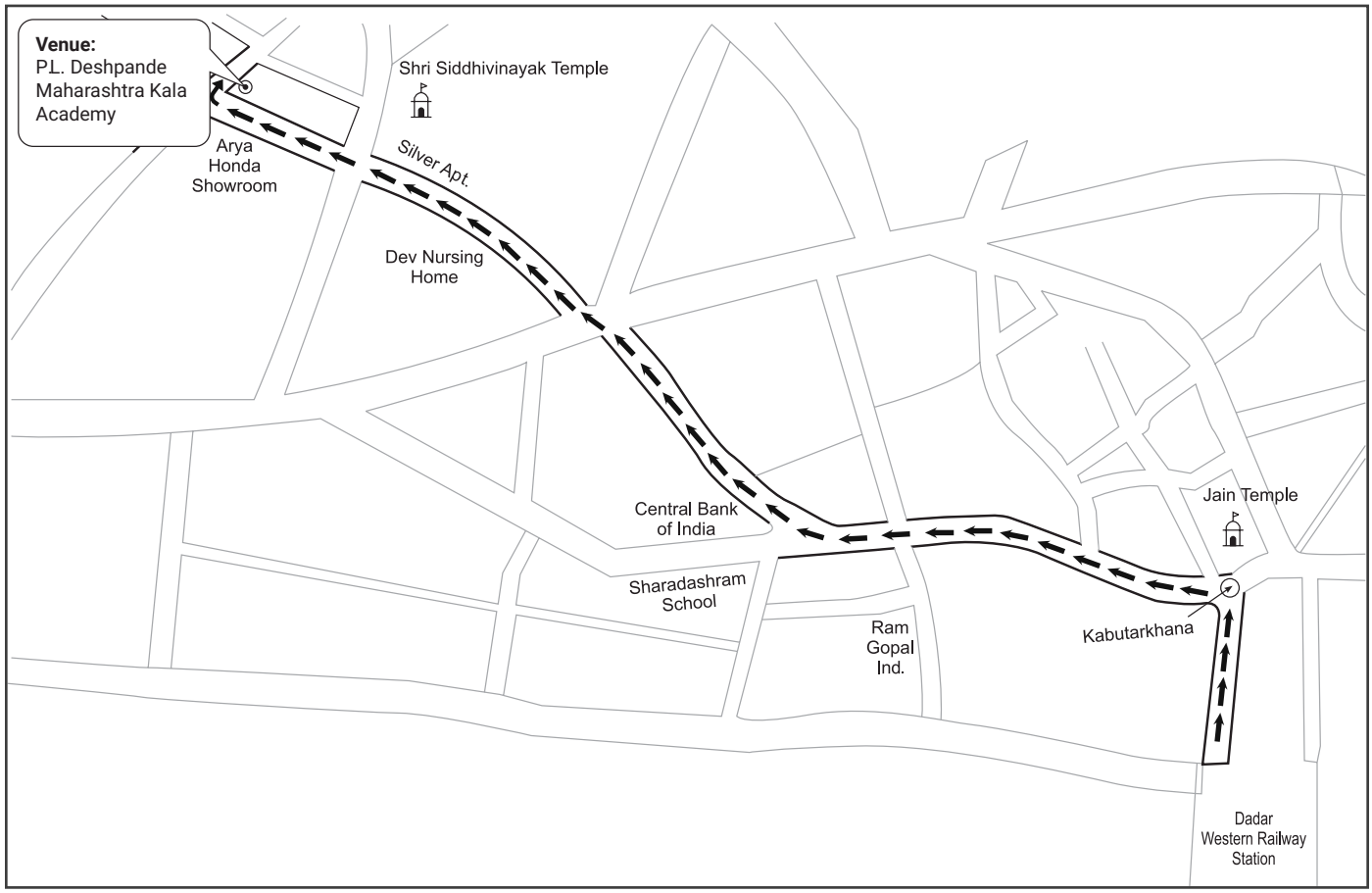
None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the said resolution.

By Order of the Board of Directors

sd/-
Amit D. Buch
Company Secretary

Place: Mumbai
Date: 10th May, 2018

ROAD MAP OF 32nd AGM



NEAREST RAILWAY STATION - DADAR (WEST) LANDMARK - RAVINDRA NATYA MANDIR

DIRECTORS' REPORT

Dear Shareowners,

Your Directors present their thirty-second Annual Report along with the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2018.

(1) FINANCIAL RESULTS : (₹ in Lakh)

Particulars	STANDALONE		CONSOLIDATED	
	2017-18	2016-17	2017-18	2016-17
Revenue From operations	1,13,224	1,08,941	1,20,400	1,17,223
Other Income	2,921	2,392	2,598	2,234
Total Revenue	1,16,145	1,11,333	1,22,998	1,19,457
Expenses	92,699	86,735	1,01,995	93,080
Profit before tax	23,445	24,598	21,003	26,377
Tax Expenses	8,124	8,434	8,253	8,269
Profit After Tax	15,322	16,163	12,750	18,108
Share of Profit / (Loss) of Associate			(14)	(1,047)
Other Comprehensive Income/ (expense) (net of tax)	(470)	(49)	(451)	(62)
Total Comprehensive Income for the year	**14,852**	**16,115**	**12,285**	**16,999**

(2) DIVIDEND :

Your Directors recommended a dividend of ₹ 1.50 (75%) per share for the financial year 2017-18. The dividend so recommended, if declared, works out to about 43.60% (including dividend distribution tax) of Total Comprehensive Income as against your Company's policy of distribution of a minimum of 28.36% of its net profit.

(3) OPERATIONS :

(i) During the year under review, the Company achieved a total revenue (including other income) of ₹ 116,145 Lakh as compared to ₹ 111,331 Lakh in the financial year 2016-17.

(ii) Total Comprehensive Income before depreciation and income tax for the year under review stood at ₹25,057 Lakh as against ₹27,094 Lakh in the previous year.

(iii) After providing ₹2,349 Lakh for depreciation, ₹ 8,287 Lakh for income tax, ₹ 174 Lakh deferred tax Income, ₹11 Lakh as short provision of tax of earlier years and Deferred tax credit on Other Comprehensive Income of ₹267 Lakh, Total Comprehensive Income for the year stood at ₹14,851 Lakh as against ₹ 16,115 Lakh achieved in the previous year on standalone basis.

(4) PERFORMANCE OF DIVISIONS :

Content Publishing Division:

The content publishing business achieved a turnover of ₹ 62,821 Lakh in the financial year 2017-18 as compared to ₹ 59,433 Lakh in the previous financial year. There was a growth of about 5.7% over the last year.

Stationery Division:

Stationery segment improved by 3.08% over the previous year from ₹ 48,600 Lakh to ₹ 50,096 Lakh.

(5) DIRECTORS' RESPONSIBILITY STATEMENT :

As required under Section 134(3) (c) of the Companies Act, 2013 your Directors hereby state:

- that in the preparation of annual financial statements for the year ended 31st March, 2018, the applicable Indian Accounting Standards had been followed along with proper explanation relating to material departures, if any;

- that the Directors had 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 at the end of the financial year and of the profit and loss of the Company for

that period;

- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(6) DIRECTORS :

Shri Gnanesh D. Gala (DIN: 00093008), Shri Raju H Gala (DIN: 02096613) and Shri Nilesh S. Vikamsey (DIN:00031213) Directors of the Company, retire by rotation and, being eligible offer themselves for re-appointment. Your Directors recommend their re-appointments.

The five-year term of all the Executive Directors of the Company is expiring on 31st May, 2018. The Board of Directors on the recommendation of Nomination and Remuneration Committee propose to re-appoint them for further period of five years wef 1st June, 2018 and therefore resolutions in this regard form part of the notice convening 32nd AGM for your consideration and approval.

(7) RISK MANAGEMENT POLICY:

During the year under review, the Company has identified and evaluated elements of business risk. Business risk, *inter-alia*, includes fluctuations in Foreign Exchange, Regulatory Risk, Competition from other players and High Input Costs. The Risk Management Framework defines the risk management approach of the Company and includes periodic review of such risk and also documentation, mitigating controls and reporting mechanism of such risks. The Board of Directors and senior management team currently assess the operations and operating environment to identify potential risks and take necessary action to mitigate the same.

(8) CORPORATE SOCIAL RESPONSIBILITY:

During FY 18, Navneet Group has played a leadership role in fields of healthcare, education, tribal welfare and other areas of public service.

Fight Against Childhood Obesity

In an effort to make a correction in childhood itself to help lead a healthy life throughout one's lifetime, your Company and Rotary Club of Koregaon Park Charitable Trust have taken the initiative to create awareness amongst school children of the problems associated with obesity and additionally highlighting the mental trauma an obese child undergoes.

A short film was launched in the presence of Honorable Chief Minister of Maharashtra Shri Devendra Fadnavis in August 2017. Over 5,000 students and teachers had taken part in the screening of the film and interactive workshops on ways to mitigate childhood obesity.

Teacher Training

Your Company has taken up the mantle to support progressive educational policies introduced by the Government of Maharashtra. As part of this, The Company conceptualized and administered Training Workshops for teachers of Std. IX & X on activity-based, child-centred learning.

Your Company conducted workshops across Maharashtra and trained 5,000 teachers on activity-based and child-centred teaching.

Animal welfare

Your Company recognizes the right of existence of every animal on this planet. Last year, it supported scores of animal shelters which cater to thousands of animals during summers and times of drought.

Olympic Sports Support

Your Company has partnered with Olympic Gold Quest to groom a promising Table Tennis player, Diya Chitale. Diya won the Silver medal in a team event at the 2018 Czech Junior and Cadet Open Table Tennis Championship. Diya was also the sole Indian to be selected for the prestigious International Table Tennis Federation Rough Diamonds Training Program for Under 15 category held at the Slovenian National Table Tennis Training Centre.

CSR annual report is annexed as Annexure 'A' and forms an integral part of this Report.

(9) NOMINATION AND REMUNERATION POLICY:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration to Directors, Managerial Personnel and Senior Management of the Company. The policy lays down the criteria for selection and appointment of Board members. The details of this policy form part of Corporate Governance Report.

(10) MEETINGS :

The details of the number of meetings of the Board held during the Financial Year 2017-18 forms part of the Corporate Governance Report.

(11) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has laid down policies, guidelines and procedures that form part of internal control systems, which provides for automatic checks and balances. Your Company has maintained a proper and adequate system of internal controls. This ensures the safeguarding of assets and properties of the Company and protects against unauthorised use and disposal of the assets. Your Company's internal control systems commensurate with the nature and size of its business operations. Internal Financial Controls are evaluated and internal auditors' reports are reviewed by the audit committee.

(12) STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS :

All independent directors have given a declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

(13) RELATED PARTY TRANSACTION:

The Board of Directors has adopted a policy on Related Party Transactions. All related party transactions entered into during the financial year were on arm's length basis and in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. All related party transactions were entered into only with prior approval of the Audit Committee. A statement of all related party transaction is presented before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of the transaction. Your Company's Policy on Related Party Transactions, as adopted by your Board is uploaded on the Company's website. Transactions with related parties, as per requirements of Indian Accounting Standard 24 are disclosed in the notes to accounts accompanying to the financial statements. Since all related party transactions entered into by the Company were in the ordinary course of business and at arm's length basis, Form AOC- 2 is not applicable to the Company.

(14) PERFORMANCE OF SUBSIDIARIES:

a) eSense Learning Private Limited

The subsidiary was incorporated on 24th April, 2008. The subsidiary is focussed on providing digital education through eLearning solutions to students in India. The revenue of your Company's subsidiary eSense Learning Private Limited stood at ₹ 1,748 Lakh for FY18 as compared to ₹ 2,196 Lakh in the previous year. The loss of the company decreased by 23% to ₹ 505 Lakh in FY18 as compared to the loss of ₹ 669 Lakh in the previous year. The subsidiary company continues its focus on scaling up the quality of revenues with reducing share of hardware revenues and focusing on B2B model for sustainable growth.

b) Indiannica Learning Private Limited

Indiannica Learning Private Limited became wholly owned subsidiary with effect from 30th December, 2016. It was formerly known as Encyclopaedia Britannica (India) Private Limited. The Company focuses on enriching the learning experiences in CBSE/ ICSE curriculum. The revenue of the subsidiary stood at ₹ 5,762 Lakh for FY 18 as compared to ₹ 7,146 Lakh in the previous year. The Company posted a loss of ₹ 1,939 Lakh in FY 18 as compared to a loss of ₹ 1,528 Lakh in the previous year. The Losses have increased mainly on account of re-structuring the team which entailed bringing senior leadership team on the board in order to grow the business in the ensuing years.

c) Navneet (HK) Limited

This subsidiary was incorporated in January, 2017. Your Company holds 70% of its paid-up equity share capital. This subsidiary is expected to commence its business activity in FY18-19.

(15) CONSOLIDATED FINANCIAL STATEMENTS:

Your Directors have pleasure in presenting Consolidated Financial Statement which forms part of the Annual Report.

(16) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note no. 42 to the financial statements.

(17) BOARD EVALUATION:

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a structured questionnaire was prepared after taking into consideration various aspects of Board's function, the composition of the Board and its committee, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and Non - Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

(18) REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(2) of the Companies Act, 2013 and Rules framed thereunder.

(19) TRANSFER OF SHARES TO IEPF:

As required under Section 124 of the Companies Act, 2013 2,81,312 equity shares in respect of which dividend has not been encashed by the shareholders for seven consecutive years or more, have been transferred by the Company to Investor Education and Protection Fund Authority (IEPF) during the financial year under review. Details of shares transferred have been uploaded on the website of IEPF as well as Company.

(20) WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy of the Company has been hosted on Company's website.

(21) ANNUAL RETURN :

The details forming part of the extract of the Annual Return in the Form MGT-9 as required under Section 92 of the Companies Act, 2013 is included in the report as Annexure 'B' and forms part of this report.

(22) SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed CS Sunil M. Dedhia (COP No. 2031), Proprietor of Sunil M. Dedhia & Co., Company Secretary in Practice to undertake Secretarial Audit of the Company.

The Secretarial Audit Report is included as Annexure 'C' and forms an integral part of this Report. The said report does not contain any observation or qualification requiring explanation or comments from the Board of Directors as required under Section 134(3) of the Companies Act, 2013.

(23) SUBSIDIARY COMPANY:

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the Company in the immediately preceding accounting year or has generated 20% of the consolidated income of the company during the previous financial year. A statement containing salient features of the financial statements of the subsidiary company in the prescribed format AOC-1 is included in the report as Annexure 'D' and forms part of this Report.

(24) FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has a familiarisation programme for independent directors with regard to their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. and the same is available on the website of the Company.

(25) CORPORATE GOVERNANCE :

Your Company has complied with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Stock Exchanges. A report on Corporate Governance as stipulated under Regulation

34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with Auditor's Certificate annexed as Annexure 'E' on compliance with the Corporate Governance, forms part of this Report.

(26) TRANSFER TO GENERAL RESERVES :

The Company has not transferred any amount to General Reserves and retained the profits in Retained Earnings.

(27) AUDITORS :

Pursuant to provisions of Section 139 of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014, M/s N. A. Shah Associates LLP (Firm Registration No. 116560W/W100149), Chartered Accountants were appointed as Statutory Auditors of the Company, to hold office from the conclusion of 31st Annual General Meeting (AGM) until the conclusion of 36th AGM, subject to ratification by shareholders at every subsequent AGM.

Amended provisions of Section 139 of the Act vide Companies (Amendment) Act, 2017 notified from 7th May, 2018 no longer requires ratification of appointment of Auditors by members at every subsequent Annual General Meeting (AGM). In view of this, the appointment of Auditors is not proposed for ratification at ensuing AGM.

M/s N. A. Shah Associates LLP, (Firm Registration No. 116560W/W100149), Chartered Accountants have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

(28) COMMENTS ON AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory Auditors in their report requiring explanation or comments from the Board of Directors as required under Section 134(3) of the Companies Act, 2013.

(29) PARTICULARS OF EMPLOYEES:

Disclosure pertaining to remuneration as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure 'F' to this report. However, as per the provisions of Section 136(1) of the Companies Act, 2013, this Report is sent to the shareholders excluding the said information. Any shareholder interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

(30) MANAGEMENT DISCUSSION AND ANALYSIS :

As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis report form part of this Annual Report.

(31) CREDIT RATING:

During the year under review CRISIL has reassigned CRISIL A1+ (pronounced CRISIL A one Plus) rating to the Commercial Paper programme of the Company. The instruments with this rating are considered to have a very strong degree of safety regarding timely payment of financial obligations.

During the year under review CARE Ratings has reaffirmed CARE AA+ (pronounced CARE Double A Plus) rating to the Long /Short Term Bank facilities of the Company. The bank facilities covered with this rating are considered to have a very strong degree of safety regarding timely payment.

(32) MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and the date of the report.

(33) SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS :

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

(34) NUMBER OF CASES FILED AND THEIR DISPOSAL UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace

(Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The details of the number of complaints pending at the beginning of the financial year, received during the financial year and pending as on end of financial year is as under:

Particulars	Number of Complaints
Number of complaints pending as on the beginning of the financial year	Nil
Number of complaints received during the financial year	Nil
Number of complaints pending as on the end of the financial year	Nil

(35) DEPOSITS:

During the year under review, your Company did not accept any deposits within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies read with the Companies (Acceptance of Deposits) Rules, 2014.

(36) BUSINESS RESPONSIBILITY REPORT (BRR):

Your Company appeared in the list of top 500 companies based on market capitalization criteria as on 31st March, 2017 and therefore required to prepare and attach Business Responsibility Report (BRR) to the Annual Report of the Company for the Financial Year 2017-18.

The BRR of the Company for the year ended 31st March, 2018, in line with Green initiative, is made available on the website of the Company www.navneet.com and forms part of the Annual Report. The BRR is kept at the Registered Office of the Company for its inspection. A copy of the BRR shall be made available to such of those shareholders who are desirous and interested, upon receipt of a written request from them.

(37) DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

(A) CONSERVATION OF ENERGY

Company's plant was designed to achieve high efficiency in the utilisation of energy. The key areas with regards to reduction of energy are identified and constant efforts are made towards energy conservation.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Research & Development

(1) Efforts in brief towards technology absorption, adaptation & innovation

Through visits of technical personnel to developed Western countries, your Company keeps abreast with the Advanced Technology Development and through specific programmes introduces, adopts and absorbs these sophisticated technologies.

(2) Benefits derived as a result of the above efforts

In view of the above, your Company has been able to achieve a higher production, accuracy and perfection in printing.

(3) In case of Imported Technology

(i)	Technologies Imported	None, your Company has not imported any Technology
(ii)	Year of Import	
(iii)	Has the technology been fully absorbed?	

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's export turnover has been ₹ 23,974 Lakh
Total Foreign Exchange earned and used:

(i)	Foreign Exchange earned	:	₹ 24,004 Lakh
(ii)	Foreign Exchange used	:	₹ 3,479 Lakh

(38) ACKNOWLEDGEMENT :

Your Directors take this opportunity to thank Company's shareholders, bankers, financial institutions, customers, suppliers, Central and State Governments, other regulatory authorities and all the employees for their support and co-operation extended to the Company during the year under review.

For and on behalf of the Board of Directors

sd/-
Kamlesh S. Vikamsey
Chairman

Place : Mumbai
Date : 10th May, 2018

Annexure -'A'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	A brief of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web - link to the CSR policy and projects or programs and the Composition of SCR Committee	Refer Corporate Responsibility Section of Directors' Report and Management Discussion & Analysis.The CSR policy approved by the Board of Directors has been uploaded on the Company's website.The web link is http:// www.navneet.com/policy/CSR-Policy.pdf.
2	Composition of CSR Committee	Dr.Vijay B Joshi - (Independent Director) Smt. Usha Laxman - (Independent Director) Shri Bipin A Gala - (Whole Time Director) Shri Anil D Gala - (Whole Time Director)
3	Average net profit of the Company for last three financial years	₹ 21,357.00 Lakh
4	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	₹ 427.14 Lakh
5	Details of CSR spent during financial year Total amount to be spent for the financial year	₹ 435.56 Lakh ₹ 427.14 Lakh
6	Amount unspent, if any	Nil
7	Manner in which the amount spent during the financial year	Details given below

Sr No	Project/ Activities	Sector in which project is undertaken	Location where the project is undertaken (Local Area/ District)	Amount Outlay (Budget) Project or program wise (₹ in Lakh)	Amount spent on the project or programs sub-heads: 1direct expenditure on projects or programs 2 overheads (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency
1	Educational support to deserving students	Education	Gujarat: Kutch, Ahmedabad; Maharashtra: Nashik, Thane, Mumbai	129.64	129.64	129.64	Implementing agency*
2	Pomoting Preventive Healthcare	Healthcare	Gujarat: Kutch; Maharashtra: Thane, Mumbai	122.11	122.11	122.11	Implementing agency*
3	Protection and care of Cows	Animal Welfare	Gujarat: Kutch, Maharashtra	21.08	21.08	21.08	Implementing agency*
4	Identifying sports talent and grooming talented sports persons	Sports	Maharashtra	50.08	50.08	50.08	Implementing agency*

Sr No	Project/ Activities	Sector in which project is undertaken	Location where the project is undertaken (Local Area/ District)	Amount Outlay (Budget) Project or program wise (₹ in Lakh)	Amount spent on the project or programs sub-heads: 1direct expenditure on projects or programs 2 overheads (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency
5	Food and nutrient support programs	Eradicating hunger, poverty and malnutrition	Gujarat: Kutch	26.30	26.30	26.30	Implementing agency*
6	Teacher Training Program	Education	Maharashtra	25.90	25.90	25.90	Implementing agency*
7	Provision of temporary and permanent housing facilities for the underprivileged	Eradicating hunger, poverty and malnutrition	Gujarat, Maharashtra	47.00	47.00	47.00	Implementing agency*
8	Women Empowerment	Women Empowerment	Maharashtra	13.44	13.44	13.44	Implementing agency*
		Total		**435.56**	**435.56**	**435.56**	

*Details of Implementing agencies: Navneet Foundation,Shri K.V.O Jain Manav Kalyan Kendra, Shree Kutchi Visha Oswal Seva Samaj, Shree Bhojay Sarvodaya Trust, Bhansali Trust, Vardhman Sanskar Dham, Sheth Dhanji Devshi KVO Kelvani Fund, Shree Bidada Sarvodaya Trust, Don Chabutara and anya Dharmada Committee, Shree Kutchi Visha Oswal Jain Mahajan, SOS Children's Village of India, Shri Kutch Rayan Jain Mitra Mandal, Matru Vandana, Jeevan Jyot Cancer Relief, Shri Mulund Kutchi Visha Oswal SamaJ, Vidyarthi Nidhi, Tarun Mitra Mandal.

8. The CSR Committee Chairman confirm that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and policy of the Company.

Place : Mumbai
Date : 10th May, 2018

sd/-
Dr. Vijay B. Joshi
Chairman CSR Committee

sd/-
Kamlesh S. Vikamsey
Chairman

Annexure -'B'

FORM NO.MGT-9
Extract of Annual Return as on the financial year ended on 31st March,2018
(Pursuant to section 92(3) of the Companies Act,2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014)

I REGISTRATION AND OTHER DETAILS :

(I)	CIN	L22200MH1984PLC034055
(II)	Registration Date	18th September,1984
(III)	Name of the Company	Navneet Education Limited
(IV)	Category/Sub-Category of the Company	Public Company Ltd by Shares
(V)	Address of the Registered office and contact details	Navneet Bhavan, Bhavani Shankar Road, Near Shardashram Society, Dadar (West),Mumbai-400028 . Telephone - 022 - 66626565 Fax - 022 - 66626470 Email - secretarial @ navneet.com, Website - www.navneet.com
(VI)	Whether listed company	Yes
(VII)	Name,Address and Contact details of Registrar and Transfer Agent ,if any	Link Intime India Private Limited, C- 101,247 Park,L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Tel : +9122 49186000 Fax : +912249186060 Email-mt.helpdesk@linkintime.co.in, Website- www.linkintime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	The Company is engaged in the business of publication of education and non-education books and manufacture of paper and non-paper stationery products	Publication NIC code -5811 Stationery NIC code : 17099	Publication - 54.09 Stationery - 43.13

III PARTICULARS OF HOLDINGS,SUBSIDIARY AND ASSOCIATE COMPANIES

Sr No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	eSense Learning Private Ltd	U72200MH2008PTC181531	Subsidiary	100	2(87)
2	Indiannica Learning Pvt. Ltd (Formerly - Encyclopaedia Britannica (India) Pvt. Ltd	U22110DL1998PTC094399	Subsidiary	100	2(87)
3	Navneet (HK) Ltd	2480211	Subsidiary	70	2(87)
4	Navneet Learning LLP	AAA-3855	Subsidiary	99.93	2(87)

Distribution of shareholding :

The shareholding distribution of equity shares of ₹2/- each as at 31st March, 2018

Sr. No	No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1	1 to 500	18,662	76.34	24,17,504	1.03
2	501 to 1000	1,774	7.25	13,91,245	0.60
3	1001 to 2000	1,304	5.33	19,20,841	0.82
4	2001 to 3000	545	2.23	13,94,842	0.60
5	3001 to 4000	654	2.68	23,97,641	1.03
6	4001 to 5000	217	0.89	10,21,325	0.44
7	5001 to 10000	647	2.65	43,95,571	1.88
8	10001 to 999999999	644	2.63	21,86,19,031	93.60
	Total	**24,447**	**100.00**	**23,35,58,000**	**100.00**

Particulars	No. of Shares	% of total share capital
Held in dematerialised form in NSDL	22,07,04,753	94.50
Held in dematerialised form in CDSL	93,72,847	4.01
Physical form	34,80,400	1.49
	23,35,58,000	**100.00**

Shareholding Pattern as at 31st March, 2018

Sr No	Category	No. of Folios	No. of Shares Held	% of Shareholding
1	Promoters	78	14,43,01,036	61.78
2	Resident Individuals	23,446	3,04,84,206	13.05
3	Bodies Corporate	254	44,98,398	1.93
4	Financial Institutions	1	40,900	0.02
5	Nationalised Banks, Govt., Insurance Companies and Mutual Funds	30	3,90,67,505	16.73
6	FIIs & Foreign Portfolio Investors (Corporate)	47	1,40,01,492	5.99
7	NRIs & OCBs	591	11,64,463	0.50
	Total	**24,447**	**23,35,58,000**	**100.00**

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Categaory -wise share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year 1st April, 2017				Shareholding at the end of the year 31st March, 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	5,17,36,027	0	5,17,36,027	22.15	5,17,36,027	0	5,17,36,027	22.15	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Promoter Trust	9,25,65,009		9,25,65,009	39.63	9,25,65,009		9,25,65,009	39.63	0.00
	Sub Total (A)(1)	**14,43,01,036**	**0**	**14,43,01,036**	**61.78**	**14,43,01,036**	**0**	**14,43,01,036**	**61.78**	**0.00**
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**14,43,01,036**	**0**	**14,43,01,036**	**61.78**	**14,43,01,036**	**0**	**14,43,01,036**	**61.78**	**0.00**
(B)	**Public Shareholding**									
[1]	Institutions									
(a)	Mutual Funds / UTI	3,62,32,828	2,500	3,62,35,328	15.51	3,85,07,540	0	3,85,07,540	16.49	0.98
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	10,95,531	0	10,95,531	0.47	0.47
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	1,32,86,355	0	1,32,86,355	5.69	1,40,01,492	0	1,40,01,492	5.99	0.30
(f)	Financial Institutions / Banks	21,354	0	21,354	0.01	53,746	0	53,746	0.03	0.02
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	Sub Total (B)(1)	**4,95,40,537**	**2,500**	**4,95,43,037**	**21.21**	**5,36,58,309**	**0**	**5,36,58,309**	**22.98**	**1.77**
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Categaory -wise share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year 1st April, 2017				Shareholding at the end of the year 31st March, 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital up to ₹ 1 Lakh.	1,86,28,428	38,64,849	2,24,93,277	9.63	1,92,97,321	34,74,257	2,27,71,578	9.74	0.11
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	84,42,626	3,11,250	87,53,876	3.75	56,03,281	0	56,03,281	2.40	-1.35
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	IEPF	0	0	0	0.00	2,81,312	0	2,81,312	0.12	0.12
	Trusts	1	0	1	0.00	1	0	1	0.00	0.00
	Hindu Undivided Family	16,94,766	0	16,94,766	0.73	8,11,382	0	8,11,382	0.35	-0.38
	Non Resident Indians (Non Repat)	3,68,379	0	3,68,379	0.16	4,27,915	0	4,27,915	0.18	0.02
	Non Resident Indians (Repat)	5,83,305	3,36,925	9,20,230	0.39	4,88,998	2,47,550	7,36,548	0.32	-0.07
	Office Bearers	15,300	50,025	65,325	0.03	15,300	18,775	34,075	0.01	-0.02
	Clearing Member	7,52,541	0	7,52,541	0.32	4,33,115	0	4,33,115	0.19	-0.13
	Other Director	0	0	0	0.00	1,050	0	1,050	0.00	0.00
	Bodies Corporate	46,55,595	9,937	46,65,532	2.00	44,92,773	5625	44,98,398	1.93	-0.07
	Sub Total (B)(3)	3,51,40,941	45,72,986	3,97,13,927	17.00	69,51,846	2,71,950	72,23,796	3.10	-0.53
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**8,46,81,478**	**45,75,486**	**8,92,56,964**	**38.22**	**8,55,10,757**	**37,46,207**	**8,92,56,964**	**38.22**	**0.00**
	Total (A)+(B)	**22,89,82,514**	**45,75,486**	**23,35,58,000**	**100.00**	**22,98,11,793**	**37,46,207**	**23,35,58,000**	**100.00**	**0.00**
(C)	**Non Promoter - Non Public**									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	**22,89,82,514**	**45,75,486**	**23,35,58,000**	**100.00**	**22,98,11,793**	**37,46,207**	**23,35,58,000**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	AMARCHAND RAMJI GALA / DUNGARSHI R GALA / GNANESH D GALA	9,25,65,009	39.63	0.00	0	0.00	0.00	-39.63
2	BIPIN A GALA/GNANESH D GALA -TRUSTEE FOR NAVNEET TRUST	0	0.00	0.00	9,25,65,009	39.63	0.00	39.63
3	KALPESH H GALA / MADHURIBEN H GALA	35,63,296	1.53	0.00	35,63,296	1.53	0.00	0.00
4	ANIL D GALA/BHAIRAVIBEN A GALA	32,78,015	1.40	0.00	32,78,015	1.40	0.00	0.00
5	GNANESH D GALA / PRITI G GALA	31,26,796	1.34	0.00	31,26,796	1.34	0.00	0.00
6	JITENDRA L GALA / MANJULABEN J GALA	29,31,365	1.26	0.00	29,31,365	1.26	0.00	0.00
7	RANJANBEN B GALA/BIPIN A GALA	26,50,234	1.13	0.00	26,50,234	1.13	0.00	0.00
8	KETAN B GALA / RANJANBEN B GALA	24,57,469	1.05	0.00	24,57,469	1.05	0.00	0.00
9	SANDEEP S GALA / VIMLABEN S GALA	19,52,974	0.84	0.00	19,52,974	0.84	0.00	0.00
10	KANCHANBEN N SHAH/NAVIN N SHAH	18,95,681	0.81	0.00	0	0.00	0.00	-0.81
11	SHANTILAL R GALA (HUF)	16,83,861	0.72	0.00	16,83,861	0.72	0.00	0.00
12	DEVISH GNANESH GALA	14,31,241	0.61	0.00	14,31,241	0.61	0.00	0.00
13	PRITI G GALA/GNANESH D GALA	13,74,470	0.59	0.00	13,74,470	0.59	0.00	0.00
14	BIPIN A GALA/RANJAN B GALA	13,15,520	0.56	0.00	13,15,520	0.56	0.00	0.00
15	SHAILENDRA J GALA/JITENDRA L GALA	12,70,580	0.54	0.00	12,70,580	0.54	0.00	0.00
16	BHAIRAVIBEN A GALA/ANIL D GALA	12,65,568	0.54	0.00	12,65,568	0.54	0.00	0.00
17	SANJEEV J GALA/MANJULABEN J GALA	12,58,294	0.54	0.00	12,58,294	0.54	0.00	0.00
18	HARAKHCHAND R GALA/MADHURIBEN H GALA/RAJU H GALA	12,26,843	0.53	0.00	0	0.00	0.00	-0.53
19	SANGEETA R GALA/RAJU H GALA	11,87,884	0.51	0.00	11,87,884	0.51	0.00	0.00
20	RAJU H GALA/SANGEETA R GALA	11,30,374	0.48	0.00	11,30,374	0.48	0.00	0.00
21	GNANESH D GALA/BIPIN A GALA	10,37,493	0.44	0.00	10,37,493	0.44	0.00	0.00
22	MANJULABEN J GALA/JITENDRA L GALA	9,85,818	0.42	0.00	9,85,818	0.42	0.00	0.00
23	HARSHIL ANIL GALA	9,53,298	0.41	0.00	9,53,298	0.41	0.00	0.00
24	DARSHA D SAMPAT/DILIP C SAMPAT	9,51,320	0.41	0.00	9,51,320	0.41	0.00	0.00
25	JAYSHREE J SAMPAT/JAISINH K SAMPAT	9,14,146	0.39	0.00	9,14,146	0.39	0.00	0.00
26	SHANTILAL R GALA/VIMLABEN S GALA/SANDEEP S GALA	9,11,808	0.39	0.00	9,11,808	0.39	0.00	0.00
27	ARCHIT R GALA	8,86,562	0.38	0.00	8,86,562	0.38	0.00	0.00
28	MADHURIBEN H GALA/HARAKHCHAND R GALA/KALPESH H GALA	8,64,778	0.37	0.00	0	0.00	0.00	-0.37
29	MADHURIBEN H GALA/KALPESH H GALA	0	0.00	0.00	8,64,778	0.37	0.00	0.37
30	JITENDRA L GALA (HUF)	8,10,731	0.35	0.00	8,10,731	0.35	0.00	0.00
31	VIMLABEN S GALA/SHANTILAL R GALA/SANDEEP S GALA	7,69,071	0.33	0.00	7,69,071	0.33	0.00	0.00
32	BIPIN A GALA (HUF)	7,49,896	0.32	0.00	7,49,896	0.32	0.00	0.00
33	SHAAN SANDEEP GALA	5,80,512	0.25	0.00	5,80,512	0.25	0.00	0.00

(ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
34	PARTH SANDEEP GALA	4,90,434	0.21	0.00	4,90,434	0.21	0.00	0.00
35	AMARCHAND R GALA / DEVKABEN A GALA	3,15,535	0.14	0.00	0	0.00	0.00	-0.14
36	NAVIN N SHAH / KANCHAN N SHAH	2,92,975	0.13	0.00	2,92,975	0.13	0.00	0.00
37	HARAKHCHAND R GALA (HUF)	2,80,592	0.12	0.00	2,80,592	0.12	0.00	0.00
38	POOJA K GALA	2,78,857	0.12	0.00	2,78,857	0.12	0.00	0.00
39	CHANDNI KETAN GALA	2,60,276	0.11	0.00	2,60,276	0.11	0.00	0.00
40	KARISHMA KETAN GALA	2,57,295	0.11	0.00	2,57,295	0.11	0.00	0.00
41	RAJU H GALA (HUF)	2,23,097	0.10	0.00	2,23,097	0.10	0.00	0.00
42	JIGNA NILESH SHAH / NILESH V SHAH	1,99,675	0.09	0.00	1,99,675	0.09	0.00	0.00
43	DUNGARSHI R GALA	1,69,644	0.07	0.00	0	0.00	0.00	-0.07
44	ANIL D GALA (HUF)	1,64,877	0.07	0.00	1,64,877	0.07	0.00	0.00
45	DILIP C SAMPAT	1,28,796	0.06	0.00	1,28,796	0.06	0.00	0.00
46	JAINI ANIL GALA	1,02,990	0.04	0.00	1,02,990	0.04	0.00	0.00
47	HENAL TANAY MEHTA / BHAIRAVIBEN A GALA	1,04,800	0.04	0.00	1,04,800	0.04	0.00	0.00
48	MITA MANOJ SAVLA	96,305	0.04	0.00	96,305	0.04	0.00	0.00
49	VIMLABEN SHANTILAL GALA / SHANTILAL R GALA	89,731	0.04	0.00	89,731	0.04	0.00	0.00
50	JAISINH K SAMPAT/JAYSHREE J SAMPAT	87,891	0.04	0.00	87,891	0.04	0.00	0.00
51	STUTI K GALA	85,506	0.04	0.00	85,506	0.04	0.00	0.00
52	AMARCHAND R GALA (HUF)	78,532	0.03	0.00	78,532	0.03	0.00	0.00
53	HARAKHCHAND RAMJI GALA / MADHURIBEN H GALA	74,967	0.03	0.00	0	0.00	0.00	-0.03
54	ADITYA SANJEEV GALA	66,403	0.03	0.00	66,403	0.03	0.00	0.00
55	DUNGARSHI R GALA (HUF)	55,593	0.02	0.00	55,593	0.02	0.00	0.00
56	SIDDHANT S GALA	54,141	0.02	0.00	54,141	0.02	0.00	0.00
57	PUNITA CHIRAYU ANDANI	51,497	0.02	0.00	51,497	0.02	0.00	0.00
58	SANJEEV JITENDRA GALA / JASMINE S GALA	50,690	0.02	0.00	50,690	0.02	0.00	0.00
59	KALPESH H GALA	49,790	0.02	0.00	7,10,729	0.30	0.00	0.28
60	KETAN B GALA	44,297	0.02	0.00	44,297	0.02	0.00	0.00
61	KANCHAN N. SHAH	44,005	0.02	0.00	19,40,283	0.83	0.00	0.81
62	ANUSHKA KALPESH GALA	43,615	0.02	0.00	43,615	0.02	0.00	0.00
63	REKHABEN KIRITBHAI SHAH	43,750	0.02	0.00	43,750	0.02	0.00	0.00
64	SHAILENDRA J GALA	38,428	0.02	0.00	38,428	0.02	0.00	0.00
65	GNANESH D GALA	37,873	0.02	0.00	1,22,695	0.05	0.00	0.04
66	SHANTILAL R GALA	37,863	0.02	0.00	37,863	0.02	0.00	0.00
67	MANJULABEN J GALA	33,129	0.01	0.00	33,129	0.01	0.00	0.00
68	JAISINH KANJI SAMPAT	30,102	0.01	0.00	30,102	0.01	0.00	0.00
69	MANSI KIRITBHAI SHAH	28,125	0.01	0.00	28,125	0.01	0.00	0.00
70	PARINI KIRITBHAI SHAH	28,125	0.01	0.00	28,125	0.01	0.00	0.00
71	VIMLABEN S GALA	26,502	0.01	0.00	26,502	0.01	0.00	0.00
72	MANAV S GALA	22,115	0.01	0.00	22,115	0.01	0.00	0.00

(ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
73	MANISHA S GALA / SHAILENDRA J GALA	22,115	0.01	0.00	22,115	0.01	0.00	0.00
74	BIPIN A GALA	8,09,049	0.35	0.00	9,66,816	0.41	0.00	0.07
75	HARAKHCHAND R GALA	20,068	0.01	0.00	0	0.00	0.00	-0.01
76	JYOTI SANJIV BHATIA	15,350	0.01	0.00	15,350	0.01	0.00	0.00
77	SANDEEP SHANTILAL GALA / KAVITA S GALA	13,820	0.01	0.00	13,820	0.01	0.00	0.00
78	MADHURIBEN HARAKHCHAND GALA / HARAKHCHAND R GALA	13,061	0.01	0.00	0	0.00	0.00	-0.01
79	ANIL D GALA	12,496	0.01	0.00	97,318	0.04	0.00	0.04
80	JASMINE S GALA	12,262	0.01	0.00	12,262	0.01	0.00	0.00
81	SANJEEV J GALA	12,262	0.01	0.00	12,262	0.01	0.00	0.00
82	PRITI G GALA	9,086	0.00	0.00	9,086	0.00	0.00	0.00
83	SHANTILAL RAMJI GALA / VIMLABEN S GALA	8,710	0.00	0.00	8,710	0.00	0.00	0.00
84	MADHURIBEN H GALA	7,572	0.00	0.00	20,633	0.01	0.00	0.01
85	RAJU H GALA	6,248	0.00	0.00	6,67,274	0.29	0.00	0.28
86	SANDEEP S GALA	685	0.00	0.00	685	0.00	0.00	0.00
87	NAVIN N SHAH	597	0.00	0.00	0	0.00	0.00	0.00
88	RAJU HARAKHCHAND GALA / HARAKHCHAND R GALA	87	0.00	0.00	0	0.00	0.00	0.00
89	RANJANBEN B GALA	7,87,843	0.34	0.00	9,45,611	0.40	0.00	0.07
	Total	**14,43,01,036**	**61.78**	**0.00**	**14,43,01,036**	**61.78**	**0.00**	**0.00**

(iii) Change in Promoter's Shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year 1st April, 2017		Transactions during the year			Cumulative Shareholding at the end of the year 31st March, 2018	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	Reason	No. of Shares Held	% of Total Shares of The Company
1	AMARCHAND RAMJI GALA / DUNGARSHI R GALA / GNANESH D GALA	9,25,65,009	39.63	12-10-2017	-9,25,65,009	See Note A below	0	0.00
2	BIPIN A GALA / GNANESH D GALA	0	0.00	12-10-2017	9,25,65,009	See Note A below	9,25,65,009	39.63
3	KANCHANBEN N SHAH / NAVIN N SHAH	18,95,681	0.81	23-03-2018	-18,95,681	Deletion of Joint holder name upon death	0	0.00
4	HARAKHCHAND R GALA / MADHURIBEN H GALA / RAJU H GALA	12,26,843	0.53	17-02-2018	-12,26,843	Transmission	0	0.00
5	MADHURIBEN H GALA / HARAKHCHAND R GALA / KALPESH H GALA	8,64,778	0.37	17-02-2018	-8,64,778	Deletion of first joint holder name upon death	0	0.00
6	MADHURIBEN H GALA / KALPESH H GALA	0	0.00	17-02-2018	8,64,778	Acquired due to death of first joint holder (Refer serial no. 5 above)	8,64,778	0.37
7	AMARCHAND R GALA / DEVKABEN A GALA	3,15,535	0.14	25-05-2017	-3,15,535	Transmission	0	0.00

(iii) Change in Promoter's Shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year 1st April, 2017		Transactions during the year			Cumulative Shareholding at the end of the year 31st March, 2018	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	Reason	No. of Shares Held	% of Total Shares of The Company
8	DUNGARSHI R GALA	1,69,644	0.07	17-02-2018	-1,69,644	Transmission	0	0.00
9	HARAKHCHAND RAMJI GALA / MADHURIBEN H GALA	74,967	0.03	30-01-2018	-74,967	Transmission	0	0.00
10	KALPESH H GALA	49,790	0.02	23-02-2018	6,60,939	Transmission	7,10,729	0.30
11	KANCHAN N. SHAH	44,005	0.02	13-03-2018	597	Transmission	44,602	0.02
				23-03-2018	18,95,681	Acquired due to death of Joint holder (Refer serial number 3 above)	19,40,283	0.83
12	GNANESH D GALA	37,873	0.02	23-02-2018	84,822	Transmission	1,22,695	0.05
13	BIPIN A GALA	8,09,049	0.35	02-06-2017	1,57,767	Transmission	9,66,816	0.41
14	HARAKHCHAND R GALA	20,068	0.01	30-01-2018	-20,068	Transmission	0	0.00
15	MADHURIBEN HARAKHCHAND GALA / HARAKHCHAND R GALA	13,061	0.01	30-01-2018	-13,061	Deletion of joint holder name upon death	0	0.00
16	MADHURIBEN H GALA	7,572	0.00	23-02-2018	13,061	Acquired due to death of joint holder name upon death (Refer serial no. 15 above)	20,633	0.01
17	ANIL D GALA	12,496	0.01	23-02-2018	84,822	Transmission	97,318	0.04
18	RAJU HARAKHCHAND GALA / HARAKHCHAND R GALA	87	0.00	30-01-2018	-87	Deletion of joint holder name upon death	0	0.00
19	RAJU H GALA	6,248	0.00	30-01-2018	87	Acquired due to death of joint holder name upon death (Refer serial no. 18 above)	6,335	0.00
				23-03-2018	6,60,939	Transmission	6,67,274	0.29
20	NAVIN N SHAH	597	0.00	13-03-2018	-597	Transmission	0	0.00
21	RANJANBEN B GALA	7,87,843	0.34	02-06-2017	1,57,768	Transmission	9,45,611	0.40

Note A: The change shown during FY 2017-18 is due to death of Shri Amarchand Ramji Gala and Shri Dungarshi Ramji Gala - Trurtees of Navneet Trust

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors,Promoters,and Holders of GDRs and ADRs)

Sr No.	Name	Shareholding at the beginning of the year As on 1st April, 2017		Transactions during the year			Cumulative Shareholding at the end of the year 31st March, 2018	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	Reason	No. of Shares Held	% of Total Shares of The Company
1	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAP OPPORTUNITIES FUND	1,98,41,680	8.50					
				02 Jun 2017	-19,658	Sale	1,98,22,022	8.49
				16 Jun 2017	-5,144	Sale	1,98,16,878	8.48
				30 Jun 2017	-13,073	Sale	1,98,03,805	8.48

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors,Promoters,and Holders of GDRs and ADRs)

Sr No.	Name	Shareholding at the beginning of the year As on 1st April, 2017		Transactions during the year			Cumulative Shareholding at the end of the year 31st March, 2018	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	Reason	No. of Shares Held	% of Total Shares of The Company
2	FRANKLIN INDIA SMALLER COMPANIES FUND	34,64,911	1.48					
				02 Jun 2017	-75,000	Sale	33,89,911	1.45
				14 Jul 2017	74,081	Purchase	34,63,992	1.48
				21 Jul 2017	5,619	Purchase	34,69,611	1.49
				28 Jul 2017	10,35,592	Purchase	45,05,203	1.93
				04 Aug 2017	76,440	Purchase	45,81,643	1.96
				11 Aug 2017	2,05,176	Purchase	47,86,819	2.05
				18 Aug 2017	36,924	Purchase	48,23,743	2.07
				25 Aug 2017	1,01,816	Purchase	49,25,559	2.11
				01 Sep 2017	19,052	Purchase	49,44,611	2.12
				13 Oct 2017	2,50,516	Purchase	51,95,127	2.22
				20 Oct 2017	38,604	Purchase	52,33,731	2.24
				27 Oct 2017	61,974	Purchase	52,95,705	2.27
				03 Nov 2017	59,410	Purchase	53,55,115	2.29
				10 Nov 2017	2,469	Purchase	53,57,584	2.29
				17 Nov 2017	3,59,027	Purchase	57,16,611	2.45
				24 Nov 2017	39,818	Purchase	57,56,429	2.46
				15 Dec 2017	12,739	Purchase	57,69,168	2.47
				22 Dec 2017	1,510	Purchase	57,70,678	2.47
				05 Jan 2018	3,73,933	Purchase	61,44,611	2.63
				12 Jan 2018	6,389	Purchase	61,51,000	2.63
				19 Jan 2018	6,00,000	Purchase	67,51,000	2.89
				26 Jan 2018	15,007	Purchase	67,66,007	2.90
				02 Feb 2018	11,23,163	Purchase	78,89,170	3.38
				09 Feb 2018	38,691	Purchase	79,27,861	3.39
				02 Mar 2018	50,000	Purchase	79,77,861	3.42
3	UTI - CHILDRENS CAREER BALANCED PLAN	58,87,766	2.52					
				14 Apr 2017	3,00,000	Purchase	61,87,766	2.65
				21 Apr 2017	2,83,045	Purchase	64,70,811	2.77
				12 May 2017	-23,825	Sale	64,46,986	2.76
				19 May 2017	-63,224	Sale	63,83,762	2.73
				26 May 2017	-2,578	Sale	63,81,184	2.73
				07 Jul 2017	2.37,971	Purchase	66,19,155	2.83
				14 Jul 2017	-888	Sale	66,18,267	2.83
				28 Jul 2017	-50,000	Sale	65,68,267	2.81
				04 Aug 2017	-10,113	Sale	65,58,154	2.81
				11 Aug 2017	-1,90,000	Sale	63,68,154	2.73
				01 Sep 2017	-4,169	Sale	63,63,985	2.72
				22 Sep 2017	-7,077	Sale	63,56,908	2.72
				13 Oct 2017	-2,16,830	Sale	61,40,078	2.63
				03 Nov 2017	-53,466	Sale	60,86,612	2.61
				10 Nov 2017	-2,266	Sale	60,84,346	2.61
				17 Nov 2017	-2,23,259	Sale	58,61,087	2.51
				01 Dec 2017	-11,240	Sale	58,49,847	2.50
				12 Jan 2018	-75,000	Sale	57,74,847	2.47
				26 Jan 2018	-7,431	Sale	57,67,416	2.47
				02 Feb 2018	-44,471	Sale	57,22,945	2.45
				23 Mar 2018	-6,80,000	Sale	50,42,945	2.16

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors,Promoters,and Holders of GDRs and ADRs)

Sr No.	Name	Shareholding at the beginning of the year As on 1st April, 2017		Transactions during the year			Cumulative Shareholding at the end of the year 31st March, 2018	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	Reason	No. of Shares Held	% of Total Shares of The Company
4	SOMERSET EMERGING MARKETS SMALL CAP FUND LLC	47,46,121	2.03	-	-	-	47,46,121	2.03
5	KOTAK EMERGING EQUITY SCHEME	32,37,391	1.39					
				14 Apr 2017	47,776	Purchase	32,85,167	1.41
				28 Apr 2017	62,660	Purchase	33,47,827	1.43
				12 May 2017	37,021	Purchase	33,84,848	1.45
				02 Jun 2017	-25,000	Sale	33,59,848	1.44
				21 Jul 2017	92,714	Purchase	34,52,562	1.48
				28 Jul 2017	75,000	Purchase	35,27,562	1.51
				25 Aug 2017	86,201	Purchase	36,13,763	1.55
				01 Sep 2017	17,301	Purchase	36,31,064	1.55
				08 Sep 2017	14,401	Purchase	36,45,465	1.56
				29 Sep 2017	8,321	Purchase	36,53,786	1.50
				03 Nov 2017	13,234	Purchase	36,67,020	1.57
				10 Nov 2017	30,000	Purchase	36,97,020	1.58
				01 Dec 2017	20,000	Purchase	37,17,020	1.59
				08 Dec 2017	6,839	Purchase	37,23,859	1.59
				15 Dec 2017	33,923	Purchase	37,57,782	1.61
				22 Dec 2017	4,232	Purchase	37,62,014	1.61
				05 Jan 2018	-13,325	Sale	37,48,689	1.61
				12 Jan 2018	-86,675	Sale	36,62,014	1.57
				19 Jan 2018	-32,047	Sale	36,29,967	1.55
				02 Feb 2018	2,42,607	Purchase	38,72,574	1.66
				09 Feb 2018	34,607	Purchase	39,07,181	1.67
				23 Feb 2018	25,000	Purchase	39,32,181	1.68
				31 Mar 2018	-2,43,859	Sale	36,88,322	1.58
6	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES I	12,91,034	0.55					
				07 Apr 2017	53,095	Purchase	13,44,129	0.58
				12 May 2017	50,000	Purchase	13,94,129	0.60
				19 May 2017	77,101	Purchase	14,71,230	0.63
				02 Jun 2017	-28,799	Sale	14,42,431	0.62
				21 Jul 2017	10,000	Purchase	14,52,431	0.62
				18 Aug 2017	5,000	Purchase	14,57,431	0.62
				25 Aug 2017	17,246	Purchase	14,74,677	0.63
				01 Sep 2017	7,754	Purchase	14,82,431	0.63
				16 Mar 2018	-11,593	Sale	14,70,838	0.63
7	NEMISH S SHAH	14,68,192	0.63	-	-	-	14,68,192	0.63
8	JPMORGAN INDIA SMALLER COMPANIES FUND	15,79,980	0.68					
				14 Apr 2017	-2,39,344	Sale	13,40,636	0.57
				21 Apr 2017	-55,000	Sale	12,85,636	0.55
9	INTERACTIVE TECHNOLOGIES PVT. LTD.	12,38,114	0.53	-	-	-	12,38,114	0.53
10	IIFL RE ORGANIZE INDIA EQUITY FUND*							
				02 Mar 2018	9,00,000	Purchase	9,00,000	0.39
				09 Mar 2018	39,274	Purchase	9,39,274	0.40
				16 Mar 2018	1,56,257	Purchase	10,95,531	0.47

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors,Promoters,and Holders of GDRs and ADRs)

Sr No.	Name	Shareholding at the beginning of the year As on 1st April, 2017		Transactions during the year			Cumulative Shareholding at the end of the year 31st March, 2018	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	Reason	No. of Shares Held	% of Total Shares of The Company
11	RELIANCE CAPITAL TRUSTEE CO LTD- A/C RELIANCE MID & SMALL CAP FUND**	23,71,000	1.02					
				26 Jan 2018	-10,25,493	Sale	13,45,507	0.58
				02 Feb 2018	-2,67,724	Sale	10,77,783	0.46
				23 Feb 2018	-1,36,688	Sale	9,41,095	0.40
				02 Mar 2018	-9,41,095	Sale	0	0.00

*Not in the list of top 10 shareholders as on 01- 04-2017. The same is reflected above since the shareholder was one of the top 10 shareholders as on 31-03-2018.
** Ceased to be the top 10 shareholders as on 31-03-2018. The same is reflected above since the shareholder was one of the top 10 shareholders as on 01-04-2017.

(v) Shareholding of Directors and Key Managerial Personnel :

Sr No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Kamlesh S Vikamsey	-	-	-	-	-	-	-
2	Gnanesh D Gala	31,64,669	1.35	23-02-2018	84,822	Transmission	32,49,491	1.39
3	Raju H Gala	11,36,709	0.49	30-01-2018	87	Deletion of Joint holder name upon death	11,36,796	0.49
				23-03-2018	6,60,939	Transmission	17,97,735	0.77
4	Bipin A Gala	21,24,569	0.91	02-06-2017	1,57,767	Transmission	22,82,336	0.98
5	Anil D Gala	32,90,511	1.41	23-02-2018	84,822	Transmission	33,75,333	1.45
6	Shailendra J Gala	13,09,008	0.56	-	-	-	13,09,008	0.56
7	Atul J Shethia	-	-	-	-	-	-	-
8	Nilesh S Vikamsey	-	-	-	-	-	-	-
9	Mohinder Pal Bansal	4,895	-	15-03-2018	-4,895	sale	-	-
10	Tushar K Jani	-	-	-	-	-	-	-
11	Dr. Vijay B Joshi	1,050	-	-	-	-	1,050	-
12	Usha Laxman	-	-	-	-	-	-	-
13	Amit D Buch	-	-	-	-	-	-	-
14	Deepak Kaku	-	-	-	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding /accrued but not due for payment

(₹ in Lakh)

Particulars	Secured Loans excluding deposits	UnSecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	5,000	8,500	-	13,500

(ii) Interest due but not paid	-	-	-	-
(iii) Interest accured but not due	2	-	-	2
Total (I+II+III)	**5,002**	**8,500**	**-**	**13,502**
Change in Indebtedness during the financial year				
Addition	40,700	26,500	-	67,200
Reduction	(33,996)	(26,600)	-	(60,596)
Net Change	**6,704**	**(100)**	**-**	**6,604**
Indebtedness at the end of the financial year				
(i) Principal Amount	11,706	8,400	-	20,106
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accured but not due	4	-	-	4

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneraion to Managing Director, Whole time Directors and /or Manager :

(Amount in ₹)

Sr No.	Particulars of Remuneration	MD	JMD	WTD	WTD	WTD	WTD	Total
		Gnanesh D Gala	Raju H Gala	Bipin A Gala	Anil D Gala	Shailendra J Gala	Atul J Shethia	
1	**Gross Salary** (a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act,-1961	1,32,28,600	1,32,28,600	1,32,28,600	1,32,28,600	1,24,85,853	56,96,184	7,10,96,437
	(b) Value of Perquisties u/s.17(2) of the Income-tax Act,1961	-	-	-	-	-	-	-
	(c) Profits in lieu of salary u/s.17 (3) of the Income-tax Act,1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-	-
	- others,specify....	-	-	-	-	-	-	-
5	Others,please specify	-	-	-	-	-	-	-
	Total (A)	**1,32,28,600**	**1,32,28,600**	**1,32,28,600**	**1,32,28,600**	**1,24,85,853**	**56,96,184**	**7,10,96,437**
	Ceiling as per Act	10% of net profit of the Company						

B. Remuneration to other Directors: (Amount in ₹)

Sr No.	Particulars of Remuneration	Kamlesh S Vikamsey	Nilesh S Vikamsey	Mohinder Pal Bansal	Tushar K Jani	Vijay B Joshi	Usha Laxman	Total Amount
1	**Independent Directors**							
	Fees for attending Board/ Committee Meetings	60,000	30,000	1,70,000	1,80,000	1,10,000	90,000	6,40,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total	**60,000**	**30,000**	**1,70,000**	**1,80,000**	**1,10,000**	**90,000**	**6,40,000**
	Total Managerial Remuneration							
	Overall Ceiling as per Act	1% of net profit of the Company						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Amount in ₹)

Sr No.	Particualrs of Remuneration	Company Secretary	CFO	Total
1	**Gross Salary** (a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act,-1961	32,98,536	47,92,304	80,90,840
	(b) Value of Perquisties u/s.17(2) of the Income-tax Act,1961	0	0	0
	(c) Profits in lieu of salary u/s.17 (3) of the Income-tax Act,1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
	Total	**32,98,536**	**47,92,304**	**80,90,840**

VII PENALTIES /PUNISHMENT/COMPOUNDING OFFENCES

Type	Section of the companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees Imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (give Details
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure -'C'

Knowledge is wealth

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018
(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Navneet Education Limited
(CIN: L22200MH1984PLC034055)
Navneet Bhavan,
Near Shardasharan Society,
Bhavani Shanker Road,
Dadar(W), Mumbai 400028

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Navneet Education Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during Audit Period);**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during Audit Period);**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during Audit Period);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during Audit Period); and**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not applicable to the Company during Audit Period)**

(vi) Other Laws applicable specifically to the Company, identified and confirmed by the Company and relied upon by me are as under:

(a) Press and Registration of Books Act, 1867

(b) Copyright Act 1957 read with Copyrights Rules, 2013

(c) The Trade Marks Act, 1999 read with Trade Marks Rules, 2012

(d) The Information Technology Act, 2000

(e) Legal Metrology Act, 2009

(f) Delivery of Books and Newspapers (Public Libraries) Act, 1954

(g) Air (Prevention and Control of Pollution) Act, 1981

(h) Water (Prevention and Control of Pollution) Act,1974

(i) The Noise (Regulation and Control) Rules, 2000

(j) Environment Protection Act, 1986 and other environmental laws

(k) Hazardous Wastes (Management, Handling And Transboundary Movement) Rules, 2008.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the Audit Period under review and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period under review, in my view, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

This report is to be read with my letter of even date which is annexed as **Appendix - I** and forms an integral part of this report.

For Sunil M. Dedhia & Co.

sd/-
CS Sunil M. Dedhia
Proprietor
FCS No: 3483 C.P. No. 2031

Place: Mumbai
Date: 10th May 2018

Appendix - I

Knowledge is wealth

To,
The Members,
Navneet Education Limited
(CIN: L22200MH1984PLC034055)
Navneet Bhavan,
Near Shardasharan Society,
Bhavani Shanker Road,
Dadar(W), Mumbai 400028

My report of even date is to be read along with this letter.

Management's Responsibility

(1) Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

Auditor's Responsibility

(2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed to provide a reasonable basis for my opinion.

(3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. My examination was limited to the verification of procedures on a test basis.

Disclaimer

(6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Sunil M. Dedhia & Co.

sd/-
CS Sunil M. Dedhia
Proprietor
FCS No: 3483 C.P. No. 2031

Place: Mumbai
Date: 10th May 2018

Form AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with rule 5 of Companies (Account) Rules, 2014

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY /ASSOCIATES

SUBSIDIARIES (₹ in Lakh)

Sr No	Name of Subsidiary Company	Reporting Currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit / (Loss) Before Tax	Provision for Tax	Total of Profit / (Loss) and other Comprehensive Income	Other Comprehensive Income	Proposed Dividend	% of Share-holding
1	eSense Learning Pvt. Ltd.	INR	2,363	-2,940	1,191.00	1,767.00	-	1,748.00	-510	-	-505	4	-	100
2	Navneet Learning LLP	INR	7,728.76	-	7,731.37	2.61	7,729.89	-	-1.74	-	-1.74	-	-	99.93
3	Indiannica Learning Pvt. Ltd.	INR	4,935	-1108	11,373	7,545	-	5,762.00	-1,810	129.00	-1,926	12	-	100
4	Navneet (HK) Ltd.	INR	32	-2	30	-	-	-	-2	-	-2	-	-	70

Annexure -'E'

Knowledge is wealth

To,
The Members of
Navneet Education Limited

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Based on the engagement by the management of Navneet Education Limited ('the Company'), we have examined details of compliance of conditions of Corporate Governance by the Company for the year ended 31st March, 2018 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchange.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

3. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2018.

4. Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause/Regulation as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion, and to the best of our information and according to explanations given to us and representations made by the Directors and management, we certify that during the year ended 31st March, 2018 the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement and Listing Regulations as applicable mentioned in para 1 above.

8. 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.

Restriction on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose of compliance with the requirement of the Listing Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

sd/-
Sandeep Shah
Partner
Membership No.: 37381

Place: Mumbai
Date: 10th May 2018

CORPORATE GOVERNANCE REPORT

(1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance ensures fairness, transparency and integrity of the Management. The Company is committed to good Corporate Governance as it believes that sound corporate governance is essential for enhancing and retaining investor trust and thus helps to ensure achieving long-term corporate goals. The Company respects and values the right of its stakeholders to seek information about the Company and its performance. The adoption of good corporate governance shall ensure that all the concerned parties associated with the Company obtain requisite information which would help them to make an informed decision. Such Corporate Governance Practices help enhancement of long-term shareholders value and interest of other stakeholders.

(2) BOARD OF DIRECTORS

(a) Composition

The Board of Directors of the Company is broad-based, consisting of twelve Directors. Since the Company has a Non-Executive Chairman, the Board meets the stipulated requirement of at least one-third of the Board of Directors comprising of Independent Directors.

Brief particulars of Directors who are being appointed/ re-appointed at the ensuing Annual General Meeting ('AGM'), nature of expertise in a specific functional area and other statutorily required details are provided in the notes to the Notice convening AGM.

(b) Category of Directors, Number of Board meetings held and attendance at Board Meeting and last AGM by Directors

During the year 2017-18 four (4) board meetings were held on 26th May, 2017, 9th August, 2017, 8th November, 2017 and 7th February, 2018. The details of category of each Director, attendance by Directors at the above Board meetings and attendance at last AGM by the Directors for the year is given below:

Sr. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at Last AGM
1.	Shri Gnanesh D. Gala	P& ED	4	Yes
2.	Shri Raju H. Gala	P&ED	3	Yes
3.	Shri Bipin A. Gala	P&ED	3	Yes
4.	Shri Anil D. Gala	P & ED	3	No
5.	Shri Shailendra J. Gala	P& ED	4	Yes
6.	Shri Atul J. Shethia	ED	4	Yes
7.	Shri. Kamlesh S. Vikamsey	NID &NE	3	Yes
8.	Shri. Nilesh S. Vikamsey	NID &NE	1	No
9.	Smt. Usha Laxman	I &NED	2	Yes
10.	Shri Tushar K. Jani	I &NED	4	Yes
11.	Shri Mohinder Pal Bansal	I &NED	4	Yes
12.	Dr. Vijay B. Joshi	I &NED	2	Yes

P & ED-Promoter & Executive Director, ED -Executive Director, I &NED – Independent & Non -Executive Director, NID & NE- Non-Independent & Non-Executive Director.

(c) Directorship in other Public Limited Companies as at 31st March, 2018:

Sr. No.	Name of the Director	No. of Directorship*	No. of Committee Positions held**	No. of Committees Chaired**
1	Shri Gnanesh D. Gala	2	2	1
2	Shri Raju H. Gala	1	1	0
3	Shri Bipin A. Gala	0	0	0
4	Shri Anil D. Gala	1	0	0
5	Shri Shailendra J. Gala	0	0	0
6	Shri Atul J. Shethia	0	0	0
7	Shri Kamlesh S. Vikamsey	5	4	3
8	Shri Nilesh S. Vikamsey	9	8	2
9	Smt. Usha Laxman	0	0	0
10	Shri Tushar K. Jani	1	1	0
11	Shri Mohinder Pal Bansal	3	3	3
12	Dr. Vijay B. Joshi	0	0	0

* The Directorship held by directors as mentioned above includes a private limited company which is subsidiary of a public limited company, company whose specified security is listed on a recognised stock exchange and do not include directorship in a foreign company, Section 8 company and private limited company.

** Committee of Directors includes Audit Committee & Stakeholders' Relationship Committee.

(d) Relationship between directors inter-se:

Shri Anil D. Gala and Shri Gnanesh D. Gala are related as a brother. Shri Kamlesh S. Vikamsey and Shri Nilesh S.Vikamsey are related as a brother.

(e) Shares held by Non-Executive Directors in the Company as on 31st March, 2018.

Name of Director	No. of shares held	% of shareholding
Shri Kamlesh S. Vikamsey	-	-
Shri Nilesh S. Vikamsey	-	-
Shri Tushar K. Jani	-	-
Shri Mohinder Pal Bansal	-	-
Dr. Vijay B. Joshi	1,050	0.00
Smt. Usha Laxman	-	-

(f) Details of familiarisation programme

Under Regulation 27(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013 the Company has to put in its place the familiarisation programme of the Company for the non-executive and Independent Directors. The objective of familiarisation programme is to ensure that non-executive and Independent Directors are updated on the business environment and overall operations of the Company. This would enable them to make better-informed decisions in the interest of the Company and its stakeholders.

The Board members were regularly apprised with the overview of the Company and briefed about the industry's specific issues to enable them to understand the business environment in which the Company operates. During the Board meeting on a quarterly basis, a presentation about the performance of business units and future strategy was made to the Board of Directors. The Board members were provided necessary documents, reports and other presentations about the Company from time to time. Further, the Board was also regularly apprised of all regulatory and policy changes. An overview of the familiarisation programme is placed on the Company's website www.navneet.com

Performance and Evaluation of Directors

The Listing Regulations and the Companies Act, 2013 requires that the Board of Directors shall evaluate the effectiveness of the Board. The Company has laid down criteria for the performance of executive /Independent/ Non-executive and non-independent Directors and the

chairperson. One of the key functions of the Board is to monitor and review the Board evaluation framework. During the year, the performance evaluation was carried out internally which included the Board, committee and Directors independently. Each Board member was requested to evaluate the effectiveness of the Board, dynamics and relationships information flow, decision making of the directors, relationship to stakeholders, company performance and the effectiveness of the whole board and its committees on a scale of one to five. Kindly refer para on Board Evaluation mentioned in Report of Board of Directors forming part of this Annual Report.

(3) AUDIT COMMITTEE

(a) The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The role and terms of reference of the Audit Committee covers matters mentioned in Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which, *inter-alia*, include overseeing financial reporting process, accounting policies and practises, reviewing periodic financial results, adequacy of Internal Audit function, related party transactions, discussion with internal and statutory auditors.

(b) Terms of Reference

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process. The Audit Committee, inter-alia, performs the functions of discussing and reviewing quarterly and audited financial results, recommendation of appointment of statutory auditors and their remuneration, recommendation of appointment and remuneration of internal auditors, review of Internal Audit Reports, approval and review of related party transactions. For the smooth and effective functioning, the Audit Committee has also powers to investigate any activity within its terms of reference, to seek information from employees and obtain outside and legal/ professional advise. In addition to the above, the other role and terms of reference of the Audit Committee cover the matters as specified in Section 177 of the Companies Act, 2013 read with Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(c) Composition, name of members, Chairman, number of meetings held and attended during the year:

- During the year 2017-18 four Audit Committee Meetings were held on 26th May, 2017, 9th August, 2017, 8th November, 2017 and 7th February, 2018.
- The composition of the Audit Committee and other relevant details are as under:-

Name	Category	No. of Meetings Attended
Shri Mohinder Pal Bansal (Chairman of Audit Committee)	Independent & Non -Executive Director	4
Shri Tushar K. Jani	Independent & Non -Executive Director	4
Dr. Vijay B. Joshi	Independent & Non -Executive Director	2
Shri Nilesh S. Vikamsey	Non Independent & Non-Executive Director	1
Smt. Usha Laxman	Independent & Non -Executive Director	2

At the invitation of the Company, senior representatives from various divisions of the Company, internal auditors, statutory auditors and Company Secretary who acts as secretary to the Audit Committee attended the Audit Committee Meetings to respond to the various queries raised at the Audit Committee meetings.

(4) NOMINATION AND REMUNERATION COMMITTEE

(a) Broad Terms of Reference

The broad Terms of Reference of Nomination and Remuneration Committee are to evaluate and appraise the performance of the Managing / Executive Directors and Senior Management Personnel, determine and recommend to the Board the compensation payable to them. The other terms of Nomination and Remuneration Committee shall be as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant provisions of the Companies Act, 2013.

(b) Remuneration Policy

The remuneration policy of the Company is based on performance of senior managerial personnels. The remuneration policy is in consonance with existing industry practice.

The composition of Nomination and Remuneration Committee is as under:

Name of Director	Category	Attendance at the meeting
Shri Tushar K. Jani (Chairman of the Committee)	Independent & Non -Executive Director	Yes
Dr. Vijay B. Joshi	Independent & Non -Executive Director	Yes
Smt.Usha Laxman	Independent & Non -Executive Director	Yes
Shri Kamlesh S. Vikamsey	Non Independent & Non-Executive Director	No

(5) Remuneration of Directors

(a) Pecuniary relationship or transactions of the Independent & Non-Executive Directors and Non Independent & Non Executive Directors vis-a-vis the Company:

- There were no pecuniary relationship or transaction of Non Independent & Non-Executive Directors and Independent & Non-Executive Directors of the company vis-a-vis the Company except following transactions, where Shri Mohinder Pal Bansal, Independent & Non-Executive Director is considered interested:

i) Shri Mohinder Pal Bansal who is also a Director of Blacksoil Capital Pvt. Ltd. from whom the Company received rent of ₹ 5.67 Lakh during the year in respect of company's office premises given on rent to Blacksoil Capital Pvt.Ltd; and

ii) Shri Mohinder Pal Bansal whose son was a Director of Schoolwear Pvt Ltd. during the year under review from whom the Company received rent of ₹ 2.25 Lakh during the year in respect of company's office premises given on rent to Schoolwear Pvt. Ltd.

The Board of Directors do not consider the above two transactions between the Company and Blacksoil Capital Pvt. Ltd. and Schoolwear Pvt Ltd. to be of a material nature so as to affect independence of judgement of Shri Mohinder Pal Bansal as a Director of the Company.

(b) Payment to Independent & Non-Executive Directors and Non Independent & Non Executive Directors:

The Independent & Non-Executive Directors and Non Independent & Non Executive Directors are paid sitting fees for attending the meeting of the Board of Directors and its committee meetings.

(c) Criteria for making payment to the Non–Executive Directors:

The role of the Independent & Non-Executive Directors and Non Independent & Non-Executive Directors of the Company is not just restricted to Corporate Governance or outlook of the Company but they also bring with them significant professional experience and expertise across the whole spectrum of the functional area such as production, marketing, corporate strategy, legal, finance and other corporate functions. The Company seeks their expert advise on various matters relating to the business of the Company.

(i) The details of remuneration and sitting fees paid to each Director during FY 2017-18 are as under:

Sr. No.	Name of Director	Category	Salary (₹)	Bonus (₹)	Other Benefits (₹)	Contri. To PF (₹)	Sitting Fee (₹)	Total Remuneration (₹)
1.	Shri Gnanesh D. Gala	P&ED	61,20,000	12,24,000	52,66,600	7,34,400	-	13,345,000
2	Shri Raju H. Gala	P&ED	61,20,000	12,24,000	52,66,600	7,34,400	-	13,345,000
3	Shri Bipin A. Gala	P&ED	61,20,000	12,24,000	52,66,600	7,34,400	-	13,345,000
4	Shri Anil D. Gala	P&ED	61,20,000	12,24,000	52,66,600	7,34,400	-	13,345,000
5	Shri Shailendra J. Gala	P&ED	57,84,000	11,56,800	49,77,453	6,94,080	-	12,612,333

Sr. No.	Name of Director	Category	Salary (₹)	Bonus (₹)	Other Benefits (₹)	Contri. To PF (₹)	Sitting Fee (₹)	Total Remuneration (₹)
6	Shri Atul J. Shethia	ED	32,72,400	6,54,480	20,69,304	3,92,688	-	63,88,872
7	Shri Kamlesh S. Vikamsey	NID & NED	0	0	0	0	60,000	60,000
8	Shri Nilesh S.Vikamsey	NID & NED	0	0	0	0	30,000	30,000
9	Smt. Usha Laxman	I &NED	0	0	0	0	90,000	90,000
10	Shri Tushar K. Jani	I&NED	0	0	0	0	1,80,000	1,80,000
11	Shri Mohinder Pal Bansal	I&NED	0	0	0	0	1,70,000	1,70,000
12	Dr. Vijay B. Joshi	I&NED	0	0	0	0	1,10,000	1,10,000

P & ED-Promoter & Executive Director, ED -Executive Director, NID & NE- Non Independent & Non-Executive Director, I &NED – Independent & Non -Executive Director.

(ii) The Promoter & Executive Directors and Executive Director of the Company have been appointed on a contractual basis, in terms of the resolutions passed by the shareholders at the Annual General Meeting. Elements of remuneration comprises of salary, perquisites / allowances and other benefits as approved by the shareholders at the Annual General Meeting. The Executive Directors are required to give 90 days notice to the Company for termination of service agreement. There is no separate provision for payment of severance fees. However, Non Independent and Non-Executive Directors and Independent and Non-Executive Directors are not subject to any notice period and severance fees.

(iii) Employees Stock Option Scheme (ESOS)

The Company do not have any Employees Stock Option Scheme (ESOS).

(6) STAKEHOLDERS RELATIONSHIP COMMITTEE

(a) Stakeholders Relationship Committee consists of following members :

(i) Shri Tushar K. Jani
(Independent & Non-Executive Director)

(ii) Shri Mohinder Pal Bansal
(Independent & Non-Executive Director)

(iii) Dr. Vijay B. Joshi
(Independent & Non-Executive Director)

(iv) Shri Gnanesh D. Gala
(Promoter & Executive Director)

The Chairman of Stakeholders Relationship Committee is an Independent & Non -Executive Director - Shri Tushar K. Jani.

(b) Shri Amit D. Buch, Company Secretary is the "Compliance Officer".

(c) During the year seven complaints were received and all of them resolved.

(d) Brief terms of reference of the Committee, inter alia, cover reviewing status of share transfer/ transmissions of shares, issue of duplicate share certificates, non-receipt of Annual Report, non-receipt of declared dividends, review/ redressal of Investors' Grievance.

(e) During the year 2017-18 four Stakeholders' Relationship Committee meetings were held on 26th May, 2017, 9th August, 2017, 8th November, 2017 and 7th February, 2018.

The composition of Stakeholders' Relationship Committee and other relevant details are as under:

Name	Category	No. of Meetings Attended
Shri Tushar K. Jani (Chairman of the Committee)	Independent & Non -Executive Director	4
Shri Mohinder Pal Bansal	Independent & Non -Executive Director	4
Dr. Vijay B. Joshi	Independent & Non -Executive Director	2
Shri Gnanesh D. Gala	Promoter & Executive Director	4

(7) GENERAL MEETINGS

(a) The details of last three Annual General Meetings held are given below:-

Financial Year & Meeting No.	Day & Date	Time	Venue
2016-17 Thirty First	Thursday, 3rd August, 2017	3:30 p.m.	P.L. Deshpande Maharashtra Kala Academy, Mini Theatre, 3rd Floor, Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400025.
2015-16 Thirtieth	Tuesday, 23rd August, 2016	3.30 p.m.	P.L. Deshpande Maharashtra Kala Academy, Mini Theatre, 3rd Floor, Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400025.
2014-15 Twenty Ninth	Monday, 28th September, 2015	3.30 p.m.	Textile Committee Auditorium, Textile Committee Building, P.Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai - 400025

(b) Special Resolutions passed at last three Annual General Meetings.

(i) At the 31st AGM held on 3rd August, 2017 no Special Resolution was passed.
(ii) At the 30th AGM held on 23rd August, 2016 no Special Resolution was passed.
(iii) At the 29th AGM held on 28th September, 2015 no Special Resolution was passed.

(c) Passing of Resolutions by Postal Ballot

No resolutions were passed last year i.e. in FY 2017-18 through postal ballot. Hence, giving details of the person who conducted the postal ballot exercise and procedure for postal ballot are not required. No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this report.

(8) MEANS OF COMMUNICATIONS

The Company publishes its unaudited/ audited quarterly financial results and audited financial results for the entire financial year in 'The Economic Times' and 'Maharashtra Times' newspapers in Mumbai. The said results and official news release, if any, are disclosed on the website of the Company at www.navneet.com, after the same is submitted to the stock exchange where the shares of the Company are listed. The Company also hosts any presentation shared/ made to analysts/ institutional

investors on website of the Company at www.navneet .com. The said presentation is also submitted to the stock exchange where the shares of the Company are listed.

(9) GENERAL SHAREHOLDER INFORMATION

(a) 32nd Annual General Meeting :

Date : 24th July, 2018
Time : 3.30 p.m.
Venue : P.L. Deshpande Maharashtra Kala Academy, Mini Theatre, 3rd Floor, Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400025.

(b) Financial Year : April to March.

(c) Dividend payment during the year under review :

The Board of Directors has recommended dividend of ₹ 1.50 (75%) per share for the FY 2017-18. The dividend as recommended, if declared by the shareholders at the ensuing Annual General Meeting to be held on 24th July, 2018 would be paid to those eligible shareholders whose

names appeared in Company's Register of Members on book closure date.

(d) Financial Calendar for FY 2018-19 (tentative and subject to change):

Board Meetings to be held for approving Quarterly Results :

(i) Quarter ending 30th June, 2018, 30th September, 2018, 31st December, 2018: within 45 days from the date of closure of the respective quarter.

(ii) For the financial year ending 31st March, 2019 : within 60 days of close of the financial year.

(iii) AGM for the financial year ending 31st March, 2019 : by July/ August, 2019.

(e) Date of Book Closures :

From 17th July, 2018 to 24th July, 2018 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.

(f) Listing of Shares:

Shares of the Company are listed on National Stock Exchange of India Limited and Bombay Stock Exchange Ltd. Listing Fees for FY 2018-19 have been paid to both the Stock Exchanges where the shares of the Company are listed.

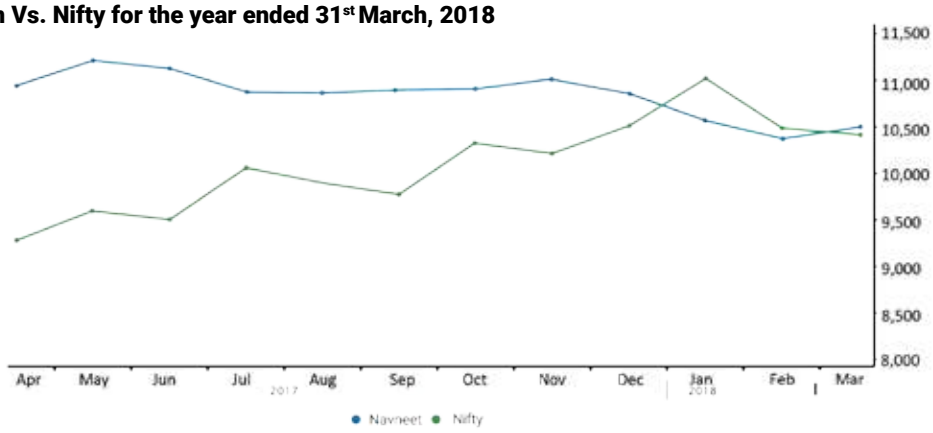
(g) Stock and ISIN Code of Company's shares:

BSE : 508989 NSE : NAVNETEDUL
ISIN : INE 060A01024

(h) Volume of Shares traded and Stock Price Movement on a month to month basis :

Month	BSE No. of Shares	NSE No. of Shares	BSE (High) (₹)	BSE (Low) (₹)	NSE (High) (₹)	NSE (Low) (₹)
April, 2017	5,44,787	36,62,219	175.00	158.05	175.00	158.00
May, 2017	5,68,987	31,08,778	188.00	150.05	188.85	151.10
June, 2017	4,56,492	20,06,339	193.60	167.80	193.50	167.00
July, 2017	4,68,211	18,94,697	185.00	163.05	185.80	163.45
August, 2017	1,55,343	13,98,800	178.00	149.10	169.75	149.10
September, 2017	1,49,226	10,83,331	179.85	160.10	179.90	159.80
October, 2017	86,817	9,53,123	174.90	159.60	174.05	159.00
November, 2017	2,24,488	21,01,932	178.00	154.20	178.90	153.00
December, 2017	1,33,502	8,17,410	173.90	154.00	174.50	152.95
January, 2018	3,25,726	39,73,706	167.15	139.00	166.00	138.00
February, 2018	1,74,185	15,15,878	152.70	127.75	153.20	127.90
March, 2018	9,70,963	3282,606	160.85	131.60	161.45	131.75

Navneet Education Vs. Nifty for the year ended 31st March, 2018



(i) Volume of Shares traded during the year under review as a percentage of the number of Shares outstanding:

BSE : 1.82 % 42,58,727 shares
NSE : 11.04 % 2,57,98,819 shares

(j) Registrar & Share Transfer Agents:

Link Intime India Private Limited
C-101,247 Park, L. B. S. Marg,
Vikhroli (West), Mumbai - 400083
Tel. : 91-022- 49186270
Fax : 91-022- 49186060
E-mail : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

(k) Share Transfer in Physical Form

Share Transfer in physical form can be lodged with the Registrar and Share Transfer Agent namely Link Intime India Private Limited at the address mentioned herein above or at their Branch Offices mentioned in its website. The transfers are normally processed within 15 days if the documents are complete in all respect and thereafter the share certificates duly transferred are despatched.

(l) Distribution of Shareholding as on 31st March, 2018:

No. of equity shares held	No. of Shareholders	% of Shareholders	No. Of Shares	% of Shareholding
001-500	18,662	76.34	24,17,504	1.04
501-1000	1,774	7.26	13,91,245	0.60
1001-2000	1,304	5.33	19,20,841	0.82
2001-3000	545	2.23	13,94,842	0.60
3001-4000	654	2.68	23,97,641	1.03
4001-5000	217	0.89	10,21,325	0.43
5001-10000	647	2.64	43,95,571	1.88
10001 & above	644	2.63	21,86,19,031	93.60
Total	**24,447**	**100**	**23,35,58,000**	**100.00**

(m) Category of Shareholders as on 31st March, 2018:

Category	% to Paid-up Share Capital
Promoters	61.78
FIs & Foreign Portfolio Investors(corporate)	5.99
NRIs	0.50
Mutual Funds, Non Nationalised Banks	16.49
Bodies Corporate(including Government Companies)	1.93
Trust	0.00
Others	13.31
Total	**100.00**

(n) Dematerialisation of Shares and liquidity:

The shares of the Company are in compulsory dematerialisation segment and are available for trading system of both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL). The status of dematerialisation of shares as on 31st March, 2018 is as under:

Particulars	No. of Shares	% of total share capital
Held in dematerialised form in NSDL	22,07,04,753	94.50
Held in dematerialised form in CDSL	93,72,847	4.01
Physical form	34,80,400	1.49
Total	**23,35,58,000**	**100.00**

The Company's shares are regularly traded on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. in electronic form.

(o) Outstanding GDRs / ADRs / Warrants:

The Company has not allotted any GDR(s) / ADR(s) / Warrants / Convertible instruments.

(p) Commodity price risk or foreign exchange risk and hedging activities.

The Company does not have commodity risk as such. The Company is exposed to market risk, credit risks and liquidity risk which are summarised in the Note No. 50 forming part of 'Notes on Standalone Financial Statements' for the year ended 31st March, 2018. During the year 2018, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forwarding contracts for hedging foreign exchange exposures against exports and imports. The management periodically reviews the Risk Management Policy for managing each of these risks.

(q) Plant Locations:

The Company's Plants are located at the following places:

- Village Dantali, Dist. & Tal. Gandhi Nagar, Gujarat.
- Village Sayali, Silvassa.
- Rakanpur, Taluka Kalol, Dist. Mehsana
- Village Khaniwade, Tal. Vasai, Dist. Thane

(r) Address for Correspondence

Registered Office : Navneet Bhavan,
Bhavani Shankar Road,
Dadar (West),
Mumbai 400028
Tel : +91-22-66626565
Fax : +91-22-66626470
Email : investors@navneet.com

(s) Compliance Officer

Company Secretary and Compliance Officer	:	Shri. Amit D. Buch
Email ID	:	amit.buch@navneet.com

10. Other Disclosures:

(a) Disclosure on materially significant related party transactions:

All transactions entered into with related party as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. The higher payment of royalty to related party during FY 17-18 as compared to FY 16-17 may be considered as materially significant transactions. As the said higher payment of royalty to related parties is at arm's length basis, it is not in conflict with the interest of the Company. The policy on significant related party transactions is put on the website of the Company www.navneet.com.

Suitable disclosure as required by Indian Accounting Standard (Ind-AS 24) has been made in the notes forming part of the annual accounts.

(b) Disclosure of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years.

The Company has complied with all requirements of the Listing Agreements/ Listing Regulations with the stock exchanges as well as regulations and guidelines of SEBI. No penalties or strictures imposed on the Company by the stock exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years.

(c) Vigil Mechanism /Whistle Blower Policy ;

As required under the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 4 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formed Vigil Mechanism/Whistle Blower policy to report genuine concerns or grievances. The same is hosted on the website of the Company. None of the employees of the Company has been denied access to the Audit Committee.

(d) The Company is in compliance with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in addition the status of compliance with non-mandatory requirements is as under:

Sr. No.	Particulars	Remarks
1	Non- Executive Chairman's Office	The Company has Non-Executive Chairman and he maintains his own separate office. The Company does not bear the expense of maintaining his office and do not reimburse any expense to him for performing his duty as Chairman, except paying him sitting fees.
2	Shareholders' Rights	As the quarterly and half-yearly financial performance are published in the newspapers and also posted on the Company's website, the same are not being sent to the shareholders.
3	Audit Qualifications	The Company's financial statement for the year 2017-18 does not contain any audit qualification
4	Separate post of Chairman and CEO	The Company has a separate post of Chairman and MD/CEO
5	Reporting of Internal Auditor	The Internal Auditor reports to Managing Director and has direct access to the Audit Committee

(e) Policy for determining 'material' subsidiaries:

The Company does not have a material non-listed Indian subsidiary Company whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of the Indian holding Company in the immediately preceding accounting year. Though the Company does not have any 'material' subsidiary company, the policy for determining subsidiaries has been formed and the same is put on the website of the Company www.navneet.com.

(f) Risk Management:

Risk assessment and its minimisation procedures have been laid down by the Company and the same have been informed to the Board Members. These Procedures are periodically reviewed to ensure that the Executive Management controls risk through means of a properly defined framework.

11. Disclosure to the extent to which the discretionary requirements have been adopted:

The extent up to which the Company has adopted discretionary requirements as specified in Part E of Schedule II is as detailed under Other Disclosures at serial no 10(d) above.

12. Details of non- compliance of any requirement of Corporate Governance Report

The Company has complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in part 'C' of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the respective places in this Report.

13. CODE OF CONDUCT :

The Board of Directors has adopted the Code of Conduct for the Directors and Senior Management Personnel. A copy of Code of Conduct has been put on the Company's Website www.navneet.com

Code of Conduct has been circulated to all the Members of the Board and Senior Management Personnel of the Company and compliance of the same is affirmed by them.

In accordance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a declaration signed by Managing Director & CEO affirming that all the Board Members and Senior Management of the Company have compliance with the Code of Conduct guideline as applicable to them for the Financial Year ended 31st March, 2018 is annexed as Annexure I to this report.

14. CEO and CFO Certification

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by CEO and CFO of the Company was paced before the Board. The same is provided as Annexure II to this report.

15. Disclosure with respect to demat suspense account/ unclaimed suspense account

The Company does not have any shares in the demat suspense /unclaimed suspense account.

Annexure 'I'

Declaration

In accordance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct guideline as applicable to them for the Financial Year ended 31st March, 2018.

For Navneet Education Limited

sd/-
Gnanesh D. Gala
Chief Executive Officer

Place: Mumbai
Date: 10th May 2018

Annexure 'II'

CEO AND CFO CERTIFICATION

We hereby certify that-

a) we have reviewed financial statements and the cash flow statements for the year ended 31st March, 2018 and that to the best of our knowledge and belief

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Indian Accounting Standards, applicable laws and regulations.

b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) we accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of internal control system of Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken to rectify these deficiencies.

d) we further certify that-

   i) there have been no significant changes in the internal control over financial reporting during the year,

   ii) there have been no instances of significant fraud which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Mumbai
Date: 10th May 2018

sd/-
Gnanesh D. Gala
Chief Executive Officer

sd/-
Deepak L. Kaku
Chief Financial Officer

Navneet Education Limited

Standalone financials for the year ended 31st March, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NAVNEET EDUCATION LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) financial statements

We have audited the accompanying standalone Ind AS financial statements of Navneet Education Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (together referred to as standalone Ind AS financial statements).

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Other Matter

The figures for the year ended 31st March, 2017 prepared in accordance with Ind AS have been audited by the predecessor auditor who had audited the Standalone Ind AS financial statement for the relevant period. The report of the predecessor auditor on the comparative financial information dated 26th May, 2017 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act,

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to adequacy of internal financial controls system over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report given in Annexure II; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36 (a) to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company;

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration Number 116560W/W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381

Place: Mumbai
Date: 10th May 2018

Annexure I to Independent Auditor's Report

[Referred to in paragraph under "Report on other legal and regulatory requirements" section of our report of even date]

TO THE MEMBERS OF NAVNEET EDUCAATION LIMITED

(i) In respect of fixed assets:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has formulated a phased program of physical verification of fixed assets designed to cover all the items at-least once over a period of three years. In accordance with the said program, during the year, the Company had carried out physical verification of computer block for one location and intends to carry out the physical verification of a major portion of the fixed assets in the next financial year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.

(c) According to the information and explanation given to us and on the basis of our examination of the original title deeds / purchase agreements / lease deed, we report that, the title deeds of immovable properties included in the fixed asset are held in the name of the Company (including erstwhile name) as at balance sheet date.

(ii) The inventories (other than lying with third parties) have been physically verified during the year by the management. In respect of inventories lying with the third parties, confirmations have been obtained by the Company and material in transit have been verified with reference to subsequent receipt. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account.

(iii) According to the information and explanation given to us, the Company has granted unsecured loan to a Company covered in the register maintained under section 189 of the Act. There are no firms, Limited Liability Partnership or other parties covered under said register to whom loans have been granted.

(a) In our opinion and considering the information and explanations given to us, terms and conditions for loans are prima facie not prejudicial to the interest of the Company.

(b) The Company has specified schedule for repayment of loan and payment of interest on the loan. The repayment of the loan and the payment of interest on he loan are regular.

(c) According to the information and explanations given to us, there is no overdue amount of principal and interest for more than 90 days.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provision of section 185 and 186 of the Companies' Act, 2013, to the extent applicable, in respect of the grant of loans, making investments, and providing guarantees and security, as applicable.

(v) In our opinion and according to the explanations given to us, the Company has not accepted any deposits. Therefore, the question of reporting compliance with directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We are informed that no order relating to the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act relating to windmill and pre-school division, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues, as applicable to the Company, during the

year with the appropriate authorities. There are no undisputed statutory dues payable in respect to above statues, outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable, except for goods and service tax of ₹ 54,065 which was inadvertently missed out and paid subsequent to year end.

(b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there is no disputed Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and goods and service tax Income Tax as on 31st March, 2018 which have not been deposited except the following disputed dues which have not been deposited since the matters are pending with the relevant forum:

Name of statue	Nature of dues	₹ in Lakh (net of amount paid under protest)	Period to which it relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	26.08	F. Y. 1999-2000	Bombay High Court
		3.51	F. Y. 2008-09	Assessing Officer
		12.75	F. Y. 2012-13	CIT (Appeals)
Central Sales Tax Act and VAT Act of various states	Sales Tax / CST	8.11	F.Y. 2004-05	Sales Tax Appellate Tribunal
		1,398.22	F.Y. 2007-08	Departmental Appellate Authorities
		1,403.04	F.Y. 2008-09	
		212.44	F.Y. 2009-10	
		271.38	F.Y. 2010-11	
		307.75	F.Y. 2011-12	
		349.49	F.Y. 2012-13	
		6.93	F.Y. 2013-14	
		11.24	F.Y. 2014-15	
		9.75	F.Y. 2013-14	
		447.25	F.Y. 2013-14	Assessing Officer in process of filing appeal against order from Assessing Officer
	Total	**4,467.94**		

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to banks during the year. There are no loans or borrowings from financial institutions / debenture holders / government.

(ix) During the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable to the Company.

(x) During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to information and explanation given to us, we have neither noticed nor have been informed by the management, any incidence of fraud by the Company or on the Company by its officers or employees.

(xi) According to the information and explanation given to us and based on our examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

(xiii) According to the information and explanation given to us and based on our examination of the records, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45 - lA of the Reserve Bank of India Act, 1934. Therefore, the provisions of the clause (xvi) of the Order are not applicable to the Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration Number 116560W/W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381

Place: Mumbai
Date: 10th May, 2018

Report on the Internal Financial Controls under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of Navneet Education Limited ("the Company"), as of 31st March, 2018, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration Number 116560W/W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381

Place: Mumbai
Date: 10th May, 2018

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Standalone Balance Sheet

as at 31st March, 2018

(₹ in Lakh)

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
I.	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	3	15,022	14,187
	(b) Capital work-in-progress	4	256	276
	(c) Investment property	5	1,882	2,022
	(d) Intangible assets (other than Goodwill)	6	553	587
	(e) Intangible assets under development	7	12	-
	(f) Financial assets			
	(i) Investments	8	18,198	15,846
	(ii) Loans	9	2,042	2,125
	(f) Deferred tax assets (net)	20	205	-
	(g) Other non-current assets	10	998	1,022
	TOTAL NON-CURRENT ASSETS		**39,168**	**36,065**
	Current assets			
	(a) Inventories	11	41,233	37,152
	(b) Financial assets			
	(i) Trade receivables	12	25,139	20,607
	(ii) Cash and cash equivalents	13	379	236
	(iii) Other bank balances	14	178	135
	(iv) Loans	15	2,220	2,621
	(v) Other financial assets	16	98	88
	(c) Other current assets	17	5,104	2,329
	TOTAL CURRENT ASSETS		**74,351**	**63,168**
	TOTAL ASSETS		**1,13,519**	**99,233**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity share capital	18	4,671	4,671
	(b) Other equity		76,170	67,889
	TOTAL EQUITY		**80,841**	**72,560**
	LIABILITIES			
	Non-Current liabilities			
	(a) Provisions	19	1,363	1,176
	(b) Deferred tax liabilities (Net)	20	-	237
	(c) Other non current liabilities	21	1	104
	Total non-current Liablilities		**1,364**	**1,517**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	22	21,197	14,591
	(ii) Trade payables	23		
	- Amount due to micro and small enterprises		469	207
	- Amount due to others		4,595	4,371
	(iii) Other financial liabilities	24	2,641	3,084
	(b) Other current liabilities	25	715	1,021
	(c) Provisions	26	1,302	882
	(d) Liabilities for Current Tax (Net)	27	395	1,000
	TOTAL CURRENT LIABILITIES		**31,314**	**25,156**
	TOTAL EQUITY AND LIABILITIES		**1,13,519**	**99,233**

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached hereto

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number - 116560W / W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381
Place: Mumbai

Date : 10th May, 2018

For & On behalf of the Board of Navneet Education Limited

sd/-
Kamlesh S. Vikamsey
Chairman
DIN: 00059620

sd/-
Gnanesh D. Gala
Managing Director
DIN: 00093008

sd/-
Deepak L. Kaku
Chief Financial Officer

sd/-
Amit D. Buch
Company Secretary
Mem. No. A15239

Place: Mumbai

Date : 10th May, 2018

Standalone Statement of Profit and Loss

for the year ended 31st March, 2018

Knowledge is wealth

(₹ in Lakh)

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I	Revenue from operations	28	1,13,224	1,08,941
II	Other Income (net)	29	2,921	2,392
III	**Total Revenue (I + II)**		**1,16,145**	**1,11,333**
IV	**Expenses**			
	Cost of materials consumed	30	59,298	53,013
	Purchase of stock-in-trade		525	487
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	(3,562)	(821)
	Employee benefits expense	32	11,939	10,363
	Finance costs	33	597	347
	Depreciation and amortization expense	34	2,349	2,499
	Other expenses	35	21,554	20,847
IV	**Total Expenses**		**92,699**	**86,735**
V	Profit before tax (III - IV)		23,445	24,598
VI	Tax expense:			
	Current tax		8,287	8,700
	Deferred tax charge / (credit)		(174)	(218)
	(Excess) / Short Provision of earlier year written back / written off		11	(47)
			8,124	**8,434**
VII	**Profit for the year (V - VI)**		**15,322**	**16,163**
VIII	Other comprehensive income:			
a)	(i) Items that will not be reclassified to profit or loss in subsequent year		(158)	(135)
	(ii) Income tax relating to items that will not be reclassified to profit & loss		55	-
b)	(i) Items that will be reclassified to profit or loss in subsequent year		(579)	131
	(ii) Income tax relating to items that will be reclassified to profit & loss		212	(45)
VIII	Total other comprehensive income/loss for the year, net of tax		(470)	(49)
IX	**"Total Comprehensive Income for the year (VII + VIII) (Total of profit and other comprehensive income for the year)"**		**14,852**	**16,115**
	Earnings per equity share of ₹2/- each	41		
	(1) Basic		6.56	6.81
	(2) Diluted		6.56	6.81

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached hereto

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number - 116560W / W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381

Place: Mumbai
Date : 10th May, 2018

For & On behalf of the Board of Navneet Education Limited

sd/-
Kamlesh S. Vikamsey
Chairman
DIN: 00059620

sd/-
Gnanesh D. Gala
Managing Director
DIN: 00093008

sd/-
Deepak L. Kaku
Chief Financial Officer

sd/-
Amit D. Buch
Company Secretary
Mem. No. A15239

Place: Mumbai
Date : 10th May 2018

Standalone Cash Flow Statement

for the year ended 31st March, 2018

(₹ in Lakh)

Particulars	2017-18	2016-17
Cash Flow from Operating Activities		
Net profit before tax	23,445	24,598
Adjustments for	-	-
Interest income	(428)	(575)
(Profit) / Loss on disposal of property, plant and equipment	(124)	(105)
(Profit) / Loss on sale of investments	(116)	(421)
(Profit) / Loss on Share of LLP	2	2
Finance cost	597	347
Income on fair value of financial guarantee contracts	(121)	(38)
Provision for doubtful advances	28	27
Allowance for bad and doubtful debts	109	-
Unrealised foreign exchange fluctuation (loss)/ gain	94	(22)
Depreciation and amortization expense	2,349	2,499
Changes in operating assets and liabilities:		
(Increase) / Decrease in inventories	(4,081)	(6,579)
(Increase) / Decrease in trade and other receivables	(4,734)	(2,394)
(Increase) / Decrease in other financial assets	348	(2,281)
(Increase) / Decrease in other non-current assets	24	88
(Increase) / Decrease in other current assets	(2,720)	(441)
Increase / (Decrease) in trade and other payables	487	1,637
Increase / (Decrease) in provisions	448	300
Increase / (Decrease) in financial liabilities	(627)	781
Increase / (Decrease) in current liabilities	(306)	183
Increase / (Decrease) in other non current liabilities	(102)	104
Less: Income taxes paid	(8,755)	(7,380)
Net cash inflow from Operating Activities (A)	**5,813**	**10,329**
Cash flow from Investing Activities		
Purchase of property, plant and equipment and change in capital Work-in-progress	(2,936)	(1,528)
Proceeds from disposal of property, plant and equipment	183	245
Payments for investment properties	-	(401)
Payments for acquisition of trademark, copyrights and software	(125)	(7)
Payments for capital contribution to LLP	(2,147)	(280)
Payment for acquisition of subsidiary	(23)	(7,623)
Proceeds from advances	-	50
Payment for purchase of investment	(1,64,360)	(2,89,045)
Proceeds from sale of investment	1,64,476	2,89,466
Interest income	428	575
	(4,504)	**(8,548)**
Less: Income taxes paid	(148)	(197)

Standalone Cash Flow Statement

for the year ended 31st March, 2018

Knowledge is wealth

(₹ in Lakh)

Particulars	2017-18	2016-17
Net cash inflow / (outflow) from Investing Activities (B)	**(4,652)**	**(8,745)**
Cash flow from Financing Activities		
Payment against buyback of shares (face value and premium)	-	(5,821)
Proceeds from / (repayment of) borrowings	(97)	3,550
Finance Cost (Net)	(597)	(347)
Dividend Paid (including Dividend Tax)	(7,028)	-
Net cash (outflow) from Financing Activities (C)	**(7,722)**	**(2,618)**
Net Increase in Cash and Cash Equivalents (A + B + C)	**(6,561)**	**(1,034)**
Cash and cash equivalent as at the commencement of the year	(853)	181
Cash and cash equivalent as at the end of the year	(7,414)	(853)
Net Increase as mentioned above	**(6,561)**	**(1,034)**

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in IND AS 7, "Statement of Cash Flows".

2. Reconciliation of cash and cash equivalents as per cash flow statement:

(₹ in Lakh)

Particulars	2017-18	2016-17
Cash and cash equivalents (note 13)	379	236
Cash credit considered as cash and cash equivalents (note 22)	(7,793)	(1,089)
Balances as per statement of cash flow	**(7,414)**	**(853)**

3. Refer note 52 for changes in financing activities arising from cash and non-cash changes.

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached hereto

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number - 116560W / W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381

Place: Mumbai
Date : 10th May 2018

For & On behalf of the Board of Navneet Education Limited

sd/-
Kamlesh S. Vikamsey
Chairman
DIN: 00059620

sd/-
Deepak L. Kaku
Chief Financial Officer

Place: Mumbai
Date : 10th May 2018

sd/-
Gnanesh D. Gala
Managing Director
DIN: 00093008

sd/-
Amit D. Buch
Company Secretary
Mem. No. A15239

Significant Accounting Policies

for the year ended 31st March, 2018

1. Company overview, nature of entity's operations and its principal activities

Navneet Education Limited ('the Company') is a public limited company incorporated and domiciled in India and has its registered office at Navneet Bhavan, Near Shardasharam Society, Bhavani Shankar Road, Dadar, Mumbai - 400028, Maharashtra, India. The company is listed on Bombay Stock Exchange and also National Stock Exchange.

The Company is a leading manufacturer of Maharashtra and Gujarat State Board Publication books and also Stationery Products. The Publishing segment consists of supplementary books such as workbooks, guides, and question banks which are based on the latest prescribed syllabus by state education boards under the brand name of 'Vikas' and 'Gala'. The Stationery Business consists of Paper-based and non-paper based stationery under the brand names 'Navneet' and 'Youva'.

The financial statements of the Company for the year ended March 31, 2018 were approved and adopted by the board of directors of the Company in their meeting dated May 10, 2018.

2. Significant Accounting Policies and Key Accounting Estimates and Judgments

2.1 Basis of preparation

a) Statement of Compliance

The financial statements (on standalone basis) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and also the subsequent amendments which were notified during the year and applicable to the period. The Company has consistently applied the accounting policies used in the preparation of its financial statements.

b) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are prepared in INR which is the functional and presentation currency. All amounts are rounded to the nearest lakhs.

c) Basis of measurement

The financial statements have been prepared under historical cost convention on accrual basis except for the following:

i) Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments – Note no. 3.10)

ii) Defined benefit plans measured at fair value

2.2 Significant Accounting policies

a) Presentation and disclosure of financial statements

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in division II of Schedule III of the Companies Act, 2013, for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015. Based on the nature of business and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current / non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Property, plant and equipment & Depreciation

i) All Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Cost of property, plant and equipment includes non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable costs of bringing the asset to its working condition for its intended use.

ii) Capital work-in-progress comprises of the cost incurred on property, plant and equipment not yet ready for their intended use at the Balance Sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are

disclosed under 'Capital work-in-progress'.

iii) Property, plant and equipment are eliminated from the financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from the disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

iv) Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in the Statement of Profit and Loss when incurred.

v) When parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item (major components) of property, plant and equipment.

vi) Depreciation on property, plant and equipment

a) Depreciation on property, plant and equipment (other than freehold land and capital work in progress) is provided on WDV over the useful life of the relevant assets net of residual value whose life is in consonance with the life mentioned in Schedule II of the Companies Act, 2013 except the case where individual assets whose cost does not exceed ten thousand rupees has been provided fully in the year of capitalization.

b) In the case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, up to the date on which such asset has been sold or discarded.

c) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each balance sheet date and in case of any changes, the effect of the same is given prospectively.

c) Investment properties & Depreciation on investment properties

i) Property (Land or a Building or part of a building or both and related equipment's & furniture) that are held for long term rental yields or for capital appreciation or both, rather than for:

a) Use in the production or supply of goods or services or for administrative purposes; or

b) Sale in the ordinary course of business.

are recognised as an investment property in books of account.

ii) Investment properties are measured initially at cost, including transaction costs. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

iii) Depreciation on investment properties

a) Depreciation on investment properties is provided on WDV over the useful life of the relevant assets net of residual value whose life is in consonance with the life mentioned in Schedule II of the Companies Act, 2013.

b) In the case of investment property purchased, sold or discarded during the year, depreciation on such investment property is calculated on pro-rata basis from the date of such addition or as the case may be, up to the date on which such investment property has been sold or discarded.

c) The residual values, useful lives and methods of depreciation of investment properties are reviewed at each balance sheet date and in case of any changes, the effect of the same is given prospectively.

d) Intangible assets & Amortisation

i) Intangible assets are recognised when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the

cost of the asset can be reliably measured. At initial recognition, intangible assets are recognised at cost. Intangible assets are stated at cost of development or consideration paid for acquisition less accumulated amortisation and accumulated impairment loss, if any.

ii) Estimated useful life of intangible assets are as tabulated below:

Block	Useful life
Trademark and copyright	10 years
Software	3 years

iii) The useful lives and methods of amortisation of intangible assets are reviewed at each balance sheet date and in case of any changes, effect of the same is given prospectively.

e) Impairment of non-financial assets

Assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

f) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to it's present location and condition are accounted for as follows:

i) Raw Materials, Packing Materials & Stores & Spares & trading goods: The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs after deducting discounts and rebates which are incurred in bringing the inventories to their present location and condition. The cost of inventory is determined on the weighted average basis. Cost also includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs.

ii) Finished Goods and Work in Progress: Costs comprises direct materials, direct labour, direct expenses and overheads and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

g) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost.

h) Segment reporting

The segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. Operating Segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Managing Director is the CODM of the company.

i) Excise (applicable up to 30th June, 2017) and custom duty on uncleared goods

i) Excise duty on manufactured goods, wherever applicable, lying in the factory premises as at year end are provided for in the accounts and corresponding amount is included in the valuation of inventories.

ii) Custom duty liability is not provided in respect of material which has not arrived into territorial jurisdiction.

j) Financial instruments

Initial Recognition

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

Classification of financial assets

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instrument'.

Subsequent Measurement

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

i) Non-derivative financial assets:

Financial assets at amortised cost and the effective interest method

Debt instruments shall be measured at amortised cost if both of the following conditions are met:

i. the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling assets;

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

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs.

They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at Fair Value Through Profit & Loss (FVTPL) if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

ii) Debt instruments at Fair Value Through Other Comprehensive Income (FVTOCI)

Debt instruments shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling assets; and

(b) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on Remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in investment income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the statement of profit and loss account as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI.

Equity instruments at FVTOCI

A financial asset is held for trading if:

i) it has been acquired principally for the purpose of selling it in the near term; or

ii) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or

iii) it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the other comprehensive income is directly reclassified to retained earnings.

For equity instruments measured at fair value through other comprehensive income no impairments are recognised in the statement of profit and loss.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Financial assets at (FVTPL) Fair Value Through Profit and Loss

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Impairment of financial assets

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income in the statement of profit and loss and does not reduce the carrying amount of the financial asset in the balance sheet.

Expected credit loss of a financial instrument is measured in a way that reflects:

i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

ii) the time value of money; and

iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amounts allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. Cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by

deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Financial liabilities

Financial liabilities are classified as either 'financial liabilities at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

i) it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or

ii) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and for which there is evidence of a recent actual pattern of short-term profit taking; or

iii) It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition if:

i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii) the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or

iii) It forms part of a contract containing one or more embedded derivatives, and Ind-AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

The net gain or loss recognised in the statement of profit and loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial Guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

i) the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18

Significant Accounting Policies

for the year ended 31st March, 2018

Knowledge is wealth

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates certain derivatives as either:

i) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

ii) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

iii) hedges of a net investment in a foreign operation (net investment hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

The full fair value of a hedging derivative is classified as a non-current financial asset or financial liability when the residual maturity of the derivative is more than 12 months and as a current financial asset or financial liability when the residual maturity of the derivative is less than 12 months.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the statement of profit and loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

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

Level 1 – unadjusted quoted price in active markets for identical assets and liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

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

k) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Amounts disclosed as revenue are inclusive of excise duty (wherever applicable) and net of VAT, Service Tax and GST. The company recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

i) Sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and are recorded at the fair value of the consideration received or receivable, net of returns and allowances, trade, volume & other discounts. Accumulated experience is used to estimate and provide for turnover discounts, expected cash discounts and other eligible discounts and incentives. No element of financing is deemed present as the sales are made with normal credit terms.

ii) Power generation income is recognised on the basis of electrical units generated and sold in excess of captive consumption and recognised at prescribed rate as per agreement of sale of electricity by the Company.

iii) Interest income in respect of all the Debt Instruments, financial guarantee's and deposits which are measured at cost or at fair value through other comprehensive income, is recorded using effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest Income is included in other Income in the statement of profit and loss.

iv) Incentives on exports related to operations as provided by government are recognised in books after due consideration of certainty of utilization / receipt of such incentives.

v) Lease income / rental income is recognised (net of service tax/GST) as per the terms of the relevant agreement.

l) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary assets and liabilities are translated at closing exchange rate. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

m) Employee benefits

i) Short term employee benefits

Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Post-employment benefits

a) Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

b) Defined benefit plan

The Company has defined benefit plans comprising of gratuity. Company's obligation towards gratuity liability is funded and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to statement if profit and loss in subsequent periods.

The expected return on plan assets is the Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

c) Other long-term benefits

The Company has other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit and loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

n) Leases

As a Lessee:

Leases of property, plant and equipment where the company, as a lessee, has substantially all the risks and rewards relating to ownership are classified as finance leases at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each Lease Payment is allocated between the liability and finance cost. The finance cost is charged to the Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under the operating leases are charged to profit & loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected inflationary increase.

As a Lessor:

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

o) Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

The current Income Tax expense charge is calculated on the basis of the tax laws enacted at the end of the reporting period. Management establishes proper provisions on the basis of amounts expected to be paid to the tax authorities.

Deferred Income Tax is provided in full, using the Balance Sheet Method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using the tax rates that have been enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in Equity, respectively.

p) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

q) Cash flow statement

Cash Flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

r) Provisions and contingent liabilities

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible instruments and it is included from the date consideration is receivable (generally the date of their issue) of such instruments

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.3 Use of significant accounting estimates, judgments and assumptions

The preparation of the financial statements requires management to make estimates, judgments and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such

changes are reflected in the assumptions when they occur.

a) Estimated useful lives and scrap value (Property, plant & equipment, Investment properties and Intangible assets)

The Company has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment, investment properties and intangible assets based on its internal technical assessment. Property, plant & equipment, investment properties and intangible assets represent a significant proportion of the asset base of the Company. Further the Company has estimated that scrap value of property, plant & equipment would be able to cover the decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortisation and decommissioning costs are critical to the Company's financial position and performance.

b) Impairment of financial assets (including trade receivable)

Allowance for doubtful receivables represent the estimate of losses that could arise due to inability of the customer to make payments when due. These estimates are based on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company as forward looking estimates at the end of each reporting period.

c) Estimation of defined benefit obligations

The liabilities of the Company arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions as disclosed in notes forming integral part of consolidated financial statements.

d) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgment and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgment is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

2.4 New standard issued but not effective and hence not adopted

The following standards issued / modified by MCA become effective w.e.f. 1st April 2018.

Particulars	Effective date
New Ind AS issued *	
Ind AS 115 – Revenue from contracts with customers	1st April, 2018
Modification to existing Ind AS *	
Ind AS 12 – Income Taxes	1st April, 2018
Ind AS 21 – The effects of changes in foreign exchange rates	1st April, 2018
Ind AS 28 – Investments in associates and joint ventures	1st April, 2018
Ind AS 40 – Investment property	1st April, 2018
Ind AS 112 – Disclosure of interest in other entities	1st April, 2018

* Does not include consequential modification to other existing Ind AS due to issue of new Ind AS.

The Company is assessing the detailed potential impact of above amendments on the financial statements. Management presently is of the view that it would not have a material impact on the financial statements.

Standalone Statement of Changes in Equity

for the year ended 31st March, 2018

Knowledge is wealth

A. Equity Share Capital

(₹ in Lakh)

Balance as at 1st April, 2016	Changes in equity share capital during the year 2016-17	Balance as at 31st March, 2017	Changes in equity share capital during the year 2017-18	Balance as at 31st March, 2018
4,764	93	4,671	-	4,671

B. Other Equity

(₹ in Lakh)

Particulars	Reserves and surplus				Other comprehensive income		Total other equity
	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained earnings	Re-measurement of the net defined benefit plan	Cash flow hedge through other comprehensive income	
Balance as at 1st April, 2016	**34**	**76**	**15,538**	**42,268**	**(169)**	**(113)**	**57,634**
Amount utilized for buy back of shares	-	-	(5,728)	-	-	-	(5,728)
Addition during the year	93	-	(93)	-	(135)	(158)	(293)
Deduction / reversal during the year	-	-	-	-	-	113	113
Net profit for the year	-	-	-	16,163	-	-	16,163
Balance as at 31st March, 2017	**127**	**76**	**9,717**	**58,431**	**(304)**	**(158)**	**67,889**
Amount utilized for Dividend and Dividend Distribution Tax	-	-	-	(7,028)	-	-	(7,028)
Addition during the year (net of taxes)	-	-	-	-	(103)	(68)	(171)
Deduction / reversal during the year	-	-	-	-	-	158	158
Net profit for the year	-	-	-	15,322	-	-	15,322
Balance as at 31st March, 2018	**127**	**76**	**9,717**	**66,725**	**(407)**	**(68)**	**76,170**

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached hereto

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number - 116560W / W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381

Place: Mumbai
Date : 10th May, 2018

For & On behalf of the Board of Navneet Education Limited

sd/-
Kamlesh S. Vikamsey
Chairman
DIN: 00059620

sd/-
Gnanesh D. Gala
Managing Director
DIN: 00093008

sd/-
Deepak L. Kaku
Chief Financial Officer

sd/-
Amit D. Buch
Company Secretary
Mem. No. A15239

Place: Mumbai
Date : 10th May, 2018

Notes on Standalone Financial Statements

for the year ended 31st March, 2018

3. Property, Plant and Equipment (PPE) (₹ in Lakh)

Description of Assets	Land (Refer note 3.1 & 3.2 below)	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Gross block as at 1st April, 2016	**1,811**	**11,050**	**17,585**	**373**	**1,439**	**1,909**	**34,165**
Additions during the year 2016-17	-	184	962	33	89	67	1,334
Deduction for the year 2016-17	-	37	630	12	-	48	727
Gross block as at 31st March, 2017	**1,811**	**11,196**	**17,917**	**393**	**1,528**	**1,928**	**34,773**
Additions during the year 2017-18	-	107	2,401	37	12	387	2,944
Deduction for the year 2017-18	-	-	80	3	-	223	306
Gross block as at 31st March, 2018	**1,811**	**11,304**	**20,238**	**427**	**1,540**	**2,092**	**37,411**
Depreciation up to 1st April, 2016	**77**	**4,343**	**11,742**	**301**	**1,164**	**1,332**	**18,959**
Depreciation for the year 2016-17	6	763	1,133	43	74	194	2,214
Deduction for the year 2016-17	-	18	512	12	-	46	587
Depreciation up to 31st March, 2017	**84**	**5,088**	**12,363**	**332**	**1,238**	**1,481**	**20,586**
Depreciation for the year 2017-18	-	618	1,160	36	76	192	2,081
Deduction for the year 2017-18	-	-	65	3	-	211	278
Depreciation up to 31st March, 2018	**84**	**5,706**	**13,458**	**365**	**1,314**	**1,461**	**22,389**
Net Block as at 31st March, 2018	**1,727**	**5,598**	**6,780**	**61**	**226**	**631**	**15,022**
Net Block as at 31st March, 2017	1,727	6,108	5,554	61	290	447	14,187

3.1 Land includes a leasehold land whose gross block and accumulated depreciation as at year end is ₹ 84 Lakh (Previous year ₹ 84 Lakh).

3.2 Land also includes a leasehold land whose gross block of ₹ 2 Lakh (Previous year: ₹ 2 Lakh) and accumulated depreciation of ₹ Nil (Previous year: ₹ Nil) being the value of 1,250 shares (Previous year : 1,250 shares) of ₹ 100 each in Gala Co-operative Industrial Estate Limited.

4. Capital work-in-progress (₹ in Lakh)

Description of Assets	Land	Plant and Equipment	Furniture	Vehicle	Total
As at 1st April, 2016	**43**	**-**	**25**	**14**	**83**
Additions during the year 2016-17	-	233	-	-	233
Capitalised in PPE in year 2016-17	-	-	25	14	39
As at 31st March, 2017	**43**	**233**	**-**	**-**	**276**
Additions during the year 2017-18	#	26	164	-	190
Capitalised in PPE in year 2017-18	-	210	-	-	210
As at 31st March, 2018	**43**	**48**	**164**	**-**	**256**

5. Investment Property (₹ in Lakh)

Description of Assets	Building (Refer note 5.2 below)	Plant and Equipment	Office Equipment	Furniture and Fixtures	Total
Gross block as at 1st April, 2016	**2,518**	**105**	**7**	**171**	**2,801**
Additions during the year 2016-17	401	-	-	-	401
Deduction for the year 2016-17	-	-	-	-	-
Gross block as at 31st March, 2017	**2,919**	**105**	**7**	**171**	**3,202**
Additions during the year 2017-18	-	-	-	-	-
Deduction for the year 2017-18	57	1	-	-	58
Gross block as at 31st March, 2018	**2,862**	**104**	**7**	**171**	**3,144**
Depreciation up to 1st April, 2016	**847**	**89**	**7**	**129**	**1,071**
Depreciation for the year 2016-17	92	4	#	13	109
Deduction for the year 2016-17	-	-	-	-	-
Depreciation up to 31st March, 2017	**939**	**93**	**7**	**141**	**1,180**
Depreciation for the year 2017-18	97	3	-	9	108
Deduction for the year 2017-18	26	1	-	-	27
Depreciation up to 31st March, 2018	**1,010**	**95**	**7**	**150**	**1,261**
Net Block as at 31st March, 2018	**1,852**	**9**	**0**	**21**	**1,882**
Net Block as at 31st March, 2017	1,980	12	0	30	2,022

5.1 Amount recognised in Statement of Profit and Loss for investment properties: (₹ in Lakh)

Particulars	31-03-2018	31-03-2017
Rental income	451	416
Direct operating expenses that generated rental income	(42)	(40)
Direct operating expenses that did not generate rental income	-	(26)
Profit from investment properties before depreciation	**409**	**350**
Depreciation	(108)	(109)
Profit from investment properties	**300**	**241**

Also, refer note 38 (a) for disclosure related to lease of investment properties.

5.2 Building with a carrying amount of ₹1,334 Lakh (Previous year: ₹1,403 Lakh) is subject to first charge to secure bank loan (refer note 22.1).

5.3 As at year-end the fair values of investment properties are ₹ 9,867 Lakh (Previous Year : ₹ 10,035 Lakh). These valuations are based on fair valuation rate given in ready reckoner for stamp duty calculation of Building and for rest it is the Book Value.

Notes on Standalone Financial Statements

for the year ended 31st March, 2018

6. Intangible assets (Not Internally Generated) (₹ in Lakh)

Description of Assets	Trade Mark	Copy Right	SAP	Software	Total
Gross block as at 1st April, 2016	**59**	**1,046**	**247**	**887**	**2,239**
Additions during the year 2016-17	1	-	-	6	7
Deduction for the year 2016-17	-	-	-	-	-
Gross block as at 31st March, 2017	**60**	**1,046**	**247**	**893**	**2,246**
Additions during the year 2017-18	1	100	-	25	125
Deduction for the year 2017-18	-	-	-	-	-
Gross block as at 31st March, 2018	**61**	**1,146**	**247**	**918**	**2,371**
Depreciation up to 1st April, 2016	**58**	**415**	**247**	**762**	**1,483**
Depreciation for the year 2016-17	#	105	-	71	176
Deduction for the year 2016-17	-	-	-	-	-
Depreciation up to 31st March, 2017	**58**	**520**	**247**	**833**	**1,659**
Depreciation for the year 2017-18	#	117	-	42	159
Deduction for the year 2017-18	-	-	-	-	-
Depreciation up to 31st March, 2018	**58**	**637**	**247**	**875**	**1,818**
Net Block as at 31st March, 2018	**3**	**509**	-	**42**	**553**
Net Block as at 31st March, 2017	1	526	-	59	587

6.1 Remaining useful life of intangible assets

Description	Carrying amount as at [₹ in Lakh]		Remaining useful life as at [months]	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Trade Mark	2	1	2 to 113	2 to 118
Copy Right	509	526	47 to 110	59 to 107
Software	42	59	1 to 36	1 to 35
Total	**553**	**587**		

7. Intangible assets under development (₹ in Lakh)

Description of Assets	Software
As at 1st April, 2016	**-**
Additions during the year 2016-17	-
Capitalised in intangible assets in year 2016-17	-
As at 31st March, 2017	**-**
Additions during the year 2017-18	12
Capitalised in intangible assets in year 2017-18	-
As at 31st March, 2018	**12**

Notes on Standalone Financial Statements

for the year ended 31st March, 2018

Knowledge is wealth

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
8	**Non Current Financial Assets - Investments**		
A.	**Valued at Cost less other than temporary diminution in value, if any**		
	Unquoted investments		
	Investment in equity instruments		
	Subsidiary Companies		
	a) eSense Learning Pvt. Ltd. 2,36,33,500 (2,36,33,500) Equity Shares of ₹10/- each fully paid up	2,456	2,456
	b) Indiannica Learning Pvt. Ltd. [Formerly known as 'Encyclopaedia Britannica India Pvt. Ltd.'] 4,93,51,063 (4,93,51,063) Equity Shares of ₹ 10/- each fully paid up	7,623	7,623
	c) Navneet (HK) Limited 2,73,070 (NIL) Equity Shares of HK$ 1 each fully paid up	23	-
	Investment in limited liability partnership		
	Subsidiary		
	a) Navneet Learning LLP	7,722	5,576
B.	**Valued at fair value**		
	Unquoted investments		
	Financial guarantee contracts		
	Subsidiary Companies (Refer note 8.2 below)		
	a) eSense Learning Pvt. Ltd.	232	134
	b) Indiannica Learning Pvt. Ltd. [Formerly known as 'Encyclopaedia Britannica India Pvt. Ltd.']	142	57
	Total	**18,198**	**15,846**
8.1	Aggregate amount of unquoted investments	18,198	15,846
8.2	Financial guarantees are issued in favour of the banks against loan taken by subsidiaries.		
8.3	Investments to wholly owned subsidiaries are for long-term and strategic in nature. In the opinion of management, no impairment provision in the investment value is required as at 31st March, 2018 based on the estimate of future profitability and business prospects.		
9.	**Non Current Financial Assets - Loans**		
	(Unsecured)		
	Considered Good		
	Security Deposits	181	317
	Corporate Deposit	21	43
	Loans and advances		
	i) Loan to Employees	197	174
	ii) Loan to Vendors	15	3
	iii) Other Loans & Advances	1,629	1,588
	Considered doubtful		
	Corporate Deposits	85	64
	Other Loans & Advances	16	16
	Less: Allowances for doubtful advances	(102)	(80)

Notes on Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	Total	**2,042**	**2,125**
10.	**Other Non Current Assets**		
	Considered Good		
	Capital Advance	436	396
	Advance Income Taxes (Net of Provisions)	240	270
	Sales Tax / VAT receivable	311	267
	Wealth Tax	#	#
	Advance to Suppliers	4	15
	Prepaid Expenses	6	8
	TDS refund Receivable	1	1
	Service Tax Refund receivable	#	4
	Export incentive receivable	-	61
	Considered doubtful		
	Capital Advance	7	-
	Less: Allownances for doubtful advances	(7)	-
	Total	**998**	**1,022**
11.	**Inventories**		
	(valued at lower of cost or estimated net realisable value)		
	Raw Materials	13,397	13,514
	Raw Materials in transit	2,237	1,668
	Work In Progress	1,760	1,639
	Finished Goods	23,121	19,679
	Stock in Trade (in respect of Goods acquired for Trading)	#	#
	Stores, Spares & Consumables	718	652
	Total	**41,233**	**37,152**
	Note : Inventories are subject to first charge to secure bank loan (Refer note 22.1).		
11.1	During the year, ₹ 501 Lakh (Previous year ₹ 571 Lakh) was recognised as an expense for inventories.		
12.	**Current Financial Assets - Trade receivables**		
	Break-up for security details:		
	Secured, considered good	-	-
	Unsecured, considered good	25,139	20,607
	Doubtful	109	-
		25,248	**20,607**
	Less: Allowance for bad and doubtful debts and credit losses (Refer note 50)	(109)	-
	Total	**25,139**	**20,607**

Notes on Standalone Financial Statements

for the year ended 31st March, 2018

Knowledge is wealth

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
13.	**Current Financial Assets - Cash and cash equivalents**		
	Balance with Scheduled Banks		
	- In Current Account	339	188
		-	**-**
	Cash on hand	40	48
	Total	**379**	**236**
14.	**Current Financial Assets -Other bank balances**		
	Earmarked balances with banks		
	- In Dividend Account (Refer note 24)	176	133
	Other Bank Balances (Refer note 14.1 below)	2	2
	Total	**178**	**135**
14.1	Other bank balance represents restricted deposits (along with accrued interest thereon) under lien placed withsales tax authorities.		
14.2	There is no amount due to Investor Education & Protection Fund as on 31st March, 2018.		
15.	**Current Financial Assets - Loans**		
	(Unsecured, considered good)		
	Corporate Deposits	190	414
	Loans and advances (Refer note 15.1)	-	-
	i) Loans to Subsidiary	1,500	1,700
	ii) Loans to Employees	158	186
	iii) Loans to vendors	9	3
	iv) Other Loans & Advances	363	318
	Total	**2,220**	**2,621**
15.1	The loans and advances given to various parties is for commercial purpose and same is repayable on demand.		
16.	**Current Financial Assets - Other financial assets**		
	Other receivables	16	32
	Bank deposits with more than twelve months original maturity	36	-
	Advances to Employee for expenses	46	56
		98	**88**
17.	**Other current assets**		
	GST receivable (net)	2,976	-
	Sales Tax / VAT receivable	-	16
	Cenvat receivable	#	75
	Prepaid Expenses	206	193

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	Advance to Suppliers	1,585	1,242
	Export incentive receivable	337	796
	SAD refund receivable	-	7
	Total	**5,104**	**2,329**

18. Equity Share Capital

Authorized:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Equity Shares of ₹2/- each	24,82,97,500	4,966	24,82,97,500	4,966
6% Redeemable Non cumulative Preference Shares (RNCPS) of ₹ 10/- each	3,40,500	34	3,40,500	34
		5,000		**5,000**

Issued, Subscribed & Paid Up:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Equity Shares of ₹2/- each (₹2/- each) fully paid up	23,35,58,000	4,671	23,35,58,000	4,671
Total		**4,671**		**4,671**

18.1 Reconciliation of the number of Equity Shares outstanding

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Number of Shares at the beginning of the year	23,35,58,000	4,671	23,82,15,000	4,764
Add: Shares Issued	-	-	-	-
Less: Shares Cancelled / Buy Back	-	-	46,57,000	93
Number of Shares at the end of the year	23,35,58,000	4,671	23,35,58,000	4,671

18.2 Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par face value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share and all rank pari passu. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholders.

18.3 Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

(Number of Shares)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Equity Shares of ₹ 2/- each fully paid up	-	46,57,000	-	-	-
Total	**-**	**46,57,000**	**-**	**-**	**-**

18.4 Equity Shareholders holding more than 5 % of the shares

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% held	No. of Shares	% held
Bipin Amarchand Gala (Previous year trustee was Late Amarchand Ramji Gala and Late Dungarshi Ramji Gala), Gnanesh Dungarshi Gala - Trustee of Navneet Trust	9,25,65,009	39.63	9,25,65,009	39.63
HDFC Trustee Company Ltd - under its various schemes	1,98,03,805	8.48	1,98,41,680	8.50

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
19.	**Non current provisions**		
	Provision for Employee Benefit		
	Leave Encashment (Refer Note No.44 (c))	1,363	1,176
	Total	**1,363**	**1,176**
20.	**Deferred Tax (Assets) / Liabilities (Net)**		
	Property, plant and equipment	511	541
	Provision for employee benefits	(503)	(416)
	Forward contracts (cash flow and fair value hedge)	(57)	123
	Provision for sales returns	(143)	(12)
	Provision for doubtful receivables	(38)	-
	Financial guarantee contracts (subsidiaries)	81	-
	Provision for doubtful advances	(38)	-
	Others	(18)	-
	Total	**(205)**	**237**
	Opening balance	237	410
	Tax (expense) recognised in profit or loss	(175)	(218)
	Tax (expense) recognised in other comprehensive income	(267)	45

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	Closing balance	**(205)**	**236**
21.	**Other Non current liabilities**		
	Income received in advance	1	104
		1	**104**
22.	**Current Financial Liabilities - Borrowings**		
	a) Secured		
	i) Cash Credit from Bank	7,793	1,089
	ii) Working Capital Rupee Loan from banks (Refer note 22.1 and 22.2 below)	5,004	5,002
		12,797	**6,091**
	b) Unsecured		
	From Banks:		
	Rupee Loan (Refer note 22.3 below)	8,400	8,500
		8,400	**8,500**
	Total	**21,197**	**14,591**
22.1	All short term rupee loans are secured against hypothecation & first charge over stock of raw materials, work-in-progress, finished goods, stores & spares not relating to plant and machinery & book debts and also mortgage & first charge over office premises 1A, 1B, 2A & 2B at Benefice Business House located at Lower Parel, Mumbai.		
22.2	Secured working capital loan includes interest accrued but not due ₹ 4 Lakh (Previous year: ₹ 2 Lakh). Interest rate for this loan is 8.15%. Subsequent to year end, working capital loan along-with interest repaid on 7th April, 2018.		
22.3	Interest rate for unsecured rupee loan is 8.30%. Subsequent to year end, this loan repaid on 6th April, 2018.		
23.	**Current Financial Liabilities - Trade payables**		
	- Due to Micro, Small and Medium Enterprises (Refer note 23.1)	469	207
	- Due to Others	4,595	4,371
	Total	**5,064**	**4,578**
23.1	Details of the dues to Micro, Small and Medium Enterprises (MSME), as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as on 31st March, 2018 based on available information with the Company which are as under:		
	Particulars	**2017-18**	**2016-17**
	Principal amount due and remaining unpaid	469	207

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	Interest due on above and the unpaid interest	-	3
	Interest paid	-	-
	Payment made beyond the appointed day during the year	-	284
	Interest accrued and remaining unpaid	-	17
	Amount of further interest remaining due and payable in succeeding years	-	-
	Note: The information required to be disclosed in pursuance with the MSMED Act has been determined to the extent of identification of such vendors based on information given by the vendors to the Company.		
24.	**Other current financial liabilities**		
	Creditors for capex	71	5
	Creditors for purchase of investment	-	600
	Employee Benefits Payable	1,057	1,350
	Unpaid dividend (Refer note 14)	176	133
	Provision for Expenses	313	178
	Sundry Creditors Others	471	372
	Financial guarantee contracts	142	80
	Financial liabilities at fair value (forward contracts)	162	102
	Deposits	248	265
	Total	**2,640**	**3,085**
25.	**Other current liabilities**		
	Advances received from customers	267	357
	Income received in advance	125	214
	Statutory Dues		
	- Provident Fund / ESIC / Profession Tax	101	89
	- Tax Deducted At Source	172	113
	- Service tax / WCT / Excise payable	-	11
	- Sales tax / VAT / GST payable	50	238
	Total	**715**	**1,022**
26.	**Current provisions**		
	Provision for Employee Benefits		
	- Leave Encashment Benefits (Refer Note No.44 (c))	166	146
	- Gratuity (Refer Note No.44 (b))	2	31

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	Other Provision		
	- Sales return (Refer Note No.43 (a))	909	267
	- Discounts (Refer note 43 (b))	224	438
	- Rent escalation (Refer note 43 (c))	#	-
	Total	**1,301**	**882**
27.	**Liabilities for Current Tax (Net)**		
	Provisions for tax (net of advance tax)	395	1,000
	Total	**395**	**1,000**
28.	**Revenue from operations**		
	Sale of products		
	- Finished Goods (Refer note 28.1)	1,10,753	1,06,788
	- Traded Goods	552	543
	Sale of services	651	633
	Other operating revenues	1,267	977
	Total	**1,13,223**	**1,08,941**
28.1	**Provision for Sales Returns:**		
	The above amount is net of provision made for expected sales return amounting to ₹ 909 Lakh (Previous year ₹ 267 Lakh) in accordance with Ind AS 18. Also refer Note 43 (a) and Note 26.		
29.	**Other Income**		
	Interest income	428	575
	Income from non-current investments:		
	Profit on sale of mutual funds	116	421
	Income from current investments:		
	Dividend income from mutual funds	42	-
	Other income		
	Gain on fair valuation of financial assets (net)	11	10
	Other non-operating income	649	617
	Gain on foreign exchange transactions (net)	1,674	769
	Total	**2,920**	**2,392**
30.	**Cost of materials consumed**		
	Raw Materials consumed	59,298	53,013

	Total	**59,298**	**53,013**
31.	**Changes in inventories of finished goods, Stock-in -Trade and work-in-progress**		
	Closing Stock		
	Work In Progress	1,760	1,639
	Finished Goods	23,121	19,679
	Stock in Trade	#	#
		24,881	**21,318**
	Opening Stock		
	Work In Progress	1,639	1,778
	Finished Goods	19,679	18,720
	Stock in Trade	#	#
		21,318	**20,498**
	Total	**(3,563)**	**(820)**
32.	**Employee benefits expense**		
	Salaries, Wages & Bonus	10,583	9,125
	Contribution to Provident and Other Funds	829	684
	Staff Welfare	527	554
	Total	**11,939**	**10,363**
33.	**Finance costs**		
	Interest expenses	597	347
	Total	**597**	**347**
34.	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment (refer note 3)	2,081	2,214
	Depreciation of investment property (refer note 5)	108	109
	Amortisation of intangible assets (refer note 6)	159	176
	Total	**2,348**	**2,499**
35.	**Other expenses**		
	Auditor's remuneration (Refer note 40)	19	46
	Printing Expenses	1,181	791
	Binding Expenses	2,086	1,782
	Other Manufacturing Expenses	2,201	2,061
	Excise Duty on Sale of goods	118	456
	Power & Fuel	299	300
	Freight & Octroi	960	1,048
	Stores & Spares Consumed	492	532
	Repairs to Plant & Machinery	248	200
	Rates & Taxes	166	241
	Sales Tax Expenses	18	14
	Rent	1,273	1,005

	Royalty	2,806	2,223
	Building Repairs & Maintenance	386	425
	Other Repairs	209	178
	Insurance	160	164
	Transportation Expenses	2,012	1,847
	Commission	399	546
	Advertisement	694	1,021
	Marketing Expenses	974	917
	Sales Promotion Expenses	356	425
	Allowance for bad and doubtful debts	109	-
	Bad debts and other irrecoverable advance written off	70	152
	Donation	218	379
	Corporate Social Responsibility Expenses (Refer note 45)	436	416
	Bank Charges	96	119
	Legal and Professional Fees	814	950
	Other Expenses	2,755	2,610
	Total	**21,554**	**20,847**

36. Contingent liabilities:

(a) Tax matters:

i) For disputed Income-tax matters ₹ 42 Lakh (Previous Year ₹ NIL). (Refer below note)

ii) For disputed Sales tax-matters ₹ 4,708 Lakh (Previous Year ₹4,271 Lakh) against which amount paid ₹282 Lakh (Previous year ₹254 Lakh). (Refer below note)

Note: Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments / decisions pending at various forums / authorities. The management does not expect these claims to succeed and accordingly, no provision has been recognised in the financial statements.

(b) Against bond:

i) Duty liability amounting to ₹ Nil (₹ 363 Lakh) for the purchase of excisable inputs without payment of duty under the bonds executed if the export obligation is not fulfilled.

ii) Duty-free imports for which export obligation is pending as at year-end amounting to ₹141 Lakh (Previous Year ₹22 Lakh).

(c) Bank guarantee:

i) In respect of Bank Guarantee given for tender and electricity of ₹ 63 Lakh (Previous Year ₹ 100 Lakh).

ii) Financial Guarantee is issued in favour of banks against loans taken by subsidiaries. The amount of guarantee is ₹ 4,650 Lakh (Previous Year ₹ 3,650 Lakh). The Guarantee given is covered under section 186(4) of the Companies Act, 2013 and is for commercial purpose only. Accounting entry for fair value of financial guarantee as per Ind AS has been passed in the books of account, according to which liability recognised is ₹ 142 Lakh (Previous Year ₹ 80 Lakh) (Refer note 24).

37. Capital Commitments and Other Commitments

An estimated amount of contracts remaining to be executed on capital account is ₹ 803 Lakh (Previous year: ₹ Nil). The

Company does not have any other commitments.

38. Operating Leases

(a) As lessor

The existing cancellable operating lease agreements permit the lessee to cancel the arrangement before the expiry of the normal tenure of the lease. Hence no disclosures are required to be made.

(b) As lessee

The Company has taken various commercial premises under cancellable operating leases. These are normally renewable on expiry. The Company has not taken any commercial premises under non-cancellable operating leases.

39. Derivative Financial Instruments

(a) The assets and liabilities position of various outstanding derivative financial instruments is given below:

(₹ in Lakh)

Particulars	2017-18		2016-17	
	Liability	Asset	Liability	Asset
Hedge				
Foreign currency contract (with underlying trade receivables considered for fair flow hedge)	Nil	4,123	Nil	2,052
Foreign currency contract (with underlying firm commitments considered for cash value hedge)	Nil	25,657	30	10,630

Note: The Company has exchange rate movement risk for above mentioned foreign currency contracts.

(b) Outstanding position and fair value of various foreign exchange derivative financial instruments:

(₹ in Lakh)

Particulars	Currency pair		Fair value Gain / (loss) Amount	
			2017-18	2016-17
Foreign currency contract (with underlying trade receivables considered for fair flow hedge)	USD_INR	Sell	(41)	102
Foreign currency contract (with underlying firm commitments considered for cash value hedge)	USD_INR	Sell	(122)	459
	USD_INR	Buy	-	(1)

(c) Details of amount held in hedging reserve and the period over which these are going to be released

(₹ in Lakh)

Particulars	2017-18		2016-17	
	Closing value in hedging reserve Gain / (Loss)	Release in less than 12 months	Closing value in hedging reserve Gain / (Loss)	Release in less than 12 months
Foreign currency contracts (gross amount):				
USD_INR (trade receivables)	(122)	(122)	459	459
USD_INR (trade payables)	Nil	Nil	(1)	(1)

(d) Amount of loss recognised in hedging reserve and recycled:

i) During the financial year 2017-18:

(₹ in Lakh)

Particulars	Opening balance	Net amount recognised	Recycled to P&L	Closing balance
Foreign currency contracts	(158)	(367)	458	(68)

ii) During the financial year 2016-17:

(₹ in Lakh)

Particulars	Opening balance	Net amount recognised	Recycled to P&L	Closing balance
Foreign currency contracts	(113)	(158)	113	(158)

(e) The amount of gain / (loss) recognised in Statement of Profit and Loss on account of hedge ineffectiveness for cash flow hedges for the year ended 31st March 2018 is ₹ Nil (Previous year : ₹ Nil).

40. Auditors Remuneration:

(₹ in Lakh)

Particulars	2017-18	2016-17
Payment to auditor as:		
a) auditor (i) Statutory audit	14	21
(ii) Tax audit	2	4
b) for taxation matters	-	2
c) for other services	3	18
d) for reimbursement of expenses	#	1
Total	**19**	**46**

41. Earning Per Share :

(₹ in Lakh)

Particulars	2017-18	2016-17
Net Profit available for Equity Shareholders as per statement of profit and loss before other comprehensive income	15,322	16,163
Weighted average number of equity shares for basic and diluted EPS (in Numbers)	2,336	2,372
Basic and Diluted Earning per share (Rs.)	6.56	6.81
Face Value Per Equity Share (Rs.)	2.00	2.00

42. Details of Loans and Advance and Investments as at the year end and maximum balance thereof as per clause 34(3) read with para A of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(₹ in Lakh)

Particulars	Amount as at year end	Maximum amount outstanding during the year
Loans & Advances in the nature of Loans:		

Subsidiaries		
Indiannica Learning Private Limited [Formerly known as 'Encyclopaedia Britannica India Private Limited']	1,500	1,700
	(1,700)	(1,700)

Previous year figures are in bracket

Note: Loans to employees under various schemes of the Company have been considered to be outside the purview of the disclosure requirements.

43. Disclosure of movement of provisions :

(a) Provision for expected sales return

(₹ in Lakh)

Particulars	**2017-18**	**2016-17**
Opening balance of provision	267	212
Add: Addition during the year	909	267
Less: Utilized/Written Back	267	212
Closing balance of provisions	**909**	**267**

(b) Provision for Discounts

(₹ in Lakh)

Particulars	**2017-18**	**2016-17**
Opening balance of provision	438	375
Add: Addition during the year	224	438
Less: Utilized/Written Back	438	375
Closing balance of provisions	**224**	**438**

44. Disclosure pursuant to Indian Accounting Standard 19 'Employee benefits':

(a) The Company has recognised the following amounts towards defined contribution plans as an expense and included in the Statement of Profit and Loss.

(₹ in Lakh)

Particulars	**2017-18**	**2016-17**
Provident Fund	471	400
Employee State Insurance Corporation	70	45
Labour Welfare Fund	1	1
Total	**542**	**446**

(b) Defined benefit plan and long-term employment benefits: Gratuity (Defined benefit plan):

In respect of Gratuity, the Company makes an annual contribution to the employee group gratuity scheme of the Life Insurance Corporation of India, funded defined benefits plan for qualified employees. The scheme provided for lump-sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The Company has provided for gratuity based on the actuarial valuation done as per Project Unit Credit Method. The following table sets out for the status of gratuity plan:

Notes on Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lakh)

Particulars	31st March, 2018	31st March, 2017
Change in Obligation		
Opening Present Value of Accrued Gratuity	2,703	2,254
Service Cost	196	167
Actuarial changes arising from changes in financial assumptions	(80)	113
Actuarial changes arising from changes in demographic assumptions	Nil	Nil
Actuarial changes arising from changes in experience adjustments	238	21
Interest Cost	196	176
Less: Benefits paid	(119)	(28)
Closing Present Value of Accrued Gratuity	3,134	2,703
Change in Plan Asset		
Opening Fund Balance	2,672	2,245
Interest Income	207	186
Return on the plan asset	#	#
Contribution by the Company	372	269
Less :Benefits paid	(119)	(28)
Closing Fund Balance	3,132	2,672
Reconciliation of present value of obligation and the plan asset		
Closing Fund Balance	3,133	2,672
Closing present value of Accrued Gratuity	3,135	2,703
Net Liability recognised in balance sheet	2	31
Expenses recognised in the Statement of Profit & Loss		
Current Service Cost	196	167
Interest Cost	196	176
Expected Return on Plan Assets	(207)	(186)
Expenses recognised in the Statement of P&L	185	157
Expenses recognised in the other comprehensive income		
Net Actual (Gain) / Loss recognised	159	135
Return on the plan asset	#	#
Expenses recognised in the other comprehensive income	159	135
Movement in the Liability recognised in Balance Sheet.		
Opening Net Liability	31	8
Expenses as above	184	157
Contribution paid	(372)	(269)
Other comprehensive income (OCI)	158	135
Closing Net Liability	1	31
Experience adjustment:		
Experience adjustment on plan liability	-	-

(₹ in Lakh)

Particulars	31st March, 2018	31st March, 2017
Experience adjustment on plan asset	#	#
Net experience adjustment	#	#

Sensitivity analysis:

PVO	Discount rate	Salary escalation rate
PVR DR+1%	2,868	3,441
PVR DR-1%	3,447	2,868
Assumptions		
Expected return on plan assets	7.67%	7.40%
Salary escalation rate	8.00%	8.00%
Discounting rate	7.67%	7.40%
Employee attrition rate	0.80% for all ages	0.80% for all ages
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Composition of plan assets	100% with Life Insurance Corporation (LIC)	100% with Life Insurance Corporation (LIC)

(c) Defined benefit plan and long-term employment benefits: Leave encashment (unfunded)

In respect of leave encashment benefit, accrual is made on the basis of a year-end actuarial valuation in pursuance of the Company's leave rules.

The Company has provided for leave benefits based on the actuarial valuation done as per Project Unit Credit Method. The following table sets out for the status of leave encashment plan:

(₹ in Lakh)

Particulars	31st March, 2018	31st March, 2017
Change in Obligation		
Opening Present Value	1,322	911
Service Cost	555	517
Actuarial changes arising from changes in financial assumptions	(50)	326
Actuarial changes arising from changes in demographic assumptions	Nil	Nil
Actuarial changes arising from changes in experience adjustments	(324)	(449)
Interest Cost	95	69
Less :Benefits paid	(69)	(51)
Closing Present Value	1,529	1,322
Change in Plan Asset		
Opening Fund Balance	-	-
Contribution by the Company	69	51
Less :Benefits paid	(69)	(51)

(₹ in Lakh)

Particulars	31st March, 2018	31st March, 2017
Closing Fund Balance	-	-
Reconciliation of present value of obligation and the plan asset		
Closing Fund Balance	-	-
Closing present value	1,529	1,322
Net Liability recognised in balance sheet	1,529	1,322
Expenses recognised in the Statement of Profit & Loss		
Current Service Cost	555	517
Interest Cost	95	69
Net Actual (Gain) / Loss recognised	(374)	(124)
Expenses recognised in the Statement of P&L	276	463
Movement in the Liability recognised in Balance Sheet		
Opening Net Liability	1,322	911
Expenses as above	276	463
Benefits paid	(69)	(51)
Closing Net Liability	1,529	1,322

Sensitivity analysis:

PVO	Discount rate	Salary escalation rate
PVR DR+1%	1,363	1,726
PVR DR-1%	1,729	1,363

Assumptions

Salary escalation rate	8.00%	8.00%
Discounting rate	7.67%	7.40%
Employee attrition rate	0.80% for all ages	0.80% for all ages
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Composition of plan assets	Not funded	Not funded

45. As per Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company. The areas for CSR activities are reducing inequalities faced by socially and economically backward groups, Promoting Education & Preventive Health care which are as per eligible activities specified in Schedule VII of the Companies Act, 2013.

(a) Gross amount required to be spent by the Company during the current year is ₹ 418 Lakh (Previous year: ₹ 359 Lakh).

(b) Details of amount spent during the year are as under:

(₹ in Lakh)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
	(-)	(-)	(-)

(ii) On purpose other than (i) above	436	-	436
	(416)	(-)	(416)

(Previous years figures are in bracket)

46. Figures of ₹ 50,000 or less have been denoted by #

47. Income tax

A. Income tax expense in the statement of profit and loss consists of:

(₹ in Lakh)

Particulars	2017-18	2016-17
Current income tax:		
In respect of the current year	8,287	8,700
In respect of the prior years	11	(47)
Deferred tax		
In respect of the current year	(174)	(218)
Income tax expense recognised in the statement of profit or loss	**8,124**	**8,435**
Income tax recognised in other comprehensive income:		
Deferred tax arising on income and expense recognised in OCI		
a) Re-measurement of the net defined benefit plan	(55)	-
b) Financial liabilities at fair value (forward contracts)	(212)	45
Income tax expense recognised in other comprehensive income	**(267)**	**45**

B. The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

(₹ in Lakh)

Particulars	2017-18	2016-17
Profit before tax	23,445	24,598
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	8,114	8,513
Effect of:		
Impact of changes on account of permanent disallowances	27	427
Impact of Chapter VI-A deductions	105	(259)
Adjustment to current tax for prior years	11	(47)
Impact of changes on account of deferred tax	(174)	(218)
Impact of tax rate change	2	-
Others	38	19
Income tax expense recognised in the statement of profit and loss	**8,123**	**8,435**

48. The Board of directors has recommended final dividend of INR 1.50 per share on face value of INR 2/- each for the Financial year 2017-18 on board meeting held on May 10, 2018, subject to approval of shareholders in ensuing Annual General Meeting.

49. Fair value of the financial assets and liabilities

The management assessed that the fair values of financial asset and financial liabilities approximate their carrying amounts.

The following methods and assumptions were used to estimate the fair values:

(a) Fair values of cash and cash equivalents, trade receivables, interest accrued on deposits with the bank, bank deposits, trade payables and other financial liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

(b) The management has considered fair value of security deposits,loan from bank, loan from related party, equal to their carrying value as fair values based on the current market interest rates and other risk factors approximate to carrying value.

Fair value hierarchy
The following table presents the financial assets and financial liabilities by level with the fair value measurement hierarchy :

(₹ in Lakh)

		31st March, 2018		31st March, 2017	
		Level of input used in*	Carrying Amount	Level of input used in	Carrying Amount
a)	**Financial assets**				
	At Amortised Cost				
	Trade receivables	NA	25,139	NA	20,607
	Cash and cash equivalents	NA	379	NA	236
	Bank deposits	NA	2	NA	2
	At Fair Value Through P&L				
	Security deposits	Level 2	1	NA	-
b)	**Financial liabilities**				
	At Amortised Cost				
	Cash Credit	NA	7,793	NA	1,089
	Trade payables	NA	5,064	NA	4,578

* There has been no transfer between level 1 and level 2 during the year ended 31st March, 2018 and 31st March, 2017. Level is NA, since valued at amortised cost.

50. Financial Risk Management

The Company is exposed to market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks which are summarized below:

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risks. Financial instruments affected by market risk primarily include trade receivables, trade payables, cash and cash equivalents.

The sensitivity analysis in the following sections relates to the position for the periods presented. The sensitivity analysis has been prepared on the basis that the amount of net debt and the proportion of financial instruments in foreign currencies are all constant. The analysis excludes the impact of movements in market variables on the carrying values of gratuity obligation and provisions.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks based on the financial assets and financial liabilities held at the periods presented.

Interest rate risk

The following tables demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Lakh)

	Change in Int. Rate	Effect on profit before tax
31st March, 2018	Increase by 50 basis points (50 bps)	106
	Decrease by 50 basis points (50 bps)	(106)
31st March, 2017	Increase by 50 basis points (50 bps)	73
	Decrease by 50 basis points (50 bps)	(73)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to trade payables, trade receivables.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Lakh)

	Change in USD rate	Effect on profit before tax
31st March, 2018	Increase by 500 basis points (500bps)	(2)
	Decrease by 500 basis points (500bps)	2
31st March, 2017	Increase by 500 basis points (500bps)	1
	Decrease by 500 basis points (500bps)	(1)

Price risk

The Company is not exposed to any significant price risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management. The Company evaluates the concentration of risk with respect to trade receivables as low. Out of total trade receivables balance as at 31st March, 2018 ₹ 2,703 Lakh (Previous year: ₹ 702 Lakh) is due from a single US-based customer being the Company's largest customer for which the Company has discounted bills with no recourse terms. There are no other customers who represent more than 10% of the balance of trade receivables. Outstanding customer receivables are regularly monitored by the management.

An impairment analysis is performed at each reporting date on an individual basis for major customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

The ageing of trade receivable and credit loss allowance is as under:

(₹ in Lakh)

Particulars	Ageing		Total
	Up to 6 months	More than 6 months	
As at 31st March, 2018			
Secured	-	-	-
Unsecured	24,368	879	25,248
Total receivables	24,368	879	25,248
Allowance for doubtful receivables and credit losses			109
Net Receivables	**24,368**	**879**	**25,139**
Expected loss rate *			0.43%
As at 31st March, 2017			
Secured	-	-	-
Unsecured	19,228	1,379	20,607
Total receivables	19,228	1,379	20,607
Allowance for doubtful receivables and credit losses			-
Net Receivables	**19,228**	**1,379**	**20,607**
Expected loss rate *			0.00%

* Expected loss rate includes both allowance made based on age of the recievable and expected loss based on historical experience.

Movement in credit loss allowance (₹ in Lakh)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Balance at the beginning	-	-
Additional provision	109	-
Amounts written off	-	-
Balance at the end	109	-

Deposits with banks and other financial assets
Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

Liquidity risk
Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain an optimum level of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakh)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	Total
Year ended 31st March, 2018				
Indian rupee loan	7,980	420	-	8,400
Working capital loan	4,817	188	-	5,004
Cash credit facility	7,399	394	-	7,793
Trade payables	3,183	1,881	-	5,064
Year ended 31st March, 2017				
Indian rupee loan	8,075	425	-	8,500
Working capital loan	4,816	186	-	5,002
Cash credit facility	1,008	82	-	1,089
Trade payables	3,011	1,567	-	4,578

The Company is not exposed to significant liquidity risk.

51. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, Loan obligation, trade and other payables and less cash and cash equivalents.

(₹ in Lakh)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Indian rupee loan	8,400	8,500
Working capital loan	5,004	5,002
Cash credit facility	7,793	1,089
Trade payables	5,064	4,578
Less: cash and cash equivalent	-379	-236
Net Debt	**25,882**	**18,933**
Equity	80,841	72,560
Capital and Net debt	**1,06,723**	**91,493**
Gearing Ratio	**24%**	**21%**

52. Changes in financing activities arising from cash and non-cash changes:

(₹ in Lakh)

Particulars	31st March, 2018	Cash flows	Non-cash changes	31st March, 2017
Working capital loan from bank	13,404	(97)	-	13,502
Total	**13,404**	**(97)**	**-**	**13,502**

53. "Revenue from operations for the periods up to 30th June, 2017 includes excise duty, which is discontinued effective 01st July, 2017 upon implementation of Goods and Service Tax (GST) in India. GST is not included in revenue from operations w.e.f. 01st July, 2017. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended 31st March, 2018 are not comparable with previous periods.

For the purpose of comparability, revenue from operations including excise duty and excluding excise duty are given below:

(₹ in Lakh)

Particulars	For the year ended	
	31st March, 2018	31st March, 2017
Revenue from operations (including excise duty)	1,13,224	1,08,941
Less: Excise duty	118	456
Revenue from operations (excluding excise duty)	1,13,106	1,08,485

54. Related Party Transactions

I) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

(a) Enterprises where control exists:

eSense Learning Private Limited	Subsidiary Company 100% (P.Y.100%) of whose equity share capital is held by the Company as at 31st March, 2018
Navneet Learning LLP	Subsidiary Entity 93% (P.Y.95%) of share of profit of the Company and voting rights as at 31st March, 2018
Indiannica Learning Pvt.Ltd. [Formerly known as 'Encyclopaedia Britannica India Pvt. Ltd.]	Subsidiary Company 100% (P.Y. 100%) of whose equity share capital is held by the Company as at 31st March, 2018
Navneet (HK) Ltd	Subsidiary Company 70% (P.Y. NIL) of whose equity share capital is held by the Company as at 31st March, 2018

(b) Associates:
K12 Techno Services Pvt. Ltd.

(c) Other Related Parties with whom transactions have taken place during the year:

(i)	Enterprises owned or significantly influenced by key management personnel or their relatives	Navneet Prakashan Kendra	Navneet Foundation
		Vikas Prakashan	Blacksoil Capital Pvt.Ltd
		Gala Publishers	Anushka Builders
		Sandeep Agency	The Flagship Advertising Pvt. Ltd.
		Gala Comp	Schoolwear Pvt. Ltd. (From 15-06-2016 to 13-03-2018)
(ii)	Key Management Personnel & Relatives	Shri Bipin A. Gala	Shri Kamlesh S. Vikamsey
		Shri Anil D. Gala	Shri Nilesh S. Vikamsey
		Shri Gnanesh D. Gala	Smt. Usha Laxman
		Shri Raju H. Gala	Shri Tushar K. Jani
		Shri Shailendra J. Gala	Shri Mohinder P. Bansal
		Shri Sanjeev J. Gala	Dr. Vijay B. Joshi
		Shri Kalpesh H. Gala	Shri Archit R.Gala
		Shri Ketan B. Gala	Smt Henal T. Mehta
		Smt Pooja Ketan Gala	Shri Atul J. Shethia
		Shri Devish G. Gala	

(iii)	"Key Management Personnel & Relatives as per the Companies Act 2013"	Shri Deepak L Kaku (Chief Financial Officer)	
		Shri Amit D Buch (Company Secretary)	
(iv)	Post employement benefit plan entity	Employees' Gratuity fund	

II) Disclosure in respect of transactions with related parties during the year

(₹ in Lakh)

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1.	**Royalty Expense**				
	Subsidiaries:	157		205	
	eSense Learning Private Limited		157		205
	Enterprises owned or significantly influenced by KMP or their relatives, including:	2,612		1,982	
	Navneet Prakashan Kendra		1,370		1,053
	Vikas Prakashan		779		594
	Gala Publishers		463		334
2.	**Rent Expense**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	906		694	
	Navneet Prakashan Kendra		664		475
	Vikas Prakashan		55		58
	Gala Publishers		30		28
	Sandeep Agency		157		131
	Gala Comp		#		3
3.	**Sales Promotion Expense**				
	Subsidiaries:	1		-	
	eSense Learning Private Limited		1		-
4.	**Electricity Expense**				
	Subsidiaries:	-		#	
	eSense Learning Private Limited		-		#
	Enterprises owned or significantly influenced by KMP or their relatives, including:	#		#	
	Navneet Prakashan Kendra		#		#

Notes on Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lakh)

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
5.	**Legal fees**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	72		#	
	The Flagship Advertising Pvt.Ltd.		63		#
	Smt Henal T. Mehta		8		#
6.	**Sundry balance write off**				
	Associates	14		-	
	K12 Techno Services Pvt. Ltd.		14		-
7.	**Remuneration / Salary Paid to**				
	KMP & their Relative				
	Remuneration / Salary Paid to	1,194		892	
	Shri Atul J. Sethia		64		44
	Shri Bipin A. Gala		133		101
	Shri Anil D. Gala		133		101
	Shri Gnanesh D. Gala		133		101
	Shri Shailendra J. Gala		126		93
	Shri Raju H. Gala		133		101
	Shri Sanjeev J. Gala		126		93
	Shri Ketan Bipin Gala		126		93
	Shri Kalpesh H. Gala		126		93
	Smt.Pooja Ketan Gala		4		4
	Shri Archit R. Gala		3		1
	Shri Devish G. Gala		6		-
	Shri Deepak L. Kaku		47		38
	Shri Amit D. Buch		33		29
	Sitting fees paid to non-executive director	6		7	
	Shri Kamlesh S. Vikamsey		1		1
	Shri. Nilesh S. Vikamsey		#		1
	Smt. Usha Laxman		1		1
	Shri Tushar K. Jani		2		1
	Shri Mohinder Pal Bansal		2		2
	Dr. Vijay B. Joshi		1		2
8.	**Loan Given**				
	Subsidiaries:	1,500		1,750	
	eSense Learning Private Limited		-		50
	Indiannica Learning Pvt.Ltd.		1,500		1,700
9.	**Investment**				
	Subsidiaries, including:	2,168		7,903	
	Navneet Learning LLP		2,145		280

(₹ in Lakh)

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
	Indiannica Learning Pvt.Ltd.		-		7,623
	Navneet (HK) Limited		23		-
10.	**Corporate Guarantee Given**				
	Subsidiaries, including:	374		191	
	eSense Learning Private Limited		232		134
	Indiannica Learning Pvt.Ltd.		142		57
11.	**Purchase of Finished Goods & Assets**				
	Subsidiary:	23		256	
	eSense Learning Private Limited		23		256
	Enterprises owned or significantly influenced by KMP or their relatives, including:	-		401	
	Anushka Builders		-		401
12.	**Purchase of Finished Goods & Assets**				
	Subsidiary:	48		-	
	Indiannica Learning Pvt.Ltd.		48		-
13.	**Rent Income**				
	Subsidiaries, including:	51		40	
	eSense Learning Private Limited		51		38
	Indiannica Learning Pvt.Ltd.		-		2
	Enterprises owned or significantly influenced by KMP or their relatives, including:	8		2	
	Blacksoil Capital Pvt.Ltd		6		2
	Schoolwear Pvt Ltd		2		-
14.	**Job work income**				
	Subsidiaries, including:	141		-	
	Indiannica Learning Pvt.Ltd.		141		-
15.	**Interest Income**				
	Subsidiaries, including:	105		85	
	eSense Learning Private Limited		-		44
	Indiannica Learning Pvt.Ltd.		105		41
	Enterprises owned or significantly influenced by KMP or their relatives, including:	-		14	
	The Flagship Advertising Pvt.Ltd.		-		14
16.	**Sales of Finished Goods / services**				
	Subsidiaries, including:	#		55	
	eSense Learning Private Limited		#		55

Notes on Standalone Financial Statements

for the year ended 31st March, 2018

(₹ in Lakh)

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
	Enterprises owned or significantly influenced by KMP or their relatives, including:	8		8	
	Navneet Foundation		8		8
17.	**Loan repayment**				
	Subsidiaries, including:	1,700		210	
	eSense Learning Private Limited		-		100
	The Flagship Advertising Pvt.Ltd.		-		110
	Indiannica Learning Pvt.Ltd.		1,700		-
18.	**Conversion of**				
	Debentures into Equity				
	Subsidiaries, including:			5,479	
	eSense Learning Private Limited		-		1,500
	Loan into Equity				
	Subsidiaries, including:				
	eSense Learning Private Limited		-		450
19.	**Contribution to Post-employement benefit plan**	372		2,672	
	Employees' Gratuity fund		372		2,672
20.	**Shares bought Back**				
	KMP & their Relative	-		433	
	Shri Bipin A. Gala		-		48
	Shri Anil D. Gala		-		72
	Shri Gnanesh D. Gala		-		69
	Shri Shailendra J. Gala		-		29
	Shri Raju H. Gala		-		25
	Shri Sanjeev J. Gala		-		29
	Shri Ketan Bipin Gala		-		55
	Shri Kalpesh H. Gala		-		79
	Smt.Pooja Ketan Gala		-		7
	Shri Archit R. Gala		-		22
21.	**Dividend Paid**				
	KMP & their Relative	491		422	
	Shri Bipin A. Gala		53		30
	Shri Anil D. Gala		82		74
	Shri Gnanesh D. Gala		79		71
	Shri Shailendra J. Gala		33		29
	Shri Raju H. Gala		28		25
	Shri Sanjeev J. Gala		33		30
	Shri Ketan Bipin Gala		63		56
	Shri Kalpesh H. Gala		90		81

(₹ in Lakh)

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2017-18		2016-17	
		Amount	Amounts for major parties	Amount	Amounts for major parties
	Smt.Pooja Ketan Gala		7		6
	Shri Archit R. Gala		22		20
	Dividend paid to non-executive director	#		#	
	Shri Mohinder Pal Bansal		#		#
	Dr. Vijay B. Joshi		#		#
	Enterprises owned or significantly influenced by KMP or their relatives, including:	3		2	
	Smt Henal T. Mehta		3		2

Related Parties Accounts Payable/Receivable as on 31.3.2018

1.	**Loans & Advances Recoverable**				
	Subsidiaries, including:	1,500		1,700	
	Indiannica Learning Pvt.Ltd.		1,500		1,700
2.	**Investments**				
	Subsidiaries, including:	17,824		15,789	
	eSense Learning Private Limited		2,456		2,590
	Navneet Learning LLP		7,722		5,576
	Indiannica Learning Pvt.Ltd.		7,623		7,623
	Navneet (HK) Limited		23		-
3.	**Trade receivable**				
	Subsidiaries, including:	106		-	
	Indiannica Learning Pvt.Ltd.		106		-
4.	**Balance with Fund**	3,133		2,672	
	Employees' Gratuity fund		3,133		2,672

55. SEGMENT REPORTING

The Company's operations relate to publication of knowledge-based information in educational and general books form and manufacturing of paper and other stationery items. It caters to the educational need of Indian as well as Global market. Accordingly "Publication" and " Stationery " comprise of the primary segments.

Secondary segmental reporting is performed on the basis of the geographical location of customers.

The accounting principles and policies used in the preparation of the Financial Statements, as set out in the note on significant accounting policies, are also consistently applied to record revenue and expenditure, in individual segments.

Notes on Standalone Financial Statements

for the year ended 31st March, 2018

[A] Primary - Business Segments

(₹ in Lakh)

Particulars	Publication		Stationery		Others		Total	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Revenue	62,821	59,433	50,096	48,602	581	1,194	1,13,498	1,09,229
Less : Inter Segment Revenue	-	-	-	-	(274)	(288)	(274)	(288)
Net Revenue	62,821	59,433	50,096	48,602	307	906	1,13,224	1,08,941
Other Income	317	151	1,616	835	(1)	68	1,932	1,053
Segment Revenue	**63,138**	**59,584**	**51,712**	**49,437**	**306**	**973**	**1,15,156**	**1,09,994**
Segment Results	**21,294**	**21,360**	**5,071**	**5,531**	**(53)**	**153**	**26,311**	**27,044**
Add:Unallocated Other Income / (Expense)							989	1,339
Less:Financial Expenses							(597)	(347)
Less:Unallocable Expenditures							(3,258)	(3,438)
Profit Before Taxation							**23,445**	**24,598**
Provision for Taxation (Income tax & Deferred tax)							8,124	8,434
Profit after taxation							**15,322**	**16,163**
Segment Assets	49,816	51,667	51,184	37,690	8,694	5,816	1,09,695	95,173
Unallocated Assets							3,824	4,059
Total Assets							**1,13,519**	**99,233**
Segment Liabilities	3,400	3,566	6,448	5,654	26	102	9,874	9,322
Unallocated Liabilities							22,803	17,352
Total Liabilities							**32,678**	**26,673**
Capital Expenditure	1,323	873	1,674	854	2	13	2,998	1,741
Unallocated Capital Expenditure							63	1
Depreciation and amortisation on Segmental Assets	1,313	1,484	869	796	112	130	2,294	2,410
Unallocated Depreciation and amortisation							54	89
Material non cash items other than depreciation and amortisation (Allowance for bad and doubtful debts)							109	-

Notes :

1. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the respective segment, however, revenue and expenses which can not be identified or allocated reasonably to a segment being related to the enterprise as a whole have been grouped as unallocable.

2. Segment assets and segment liabilities represent assets and liabilities of respective segments , however, the assets and liabilities not identifiable or allocable on reasonable basis being related to the enterprise as a whole have been grouped as unallocable.

3. The businesses which have been grouped under “Others” segment comprises of revenue from the generation of power by windmill, Pre School, trading items etc.

4. In publication segment, concentration of revenues from one customers of the Company were 15.32% and 15.38% of total revenue for the year ended 31st March, 2018 and 31st March, 2017 respectively and in stationery segment, concentration of revenues from one customers of the Company were 28.78% and 31.62% of total revenue for the year ended 31st March, 2018 and 31st March, 2017 respectively .

[B] Secondary - Geographical Segments

(₹ in Lakh)

Particulars	North & Central America	Africa	Europe	Australia & Oceania	Rest of the world except India	India	Total
Segment Revenue	17,994	1,407	3,540	23	1,009	89,250	1,13,224
	(12,680)	**(1,817)**	**(2,215)**	**(25)**	**(554)**	**(91,650)**	**(1,08,941)**
Segment Assets	3,050	128	680	-	214	1,09,448	1,13,519
	(1,057)	**(409)**	**(598)**	**-**	**(191)**	**(96,977)**	**(99,233)**

56. Additional Information as required by para 7 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.

57. Previous Year Figures have been regrouped/rearranged wherever necessary.

As per our report of even date attached hereto

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number - 116560W / W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381

Place: Mumbai
Date : 10th May, 2018

For & On behalf of the Board of Navneet Education Limited

sd/-
Kamlesh S. Vikamsey
Chairman
DIN: 00059620

sd/-
Gnanesh D. Gala
Managing Director
DIN: 00093008

sd/-
Deepak L. Kaku
Chief Financial Officer

sd/-
Amit D. Buch
Company Secretary
Mem. No. A15239

Place: Mumbai
Date : 10th May, 2018

Navneet Education Limited

Consolidated financials for the year ended 31st March, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF NAVNEET EDUCATION LIMITED

Knowledge is wealth

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the consolidated Ind AS financial statements of Navneet Education Limited (hereinafter referred to as "the Company") and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group') and its associate, comprising the Consolidated Balance Sheet as at 31st March, 2018 the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in paragraph (a) of 'Other Matter' below and the unaudited financial statements provided by the management of an associate and one foreign subsidiary referred to in paragraph (b) of 'Other Matter' below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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

Other Matter

a) We did not audit the financial statements in respect of one subsidiary entity whose financial statement reflect total assets of ₹ 7,731.37 Lakh and a net liability of ₹ 1.13 Lakh, total revenue (including other income) of ₹ Nil and net cash inflows amounting to ₹ 0.81 Lakh as considered in the consolidated Ind AS financial statement of the Company. This financial statement has been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated Ind AS financial statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of such other auditor.

b) The consolidated financial statements also include unaudited amounts of:

   a. one foreign subsidiary whose total assets of ₹ 30.21 Lakh and net asset of ₹ 30.21 Lakh, total revenue (including other income) of ₹ Nil and net cash inflows amounting to ₹ 30.21 Lakh.

   b. one associate for which Group's share of net loss (including other comprehensive income) of ₹ 11.52 Lakh

   These unaudited financial statements have been furnished to us by the management and our opinion on the consolidated Ind AS financial statement, in so far as it relates to the amounts and disclosures included in respect of a foreign subsidiary and an associate, our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid foreign subsidiary and associate are based solely on the information provided by the management.

   Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters.

c) The figures for the year ended 31st March, 2017 are based on the previously issued annual consolidated Ind AS financial statements that were audited by the erstwhile auditors whose reports dated 26th May, 2017 expressed unmodified opinion.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit, we report to the extent applicable that:

(In our view Section 143(3) of the Act is not applicable to one subsidiary which is incorporated outside India),

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated Ind AS financial statements;

b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the auditor;

c) The Consolidated Ind AS financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;

e) On the basis of the written representations received from the Directors of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its subsidiary company covered under the Act, none of the directors of the Group companies incorporated in India covered under the Act are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act; With respect to the associate, the information about disqualification of director u/s 164(2) is not available; hence, we cannot comment on the same;

f) With respect to adequacy of internal financial controls system over financial reporting of the Group covered under the Act and the operating effectiveness of such controls, considering that one foreign subsidiary is incorporated outside India and an associate whose accounts are not audited as on the date of the report, reporting requirements are not applicable and not possible to report upon respectively, refer to our separate report given in Annexure I which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the report of statutory auditor of the subsidiary companies and information furnished to us by the management in respect to an associate:

i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated Ind AS financial statements – Refer Note 37 (a) to the consolidated Ind AS financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration Number 116560W/W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381

Place: Mumbai
Date: 10th May, 2018

Annexure I to Independent Auditor's Report for the year ended 31st March 2018

[Referred to in paragraph (f) under "Report on other legal and regulatory requirements" section of our report to the Members of Navneet Education Limited of even date]

Report on the Internal Financial Controls under section 143(3)(i) of the Act

In conjunction with our audit of the consolidated Ind AS financial statements of Navneet Education Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its associate company as of and for the year ended 31st March, 2018 we have audited the internal financial controls over financial reporting of the Company, its subsidiaries and its associate company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained; if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control over financial reporting of the Company, its subsidiaries and its associate company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

a) The Company has one subsidiary incorporated outside India and one subsidiary entity not covered under the Act and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary company and subsidiary entity.

b) The consolidated financial statements also include unaudited results of one associate for which Group's share of net loss (including other comprehensive income) of ₹ 11.52 Lakh. Because financial statements are unaudited, report on internal financial control over financial reporting for the year is not provided to us. Further, report on internal financial control over financial reporting for the previous financial year issued by such other statutory auditor in which disclaimer of opinion stated that the Company has not established its internal financial control over financial reporting on criteria based on or essential components of internal control stated in Guidance Note issued by the ICAI. Because of this, they were unable to obtain sufficient appropriate audit evidence to provide a basis for their opinion whether the Company had adequate internal financial control over financial reporting and whether such controls were operating effectively.

Our opinion is not modified in respect of the above matters.

For N. A. Shah Associates LLP
Chartered Accountants
Firm's Registration Number 116560W/W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381

Place: Mumbai
Date: 10th May, 2018

Consolidated Balance Sheet

as at 31st March, 2018

(₹ in Lakh)

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
I.	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	3	15,310	14,650
	(b) Capital work-in-progress	4	256	276
	(c) Investment property	5	1,882	2,022
	(d) Goodwill		4,567	4,567
	(e) Other intangible assets	6	3,700	3,990
	(f) Intangible assets under development	7	159	-
	(g) Financial assets			
	(i) Investment in associate	8	4,582	2,447
	(ii) Loans	9	2,088	2,173
	(h) Deferred tax assets	21	318	10
	(i) Other non-current assets	10	1,077	1,066
	Total non-current Assets		**33,939**	**31,201**
	Current assets			
	(a) Inventories	11	42,815	38,429
	(b) Financial assets			
	(i) Trade receivables	12	31,810	27,780
	(ii) Cash and cash equivalents	13	503	837
	(iii) Other bank balances	14	179	135
	(iv) Loans	15	754	953
	(v) Other financial assets	16	99	87
	(c) Other current assets	17	5,256	2,568
	Total Current Assets		**81,416**	**70,789**
	TOTAL ASSETS		**1,15,355**	**1,01,990**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity share capital	18	4,671	4,671
	(b) Other equity		70,528	64,710
	Equity attributable to equity holders of the parent		**75,199**	**69,381**
	Non-controlling interests		16	5
	Total equity		**75,215**	**69,386**
	LIABILITIES			
	Non-Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	-	58
	(b) Provisions	20	1,664	1,475
	(c) Other non current liabilities	22	1	104
	Total non-current liabilities		**1,665**	**1,637**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	23	22,532	15,882
	(ii) Trade payables	24		
	- Amount due to micro and small enterprises		757	207
	- Amount due to others		6,768	6,917
	(iii) Other financial liabilities	25	4,448	3,538
	(b) Other current liabilities	26	953	1,309
	(c) Provisions	27	2,622	2,114
	(d) Liabilities for Current Tax (Net)	28	395	1,000
	Total current liabilities		**38,475**	**30,967**
	TOTAL EQUITY AND LIABILITIES		**1,15,355**	**1,01,990**

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date attached hereto

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number - 116560W / W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381
Place: Mumbai
Date : 10th May, 2018

For & On behalf of the Board of Navneet Education Limited

sd/-
Kamlesh S. Vikamsey
Chairman
DIN: 00059620

sd/-
Gnanesh D. Gala
Managing Director
DIN: 00093008

sd/-
Deepak L. Kaku
Chief Financial Officer

sd/-
Amit D. Buch
Company Secretary
Mem. No. A15239

Place: Mumbai
Date : 10th May, 2018

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2018

Knowledge is wealth

(₹ in Lakh)

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I	Revenue from operations	29	1,20,400	1,17,223
II	Other Income (net)	30	2,598	2,234
III	**Total Revenue (I + II)**		**1,22,998**	**1,19,457**
IV	**Expenses**			
	Cost of materials consumed	31	61,666	54,405
	Purchase of stock-in-trade		622	657
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(3,800)	(595)
	Employee benefits expense	33	14,677	11,866
	Finance costs	34	773	429
	Depreciation and amortization expense	35	3,066	2,835
	Other expenses	36	24,989	23,482
IV	**Total expenses**		**1,01,995**	**93,080**
V	Profit before tax (III - IV)		21,003	26,377
VI	Tax expense:			
	Current Tax		8,287	8,700
	Deferred Tax		(45)	(385)
	(Excess) / Short Provision of earlier year written back / written off		11	(46)
			8,253	**8,269**
VII	**Profit for the year (V - VI)**		**12,750**	**18,108**
	Share of profit / (loss) of an associate		(14)	(1,047)
VII	**Profit for the year (V - VI)**		**12,736**	**17,061**
VIII	Other comprehensive income:			
a)	Items that will not be reclassified to profit or loss in subsequent year (including Group's proportionate share of an associate)		(134)	(148)
	Less: Income tax relating to items that will not be reclassified to profit & loss		50	-
b)	Items that will be reclassified to profit or loss in subsequent year		(579)	131
	Less: Income tax relating to items that will be reclassified to profit & loss		212	(45)
VIII	Total other comprehensive income / (loss) for the year, net of tax		(451)	(62)
IX	**"Total Comprehensive Income for the year (VII + VIII) (Total of profit and other comprehensive income for the year)"**		12,285	16,999
	Profit attributable to:			
	Owners of the parent		12,736	17,061
	Non-controlling interest		#	#
			12,736	**17,061**
	Other comprehensive income attributable to:			
	Owners of the parent		(451)	(62)
	Non-controlling interest		-	-
			(451)	**(62)**
	Earnings per equity share of ₹2/- each (Previous Year: ₹2/- each)	41		
	(1) Basic		5.45	7.19
	(2) Diluted		5.45	7.19

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date attached hereto

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number - 116560W / W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381
Place: Mumbai
Date : 10th May, 2018

For & On behalf of the Board of Navneet Education Limited

sd/-
Kamlesh S. Vikamsey
Chairman
DIN: 00059620

sd/-
Gnanesh D. Gala
Managing Director
DIN: 00093008

sd/-
Deepak L. Kaku
Chief Financial Officer

sd/-
Amit D. Buch
Company Secretary
Mem. No. A15239

Place: Mumbai
Date : 10th May, 2018

Consolidated Cash Flow Statement

for the year ended 31st March, 2018

(₹ in Lakh)

Particulars	2017-18	2016-17
Cash Flow from Operating Activities		
Net profit before tax and share of loss in associates	20,989	25,331
Adjustments for:		
Interest and financial income classified as investing cash flow	(1,872)	(1,244)
(Profit) / Loss on disposal of property, plant and equipment	(40)	(74)
(Profit) / Loss on sale of investments	(116)	(372)
(Profit) / Loss on sale of LLP	2	2
Fixed assets discarded / disposed off	85	-
Inventory written off	163	-
Bad-debt written off	225	8
Finance cost (net)	773	429
Changes in fair value of financial assets or liabilities	(134)	(148)
Provisions for Doubtful Advances	28	27
Allowance for bad and doubtful debts and credit losses	257	-
Unrealised foreign exchange fluctuation (loss)/ gain	96	9
Depreciation and amortization expense	3,066	2,835
	23,521	**26,802**
Changes in operating assets and liabilities:		
(Increase) / Decrease in inventories	(4,549)	(7,686)
(Increase) / Decrease in trade and other receivables	(4,609)	(9,122)
(Increase) / Decrease in other financial assets	(56)	121
(Increase) / Decrease in other non-current assets	(11)	73
(Increase) / Decrease in other current assets	(2,716)	(767)
(Increase) / Decrease in Loans & Advances	284	(738)
Increase / (Decrease) in trade and other payables	400	4,595
Increase / (Decrease) in provisions	697	1693
Increase / (Decrease) in other non current liabilities	(113)	104
Increase / (Decrease) in financial liabilities	(523)	-36
Increase / (Decrease) in current liabilities	(355)	348
	11,972	15,387
Less: Income taxes paid (Refer note 3 below)	(8,824)	(7,509)
Net cash inflow from Operating Activities (A)	**3,148**	**7,878**
Cash flow from Investing Activities		
Purchase of property, plant and equipment, investment property, intangible assets (including under development) and change in capital Work-in-progress	(3,719)	(5,777)
Proceeds from disposal of property, plant and equipment	239	248
Payment for purchase of investment	1,64,360	2,89,045
Proceeds from sale of investment	1,64,476	2,89,417
Payments for capital contribution in LLP (subsidiary entity) for additional investment in an Associate	(2,138)	765
Interest and financial income	1,872	12,444
Exchange Loss on additional capital in foreign subsidiary	#	-

Consolidated Cash Flow Statement

for the year ended 31st March, 2018

Knowledge is wealth

Particulars	2017-18	2016-17
Payment towards goodwill on acquisition	-	(4,567)
	(3,630)	(7,715)
Less: Income taxes paid (Refer note 3 below)	(79)	(150)
Net cash inflow / (outflow) from Investing Activities (B)	**(3,709)**	**(7,865)**
Cash flow from Financing Activities		
Payment against buyback of shares (face value and premium)	-	(5,821)
Proceeds from / (repayment of) working capital loan	53	6,123
Proceeds from / (repayment of) rupee loan	(100)	(550)
Proceeds from / (repayment of) vehicle loan	(47)	47
Finance Cost (Net)	(773)	(429)
Dividend Paid (including Dividend Tax)	(7,028)	-
Net cash (outflow) from Financing Activities (C)	**(7,896)**	**(630)**
Net Increase in Cash and Cash Equivalents (A + B + C)	**(8,457)**	**(617)**
Cash and cash equivalent as at the commencement of the year	(769)	(152)
Cash and cash equivalent as at the end of the year	(9,226)	(769)
Net Increase as mentioned above	**(8,457)**	**(617)**

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in IND AS 7, "Statement of Cash Flows.
2. Refer note 49 for changes in financing activities arising from cash and non-cash changes.
3. Aggregate taxes paid during the year ₹ 8,903 Lakh (Previous year : ₹ 7,659 Lakh).
4. Reconciliation of cash and cash equivalents as per cash flow statement:

Particulars	2017-18	2016-17
Cash and cash equivalents (note 13)	503	837
Bank overdrafts	(1,852)	(436)
Cash credit in cash and cash equivalents	(7,877)	(1,170)
Balances as per statement of cash flow	**(9,226)**	**(769)**

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date attached hereto

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number - 116560W / W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381

Place: Mumbai
Date : 10th May, 2018

For & On behalf of the Board of Navneet Education Limited

sd/-
Kamlesh S. Vikamsey
Chairman
DIN: 00059620

sd/-
Gnanesh D. Gala
Managing Director
DIN: 00093008

sd/-
Deepak L. Kaku
Chief Financial Officer

sd/-
Amit D. Buch
Company Secretary
Mem. No. A15239

Place: Mumbai
Date : 10th May, 2018

Significant Accounting Policies

for the year ended 31st March, 2018

1. Company overview, nature of entity's operations and its principal activities

Navneet Education Limited ('the Holding Company') is a public limited company, together with its subsidiaries and associates (collectively referred to as 'the Group'). The operations of the Group are primarily manufacturing and trading of education books, reference books, technical & professional books in paper form and e-learning form and also paper and non-paper based stationery products.

The Holding Company is incorporated and domiciled in India and has its registered office at Navneet Bhavan, Near Shardasharam Society, Bhavani Shankar Road, Dadar, Mumbai - 400028, Maharashtra, India. The Holding Company is listed on Bombay Stock Exchange and also National Stock Exchange.

The consolidated financial statements of the Group for the year ended March 31, 2018 were approved and adopted by the board of directors of the Holding Company on their meeting dated May 10, 2018.

2. Significant Accounting Policies and Key Accounting Estimates and Judgments

2.1 Basis of preparation

a) Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and also the subsequent amendments which were notified during the year and applicable to the period. The Group has consistently applied the accounting policies used in the preparation of its consolidated financial statements.

b) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are prepared in INR which is the functional and presentation currency. All amounts are rounded to the nearest Lakh.

c) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention on accrual basis except for the following:

i) Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)

ii) Defined benefit plans measured at fair value.

2.2 Basis of Consolidation

a) Principles of consolidation

i) The consolidated financial statements relate to the financial statements of the Company, its Subsidiaries and Associates as at 31st March, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

b) Exposure, or rights, to variable returns from its involvement with the investee, and

c) The ability to use its power over the investee to affect its returns

ii) The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control.

iii) Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

iv) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

v) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on 31st March, 2018. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

b) Consolidation procedure:

i) Consolidation procedure for subsidiaries

a) The financial statements of the Group have been combined on line-by-line basis by adding book values of like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that are not held by the Group. Statement of profit and loss balance (including other comprehensive income ('OCI')) is attributed to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

c) Foreign subsidiary
Functional and reporting currencies of the foreign subsidiary are different from the reporting currency of the Holding Company. For all the foreign subsidiary of the Group, all assets and liabilities (excluding share capital and opening reserves and surplus) are translated into INR using the exchange rate prevailing at the reporting date. The income and expenses of the foreign subsidiary are translated into Indian Rupee at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign subsidiary), except to the extent that the exchange differences are allocated to Non-controlling interest (NCI).

When a foreign subsidiary is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign subsidiary recognised in OCI is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount of foreign exchange differences is re-allocated to NCI. When the Group disposes of only a part of its interest in an Associate or a Joint Venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount of foreign exchange differences is reclassified to the Statement of Profit and Loss.

ii) Consolidation procedure for the associates

a) Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill arising at the time of acquisition, as the case may be, which will be inherent in the investment. The carrying amount of the investment is adjusted thereafter for the post-acquisition changes in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group.

b) The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee.

c) The Group discontinues the use of equity method from the date when investment ceases to be an associate.

d) Goodwill relating to the associates are included in the carrying amount of the investment and is not tested for impairment individually.

iii) Eliminations

a) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

b) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

c) Business combination:

i) The excess of the cost to the Parent company of its investment in Subsidiaries and Associate over the Parent Company's portion of equity, at the date on which investment in Subsidiaries and Associate is made, is recognised as Goodwill in the Consolidated Financial Statements. When the cost to the Parent Company is less than the Parent Company's portion of equity, the difference is recognised in the financial statements as Capital Reserve.

ii) After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

iii) Cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.3 Significant Accounting policies

a) Presentation and disclosure of consolidated financial statements

All assets and liabilities have been classified as current and non-current as per Group's normal operating cycle and other criteria set out in the Division II of Schedule III of the Companies Act, 2013, for a Group whose consolidated financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and also the subsequent amendments which were notified during the year and applicable to the period. Based on the nature of the business and their realization in cash and cash equivalents, 12 months has been considered by the Group for the purpose of current / non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Property, plant and equipment & Depreciation

i) All Property, Plant and Equipment have stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Cost of property, plant and equipment includes non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable costs of bringing the asset to its working condition for its intended use.

ii) Capital work-in-progress comprises of the cost incurred on property, plant and equipment not yet ready for their intended use at the Balance Sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

iii) Property, plant and equipment are eliminated from the financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from the disposal of property, plant and equipment are in the statement of profit and loss in the year of occurrence.

iv) Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the Statement of Profit and Loss when incurred.

v) When parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item (major components) of property, plant and equipment.

vi) Depreciation on property, plant and equipment

i. Depreciation on property, plant and equipment (other than freehold land and capital work in progress) is provided on WDV over the useful life of the relevant assets net of residual value whose life is in consonance with the life mentioned in Schedule II of the Companies Act, 2013, except the following cases:

- In case of one subsidiary 'Indiannica Learning Private Limited', where depreciation is calculated on straight-line basis as per useful lives prescribed under Schedule II of the Companies Act, 2013 and estimated useful life of 3 years for servers and networks being lower than the useful life of 6 tears as prescribed under Part C of Schedule II of the Companies Act, 2013
- Computers given on lease are depreciated on method for 5 years
- Individual assets whose cost does not exceed ten thousand rupees has been provided fully in the year of capitalization.

ii. In the case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, up to the date on which such asset has been sold or discarded.

iii. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each balance sheet date and in case of any changes, the effect of the same is given prospectively.

c) Investment properties & Depreciation on investment properties

i) Property (Land or a Building or part of a building or both and related equipment's & furniture) that are held for long-term rental yields or for capital appreciation or both, rather than for:

a) Use in the production or supply of goods or services or for administrative purposes; or
b) Sales in the ordinary course of business are recognised as an investment property in books of accounts.

ii) Investment properties are measured initially at cost, including transaction costs.

Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

iii) Depreciation on investment properties

a) Depreciation on investment properties is provided on WDV over the useful life of the relevant assets net of residual value whose life is in consonance with the life mentioned in Schedule II of the Companies Act, 2013.

b) In the case of investment property purchased, sold or discarded during the year, depreciation on such investment property is calculated on pro-rata basis from the date of such addition or as the case may be, up to the date on which such investment property has been sold or discarded.

c) The residual values, useful lives and methods of depreciation of investment properties are reviewed at each balance sheet date and in case of any changes, the effect of the same is given prospectively.

Significant Accounting Policies

for the year ended 31st March, 2018

d) Intangible assets & Amortisation

i) Acquired intangible assets:

Intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured. At initial recognition, intangible assets are recognised at cost. Intangible assets are carried at cost less accumulated amortization and accumulated impairment loss; if any.

Estimated useful life of intangible assets are as tabulated below:

Block	Useful life
Trademark and copyright	10 years
Software	3 years (2.5 years on straight-line basis in case of one subsidiary 'Indiannica Learning Private Limited')

License is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of the license.

ii) Internally generated intangible assets:

Pre-publication costs (from planning to printing stage) to develop content that forms the basis for educational textbooks are treated as part of the project cost and are capitalised / allocated to the cost of intangible assets in the year in which the project is completed.

Estimated useful life of intangible assets are as tabulated below:

Block	Useful life
Content	Straight 25.00% from year in which project is capitalised
Tech Platform	Straight 33.33% from year in which project is capitalised

iii) The useful lives and methods of amortisation of intangible assets are reviewed at each balance sheet date and in case of any changes, the effect of the same is given prospectively.

e) Impairment of non-financial assets

Assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

f) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

i) Raw Materials (including pen drive, CD), Packing Materials, Stores & Spares & trading goods:

The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs after deducting discounts and rebates which are incurred in bringing the inventories to their present location and condition. The cost of inventory is determined on the weighted average basis (first-in-first-out basis in case of one subsidiary 'Indiannica Learning Private Limited'). Cost also includes the reclassification from the equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs.

ii) Finished Goods and Work in Progress:

Costs comprise direct materials, direct labour, direct expenses and overheads and an appropriate

proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

g) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost.

h) Operating Segments

Operating segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Group prepared its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Group as a whole.

Based on the 'management approach' as defined in Ind AS 108 'Operating Segments', the Managing Director / Chief Financial Officer evaluates the Group's performance based on an analysis of various performance indicators by business segment. Operating Segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM).

i) Excise (applicable up to 30th June, 2017) and custom duty on uncleared goods

i) Excise duty on manufactured goods, wherever applicable, lying in the factory premises as at year end are provided for in the accounts and the corresponding amount is included in the valuation of inventories.

ii) Custom duty liability is not provided in respect of material which has not arrived into the territorial jurisdiction.

j) Financial instruments

Initial recognition

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trade) are recognised on the trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

Classification of financial assets

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instrument'.

Subsequent measurement

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Non-derivative financial assets:

Financial assets at amortised cost and the effective interest method.

Debt instruments shall be measured at amortised cost if both of the following conditions are met:

i. The asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling assets;

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

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs.

They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at Fair Value Through Profit & Loss (FVTPL) if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Debt instruments at Fair Value Through Other Comprehensive Income (FVTOCI)

Debt instruments shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling assets; and

(b) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on Remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in investment income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the statement of profit and loss account as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for the trading purpose at FVTOCI.

Equity instruments at FVTOCI

A financial asset is held for trading if:

i) It has been acquired principally for the purpose of selling it in the near term; or

ii) On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

iii) It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the other comprehensive income is directly reclassified to retained earnings.

For equity instruments measured at fair value through other comprehensive income no impairments are recognised in the statement of profit and loss.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss in investment income when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Financial assets at FVTPL

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at

FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Impairment of financial assets

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income in the statement of profit and loss and does not reduce the carrying amount of the financial asset in the balance sheet.

Expected credit loss of a financial instrument is measured in a way that reflects:

i) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

ii) The time value of money; and

iii) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12- month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

Derecognition of financial assets

The Group Company derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amounts allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any

cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. Cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Financial liabilities

Financial liabilities are classified as either 'financial liabilities at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

i) It has been acquired or incurred principally for the purpose of repurchasing it in the near term; or

ii) On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

iii) It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition if:

i) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii) The financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or

iii) It forms part of a contract containing one or more embedded derivatives, and Ind-AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

The net gain or loss recognised in the statement of profit and loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Holding Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

i) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

ii) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

iii) hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

The full fair value of a hedging derivative is classified as a non-current financial asset or financial liability when the residual maturity of the derivative is more than 12 months and as a current financial asset or financial liability when the residual maturity of the derivative is less than 12 months.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged item that is attributable to the hedged risk.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged

item arising from the hedged risk is amortised to the statement of profit and loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

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

Level 1– Unadjusted quoted price in active markets for identical assets and liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

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

k) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Amounts disclosed as revenue are inclusive of excise duty (wherever applicable) and net of VAT, Service Tax and GST. The Group recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the

Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

i) Sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and are recorded at the fair value of the consideration received or receivable, net of returns and allowances, trade, volume & other discounts. Accumulated experience is used to estimate and provide for turnover discounts, expected cash discounts and other eligible discounts and incentives. No element of financing is deemed present as the sales are made with normal credit terms.

ii) Power generation income is recognised on the basis of electrical units generated and sold in excess of captive consumption and recognised at prescribed rate as per agreement of sale of electricity by the Group.

iii) Revenue from the subscription of digital content / right to use content is accounted over the subscription / agreement period in accordance with the terms of the arrangement.

iv) Income on providing technology equipment under long-term contract is recognised on the establishment of right to receive as per the terms of the contract.

v) Revenue from the sale of services is recognised as per the terms of the agreement.

vi) Interest income in respect of all the debt instruments, financial guarantee's and deposits which are measured at cost or at fair value through other comprehensive income, is recorded using effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest Income is included in other Income in the statement of profit and loss.

vii) Incentives on exports related to operations as provided by government are recognised in books after due consideration of certainty of utilization / receipt of such incentives.

viii) Rental income on assets given under operating lease arrangements is recognised on a straight-line basis over the lease term of respective lease arrangement, as escalation rate for all lease transactions is in line with the normal inflationary rate. Rent incomes are recorded net of service tax / Goods and Service Tax.

ix) Royalty income on the copyright of contents is recognised as per the terms of the agreement.

l) Foreign currency transactions

Foreign Currency transactions are translated into the functional currency of the respective group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rates). As at the Balance Sheet date, foreign currency monetary assets and liabilities are translated at the closing exchange rate. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

m) Employee benefits

i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Post-employment benefits

a) Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Group contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund, Employee State Insurance Scheme, Government Pension Fund and Superannuation Fund in respect of certain employees at a pre-determined rate. The Group's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

b) Defined benefit plan

The Group has defined benefit plans comprising of Gratuity. Group's obligation towards gratuity liability, wherever applicable, is funded and is managed by Life Insurance Corporation of India (LIC), except in case of one subsidiary 'eSense Learning Private Limited'. The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to statement if profit and loss in subsequent periods.

The expected return on plan assets is the Group's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

c) Other long-term benefits

The Group has other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit and loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

n) Leases

i) As a Lessee:

Leases of property, plant and equipment where the Group, as a lessee, has substantially all the risks and rewards relating to ownership are classified as finance leases at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each Lease Payment is allocated between the liability and finance cost. The finance cost is charged to the Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under the operating leases are charged to profit & loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected inflationary increase.

ii) As a Lessor:

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

o) Taxes on Income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

i) Current Tax:

The current income tax expense charge is calculated on the basis of the tax laws enacted at the end of the reporting period to each entity of the Group. Management of each entity establishes proper provisions on the basis of amounts expected to be paid to the tax authorities.

The Group offsets current tax assets and current tax liabilities where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred Income Tax:

Deferred income tax is provided in full, using the Balance Sheet Method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using the tax rates that have been enacted at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in Equity, respectively.

p) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts and cash credit as they are considered an integral part of the Group's cash management.

q) Cash flow statement

Cash Flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

r) Provisions and contingent liabilities

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible instruments and it is included from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.4 Use of significant accounting estimates, judgements and assumptions

The preparation of the consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of consolidated financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Estimated useful lives and scrap value (Property, plant & equipment, Investment properties and Intangible assets)

The Group has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment, investment properties and intangible assets based on its internal technical assessment. Property, plant & equipment, investment properties and intangible assets represent a significant proportion of the asset base of the Group. Further the Group has estimated that scrap value of property, plant & equipment and would be able to cover the decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortisation and decommissioning

costs are critical to the Group's financial position and performance.

b) Impairment of Licenses under Intangible assets

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of future growth, discount rates etc. The Group has prepared projections for next 5 years which have been used for the said calculations.

c) Allowances for doubtful receivables and credit losses

Allowance for doubtful receivables represent the estimate of losses that could arise due to inability of the customer to make payments when due. These estimates are based on the customer ageing, customer category, specific credit circumstances and the historical experience of the Group as forward looking estimates at the end of each reporting period.

d) Estimation of defined benefit obligations

The liabilities of the Group arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions as disclosed in notes forming integral part of financial statements.

e) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Group. The Group exercises judgment and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

2.5 New standard issued but not effective and hence not adopted

The following standards issued / modified by MCA become effective w.e.f. 1st April, 2018.

Particulars	Effective date
New Ind AS issued *	
Ind AS 115 – Revenue from contracts with customers	1st April, 2018
Modification to existing Ind AS *	
Ind AS 12 – Income Taxes	1st April, 2018
Ind AS 21 – The effects of changes in foreign exchange rates	1st April, 2018
Ind AS 28 – Investments in associates and joint ventures	1st April, 2018
Ind AS 40 – Investment property	1st April, 2018
Ind AS 112 – Disclosure of interest in other entities	1st April, 2018

* Does not include consequential modification to other existing Ind AS due to issue of new Ind AS.

The Group is assessing the detailed potential impact of above amendments on the consolidated financial statements. Management presently is of the view that it would not have a material impact on the consolidated financial statements.

A. Equity Share Capital

(₹ in Lakh)

Balance at 01 April 2016	Changes in equity share capital during the year 2016-17	Balance at 31 March 2017	Changes in equity share capital during the year 2017-18	Balance at 31 March 2018
4,764	(93)	4,671	-	4,671

B. Other Equity

(₹ in Lakh)

Particulars	Equity Component of Compulsorily Convertible Debentures	Reserves and surplus						Other comprehensive income			Total other equity
		Capital Redemption Reserve	Debenture Premium	Capital Reserve	Foreign Currency Translation Reserve	General Reserve	Retained earnings	Re-measurement of the net defined benefit plan	Foreign currency reserve on conversion of foreign subsidiary	Cash flow hedge through other comprehensive income	
Balance as at 01st April, 2016	**-**	**34**	**-**	**76**	**-**	**15,538**	**38,197**	**(187)**	**-**	**(208)**	**53,449**
Amount utilized for buy back of shares	-	-	-	-	-	(5,728)	-	-	-	-	(5,728)
Addition during the year	22	93	5	-	-	(93)	-	(148)	-	276	(398)
Deduction / reversal during the year	-	-	-	-	-	-	-	-	-	326	326
Net profit for the year	-	-	-	-	-	-	17,061	-	-	-	17,061
Balance as at 31st March, 2017	**22**	**127**	**5**	**76**	**-**	**9,716**	**55,258**	**(335)**	**-**	**(158)**	**64,710**
Amount utilized for Dividend and Dividend Distribution Tax		-		-			(7,028)	-	-	-	(7,028)
Reversal of Ind AS transition adjustment							104				104
Addition during the year (net of taxes)		-			(2)			(84)	#	(68)	(154)
Deduction / reversal during the year										158	158
Interest accrued on CCD (classified under equity)	-	-	-		-		#		-		#
Net profit for the year	-	-		-		-	12,736	-	-	-	12,736
Balance as at 31st March, 2018	**22**	**127**	**5**	**76**	**(2)**	**9,716**	**61,071**	**(419)**	**#**	**(68)**	**70,528**

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date attached hereto

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number - 116560W / W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381
Place: Mumbai
Date : 10th May, 2018

For & On behalf of the Board of Navneet Education Limited

sd/-
Kamlesh S. Vikamsey
Chairman
DIN: 00059620

sd/-
Gnanesh D. Gala
Managing Director
DIN: 00093008

sd/-
Deepak L. Kaku
Chief Financial Officer

Place: Mumbai
Date : 10th May, 2018

sd/-
Amit D. Buch
Company Secretary
Mem. No. A15239

3. Property, Plant and Equipment

(₹ in Lakh)

Description of Assets	Land	Leasehold Property	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Gross block as at 1st April, 2016	**1,811**	**-**	**11,050**	**19,276**	**394**	**1,450**	**1,909**	**35,889**
Additions on account of acquisition of Subsidiary	-	171	-	90	22	30	73	387
Additions during the year 2016-17	-	-	184	982	37	89	67	1,359
Deduction / adjustments for the year 2016-17	-	-	37	1,268	12	-	48	1,365
Gross block as at 31st March, 2017	**1,811**	**171**	**11,196**	**19,080**	**441**	**1,570**	**2,001**	**36,270**
Additions during the year 2017-18	-	-	107	2,490	44	19	387	3,047
Deduction / adjustments for the year 2017-18	-	-	-	979	13	1	295	1,289
Gross block as at 31st March, 2018	**1,811**	**171**	**11,304**	**20,591**	**472**	**1,587**	**2,092**	**38,028**
Depreciation up to 1st April, 2016	**77**	**-**	**4,343**	**13,045**	**319**	**1,171**	**1,332**	**20,288**
On account of acquisition of Subsidiary	-	14	-	55	11	2	14	97
Depreciation for the year 2016-17	6	5	763	1,332	46	76	196	2,425
Deduction / adjustments for the year 2016-17	-	-	18	1,115	12	-	46	1,191
Depreciation up to 31st March, 2017	**84**	**19**	**5,088**	**13,317**	**364**	**1,250**	**1,497**	**21,620**
Depreciation for the year 2017-18	-	21	618	1,263	43	81	192	2,220
Deduction / adjustments for the year 2017-18	-	-	-	881	11	1	228	1,121
Depreciation up to 31st March, 2018	**84**	**41**	**5,706**	**13,700**	**396**	**1,330**	**1,461**	**22,718**
Net Block as at 31st March, 2018	**1,727**	**131**	**5,598**	**6,891**	**77**	**257**	**631**	**15,310**
Net Block as at 31st March, 2017	1,727	152	6,108	5,762	77	320	503	14,650

3.1 Land includes a leasehold land whose gross block and accumulated depreciation as at year end is ₹ 84 Lakh (Previous year ₹ 84 Lakh).

3.2 Land also includes a leasehold land whose gross block of ₹ 2 Lakh (Previous year: ₹ 2 Lakh) and accumulated depreciation of ₹ Nil (Previous year: ₹ Nil) being the value of 1,250 shares (Previous year : 1,250 shares) of ₹ 100 each in Gala Co-operative Industrial Estate Limited.

3.3 In one of the subsidiaries, Indiannica Learning Private Limited, assets discarded during the year Gross Block Value of ₹ 16 Lakh (Previous Year : Nil) and accumulated depreciation of ₹ 16 Lakh (Previous Year: NIL) on account of obsolescence.

3.4 Plant & Machineries includes assets given on lease, WDV of which is aggregating to ₹ Nil (Previous year: ₹ 145 Lakh).

3.5 In one of the subsidiary 'Indiannica Learning Private Limited', details of charge on property, plant and equipment, refer note 25.2 of the consolidated financial statement.

4. Capital work-in-progress

(₹ in Lakh)

Description of Assets	Land	Plant and Equipment	Furniture	Vehicle	Total
As at 1st April, 2016	**43**	**-**	**25**	**14**	**83**
Additions during the year 2016-17	-	233	-	-	233
Capitalised in PPE in year 2016-17	-	-	25	14	39
As at 31st March, 2017	**43**	**233**	**-**	**-**	**276**
Additions during the year 2017-18	#	26	164	-	190
Capitalised in PPE in year 2017-18	-	210	-	-	210
As at 31st March, 2018	**43**	**48**	**164**	**-**	**256**

5. Investment Property

(₹ in Lakh)

Description of Assets	Building	Plant and Equipment	Office Equipment	Furniture and Fixtures	Total
Gross block as at 1st April, 2016	**2,518**	**105**	**7**	**171**	**2,801**
Additions during the year 2016-17	401	-	-	-	401
Deduction for the year 2016-17	-	-	-	-	-
Gross block as at 31st March, 2017	**2,919**	**105**	**7**	**171**	**3,202**
Additions during the year 2017-18	-	-	-	-	-
Deduction for the year 2017-18	57	1	-	-	58
Gross block as at 31st March, 2018	**2,862**	**104**	**7**	**171**	**3,144**
Depreciation up to 1st April, 2016	**847**	**89**	**7**	**129**	**1,071**
Depreciation for the year 2016-17	92	4	#	13	109
Deduction for the year 2016-17	-	-	-	-	-
Depreciation up to 31st March, 2017	**939**	**93**	**7**	**141**	**1,180**
Depreciation for the year 2017-18	97	3	-	9	108
Deduction for the year 2017-18	26	1	-	-	27
Depreciation up to 31st March, 2018	**1,010**	**95**	**7**	**150**	**1,261**
Net Block as at 31st March, 2018	**1,852**	**9**	**0**	**21**	**1,882**
Net Block as at 31st March, 2017	1,980	12	0	30	2,022

5.1 Amount recognised in Statement of Profit and Loss for investment properties:

(₹ in Lakh)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Rental income	365	416
Direct operating expenses that generated rental income	(42)	(40)
Direct operating expenses that did not generate rental income	-	(26)
Profit from investment properties before depreciation	**323**	**350**
Depreciation	(108)	(109)
Profit from investment properties	**215**	**240**

Also refer note 39 (c) for disclosure related to lease investment properties.

5.2 Building with a carrying amount of ₹1,334 Lakh (Previous year: ₹1,403 Lakh) are subject to first charge to secure bank loan (refer note 23.1)

5.3 As at year end the fair values of investment properties are ₹ 9,867 Lakh (Previous Year : ₹ 10,035 Lakh). These valuations are based on fair valuation rate given for stamp duty calculation in ready reckoner for Building/Office Premises and for rest it is the Book Value.

6. Intangible assets

(₹ in Lakh)

Description of Assets	Content (Internally Generated)	Trade Mark	Licenses	Copy Right	SAP	Software	Total
Gross block as at 1st April, 2016	**-**	**441**	**-**	**1,046**	**247**	**1,015**	**2,749**
Additions on account of acquisition of Subsidiary	-	-	3,500	-	-	75	3,575
Additions during the year 2016-17	-	1	-	-	-	14	15
Deduction / adjustments for the year 2016-17	-	-	-	-	-	4	4
Gross block as at 31st March, 2017	**-**	**442**	**3,500**	**1,046**	**247**	**1,101**	**6,335**
Additions on account of acquisition of Subsidiary	-	-	-	-	-	-	-
Additions during the year 2017-18	362	1	52	-	-	34	449
Deduction / adjustments for the year 2017-18	-	-	-	-	-	58	58
Gross block as at 31st March, 2018	**362**	**442**	**3,552**	**1,046**	**247**	**1,076**	**6,725**
Depreciation up to 1st April, 2016	**-**	**440**	**-**	**415**	**247**	**889**	**1,991**
On account of acquisition of Subsidiary	-	-	1	-	-	57	58
Depreciation for the year 2016-17	-	#	119	105	-	77	301
Deduction / adjustments for the year 2016-17	-	-	-	-	-	4	4
Depreciation up to 31st March, 2017	**-**	**440**	**120**	**519**	**247**	**1,018**	**2,345**

On account of acquisition of Subsidiary	-	-	-	-	-	-	-
Depreciation for the year 2017-18	91	#	109	482	-	56	738
Deduction / adjustments for the year 2017-18	-	-	-	-	-	58	58
Depreciation up to 31st March, 2018	**91**	**441**	**229**	**1,002**	**247**	**1,016**	**3,025**
Net Block as at 31st March, 2018	**272**	**2**	**3,323**	**44**	**-**	**61**	**3,700**
Net Block as at 31st March, 2017	-	1	3,380	526	-	83	3,990

6.1 Remaining useful life of intangible assets

Description	Carrying amount as at [₹ in Lakh]		Remaining useful life as at [months]	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Trade Mark	2	1	2 to 113	2 to 118
Copy Right	44	526	47 to 110	59 to 107
Software	61	83	1 to 36	1 to 35
Licenses	3,323	3,380	72	84
Content	272	-	36	Nil
Total	**3,700**	**3,990**		

6.2 In one of the subsidiary Company Indiannica learning private limited, impairment test for Licenses has been carried out by the management based on the projections for next five years as approved by the Board. Useful life of this License is greater than period for which projections are made. The net present value of the future earnings based on the projections is significantly higher than the carrying value of the license. Some of the assumptions on which projections prepared are market estimates and management judgements which have been relied upon by the auditors.

6.3 In one of the subsidiary 'eSense Learning Private Limited', during the year, there has been revamp in syllabus of certain academic standards in Gujarat and Maharashtra state. Consequently new contents developed has been capitalised as it meets the criteria of Ind AS 38 'Intangible Assets'. Also the Company has internally started developing technology platform to support these contents which also satisfies conditions given in Ind AS 38 for capitalisation as intangible assets. As at year end, these technology platforms are under development and hence cost incurred up to year end is grouped as intangible assets under development in note 7. Impairment test for costs of contents and technology platform, capitalised or booked as under development, has been carried out by the management based on the projections as approved by the Chief Executive Officer. The net present value of the future earnings based on the projections is higher than the carrying value of the contents. Some of the assumptions based on which projections are prepared based on market estimates and management judgements which have been relied upon by the auditors.

7 Intangible assets under development (₹ in Lakh)

Description of Assets	Content	Software	Technology Platform	Total
As at 1st April, 2016	**-**	**-**	**-**	**-**
Additions during the year 2016-17	-	-	-	-
Capitalised in intangible assets in year 2016-17	-	-	-	-
As at 31st March, 2017	**-**	**-**	**-**	**-**
Additions during the year 2017-18	69	32	57	159

Capitalised in intangible assets in year 2017-18	-	-	-	-
As at 31st March, 2018	**69**	**32**	**57**	**159**

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
8.	**Investment in associate**		
	Unquoted investments		
	Investment in equity instruments		
	Associate Companies K12 Techno Services Pvt. Ltd. (5627 (Previous Year 5627) Equity Shares of ₹10/- each)	759	759
	Investment in preference shares Associate Companies K12 Techno Services Pvt. Ltd. (5,789 (Previous Year 5,789) Compulsorily Convertible Preference Shares of ₹10/- each) (9829 (Previous Year 9,829) Class A Compulsorily Convertible Preference Shares of ₹10/- each) (3,966 (Previous Year 3966) Series A1 Compulsorily Convertible Cumulative Preference Shares of ₹10/- each) (27,93,100 (Previous Year 27,93,100) Series A2 Compulsorily Convertible Cumulative Preference Shares of ₹10/- each) (6,26,289 (Previous Year Nil) Series A3 Compulsorily Convertible Cumulative Preference Shares of ₹20/- each)	6,970	4,823
	Less: Cumulative share of loss	3,150	3,136
	Add: Share of Other Comprehensive income	3	-
	Total	**4,582**	**2,446**
8.1	**Aggregate amount of unquoted investments**	**4,582**	**2,446**
8.2	**Break-up of investment in K12 Techno Services Private Limited**		
	Investment in equity instruments and preference shares	6,983	4,835
	Goodwill	747	747
	Less: Cumulative share of loss	(3,150)	(3,136)
	Add: Share of Other Comprehensive income	3	-
	Total	**4,582**	**2,446**
9.	**Non Current Financial Assets - Loans**		
	(Unsecured)		
	Considered Good		
	Security Deposits	223	362
	Loans and advances		
	i) Loan to Employees	197	175
	ii) Loan to Vendors	15	4

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	iii) Other Loans & Advances	1,629	1,588
	Inter-Corporate Deposits	21	43
	Bank deposits	3	3
	Considered doubtful		
	Corporate Deposits	85	64
	Other Loans & Advances	16	16
		102	**80**
	Less: Allowances made against this advances	(102)	(80)
	Total	**2,088**	**2,173**
10.	**Other Non Current Assets**		
	Considered Good		
	Capital Advance	436	396
	Advance Income Taxes (Net of Provisions)	316	312
	Sales Tax / VAT receivable	313	267
	Wealth Tax	#	#
	Advance to Suppliers	4	15
	Prepaid Expenses	6	8
	Other Income Receivable	1	1
	Service tax refund receivable	#	4
	Taxes recoverable	-	#
	Deposit with customers	1	1
	Export incentive receivable	-	61
	Considered doubtful		
	Capital Advance	7	-
	Less: Allownances for doubtful advances	(7)	-
	Total	**1,077**	**1,066**
11.	**Inventories**		
	(valued at lower of cost or estimated net realisable value)		
	Raw Materials (refer note 11.2 below)	13,404	13,528
	Raw Materials in transit	2,237	1,668
	Work In Progress	1,760	1,639
	Finished Goods	24,597	20,768
	Stock in Trade (in respect of Goods acquired for Trading)	98	168
	Stores, Spares & Consumables	718	658
	Total	**42,814**	**38,429**
	Note : Inventories of Holding Company are subject to first charge to secure bank loan (Refer note 23.1)		
11.1	During the year, ₹ 731 Lakh (Previous year: ₹ 624 Lakh) was recognised as an expense for inventories.		

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
11.2	In one of the subsidiary, Indiannica Learning Private Limited, it includes goods held by third party amounting to ₹ 5 Lakh (Previous Year: ₹15 Lakh).		
12.	**Current Financial Assets - Trade receivables**		
	Secured, considered good	-	-
	Unsecured, considered good	31,810	27,780
	Considered doubtful	454	201
		32,263	**27,981**
	Less: Allowance for bad and doubtful debts and credit losses	(454)	(201)
	Total	**31,810**	**27,780**
13.	**Current Financial Assets - Cash and cash equivalents**		
	Balance with Scheduled Banks		
	- In Current Account	460	785
		-	-
	Cash on hand	43	51
	Total	**503**	**837**
14.	**Current Financial Assets -Other bank balances**		
	Earmarked balances with banks		
	- In Dividend Account (Refer note 25 and 14.2)	176	133
		-	-
	Other Bank Balances	2	2
	Total	**178**	**135**
14.1	Other bank balances represents restricted deposits (along-with accrued interest thereon) under lien placed with sales tax authorities.		
14.2	There is no amount due to Investor Education & Protection Fund as on 31st March, 2018		
15.	**Current Financial Assets - Loans**		
	(Unsecured, considered good)		
	Corporate Deposits	190	414
	Loans and advances (Refer note 15.1)	-	-
	i) Loans to Employees	158	186
	ii) Loans to vendors	9	4
	iii) Other Loans & Advances	363	318
	Tender and deposits	34	31
	Total	**754**	**953**
15.1	The loans and advances given to various parties is for commercial purpose and same is repayable on demand.		

Notes on Consolidated Financial Statements

for the year ended 31st March, 2018

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
16.	**Current Financial Assets - Other financial assets**		
	Other receivables	16	32
	Bank deposits with more than twelve months original maturity	36	-
	Advances to Employee for expenses	48	56
		100	**88**
17.	**Other current assets**		
	Sales Tax / VAT receivable	-	18
	GST receivable (net)	2,931	-
	Cenvat receivable	#	75
	Prepaid Expenses	244	220
	Advance to Suppliers	1,597	1,320
	Other advances	80	78
	Fair valuation adjustment-security deposits	-	3
	Export incentive receivable	337	796
	SAD (custom) receivable	3	9
	Sales tax deposit	-	#
	Taxes recoverable	65	47
	Total	**5,256**	**2,568**

18. Equity Share Capital

Authorized:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Equity Shares of ₹2/-each (₹2/- each)	24,82,97,500	4,966	24,82,97,500	4,966
6% Redeemable Non cumulative Preference Shares (RNCPS) of ₹ 10/- each	3,40,500	34	3,40,500	34
		5,000		**5,000**

Issued, Subscribed & Paid Up:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Equity Shares of ₹2/- each (₹2/- each) fully paid up	23,35,58,000	4,671	23,35,58,000	4,671
Total		**4,671**		**4,671**

18.1 Reconciliation of the number of Equity Shares outstanding

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Number of Shares at the beginning of the year	23,35,58,000	4,671	23,82,15,000	4,764
Add: Shares Issued	-	-	-	-
Less: Shares Cancelled / Buy Back	-	-	46,57,000	93
Number of Shares at the end of the year	23,35,58,000	4,671	23,35,58,000	4,671

18.2 Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par face value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share and all rank pari passu. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholders.

18.3 Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

(Number of Shares)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Equity Shares of ₹ 2/- each fully paid up	-	46,57,000	-	-
Total	**-**	**46,57,000**	**-**	**-**

18.4 Equity Shareholders holding more than 5 % of the shares

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% held	No. of Shares	% held
Bipin Amarchand Gala (Previous year trustee was Late Amarchand Ramji Gala and Late Dungarshi Ramji Gala), Gnanesh Dungarshi Gala - Trustee of Navneet Trust	9,25,65,009	39.63	9,25,65,009	39.63
HDFC Trustee Company Ltd - under its various schemes	1,98,41,680	8.50	1,98,41,680	8.50

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
19	**Non-current Financial Liabilities - Borrowings**		
	Secured		
	a) Vehicle loan		
	From NBFC	-	6
	From Bank	-	30

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	Unsecured		
	a) From others:		
	Amit Gala		
	Nil (Previous year 2,17,553) Compulsory Convertible Debentures of ₹10 each fully paid up	-	22
	Total	**-**	**58**

19.1	Vehicle loan (Secured) amounting to ₹ 32 Lakh was taken during the financial year 2013-14 and carries interest @ 11.31%. The loan is repayable in 60 monthly installments of ₹68 Lakh each including interest. Number of installments due as at March 31, 2018 is NIL (March 31, 2017: 21).
19.2	Vehicle loan (Secured) amounting to ₹ 35 Lakh was taken during the financial year 2016-17 and carries interest @ 9.25%. The loan is repayable in 84 monthly installments of ₹ 57 Lakh each including interest. Number of installments due as at March 31, 2018 is NIL (March 31, 2017: 81).

20.	**Non current provisions**		
	Provision for Employee Benefit		
	Gratuity (Refer Note No.50 (b))	79	88
	Leave Encashment (Refer Note No.50 (c))	1,584	1,387
	Total	**1,664**	**1,475**

21.	**Deferred Tax Liabilities (Net)**		
	a) Recognised in profit and loss		
	Property, plant and equipment	708	688
	Provision for employee benefits	(584)	(466)
	Hedging reserve (impact of forward contracts)	(269)	(35)
	Provision for sales returns	(299)	(189)
	Provision for doubtful debts	(127)	(66)
	Provision for doubtful advances	(38)	-
	Provision for bonus	(35)	(96)
	Financial guarantee contracts (subsidiaries)	81	-
	Others	(18)	(4)
		(580)	**(168)**
	b) Recognised in other comprehensive income		
	Hedging reserve (impact of forward contracts)	212	158
	Remeasurement of defined benefit plans	51	-
		263	**158**
	Total	**(317)**	**(10)**
	Opening balance	(10)	94
	Tax (expense) recognised in profit or loss	(45)	(150)
	Tax (expense) recognised in other comprehensive income	(263)	45

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	Closing balance	**(317)**	**(10)**
22.	**Other Non current liabilities**		
	Income received in advance	1	104
		1	**104**
23.	**Current Financial Liabilities - Borrowings**		
	a) Secured		
	i) Cash Credit from Bank	7,877	1,170
	ii) Working Capital Rupee Loans repayable on demand from banks (Refer note 23.1 below)	6,254	6,201
	iii) Vehicle loan from NBFC	-	7
	iv) Vehicle loan from Bank	-	4
		14,132	**7,382**
	b) Unsecured		
	From Banks:		
	Rupee Loan (Refer note 23.3 below)	8,400	8,500
		8,400	**8,500**
	Total	**22,532**	**15,882**
23.1	Short term rupee loans of Holding company are secured against hypothecation & first charge over stock of raw materials, work-in-process, finished goods, stores & spares not relating to plant and machinery & book debts. Mortgage & first charge over office premises 1A, 1B, 2A & 2B at Benefice Business House located at Lower Parel, Mumbai.		
23.2	Secured working capital loan includes interest accrued but not due ₹ 4 Lakh (Previous year: Rs 2 Lakh). Interest rate for this loan is 8.15%. Subsequent to year end, working capital loan along-with interest repaid on 7th April, 2018.		
23.3	Interest rate for unsecured rupee loan is 8.30%. Subsequent to year end, this loan repaid on 6th April, 2018.		
24.	**Current Financial Liabilities - Trade and other payables**		
	- Due to Micro, Small and Medium Enterprises	757	207
	- Due to Others	6,768	6,917
	Total	**7,526**	**7,124**
25.	**Other current financial liabilities**		
	Creditors for capex	78	7
	Creditors for purchase of investment	-	600
	Employee Benefits Payable	1,108	1,394
	Unpaid dividend (Refer Note 14)	176	133
	Provision for Expenses	336	192
	Sundry Creditors Others	471	386
	Book Overdraft (Refer Note 25.2 below)	1,852	436

(₹ in Lakh)

Note No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	Financial liabilities at fair value (forward contracts)	162	102
	Deposits	265	287
	Total	**4,448**	**3,538**
25.1	The average rate of interest for the above mentioned overdraft facility during the year is 8.50% per annum.		
25.2	Bank Overdraft is in respect to one of the subsidiary 'Indiannica Learning Private Limited' and is secured against Pari Passu charge on current & property, plant and equipment (both present and future) of the Company, along with Corporate Guarantee for ₹ 300 Lakh (Previous Year: 200 Lakh) from holding company.		
26.	**Other current liabilities**		
	Advances received from customers	292	394
	Advance received against right to use hardware	5	35
	Income received in advance	125	214
	Statutory Dues		
	- Provident Fund / ESIC / Profession Tax	141	117
	- Tax Deducted At Source	305	251
	- Service tax / WCT / Excise payable	-	12
	- Sales tax / VAT / GST payable	52	255
	Deferred revenue	33	31
	Total	**953**	**1,309**
27.	**Current provisions**		
	Provision for Employee Benefits		
	- Leave Encashment Benefits (Refer Note No.50 (c)	189	168
	- Gratuity (Refer Note No.50 (b)	14	44
	Other Provision		
	- Rent escalation	#	-
	- Sales return (Refer Note No.42 (a)	2,066	1,083
	- Discounts (Refer Note No.42 (b)	224	438
	- Performance bonus (Refer Note No.42 (c)	127	381
	Total	**2,622**	**2,114**
28.	**Liabilities for Current Tax (Net)**		
	Provisions for tax (net of advance tax)	395	1,000
	Total	**395**	**1,000**

29.	**Revenue from operations**		
	Sale of products		
	- Finished Goods (Refer note 29.1)	1,17,747	1,14,694
	- Traded Goods	654	740
	Sale of services	718	755
	Other operating revenues	1,281	1,034
	Total	**1,20,400**	**1,17,223**

29.1	**Provision for Expected Sales Returns:**		
	The above amount is net of provision made for sales return amounting to ₹ 2,066 Lakh (Previous year ₹ 1,350 Lakh) in accordance with Ind AS 18. Also refer note 42 (a).		
30.	**Other Income**		
	Interest income	202	478
	Income from current investments:		
	Dividend income from mutual funds	42	-
	Income from non-current investments:		
	Profit on sale of investments	116	372
	Other income		
	Gain on fair valuation of financial assets (net)	11	10
	Unwinding of discount on financial instruments	4	1
	Other non-operating income	552	607
	Gain on foreign exchange transactions (net)	1,671	766
	Total	**2,598**	**2,234**
31.	**Cost of materials consumed**		
	Raw Materials consumed	61,666	54,405
	Total	**61,666**	**54,405**
32.	**Changes in inventories of finished goods, Stock-in -Trade and work-in-progress**		
	Closing Stock		
	Work In Process	3,435	1,639
	Finished Goods	23,013	20,959
	Stock in Trade	6	57
		26,455	**22,655**
	Opening Stock		
	Work In Process	1,639	1,778
	Finished Goods	20,959	20,225
	Stock in Trade	57	56
		22,655	**22,060**
	Total	**(3,800)**	**(595)**
33.	**Employee benefits expense**		
	Salaries, Wages & Bonus	13,579	10,474
	Contribution to Provident and Other Funds	1,079	785
	Staff Welfare	642	607
	Total	**15,299**	**11,866**
34.	**Finance costs**		
	Interest expenses	773	429
	Total	**773**	**429**

35.	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment (refer note 3)	2,220	2,425
	Depreciation of investment property (refer note 5)	108	109
	Amortisation of intangible assets (refer note 6)	738	301
	Total	**3,066**	**2,835**
36.	**Other expenses**		
	Auditor's remuneration	30	61
	Printing Expenses	1,193	809
	Binding Expenses	2,086	1,782
	Other Manufacturing Expenses	2,460	2,445
	Excise duty on sales of goods	118	456
	Power & Fuel	299	317
	Freight & Octroi	960	1,048
	Stores & Spares Consumed	492	532
	Repairs to:		
	a) Plant & Machinery	248	221
	b) Building	395	436
	c) Other repairs	351	219
	Rates and Taxes	172	257
	Sales Tax Expenses	18	15
	Rent	1,457	1,099
	Royalty	3,260	2,598
	Insurance	167	172
	Transportation Expenses	2,753	2,164
	Commission	421	546
	Advertisement	772	1,473
	Marketing Expenses	1,118	1,030
	Sales Promotion Expenses	716	698
	Bad debts and other irrecoverable advance written off	295	160
	Allowance for bad and doubtful debts	257	-
	Donation	217	386
	Corporate Social Responsibility Expenses (Refer note 44)	435	416
	Bank Charges	97	122
	Legal and Professional Fees	846	988
	Staff recruitment expenses	30	13
	Other Expenses	3,327	3,021
	Total	**24,989**	**23,482**

37. Contingent liabilities:

(a) Tax matters:

i) For disputed Income-tax matters ₹ 42 Lakh (Previous Year ₹ NIL). (Refer below note)

ii) For disputed Sales tax matters ₹ 4,708 Lakh (Previous Year ₹ 4,271 Lakh) against which amount paid ₹ 282 Lakh (Previous year ₹ 254 Lakh). (Refer below note)

iii) In one of the subsidiary, eSense Learning Private Limited, income tax department has made certain disallowances in return of income filed for assesment year 2012-13 to assessment year 2015-16 and reduced the losses claimed by the company. These have been disputed and the matter is pending before ITAT / CIT (appeals).

Note: Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments / decisions pending at various forums / authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognised in the financial statements.

(b) Against bond:

i) Duty liability amounting to ₹ Nil (₹ 363 Lakh) for the purchase of excisable inputs without payment of duty under the bonds executed if the export obligation is not fulfilled.

ii) Duty free imports for which export obligation is pending as at year end amounting to ₹ 141 Lakh (Previous Year ₹22 Lakh)

(c) Bank guarantee:

i) In respect of Bank Guarantee given for tender and electricity of ₹ 63 Lakh (Previous Year ₹ 100 Lakh).

ii) Financial Guarantee are issued in favour of banks against loans taken by subsidiaries. The amount of guarantee is ₹ 4,650 Lakh (Previous Year ₹ 3,650 Lakh). The Guarantee given is covered under section 186(4) of the Companies Act, 2013 and is for commercial purpose only.

(d) In one of the subsidiary 'Indiannica Learning Private Limited', the Company has given bank guarantee to Sales Tax department ₹ 2 Lakh (Previous year: ₹ 2 Lakh).

38. Capital Commitments and Other Commitments

Estimated amount of contracts remaining to be executed on capital account is ₹ 803 Lakh (Previous year: ₹ 2 Lakh). The Company does not have any other commitments.

39. Operating Leases

(a) As lessor

The existing cancellable operating lease agreements permit the lessee to cancel the arrangement before expiry of the normal tenure of the lease. Hence no disclosures are required to be made.

(b) As lessee

The Company has taken various commercial premises under cancellable operating leases. These are normally renewable on expiry. The Company has not taken any commercial premises under non-cancellable operating leases.

40. Derivative Financial instruments

(a) The assets and liabilities position of various oputstanding derivative financial instruments is given below:

(₹ in Lakh)

Particulars	2017-18		2016-17	
	Liability	Asset	Liability	Asset
Hedge				
Foreign currency contract (with underlying trade receivables considered for fair flow hedge)	Nil	4,123	Nil	2,052
Foreign currency contract (with underlying firm commitments considered for cash value hedge)	Nil	25,657	30	10,630

Note: The Company has exchange rate movement risk for above mentioned foreign currency contracts.

(b) Outstanding position and fair value of various foreign exchange derivative financial instruments:

(₹ in Lakh)

Particulars	Currency pair		Fair value Gain / (loss) Amount	
			2017-18	2016-17
Foreign currency contract (with underlying trade receivables considered for fair flow hedge)	USD_INR	Sell	(41)	102
Foreign currency contract (with underlying firm commitments considered for cash value hedge)	USD_INR	Sell	(122)	459
	USD_INR	Buy	-	(1)

(c) Details of amount held in hedging reserve and the period over which these are going to be released

(₹ in Lakh)

Particulars	2017-18		2016-17	
	Closing value in hedging reserve Gain / (Loss)	Release in less than 12 months	Closing value in hedging reserve Gain / (Loss)	Release in less than 12 months
Foreign currency contracts (gross amount): USD_INR				
USD_INR (trade receivables)	(122)	(122)	459	459
USD_INR (trade payables)	Nil	Nil	(1)	(1)

(d) Amount of loss recognised in hedging reserve and reccycled.

i) During the financial year 2017-18:

(₹ in Lakh)

Particulars	Opening balance	Net amount recognised	Recycled to P&L	Closing balance
Foreign currency contracts	(158)	(367)	457	(68)

ii) During the financial year 2016-17:

(₹ in Lakh)

Particulars	Opening balance	Net amount recognised	Recycled to P&L	Closing balance
Foreign currency contracts	(113)	(158)	113	(158)

(e) The amount of gain / (loss) recognised in Statement of Profit and Loss on account of hedge ineffectiveness for cash flow hedges for the year ended 31st March 2018 and 31st March 2017 is ₹ Nil (Previous year : ₹ Nil)

41. Earning Per Share :

(₹ in Lakh)

Particulars	2017-18	2016-17
Net Profit available for Equity Shareholders as per statement of profit and loss	12,736	17,061
Weighted average number of equity shares for basic and diluted EPS (in Numbers)	2,336	2,372
Basic and Diluted Earning per share (₹)	5.45	7.19
Face Value Per Equity Share (₹)	2.00	2.00

42. Disclosure of movement of provisions :

(a) Provision for sales return

(₹ in Lakh)

Particulars	2017-18	2016-17
Opening balance of provision	1,350	1,240
Add: Addition during the year	984	322
Less: Utilized/Written Back	267	212
Closing balance of provisions	**2,066**	**1,350**

(b) Provision for Discounts

(₹ in Lakh)

Particulars	2017-18	2016-17
Opening balance of provision	438	375
Add: Addition during the year	224	438
Less: Utilized/Written Back	438	375
Closing balance of provisions	**224**	**438**

(c) Provision for performance bonus

(₹ in Lakh)

Particulars	2017-18	2016-17
Opening balance of provision	381	143
Add: Addition during the year	71	373
Less: Utilized/Written Back	325	135
Closing balance of provisions	**127**	**381**

43. Figures of ₹50,000 or less have been denoted by #

44. Income tax

A. Income tax expense in the statement of profit and loss consists of:

(₹ in Lakh)

Particulars	2017-18	2016-17
Current income tax:		
In respect of the current period	8,287	8,700
In respect of the prior periods	11	(46)
Deferred tax		
In respect of the current period	(45)	(385)
Income tax expense recognised in the statement of profit or loss	**8,253**	**8,269**
Income tax recognised in other comprehensive income:		
Deferred tax arising on income and expense recognised in OCI		
a) Financial Liabilities at Fair value (forward contracts)	(263)	45
Income tax expense recognised in other comprehensive income	**(263)**	**45**

B. The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

(₹ in Lakh)

Particulars	2017-18	2016-17
Profit before tax	21,003	26,377
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	7,269	9,129
Effect of:		
Impact of changes on account of permanent disallowances	27	427
Impact of Chapter VI-A deductions	105	(259)
Adjustment to current tax for prior years	11	(46)
Impact of changes on account of deferred tax	(45)	(385)
Tax losses for which no deferred income tax was recognised (refer note below)	213	-
Excess/ (short) provision made	-	19
Impact of tax rate change	2	-
Others	670	(616)
Income tax expense recognised in the statement of profit and loss	**8,253**	**8,269**

C. Unabsorbed depreciation and carried forward losses:

In respect to two subsidiaries 'eSense Learning Private Limited' and 'Indiannica Learning Private Limited', deferred tax asset arising mainly on account of unabsorbed depreciation and carried forward losses under tax laws which has not been considered as it is not probable that taxable profits will be available against which the deductible temporary difference can be utilised. Accordingly such deferred tax asset has not been recognised in the accounts of the subsidiary.

The Company is having carry forward depreciation losses as at 31st March 2018 of ₹ 3,189 Lakh (Previous year: ₹ 2,247 Lakh) which doesn't have any expiry date and carry forward business losses as on 31st March 2018 is ₹ 3,493 Lakh (Previous year: ₹ 1,973 Lakh) which will be expired in next 1 to 6 years (Previous year : 1 to 7 years). Considering losses incurred during last two years, these assets are not recognised in financial statements.

45. The Board of directors has recommended final dividend of INR 1.50 per share on face value of INR 2/- each for the Financial year 2017-18 on board meeting held on 10th May, 2018, subject to approval of shareholders in ensuing Annual General Meeting.

46. Fair value of financial assets and liabilities

The management assessed that the fair values of financial asset and financial liabilities approximate their carrying amounts.

The following methods and assumptions were used to estimate the fair values:

(a) Fair values of cash and cash equivalents, trade receivables, interest accrued on deposits with bank, bank deposits, trade payables and other financial liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

(b) The management has considered fair value of security deposits, loan from bank, loan from related party, equal to their carrying value as fair values based on the current market interest rates and other risk factors approximate to carrying value.

Fair value hierarchy

The following table presents the financial assets and financial liabilities by level with the fair value measurement hierarchy :

(₹ in Lakh)

		31st March, 2018		31st March, 2017	
		Level of input used in*	Carrying Amount	Level of input used in	Carrying Amount
a)	**Financial assets**				
	At Amortised Cost				
	Trade receivables	NA	31,810		27,780
	Cash and cash equivalents	NA	503		837
	Bank deposits	NA	2.49		2
	At Fair Value Through P&L				
	Security deposits	Level 2	1		-
b)	**Financial liabilities**				
	At Amortised Cost				
	Cash Credit	NA	7,877		1,170
	Trade payables	NA	7,526		7,124

* There has been no transfer between level 1 and level 2 during the year ended March 31, 2018 and March 31, 2017. Level is NA, since valued at amortised cost.

47. Financial Risk Management

The Company is exposed to market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks which are summarized below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk primarily include trade receivables, trade payables, cash and cash equivalents.

The sensitivity analysis in the following sections relate to the position for the periods presented. The sensitivity analysis has

been prepared on the basis that the amount of net debt and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in market variables on the carrying values of gratuity obligation and provisions.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks based on the financial assets and financial liabilities held at the periods presented.

Interest rate risk

The following tables demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Lakh)

	Change in Int. Rate	Effect on profit before tax
31st March, 2018	Increase by 50 basis points (50 bps)	113
	Decrease by 50 basis points (50 bps)	(113)
31st March, 2017	Increase by 50 basis points (50 bps)	79
	Decrease by 50 basis points (50 bps)	(79)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to trade payables, trade receivables.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Lakh)

	Change in USD rate	Effect on profit before tax
31st March, 2018	Increase by 500 basis points (500 bps)	(2)
	Decrease by 500 basis points (500 bps)	2
31st March, 2017	Increase by 500 basis points (500 bps)	1
	Decrease by 500 basis points (500 bps)	(1)

Price risk

The Company is not exposed to any significant price risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management. The Company evaluates the concentration of risk with respect to trade receivables as low. There are no customers who represent more than 10% of the balance of trade receivables. Outstanding customer receivables are regularly monitored by the management.

An impairment analysis is performed at each reporting date on an individual basis for major customers.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

The ageing of trade receivable and credit loss allowance is as under: (₹ in Lakh)

Particulars	Ageing		Total
	Up to 6 months	More than 6 months	
As at 31st March, 2018			
Secured	-	-	-
Unsecured	30,685	1,578	32,263
Total receivables	**30,685**	**1,578**	**32,263**
Allowance for doubtful receivables	-	-	454
Net Receivables	**30,685**	**1,578**	**31,810**
Expected loss rate *			1.41%
As at 31st March, 2017			
Secured	-	-	-
Unsecured	25,731	2,251	27,982
Total receivables	25,731	2,251	27,982
Allowance for doubtful receivables	-		201
Net Receivables	**25,731**	**2,251**	**27,781**
Expected loss rate *			0.72%

* Expected loss rate includes both allowance made based on age of the recievable and expected loss based on historical experience.

Movement in credit loss allowance

(₹ in Lakh)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Balance at the beginning	201	168
Additional provision	257	49
Amounts written off	4	16
Balance at the end	**454**	**201**

Deposits with banks and other financial assets
Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

Liquidity risk
Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum level of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakh)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	Total
Year ended 31st March, 2018				
Indian rupee loan	7,980	420	-	8,400
Working capital loan	4,817	1,438	-	6,254
Bank overdraft	1,852	-	-	1,852
Cash credit facility	7,416	461	-	7,877
Trade payables	5,644	1,881	-	7,526
Year ended 31st March, 2017				
Indian rupee loan	8,075	425	-	8,500
Vehicle loan	3	8	36	47
Bank overdraft	436	-	-	436
Working capital loan	4,816	1,386	-	6,202
Cash credit facility	1,024	146	-	1,170
Trade payables	5,557	1,567	-	7,124

The Company is not exposed to significant liquidity risk.

48. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, Loan obligation, trade and other payables and less cash and cash equivalents.

(₹ in Lakh)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Indian rupee loan	8,400	8,500
Working capital loan	6,254	6,202
Vehicle Loan	-	47
Bank Overdraft	1,852	436
Cash credit facility	7,877	1,170
Trade payables	7,526	7,124
Less: cash and cash equivalent	(503)	(837)
Net Debt	**31,406**	**22,642**
Equity	75,215	69,386
Capital and Net debt	**106,621**	**92,028**
Gearing Ratio	**29.46%**	**24.60%**

49. Changes in financing liabilities arising from cash and non-cash changes:

(₹ in Lakh)

Particulars	31st March, 2018	Cash flows	Non-cash changes	31st March, 2017
Working capital loan	6,254	53	-	6,202
Indian rupee loan	8,400	(100)	-	8,500
Vehicle loan	-	(47)	-	47
Total	**14,654**	**(95)**	**-**	**14,749**

50. Disclosure pursuant to Indian Accounting Standard 19 'Employee benefits':

(a) The Company has recognised the following amounts towards defined contribution plans as an expense and included in the Statement of Profit and Loss.

(₹ in Lakh)

Particulars	2017-18	2016-17
Provident Fund	591	459
Employee State Insurance Corporation	82	55
Labour Welfare Fund	1	1
Total	**675**	**514**

(b) Defined benefit plan and long term employment benefits - Gratuity:

The Company and subsidiaries, where gratuity liability is funded, makes annual contribution to the employee group gratuity scheme of the Life Insurance Corporation of India's funded defined benefits plan for qualified employees. The scheme provided for lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The Company has provided for gratuity based on the actuarial valuation done as per Project Unit Credit Method. The following table sets out for the status of gratuity plan:

(₹ in Lakh)

Particulars	Gratuity (Funded)		Gratuity (Non Funded)	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Change in Obligation				
Opening Present Value of Accrued Gratuity	2,827	2,254	64	43
Addition due to Subsidiary	-	102	-	-
Service Cost including actual gain/(loss)	222	181	17	14
Past Service Cost (vested benefits)*	-	-	#	-
Actuarial (Gain)/ Loss on Obligation	142	141	(4)	7
Interest Cost	205	177	4	3
Less :Benefits paid	(169)	(28)	(4)	(3)
Closing Present Value of Accrued Gratuity	3,227	2,827	77	64
* Due to increase in gratuity limit from ₹ 10 Lakh to ₹ 20 Lakh				
Change in Plan Asset				

Notes on Consolidated Financial Statements

for the year ended 31st March, 2018

(₹ in Lakh)

Particulars	Gratuity (Funded)		Gratuity (Non Funded)	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Opening Fund Balance	2,759	2245	-	-
Addition due to Subsidiary	-	86	-	-
Interest Income	207	186	-	-
Return on the plan asset	7	#	-	-
Contribution by the Company	406	270	4	3
Less :Benefits paid	(169)	(28)	(4)	(3)
Closing Fund Balance	3,210	2,759	-	-
Reconciliation of present value of obligation and the plan asset				
Closing Fund Balance	3,210	2,759	-	-
Closing present value of Accrued Gratuity	3,227	2,827	77	64
Liability recognised in balance sheet	17	68	(77)	(64)
Expenses recognised in the Statement of Profit & Loss				
Current Service Cost	222	181	17	15
Interest Cost	205	177	4	3
Past Service Cost (vested benefits)	-	-	#	-
Expected Return on Plan Assets	(207)	(186)	(4)	7
Expenses recognised in the Statement of P & L	220	172	17	25
Expenses recognised in the other comprehensive income				
Net Actual (Gain) / Loss recognised	142	141	(4)	7
Return on the plan asset	(7)	#	-	-
Expenses recognised in the other comprehensive income	135	141	(4)	7
Movement in the Liability recognised in Balance Sheet.				
Opening Net Liability	68	8	64	43
Addition due to Subsidiary	-	16	-	-
Expenses as above	220	172	21	18
Contribution paid	(406)	(269)	(4)	(3)
Other comprehensive income (OCI)	135	141	(4)	7
Closing Net Liability	17	68	77	64
Experience adjustment:				
Experience adjustment on plan liability	-	-	-	-
Experience adjustment on plan asset	#	#	-	-
Net experience adjustment	#	#	-	-
Sensitivity analysis:				

(₹ in Lakh)

Particulars	Gratuity (Funded)		Gratuity (Non Funded)	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
PVO	31/03/2018		31/03/2017	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
PVR DR+1%	2,937	3,526	2,520	3,052
PVR DR-1%	3,533	2,938	3,058	2,521
Assumptions				
Expected return on plan assets	7.40%	7.40%		
Salary escalation rate	8.00%	8.00%		
Discounting rate	7.40%	7.40%		
Employee attrition rate	0.80% for all ages	0.80% for all ages		
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate		
Composition of plan assets	100% with Life Insurance Corporation (LIC)	100% with Life Insurance Corporation (LIC)		

Note : Gratuity (Non-funded) amounts are pertaining to one subsidiary 'eSense Learning Private Limited'.

(c) Defined benefit plan and long term employment benefits: Leave encashment

In respect of leave encashment benefit, accrual is made on the basis of a year-end actuarial valuation in pursuance of the Company's leave rules.

The Company has provided for leave benefits based on the actuarial valuation done as per Project Unit Credit Method. The following table sets out for the status of leave encashment plan:

(₹ in Lakh)

Particulars	Leave Encashment (Non Funded)	
	31/03/2018	31/03/2017
Change in Obligation		
Opening Present Value of Accrued Gratuity	1,558	999
Addition due to subsidiary	-	107
Service Cost	630	559
Actuarial (Gain)/ Loss on Obligation	(395)	(124)
Interest Cost	111	76
Less :Benefits paid	(131)	(60)
Closing Present Value of Accrued Gratuity	1,774	1,558
Change in Plan Asset		
Opening Fund Balance	-	-
Addition due to subsidiary	-	-
Interest Income	-	-
Return on the plan asset	-	-

Contribution by the Company	131	60
Less :Benefits paid	(131)	(60)
Closing Fund Balance	-	-
Reconciliation of present value of obligation and the plan asset		
Closing Fund Balance	-	-
Closing present value of Accrued Gratuity	1,774	1,558
Net Liability recognised in balance sheet	1,774	1,558
Expenses recognised in the Statement of Profit & Loss		
Current Service Cost	630	559
Interest Cost	111	76
Expected Return on Plan Assets	-	-
Net Actual (Gain) / Loss recognised	(395)	(124)
Expenses recognised in the Statement of P & L	346	512
Movement in the Liability recognised in Balance Sheet.		
Opening Net Liability	1,558	999
Addition due to subsidiary	-	107
Expenses as above	346	512
Contribution paid	(131)	(60)
Closing Net Liability	1,774	1,558
Sensitivity analysis:		

PVO	**31/03/2018**		**31/03/2017**	
	Discount rate	**Salary escalation rate**	**Discount rate**	**Salary escalation rate**
PVR DR+1%	1,502	1,894	1173	1,500
PVR DR-1%	1,899	1,503	1,504	1,173
Assumptions				
Expected return on plan assets	0.00%	0.00%		
Salary escalation rate	8.00%	8.00%		
Discounting rate	7.40%	7.40%		
Employee attrition rate	0.80% for all ages	0.80% for all ages		
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate		
Composition of plan assets	Not funded	Not funded		

51. Related Party Transactions

I). List of related parties with whom transactions have taken place and relationships:

(i)	**Associates**	K-12 Techno Services Pvt.Ltd.
(ii)	**Enterprises owned or significantly influenced by key management personnel or their relatives**	Navneet Prakashan Kendra
		Vikas Prakashan
		Gala Publishers
		Sandeep Agency
		Gala Comp
		The Flagship Advertising Pvt. Ltd.
		Navneet Foundation
		Blacksoil Capital Pvt.Ltd
		Anushka Builders
		Schoolwear Pvt Ltd (From 15/06/2016 to 13/03/2018)
(iii)	**Key Management Personnel & Relatives of the group**	Shri Bipin A Gala
		Shri Anil D Gala
		Shri Gnanesh D Gala
		Shri Raju H Gala
		Shri Shailendra J Gala
		Shri Sanjeev J Gala
		Shri Kalpesh H Gala
		Shri Ketan B Gala
		Smt.Pooja Ketan Gala
		Shri Deepak L Kaku
		Shri Archit R Gala
		Shri Amit D Buch
		Shri Ram S Kamat
		Shri Amit K Gala
		Smt. Henal T.Mehta
		Shri A.J. Shethia
		Shri K.S. Vikamsey
		Shri N.S. Vikamsey
		Smt. Usha Laxman
		Shri T.K. Jani
		Shri M.P. Bansal
		Dr. V.B. Joshi
(iv)	**Key Management Personnel & Relatives as per the Companies Act 2013:**	Shri Deepak L Kaku (Chief Financial Officer of Parent Company)
		Shri Amit D Buch (Company Secretary of Parent Company and one subsidiary)
(v)	**Post employement Benefit Plan**	Employees' Gratuity scheme

II). Disclosure in respect of transactions with related parties during the year

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2017-18 (₹ in Lakh)		2016-17 (₹ in Lakh)	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1.	**Royalty Expense**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	2,612		1,982	
	Navneet Prakashan Kendra		1,370		1,053
	Vikas Prakashan		779		594
	Gala Publishers		463		334
2.	**Rent Expense**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	906		694	
	Navneet Prakashan Kendra		664		475
	Vikas Prakashan		55		58
	Gala Publishers		30		28
	Sandeep Agency		157		131
	Gala Comp		#		3
3.	**Electricity Expense**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	#		#	
	Navneet Prakashan Kendra		#		#
4.	**Legal fees**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	72		#	
	The Flagship Advertising Pvt.Ltd.		63		#
	Henal T.Mehta		8		#
5.	**Sundry balance write off**				
	Associates	14		-	
	K12 Techno Services Pvt. Ltd.		14		-
6.	**Remuneration / Salary Paid to**				
	KMP & their Relative	1,194		892	
	Shri Atul J.Sethia		64		44
	Shri Bipin A.Gala		133		101
	Shri Anil D.Gala		133		101
	Shri Gnanesh D.Gala		133		101
	Shri Shailendra J.Gala		126		93
	Shri Raju H.Gala		133		101
	Shri Sanjeev J.Gala		126		93
	Shri Ketan Bipin Gala		126		93
	Shri Kalpesh H.Gala		126		93

	Smt.Pooja Ketan Gala		4		4
	Shri Archit R.Gala		3		1
	Shri Devish G Gala		6		-
	Shri Deepak L Kaku		47		38
	Shri Amit D Buch		33		29
7.	**Investment**				
	In Preference Shares				
	Associate:	2,148		279	
	K12 Techno Services Pvt.Ltd.		2,148		279
8.	**Purchase of Finished Goods & Assets**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	-		401	
	Anushka Builders		-		401
9.	**Rent Income**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	8		2	
	Blacksoil Capital Pvt.Ltd		6		2
	Schoolwear Pvt Ltd		2		-
10.	**Interest Income**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	-		14	
	The Flagship Advertising Pvt.Ltd.		-		14
11.	**Sales of Finished Goods**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	8		8	
	Navneet Foundation		8		8
12.	**Loan repayment**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	-		110	
	The Flagship Advertising Pvt.Ltd.		-		110
13.	**Contribution to post-employement benefit scheme**	406		2,697	
	Employees' Gratuity scheme		406		2,697
14.	**Shares bought Back**				
	KMP & their Relative			433	
	Shri Bipin A. Gala		-		48
	Shri Anil D. Gala		-		72
	Shri Gnanesh D. Gala		-		69
	Shri Shailendra J. Gala		-		29
	Shri Raju H. Gala		-		25

	Shri Sanjeev J. Gala		-		29
	Shri Ketan Bipin Gala		-		55
	Shri Kalpesh H. Gala		-		79
	Smt.Pooja Ketan Gala		-		7
	Shri Archit R. Gala		-		22
15.	**Dividend**				
	KMP & their Relative	491		422	
	Shri Bipin A. Gala		53		30
	Shri Anil D. Gala		82		74
	Shri Gnanesh D. Gala		79		71
	Shri Shailendra J. Gala		33		29
	Shri Raju H. Gala		28		25
	Shri Sanjeev J. Gala		33		30
	Shri Ketan Bipin Gala		63		56
	Shri Kalpesh H. Gala		90		81
	Smt.Pooja Ketan Gala		7		6
	Shri Archit R. Gala		22		20
	Dividend paid to non-executive director	#		#	
	Shri Mohinder Pal Bansal		#		#
	Dr. Vijay B. Joshi				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	3		2	
	Smt Henal T. Mehta		3		2

Related Parties Accounts Payable/Receivable as on 31.3.2018

(₹ in Lakh)

1.	**Investments**				
	In Equity Shares & preference shares (including Goodwill & net of Group's share of loss)				
	Associates:	4,583		2,447	
	K12 Techno Services Pvt.Ltd.		4,583		2,447
2.	**Balance with post employment benefit Fund**				
	Employees' Gratuity scheme		3,210		2,759

52. SEGMENT REPORTING

The Company's operations relates to publication of knowledge based information in educational and general books form as well as in electronic media and manufacturing of paper and other stationery items. It caters to the educational need of Indian as well as Global market .

Accordingly "Publication" and " Stationery " comprise of the primary segments.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2018

NAVNEET
Knowledge is wealth

Secondary segmental reporting is performed on the basis of the geographical location of customers.

The accounting principles and policies used in the preparation of the Financial Statements, as set out in the note on significant accounting policies, are also consistently applied to record revenue and expenditure, in individual segments.

[A] Primary - Business Segments

(₹ in Lakh)

	Publication		Stationery		Others		Total	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Revenue	69,997	67,716	50,096	48,602	581	1,194	1,20,674	1,17,512
Less : Inter Segment Revenue	-			-	(274)	(288)	(274)	(288)
Net Revenue	69,997	67,716	50,096	48,602	307	906	1,20,400	1,17,223
Other Income	(6)	(7)	1,616	835	(1)	68	1,609	895
Segment Revenue	**69,991**	**67,709**	**51,713**	**49,436**	**306**	**973**	**1,22,009**	**1,18,118**
Segment Results	**19,029**	**23,222**	**5,069**	**5,531**	**(53)**	**153**	**24,045**	**28,905**
Add:Unallocated Other Income / (Expense)							989	1,339
Less:Financial Expenses							(773)	(429)
Less:Unallocable Expenditures							(3,258)	(3,438)
Profit Before Taxation							**21,003**	**26,377**
Provision for Taxation (Income tax and Deferred tax)							(8,253)	(8,269)
Share in Profit/ (Loss),Minority Interest and goodwill							(14)	(1,047)
Profit after taxation							**12,736**	**17,061**
Segment Assets	54,786	57,554	51,191	37,690	5,553	2,686	1,11,531	97,930
Unallocated Assets							3,824	4,059
Total Assets							**1,15,355**	**1,01,990**
Segment Liabilities	10,863	9,496	6,448	5,654	26	102	17,337	15,252
Unallocated Liabilities							22,803	17,352
Total Liabilities							**40,140**	**32,603**
Capital Expenditure	1,948	2,195	1,674	854	2	13	3,624	3,063
Unallocated Capital Expenditure	-	-	-	-	-	-	63	1

Notes on Consolidated Financial Statements

for the year ended 31st March, 2018

	Publication		Stationery		Others		Total	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Depreciation and amortisation on Segmental Assets	2,030	1,805	869	796	112	130	3,012	2,746
Unallocated Depreciation and amortisation	-	-	-	-	-	-	54	89
Material non cash items other than depreciation and amortisation (Allowance for bad and doubtful debts)	-	-	-	-	-	-	454	201

Notes :

1. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the respective segment , however , revenue and expenses which can not be identified or allocated reasonably to a segment being related to the enterprise as a whole have been grouped as unallocable.

2. Segment assets and segment liabilities represent assets and liabilities of respective segments, however the assets and liabilities not identifiable or allocable on resonable basis being related to enterprise as a whole have been grouped as unallocable.

3. The business which have been grouped under "Others" segment comprises of revenue from generation of power by Windmill, Pre School and Trading items etc.

4. In publication segment, concentration of revenues from one customers of the Company were 13.75% and 13.50% of total revenue for the year ended 31st March 2018 and 31st March 2017 respectively and in stationery segment, concentration of revenues from one customers of the Company were 28.78% and 31.62% of total revenue for the year ended 31st March 2018 and 31st March 2017 respectively.

[B] Secondary - Geographical Segments

(₹ in Lakh)

Particulars	North & Central America	Africa	Europe	Australia & Oceania	Rest of the world except India	India	Total
Segment Revenue	17,994	1,407	3,540	23	1,009	96,426	1,20,400
	(12,680)	(1,817)	(2,215)	(25)	(554)	(99,933)	(1,17,223)
Segment Assets	3,050	128	680	-	214	1,11,284	1,15,355
	(1,057)	(409)	(598)	-	(191)	(99,734)	(1,01,990)

53. Additional Information as required by para 2 of General Instructions for preparation of Consolidated Financial Statements as per Schedule III of the Companies Act, 2013.

(₹ in Lakh)

Sr. No.	Name of the Enterprise	"Net Assets i.e. total assets minus total liabilities"		Share in profit or loss		Share in Other Comprehensive income (OCI)		Share in Total Comprehensive income (OCI)	
		%	Amount	%	Amount	%	Amount	%	Amount
A.	**Parent**								
	Navneet Education Limited	107.17%	80,609	118.43%	15,083	104.23%	(470	118.95%	14,613

B.	**Subsidiaries**						-		
	Indian						-		
	eSense Learning Private Limited	-4.03%	(3,033)	-4.84%	(616)	-0.95%	4	-4.98%	(612)
	Navneet Learning LLP	-4.18%	(3,147)	-0.01%	(2)	0.00%	-	-0.01%	(2)
	Indiannica Learning Private Limited	1.03%	771	-13.45%	(1,713)	-2.77%	12	-13.84%	(1,701)
	Navneet (HK) Limited	0.00%	(2)	-0.01%	(2)	0.05%	#	-0.01%	(2
	Minority Interest in all subsidiaries	0.02%	16	0.00%	#	0.00%	-	0.00%	#
C.	**Associates (Investment as per the equity method)**						-		
	Indian						-		
	K12 Techno Services Private Limited	0.00%	-	-0.11%	(14)	-0.55%	3	-0.09%	(12)
	Total	**100.00%**	**75,215**	**100.00%**	**12,737**	**100.00%**	**(451)**	**100.00%**	**12,285**

54. Indiannica Learning Private Limited became wholly owned subsidiary with effect from December 30, 2016. The consolidated Profit for the financial year 2016-17 (after tax) includes profit of the subsidiary post acquisition of ₹ 2,539 Lakh. The subsidiary's business being seasonal in nature, the figure for the last quarter is not representative of the results for the full financial year. The consolidated profit for the financial year 2017-18 (after tax) includes loss of the subsidiary for the full year of ₹ 1,939 Lakh. Hence the current year's consolidated results are not comparable with the previous year.

55. Disclosures as required by Ind AS 103 for Goodwill:

a) Movement of Goodwill: (₹ in Lakh)

Particulars	**For the year ended**	
	31st March, 2018	**31st March, 2017**
Balance at the beginning of the Year	4,567	-
Add: Goodwill on acquisition of a subsidiary	-	4,567
Less: Impairment of Goodwill (refer point (b) below)	-	-
Balance at end of the year	**4,567**	**4,567**

b) Goodwill was created in previous year on acquisition of a subsidiary 'Indiannica Learning Private Limited'. Impairment test for has been carried out by the management based on the projections for next five years as approved by the Board of directors. Some of the assumptions based on which projections are prepared based on market estimates and management judgements which have been relied upon by the auditors.

c) Impairment test for goodwill on acquisition of a subsidiary generated in previous year:
"The Group tests goodwill for impairment annually. During the year ended 31st March 2018, the testing did not result in any impairment in the carrying amount of goodwill.

Impairment testing was carried on by the management based on the projections for next five years as approved by the Managing directors of subsidiary. Key assumptions used in projections are:

- Earnings before interest and taxes (EBIT) margins,
- Growth rate,
- Discount rates etc.

EBIT margins: The margins have been estimated based on past experience after considering various factors like increase in team size, market share, new publications etc.

Growth rate: The growth rates used are in line with long-term average growth rates of the respective industry and are consistent with the internal / external sources of information. These assumptions based on past experience, market estimates and management judgements.

Discount rates: Discount rates reflects the current market assessment of the risks specific to a Cash Generating Unit (CGU) and estimated based on estimated based on weighted average cost of capital for respective CGU / group CGU.

The net present value of the future earnings based on the projections is significantly higher than the carrying value of goodwill, hence sensitivity in projections data will not affect impairment test result materially."

56. Disclosures as required by Ind AS 112 'Interest in other entities:':

a) Subsidiaries:

Name of the entity	Place of business / country of incorporation	Principal activities	As at 31st March, 2018	As at 31st March, 2017
i) Ownership interest held by the Group				
eSense Learning Private Limited	India	e-learning products & Services	100%	100%
Navneet Learning LLP	India	Special Purpose Vehicle (SPV)	93%	95%
Indiannica Learning Private Limited	India	CBSE Content Publication	100%	100%
Navneet (HK) Limited	Hong Kong	Stationery trading	70%	Nil
ii) Ownership interest held by non-controlling interests				
Navneet Learning LLP	India	Special Purpose Vehicle (SPV)	7%	5%
Navneet (HK) Limited	Hong Kong	Stationery trading	30%	Nil

b) Interest in associates:

Investments in Associate is not individually material to the Group. Summarised financial information of Associate as per Ind AS 112 are given below:

Particulars	31st March, 2018	31st March, 2017
Investment in associate (share in % - Equity shares including Compulsorily Convertible Preference Shares into equity)	35.73%	35.73%
Group's share of profit / (loss)	(14)	(1,047)
Group's share of other comprehensive income	2	-
Group's share of total comprehensive income	**(12)**	**(1,047)**

57. Revenue from operations for the periods up to 30th June, 2017 includes excise duty, which is discontinued effective 1st July, 2017 upon implementation of Goods and Service Tax (GST) in India. GST is not included in revenue from operations w.e.f. 1st July, 2017. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended 31st March, 2018 are not comparable with previous periods.

For the purpose of comparability, revenue from operations including excise duty and excluding excise duty are given below:

(₹ in Lakh)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue from operations (including excise duty)	1,20,400	1,17,223
Less: Excise duty	118	456
Revenue from operations (excluding excise duty)	1,20,282	1,16,767

58. Additional Information as required by para 7 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.

59. Previous Year Figures have been regrouped/rearranged wherever necessary.

As per our report of even date attached hereto

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration Number - 116560W / W100149

sd/-
Sandeep Shah
Partner
Membership Number: 37381

Place: Mumbai
Date : 10th May, 2018

For & On behalf of the Board of Navneet Education Limited

sd/-
Kamlesh S. Vikamsey
Chairman
DIN: 00059620

sd/-
Gnanesh D. Gala
Managing Director
DIN: 00093008

sd/-
Deepak L. Kaku
Chief Financial Officer

sd/-
Amit D. Buch
Company Secretary
Mem. No. A15239

Place: Mumbai
Date : 10th May, 2018

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NAVNEET EDUCATION LIMITED

CIN : L22200MH1984PLC034055

Registered Office : Navneet Bhavan, Bhavani Shankar Road, Dadar (West), Mumbai - 400 028.
e-mail : investors@navneet.com website : www.navneet.com

ATTENDANCE SLIP

32nd Annual General Meeting 24th day of July, 2018

Registred Folio : | | | | | | | DP ID : | | | | | | | | |

Client ID : | | | | | | | | | Number of shares held : | | | | | | | | | | |

I/We hereby record my/our presence at the 32nd Annual General Meeting of the Company held on Tuesday 24th July, 2018 at 3:30 p.m. at P.L. Deshpande Maharashtra Kala Academy, Mini Theatre, 3rd Floor, Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400025.

(Member's / Proxy's Name in Block Letters)

(Member's / Proxy's Signature)

Note: Please fill up the attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.

✂----------

NAVNEET EDUCATION LIMITED

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

32nd Annual General Meeting 24th day of July, 2018

Name of the Member(s) : .....

Registered address : .....

E-mail Id : .....

Folio No. / Client ID : | | | | | | | | | DP ID: | | | | | | | | |

I/We, being the member(s) holding.....shares of the above named Company, hereby appoint:

1. Name:..... Address : .....
   E-Mail Id: ..... Signature : .....or failing him/her;

2. Name:..... Address : .....
   E-Mail Id: ..... Signature : .....or failing him/her;

3. Name:..... Address : .....
   E-Mail Id: ..... Signature : .....or failing him/her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Tuesday, 24th July, 2018 at 3:30 p.m. at P.L. Deshpande Maharashtra Kala Academy, Mini Theatre, 3rd Floor, Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400025 and at any adjournment thereof in respect of such resolutions as are indicated below :

PTO

Resolution Number	Description	For	Against
Ordinary Business			
1	Receive, Consider and adopt the: a) Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 including the Audited Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss for the year ended on that date together with Reports of Board of Directors and Independent Auditors thereon; and b) Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018 including the Audited Consolidated Balance Sheet as at 31st March, 2018 and the Consolidated Statement of Profit and Loss for the year ended on that date together with Report of Independent Auditors thereon.		
2	Declaration of dividend for the Financial Year ended 31st March, 2018.		
3	Re-appointment of Shri Gnanesh D. Gala (DIN : 00093008) as a Director, liable to retire by rotation and, being eligiable, offers himself for re-appointment.		
4	Re-appointment of Shri Raju H. Gala (DIN : 02096613) as a Director, liable to retire by rotation and, being eligiable, offers himself for re-appointment.		
5	Re-appointment of Shri Nilesh S. Vikamsey (DIN : 00031213) as a Director, liable to retire by rotation and, being eligiable, offers himself for re-appointment.		
Special Business			
6	Re-appointment of Shri Gnanesh D. Gala (DIN : 00093008) as Managing Director of the Company for a period of 5 (Five) years wef 1st June, 2018.		
7	Re-appointment of Shri Raju H. Gala (DIN : 02096613) as Joint Managing Director of the Company for a period of 5 (Five) years wef 1st June, 2018.		
8	Re-appointment of Shri Bipin A. Gala (DIN : 00846625) as Whole time Director of the Company for a period of 5 (Five) years wef 1st June, 2018.		
9	Re-appointment of Shri Anil D. Gala (DIN : 00092952) as Whole time Director of the Company for a period of 5 (Five) years wef 1st June, 2018.		
10	Re-appointment of Shri Shailendra J. Gala (DIN : 00093040) as Whole time Director of the Company for a period of 5 (Five) years wef 1st June, 2018.		
11	Re-appointment of Shri Atul J. Shethia (DIN : 00094108) as Whole time Director of the Company for a period of 5 (Five) years wef 1st June, 2018.		

Signed this.....day of .....2018. **Signature of Shareholder.....**

Signature of Proxy holder(s).....

Affix ₹ 1 Revenue Stamp

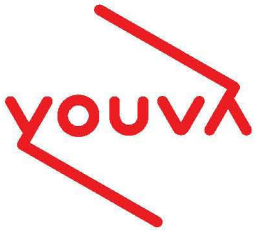
NOTES:

1. **The form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**
2. A person can act as proxy on behalf of Members up to and not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company. Further, a Member holding more than ten per cent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

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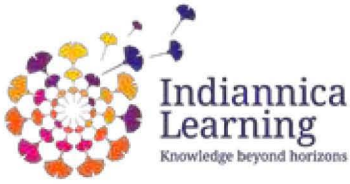

NAVNEET
Knowledge is wealth


YOUVA


BOSS


GRAFALCO®


TOPScorer


Indiannica
Learning
Knowledge beyond horizons

Knowledge is wealth

Navneet Education Limited

CIN: L22200MH1984PLC034055

Navneet Bhavan,
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Dadar (W), Mumbai – 400 028.

www.navneet.com

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