NAVNEET®

Knowledge is wealth

60 YEARS OF ENLIGHTENMENT THROUGH EDUCATION

NEL/NSE/129/2020

Date: 4th September, 2020

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

Dear Sirs,

Scrip Code – NAVNETEDUL
Sub. : Annual Report for the Financial Year 2019-20 along with the Notice convening the 34th Annual General Meeting.

Pursuant to Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2019-20 along with the Notice convening 34th Annual General Meeting of the members of the Company scheduled to be held on Monday, 28th September, 2020 at 3.30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

You are requested to take note of the above.
Thanking you,

Yours faithfully,
FOR **NAVNEET EDUCATION LIMITED**

(AMIT D. BUCH)
COMPANY SECRETARY

Encl.: as above

NAVNEET®

Knowledge is wealth



Impart Influence Impact

34th Annual Report 2019-2020



IMPART
INFLUENCE
IMPACT

Education guides us towards the path of wisdom and knowledge, leading towards a life of fulfilment and prosperity. As a fundamental right of every child, imparting quality education is the combined duty of institutions and teachers. This responsibility has undergone a massive transition over the years. By retaining the pros of conventional techniques and including technology to allow better understanding, digital learning will help in defining modern education.

Education is the most influential aspect of any character. An educated person is respected and revered in any society, because of their forward-thinking and ability to bring solutions. The push which one requires to discover a world of limitless possibilities is provided by learning. Ultimately, a group of learned individuals take the world forward, giving rise to more educated and capable personalities.

> **Education is the manifestation of perfection in man**
> - Swami Vivekananda

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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. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. 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)
Anil Swarup (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

Chief Strategy Officer

Chirag A. Daru

Auditor

N.A. Shah Associates LLP
Chartered Accountants, Mumbai

Internal Auditors

Mahajan & Aibara
Chartered Accountants, Mumbai

Bankers

Kotak Mahindra Bank Ltd.
ICICI Bank Ltd.
The Hongkong and Shanghai Banking Corporation Ltd.
DBS Bank India Ltd.
HDFC Bank Ltd.
BNP Paribas
Yes Bank Ltd.
FirstRand Bank Ltd.
Qatar National Bank
Standard Chartered Bank
Citi Bank N.A.

Registered Office

Navneet Bhavan,
Bhavani Shankar Road,
Dadar (West),
Mumbai – 400 028.
Tel : +91 22 666 26565
Fax : +91 22 666 26470

Corporate Identity Number

L22200MH1984PLC034055

Ahmedabad Office

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

Manufacturing Plants

- Village Dantali, Behind Kasturi Nagar
  Dist. & Tal. Gandhinagar Gujarat.
- Village Sayali, Silvassa
  Rakanpur, Taluka Kalol,
  Dist. U.T. off. Dadra and Nagar Haveli
- 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 : +91 22 49186000
Fax : +91 22 49186060
E-mail - rnt.helpdesk@linkintime.co.in
Website - www.linkintime.co.in

CHAIRMAN'S **COMMUNIQUÉ**



"Exploring new potentials, capitalizing on opportunities, adapting to emerging trends, improving strengths and delivering excellence will remain as key objectives for the coming years."

DEAR SHAREHOLDERS,

I am immensely delighted to present to you the Annual Report of Navneet Education for the financial year 2019-20.

As we embark on another year filled with opportunity and lessons, the world has undergone major changes in the last few months. The outbreak of COVID-19 has set forth a health and economic crisis all over the world, which has only amplified in terms of scope and magnitude. As a result, the governments across the globe have initiated lockdowns and closed national borders. Consequently, the global economy is in a very tough situation as numerous operations have come to a halt and millions of workers have been laid off worldwide.

The ripples of the outbreak have impacted the students and their parents, as all schools have been shut down to prevent the spreading of the virus. Even in these uncertain times, civil workers are doing their best in ensuring safety and countering the effects of the pandemic. Educational institutions have also followed suit, as they have begun hosting online classes to ensure quality education.

In FY 2019-20, the global trade and investments were the major challenges surrounding the world economy. The relations between the two largest economies of the world becoming sensitive, the price war among major oil producing nations and other geopolitical concerns were the other contributing factors to the tough economic scenario. The impacts of these global developments were felt in the Indian markets too. During the year the Indian government took steps to ensure safe tides for the economy. These include policy announcements consisting of PSU banks consolidation, incentives to several industries, corporate tax rate cuts and RBI's move to boost liquidity of banks and NBFCs. In the long run, these measures will boost the economy once the world restores to normalcy after the pandemic.

One of the important highlights of the year was the Honorable Finance Minister suggesting a new education policy in the Union Budget 2020. This policy, in addition to several measures, will revamp the education system and generate employment in the country and abroad for Indians. The budget was allocated at ₹99,300 crores for the education sector and ₹ 3,000 crores for skill development.

At Navneet Education, FY20 was a year which underlined our resilience and stability. Your Company made significant progress in many areas of its business, in addition to laying the foundation for the coming years which will be full of opportunities and strategies to conquer new markets. Emphasis will be given on enhancing the user experience and improving the quality of books. During the year, we improved our product portfolios, expanded our geographical presence and served our customers with zeal.

The financial performance of your Company in FY20 has been remarkable, especially considering the challenging economic situation. At the end of the year, the Company earned a total revenue of ₹1,46,719 Lakhs, PAT after OCI of ₹ 21,935 Lakhs and achieved growth at a rate of 6 percent.

Following are the segments highlights:

- Publication Revenues decreased by 2% to ₹ 69,875 Lakhs
- Stationery Revenues increased by 14% to ₹ 74,124 Lakhs

In FY20, our publication business was quite subdued due to limited changes in the syllabus in the state of Maharashtra. However, this market segment is primed for growth on the back of rapid progress in CBSE schools. The stationery segment of your Company continued on its steady pace due to impressive performance from exports. The increase in exports was due to new clients joining our vision, effective marketing techniques and a broad product portfolio. US continues to be a crucial market for Navneet, as it contributed more than 60% to the Company's export revenue.

As a new age organization, NEL emphasises enriching and effective digital learning experience. Indiannica

Learning Pvt. Ltd. and eSense Learning Pvt. Ltd. have helped in broadening our content business segment. In FY20, the revenue from operations was ₹ 5,497 Lakhs and ₹ 2,058 Lakhs, respectively from Indiannica and eSense. The acquisition of Indiannica has opened promising avenues for NEL, as we foray into the ICSE and CBSE board content and producing new workbooks for them. Hence, our current library is now modern and expanded, which will trigger more sales going forward.

Online education has emerged as a growing business vertical as more students have showed interest in a new learning format which promises better understanding, seamless accessibility and low operational changes. This has prompted many schools to migrate to online classes in the midst of the lockdown, to ensure the continued learning of the students. As a result, e-learning is only going to grow bigger in the near future.

Exploring new potentials, capitalizing on opportunities, adapting to emerging trends, improving strengths and delivering excellence will remain as key objectives for the coming years. NEL is long-term debt free and is placed in a strong position to achieve its financial goals. As an organization which believes in harnessing renewable energy and lowering dependency on replenishable options, NEL installed a 96.69 KW roof top solar system at registered office at Navneet Bhavan, Mumbai.This move will also help in reducing fixed overheads and optimizing costs.

We continue to value our relationships with our customers and employees. We, at NEL, also prioritise the safety and health of our workforce and are eager to uplift the community whenever we can. It is our attitude to create bigger milestones by adapting to the times and fostering innovation while staying true to our core values which define us. The coming FY21 will be significant towards realising our vision, as we continue to achieve our goals and add value for our stakeholders.

Thank You,
Kamlesh S. Vikamsey
Chairman



OUR **IDENTITY**

ABOUT US

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.

VISION

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

MISSION

To provide students with best quality supplementary study material and curriculum text books at affordable price.

To harness the power of InformationTechnology and bring home its wonder to children through e learning.

To provide students with scholastic stationery products.

CORE VALUES

Excellence

Proactive

Student Centric

Transparency

KEY FACTS

Students using Navneet products	35Mn+
No. of Titles	5,500+
Printing /Manufacturing Locations	3
Number of languages published	5
Number of subsidiaries	4

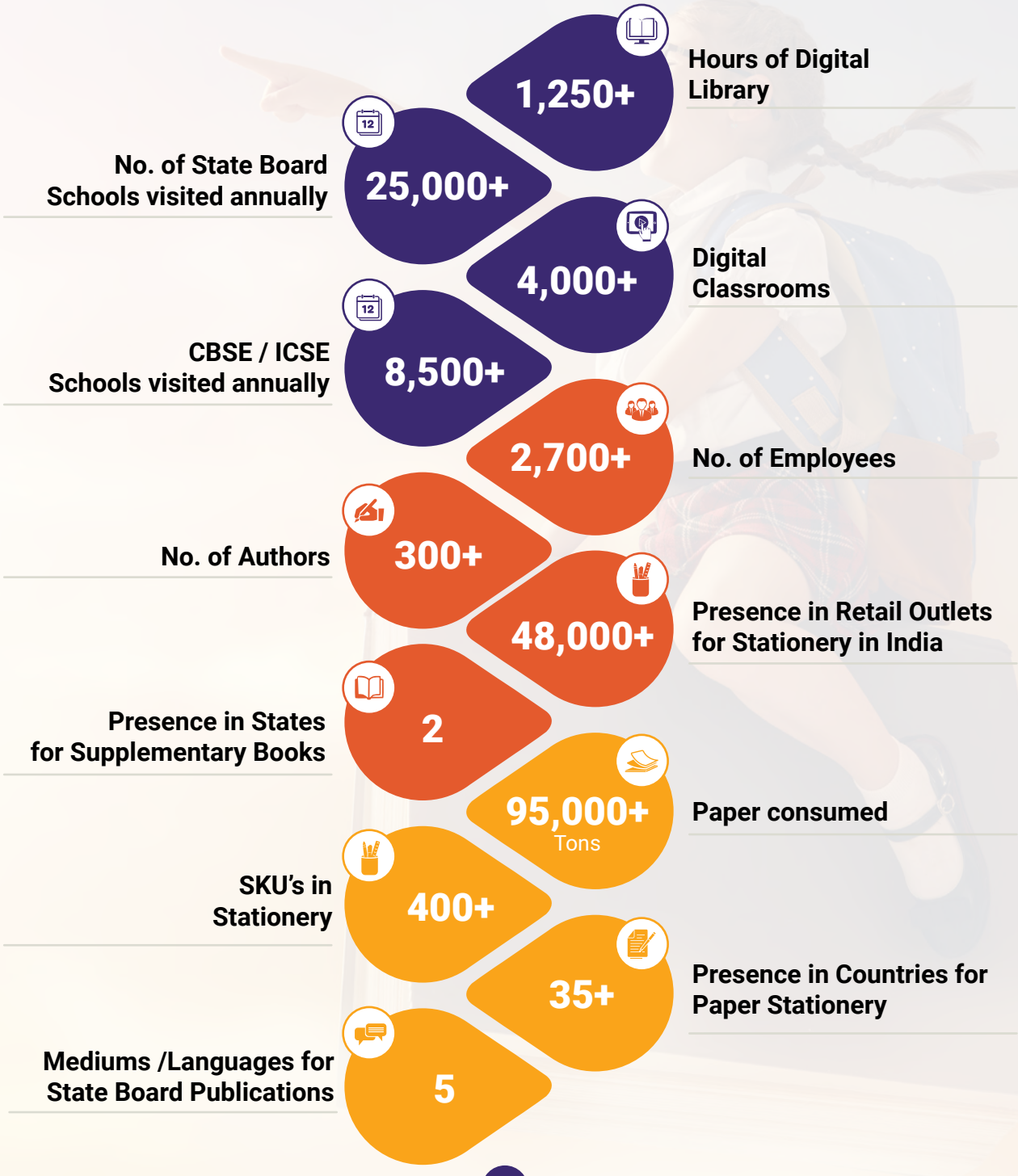


FY 2020

(₹ in Lakhs)

1,46,719	21,935	34,351	96,572
Total Revenue	PAT	EBITDA	Networth

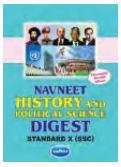
JOURNEY SO FAR



EVOLUTION **OVER THE YEARS**

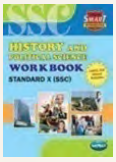
1959

First Digest/Guide published for Std X



1970

Workbook Concept Introduced



1975

Published 21 most likely Question Sets



1990

Children Books Introduced



1993

Scholastic Stationery



1994

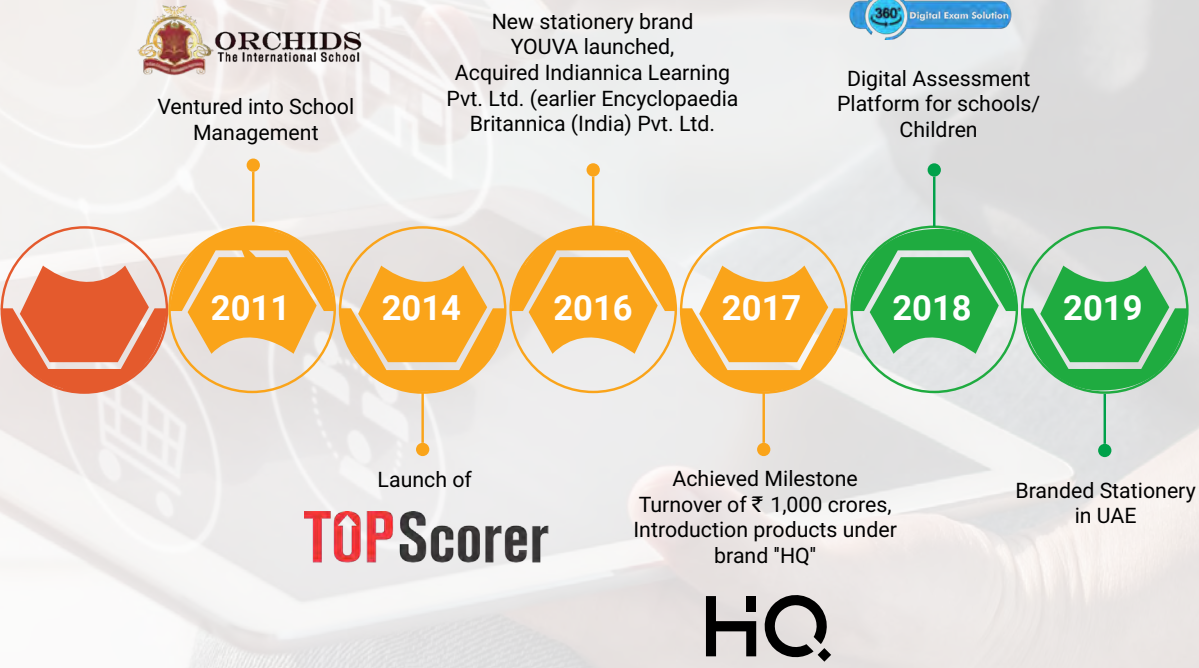
First Educational Publisher to be listed on BSE and NSE

BSE & NSE

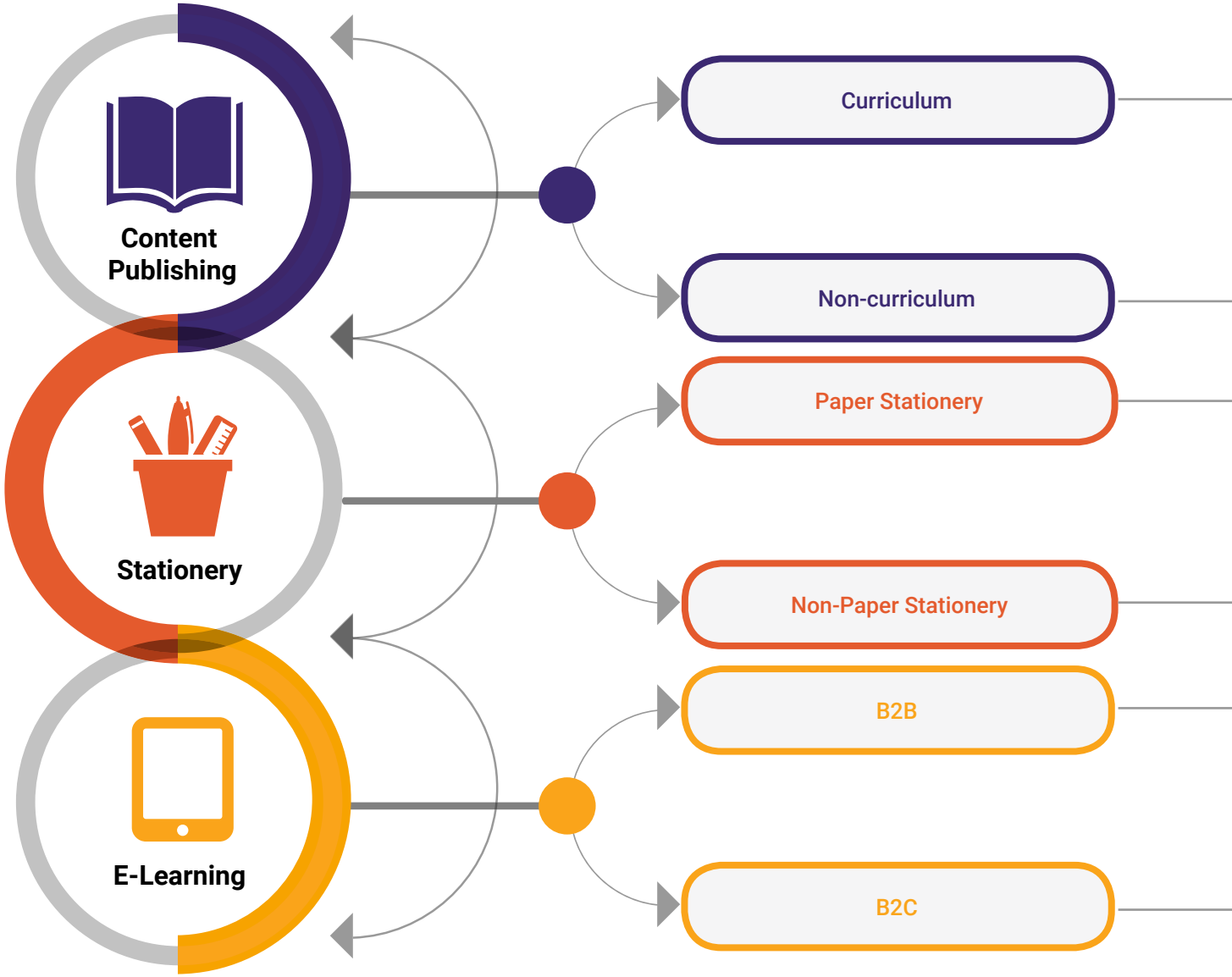
2008

Entered Digital Learning

eSense
Ensuring Success


ORCHIDS The International School
Ventured into School Management
YOUVA
Indiannica Learning
Knowledge beyond horizons
New stationery brand YOUVA launched, Acquired Indiannica Learning Pvt. Ltd. (earlier Encyclopaedia Britannica (India) Pvt. Ltd.
STUDY BUDDY™
360° Digital Exam Solution
Digital Assessment Platform for schools/ Children
2011
2014
2016
2017
2018
2019
Launch of
TOPScorer
Achieved Milestone Turnover of ₹ 1,000 crores, Introduction products under brand "HQ"
HQ
Branded Stationery in UAE

SEGMENTAL **OVERVIEW**



Supplementary Books
Maharashtra & Gujarat

Text Books – CBSE/ ICSE
Pan-India

General & Children Books
Pan-India

Domestic
Pan-India

Exports
USA, South and Central America, Europe, Africa, Middle East & New Zealand

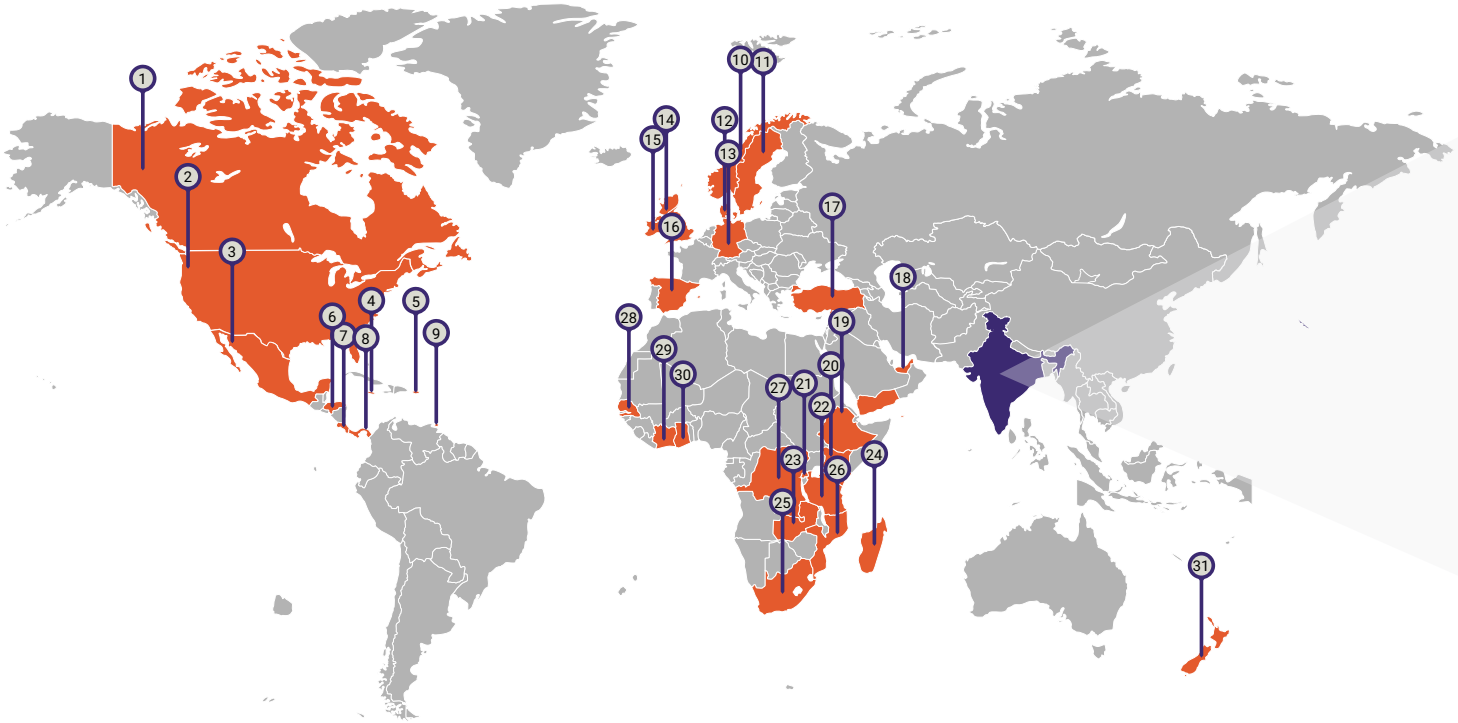
Outsourced & Sold
Pan-India

TOP Class, TOP Assessment
Maharashtra & Gujarat

Pendrives, Tablets, Mobile App
Maharashtra & Gujarat

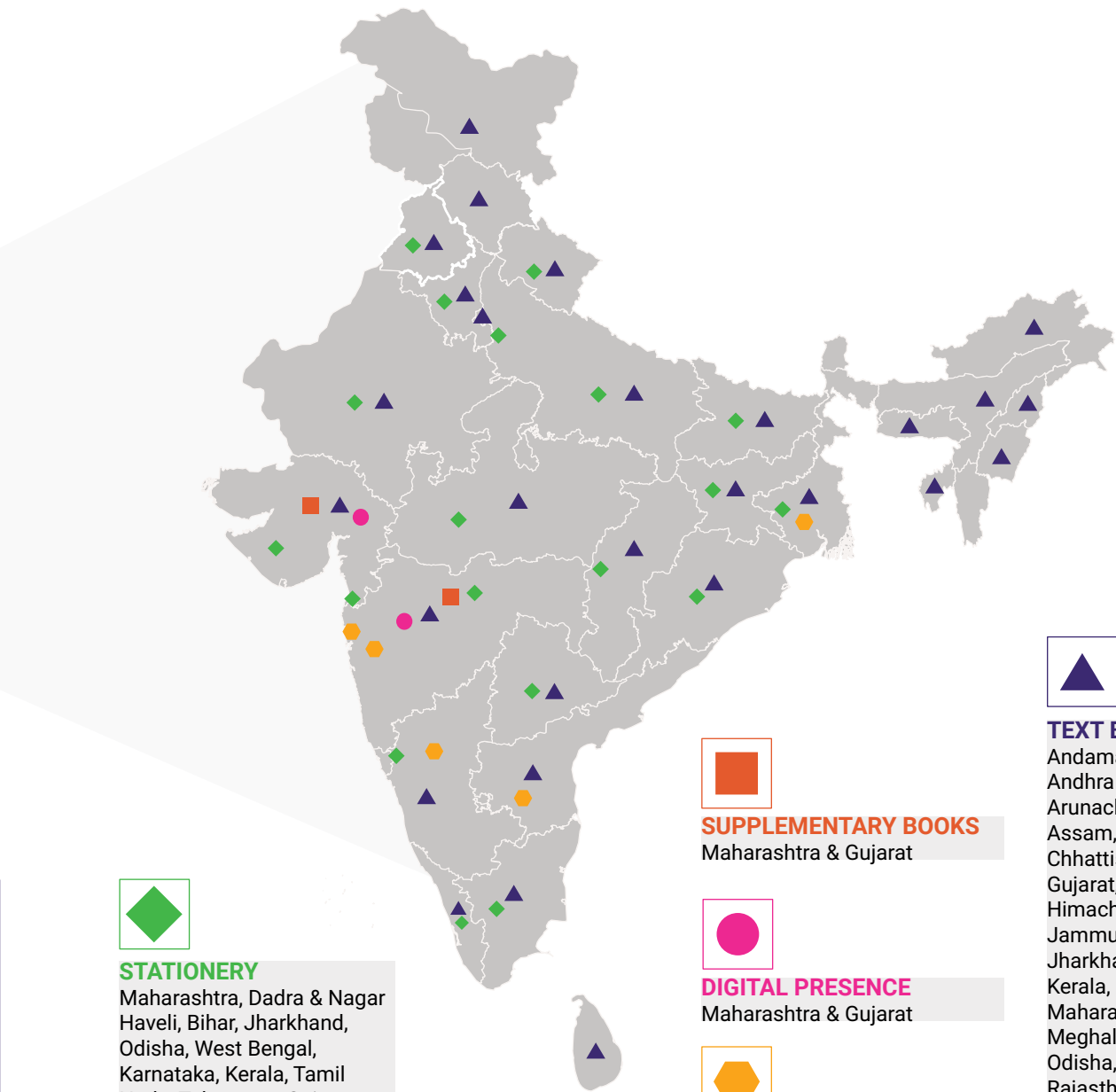


GLOBAL **PRESENCE**



1. Canada	2. United States	3. Mexico	4. Jamaica	5. Puerto Rico
6. Honduras	7. Costa Rica	8. Panama	9. Trinidad & Tobago	10. Norway
11. Sweden	12. Denmark	13. Germany	14. United Kingdom	15. Ireland
16. Spain	17. Turkey	18. UAE	19. Ethiopia	20. Kenya
21. Rwanda	22. Tanzania	23. Zambia	24. Madagascar	25. South Africa
26. Mozambique	27. Congo	28. Senegal	29. Ivory Coast	30. Ghana
31. New Zealand				

PAN INDIA **PRESENCE**



STATIONERY
Maharashtra, Dadra & Nagar Haveli, Bihar, Jharkhand, Odisha, West Bengal, Karnataka, Kerala, Tamil Nadu, Telangana, Gujarat, Chhattisgarh, Delhi, Haryana, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand

SUPPLEMENTARY BOOKS
Maharashtra & Gujarat

DIGITAL PRESENCE
Maharashtra & Gujarat

ORCHID INTERNATIONAL
Mumbai, Pune, Bengaluru, Hyderabad and Kolkata

TEXT BOOKS
Andaman & Nicobar, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Nagaland, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Tripura, Uttar Pradesh, Uttarakhand, West Bengal and Sri Lanka

MANUFACTURING **PLANTS**

KHANIWADE


Aerial View


Heidelburg Color Printing Machine


Inside View

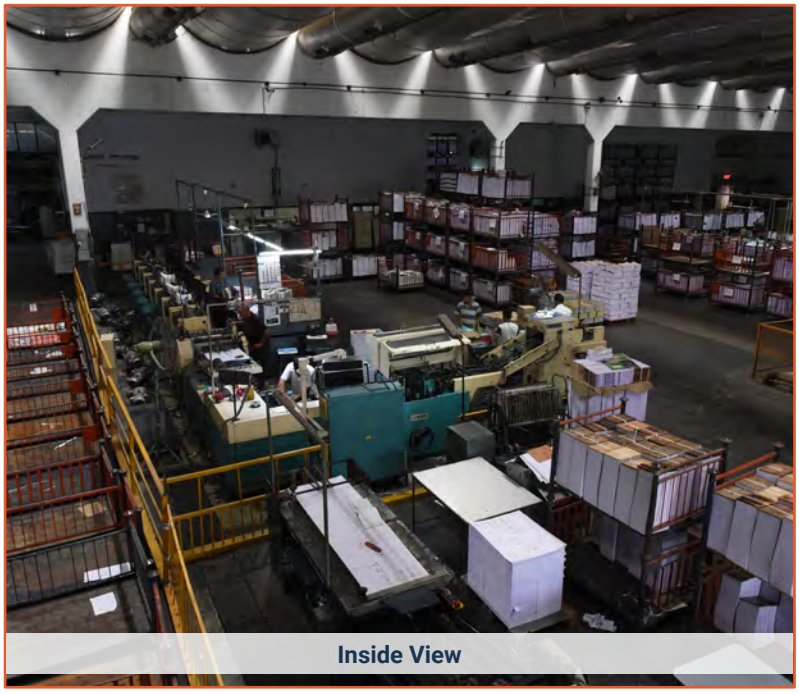

Inside View

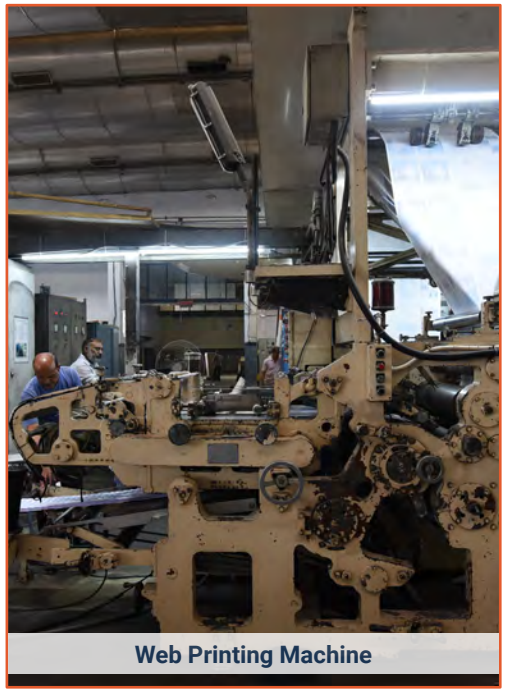

Web Ruling Machine


Finish Product Storage Area


Punching and Sewing Machine

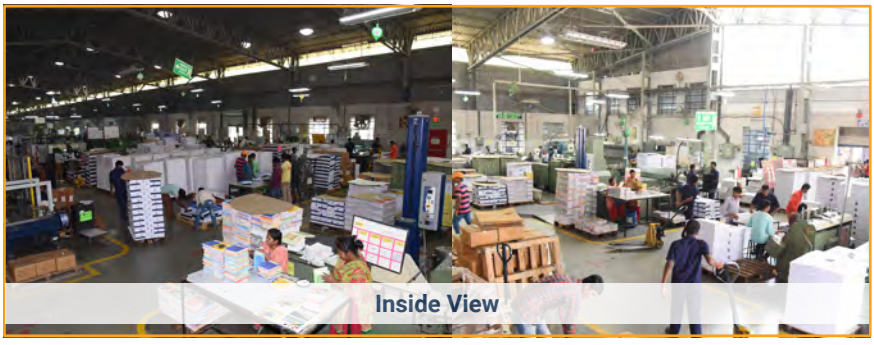
DANTALI

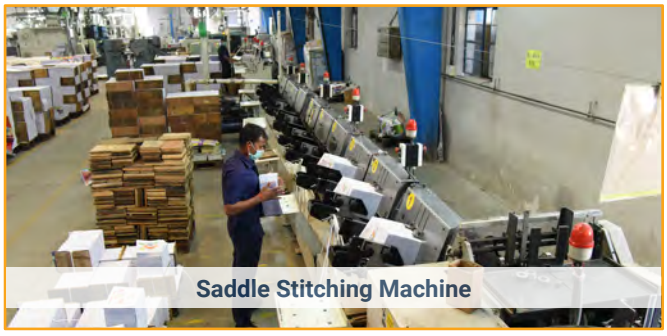

Inside View


Web Printing Machine

SILVASSA


Binding Machine


Inside View


Saddle Stitching Machine


ECH WILL Exercise Books Manufacturing Machine

FIVE YEARS **AT A GLANCE**

(₹ in Lakhs except EPS)

Year Ended March 31	2020	2019	2018	2017	2016
Income Statement Data					
Operating Revenue	1,44,180	1,36,054	1,13,224	1,08,941	93,390
Cost of Goods Sold	92,659	88,540	74,482	68,268	59,168
Gross Margin	**51,521**	**47,514**	**38,742**	**40,673**	**34,222**
as a % of Revenues	35.73%	34.92%	34.22%	37.33%	36.64%
Operating Expenses:					
Selling, general and administrative expenses	15,229	14,905	11,822	11,801	10,100
Other Operating expenses	2,787	3,844	3,450	3,819	3,420
Impairment & Non Recurring Charge #	1,693	-	-	-	-
Total Operating Expenses	**19,710**	**18,749**	**15,272**	**15,620**	**13,520**
Operating Income	**31,812**	**28,765**	**23,470**	**25,052**	**20,702**
as a % of Revenues	22.06%	21.14%	20.73%	23.00%	22.17%
Other Income	2,539	1,938	2,921	2,392	1,908
Depreciation	3,529	2,446	2,349	2,499	2,677
Finance Cost	1,307	1,186	597	347	348
Profit before Income Tax	**29,514**	**27,071**	**23,445**	**24,598**	**19,585**
Income tax benefit / (expense)	(7,579)	(9,324)	(8,124)	(8,434)	(6,971)
Profit for the year	**21,935**	**17,747**	**15,321**	**16,164**	**12,614**
as a % of Total Revenues	14.95%	12.86%	13.19%	14.52%	13.24%
Earnings per share (₹)					
Basic	9.58	7.67	6.56	6.81	5.30
Diluted	9.58	7.67	6.56	6.81	5.30
Dividend declared per Share (₹)	3.00	1.00	1.50	2.50	2.20
Balance Sheet Data					
Cash and Cash equivalents, net of bank overdraft	216	(1,530)	(7,414)	(853)	181
Operating Working Capital**	62,342	68,879	61,308	52,946	45,589
Total Assets	1,30,689	1,29,613	1,13,519	98,966	80,210
Long Term Debt, excluding current portion	-	-	-	-	-
Non Current Lease Liabilities	2,883	-	-	-	-
Current Debt	19,001	29,501	21,197	14,589	9,950
Current Lease Liabilities	744	-	-	-	-
Total Stockholders' equity	96,572	87,196	80,841	72,560	62,398
Additional Data					
Net Cash provided by/(used in):					
- Operating activities	29,593	9,038	3,992	9,363	19,118
- Investing activities	(7,352)	(3,252)	(2,808)	(155)	(1,601)
- Financing activities	(20,495)	128	(7,745)	(10,241)	(17,313)
Expenditure on Property, Plant and Equipment & Intangibles	3,642	2,384	3,069	1,341	3,482

Notes:
Includes amount paid towards Dispute Resolution of MVAT Liability and Impairment of Investments
** Operating Working Capital = Trade Receivables + Inventories - Trade Payables.

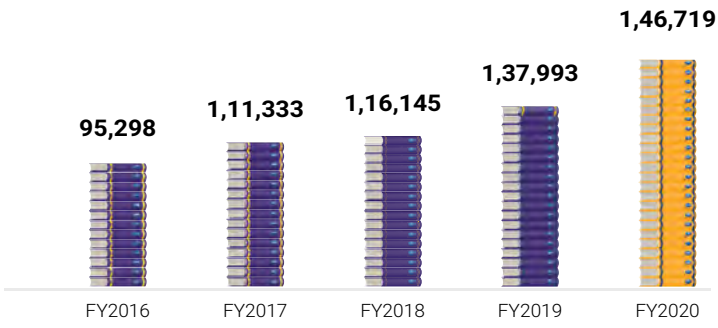
KEY FINANCIAL **RATIOS**

Year Ended March 31	2020	2019	2018	2017	2016
PROFITABILITY RATIOS					
Gross Margin (%)	35.73	34.92	34.22	37.33	36.64
Adjusted EBITDA margin (%) #	25.00	22.57	23.31	24.99	24.21
Adjusted PAT Margin (%) #	16.39	13.04	13.53	14.72	13.51
Return on Net Worth (%)	22.71	20.35	18.95	22.28	20.22
Return on Capital Employed (%)	30.99	32.41	29.25	33.61	31.63
ASSET PRODUCTIVITY RATIOS (%)					
Fixed Asset Turnover	9.23	9.04	7.75	7.47	6.14
Total Assets Turnover	1.11	1.12	1.07	1.23	1.17
WORKING CAPITAL RATIOS					
Working Capital Days	252	249	261	243	262
FG Inventory Days*	107	104	103	101	114
RM Inventory Days	111	104	108	98	97
Receivable Days*	53	62	72	63	69
Payable days	19	22	23	20	18
GEARING RATIOS (x)					
Debt/ Equity	0.20	0.34	0.26	0.20	0.16
Interest Coverage Ratio	23.58	23.83	40.25	71.89	57.28
Current Ratios	2.52	1.96	2.37	2.60	3.09
VALUATION RATIOS					
Earning Per Share {Post Tax} (₹)	9.58	7.67	6.56	6.79	5.30
Book Value Per Share (₹)	42.20	38.10	34.61	31.07	26.38
Dividend Payout (%)	150.00	50.00	75.00	125.00	110.01
Trailing Price/ Earning Ratio (x)	11.48	14.34	21.65	23.87	15.80
EV/EBITDA Multiple Ratio (x)	4.68	9.09	13.44	14.36	9.26

(1) Fixed Asset Turnover : Net Sales/ Average Net Fixed Assets (Property, Plant and Equipment)
(2) Total Asset Turnover : Net Sales/ Average Total Assets
(3) Working Capital Days : Inventory Days + Debtor Days - Creditor Days
(4) FG Inventory Days : (Average of Closing FG Inventory as on March)/(Cost of Goods Sold for the year) * 360
(5) RM Inventory Days : (Average of Closing RM Inventory as on March)/(Cost of Goods Sold for the year) * 360
(6) Receivable Days : (Average of Receivables as on March)/(Net Sales for the year) * 360
(7) Payable Days : (Average of Payables as on March)/(Cost of Goods Sold for the year) * 360
(8) Book Value per Share : Total Equity/ Outstanding Equity Shares
(9) Dividend Payout : % of Payout
(10) Trailing Price: Closing Share Price on the last working day of March
(11) Debt / Equity Ratio : Total Borrowing/ (Equity Capital + Other Equity)
EBITDA and PAT adjusted for non cash impairment charge and other non-recurring costs.

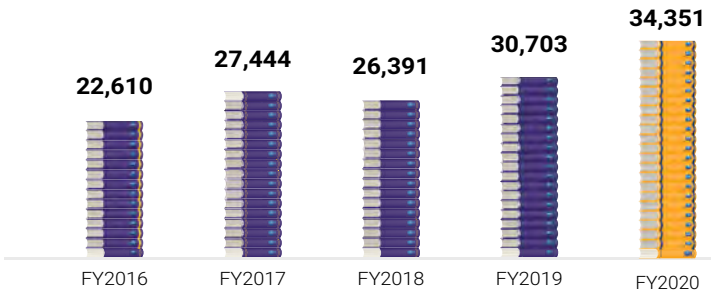
FINANCIAL **MOMENTUM**

TOTAL REVENUE
(₹ in Lakhs)



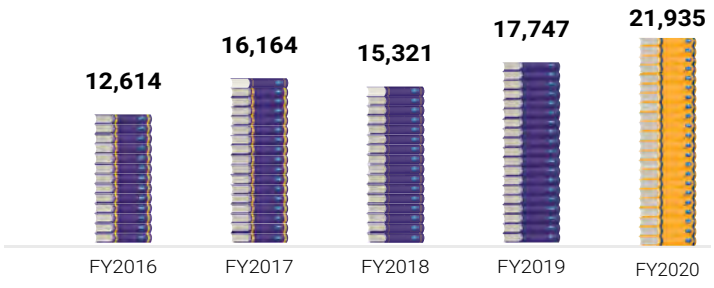
11.4% CAGR

EBITDA
(₹ in Lakhs)



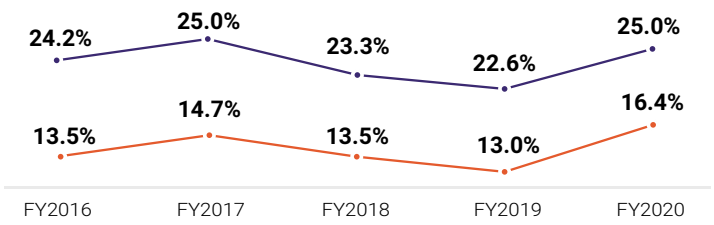
11.0% CAGR

PAT
(₹ in Lakhs)

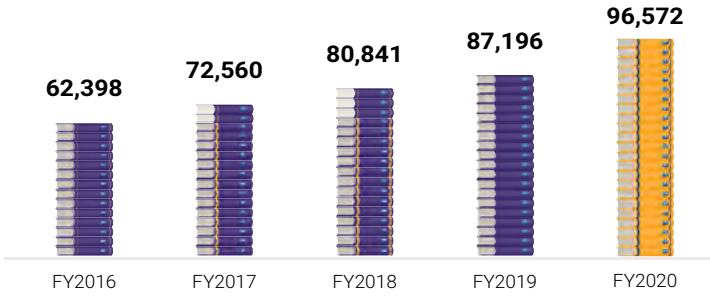


14.8% CAGR

ADJUSTED EBITDA & PAT MARGINS
(%)

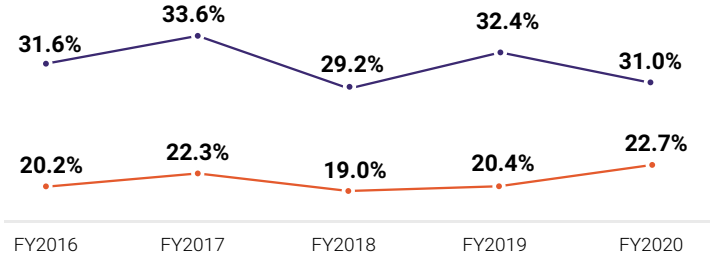


NET WORTH
(₹ in Lakhs)

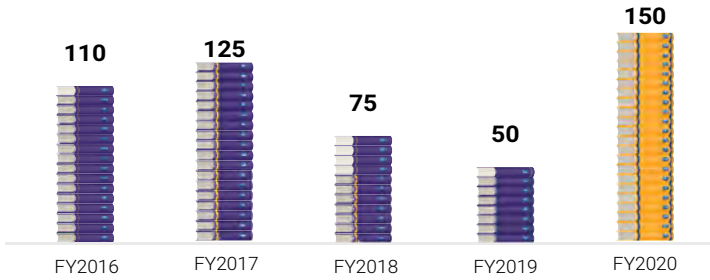


11.5%
CAGR

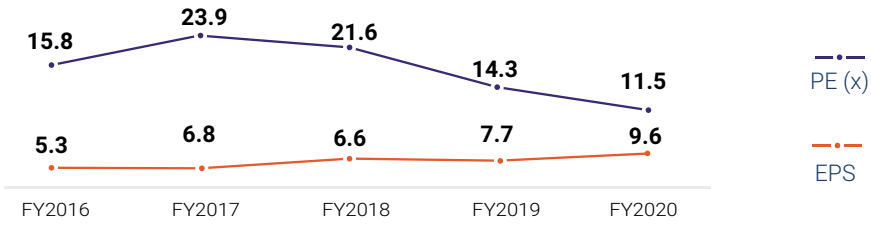
ROCE & RONW
(%)



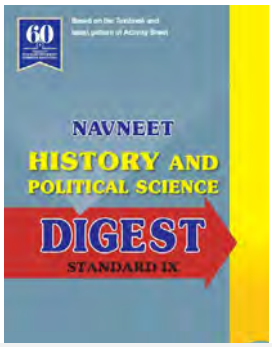
DIVIDEND
(%)

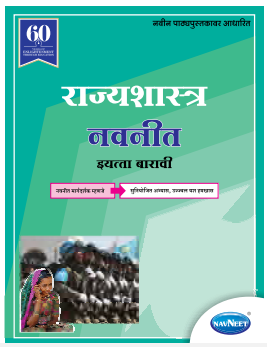


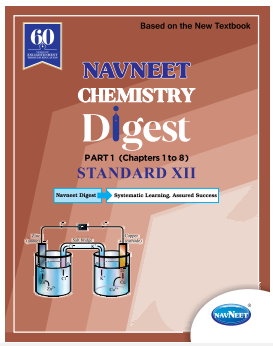
PE (x) & EPS (in ₹)



PRODUCTS

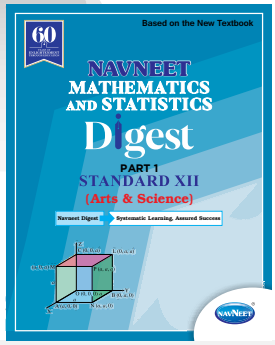

NAVNEET
HISTORY AND POLITICAL SCIENCE
DIGEST
STANDARD IX

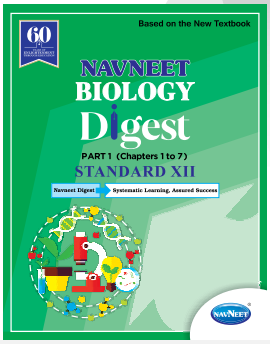

राज्यशास्त्र
नवनीत
इयत्ता बारावी

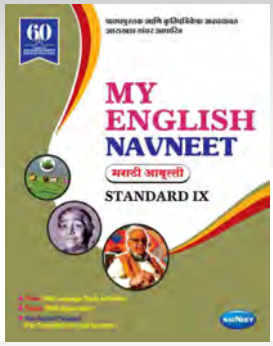

Based on the New Textbook
NAVNEET
CHEMISTRY
Digest
PART 1 (Chapters 1 to 8)
STANDARD XII


NAVNEET
ENGLISH
KUMARBHARATI
DIGEST
STANDARD X


मराठी
युवकभारती
नवनीत
इयत्ता बारावी

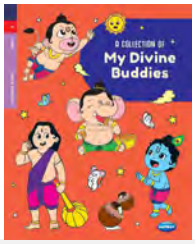

Based on the New Textbook
NAVNEET
MATHEMATICS
AND STATISTICS
Digest
PART 1
STANDARD XII
(Arts & Science)


Based on the New Textbook
NAVNEET
BIOLOGY
Digest
PART 1 (Chapters 1 to 7)
STANDARD XII


MY
ENGLISH
NAVNEET
मराठी आवृत्ती
STANDARD IX


विज्ञान आणि
तंत्रज्ञान
भाग - 1
नवनीत
इयत्ता दहावी

CHILDREN'S BOOK

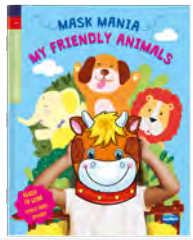












STATIONERY







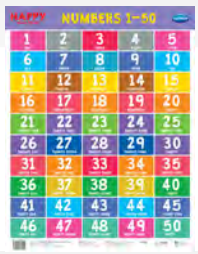



PRE-SCHOOL









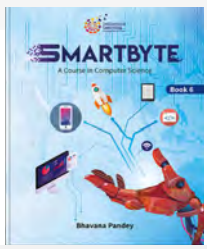




INDIANNICA LEARNING

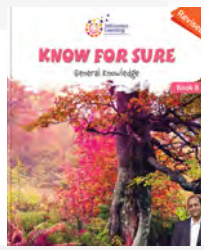






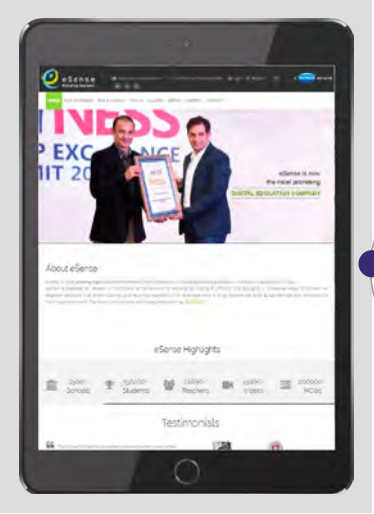






eSense

4,000+	75,000+	1Mn	12K+	1.3 Lakh	42 Lakh
Schools	Teachers trained	Downloads of TOP Scorer App	Daily Active Users	Hours of video viewing	MCQs attempted



eSense bags 'Most Promising Digital Education Company' award

TOUCH™ — TOPClass™

TOPScorer App™ Fun. Learn. Score. More. — STUDY BUDDY™ 360° Digital Exam Solution

AWARDS & ACCOLADES



FMB for Outstanding Performance



Financial Express CFO Award



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



CII - 5S Excellence, Silvassa



ISO 9001:2008 for Quality Management System



CII - 5S Excellence, Khaniwade



Forest Stewardship Council Certificate



eSense Service Excellence



CSR Leadership Award



CII - Gold Level, Khaniwade



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



ISO 14001:2004 for Environmental Management System Certificate



Platinum Level Warehouse, Khaniwade



Gold Level Warehouse, Silvassa

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 three decades of experience in Accounting & Finance, Taxation, Corporate and consulting services and has been a part of various advisory and expert committees at national and international levels. Currently he is the Chairperson of the Audit Advisory Committee of UNICEF, USA, member of Audit Committee of World Meteorological Organisation (WMO), Geneva, Switzerland and also member of National Advisory Board Manav Sadhan Vikas Sanstha. He is the past Chairperson of the External Audit Committee of International Monetary Fund, USA.

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
Jt. 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.

Professional Career

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

Shri Bipin A. Gala
Whole time Director

Qualification :
Diploma in Printing Technology

Date of Birth :
22 December 1950

Director wef :
01 June 2013





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 from content creation to printing, marketing, sales and distribution. He has been instrumental in creating over 500 titles published by the Company.

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.

Shri Shailendra J. Gala
Whole time Director

Qualification :
B.Com.

Date of Birth :
21 January 1969

Director wef :
01 June 2013



BOARD OF **DIRECTORS**



Shri Anil Swarup
Non-Independent &
Non-Executive Director

Qualification :
MA (Political Science)

Date of Birth :
01 July 1958

Director wef :
08 August 2019

Professional Career

Before joining the Indian Administrative Service (IAS) in 1981, he served the Indian Police Service for a year. As a civil servant, he held various assignments within both the State (Uttar Pradesh) and Central Government. He also served as Secretary to the Government of India in the Ministry of Coal where he handled the aftermath of the coal scam. Thereafter, he served as Secretary, School Education and Literacy where he attempted to foster public-private partnership to improve the quality of school education. As a strategic thinker and an innovative leader, he won several other awards and nominations, including nominations for the Policy Change Agent by the Economic Times multiple times. He was selected as one of the 35 Action Heroes in India Today's 35th Annual Edition.

Professional Career

He is a senior partner in one of the reputed Chartered Accountancy firm. He is the past President and 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 Nilesh S. Vikamsey
Non-Independent &
Non-Executive Director

Qualification :
Chartered Accountant, DISA

Date of Birth :
16 August 1964

Director wef :
01 June 2013





Shri Mohinder Pal Bansal
Independent Director

Qualification :
Chartered Accountant

Date of Birth :
08 May 1957

Director wef :
01 June 2013

Professional Career

He is a Chartered Accountant, with an illustrious career spanning over three decades of experience in M&A, strategic advisory, capital markets, portfolio company integration in addition to post-acquisition performance management in India, Asia and Europe. He has significant operational experience in managing corporate entities as well as advising private equity firms in India on improving the performance of their portfolio companies in multiple sectors including logistics, auto components, manufacturing, realty, banking, education and IT. He has successfully launched Walton Street Blacksoil Real Estate Debt Fund I, (SEBI registered Category II AIF).

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. He is Founder Ex-Chairman of Blue Dart Express Ltd.

Shri Tushar K. Jani
Independent Director

Qualification :
B. Sc.

Date of Birth :
29 April 1953

Director wef :
24 June 2010





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 & nursery of an NGO. Besides, she has experience of handling marketing in India & whole of Asia for software consulting solutions.

Professional Career

An eminent Academician with vast experience in academic and administrative functions in higher education space and been nominated on various Governing Bodies of Universities and higher education institutes. Has served as Dean faculty of Science and Technology at University of Mumbai and has implemented innovative need-based changes in curricula and evaluation across science and technology subjects. He was nominated by Hon. Chancellor on the Academic Council of University of Mumbai and has served on many committees. Has served as Chief Consultant and Joint Director (In Charge) at Rashtriya Uchchatar Shiksha Abhiyan (Maharashtra). He is a pioneer in establishing academic autonomy in higher education. He was instrumental in transforming K.J. Somaiya College of Science and Commerce (Autonomous) during his tenure as a Principal. As a researcher, he has published research papers and delivered sessions at national and International conference.

Dr. Vijay B. Joshi
Independent Director

Qualification :
M.Sc., Ph.D.

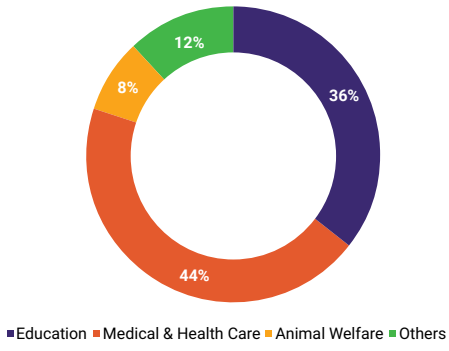
Date of Birth :
12 April 1957

Director wef :
31 October 2013



COMMITTED TO **CREATE A DIFFERENCE**

Navneet Education Limited contributed towards its commitment to the development of the society. The emphasis was on providing quality education and improve access to health and medical care to the unreached and deprived communities. Providing a safe, healthy and dignified life to voiceless animals is also a priority for the organisation.



Education Support Program

Education is the guiding light which takes us towards the path of wisdom and fulfilment. We, at Navneet Foundation, have always been committed to providing children with their right to education to help them build a better society for all of us. We aimed at providing quality education to children under all the educational initiatives supported by Navneet Foundation. The children attended age-appropriate classes and we provided essential items like school bags, tiffins, shoes, etc. to encourage them to attend school.



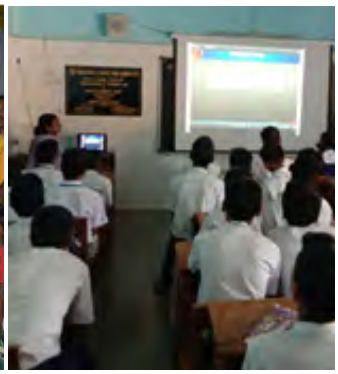
We believe educating young girls and motivating them for leading a successful career is necessary to establish equality



Seminars and workshops on crucial topics like 'Prevention of Child Abuse' and 'Communication Skills'



Educational kits to students



Students benefiting from digital learning education



Vocational Training to students

Healthcare

We, at Navneet Foundation, have remained active in organising various medical camps across regions to spread the importance of health and provide access to health services. Navneet Mega Medical Camp has benefitted more than 5,000 patients across 350 villages.



Patients underwent surgeries for ailments of eyes, ENT, orthapaedic and more.



For improving the lives of the blind, we provided nearly 3,000 of them with food kits and sunglasses.



Provided medical care in schools for screening and treatment for dental health



We encouraged citizens to practice yoga to promote the welfare of the mind and body.

Animal Welfare and Environment Development



35,100 animals received support to provide medical care, food and shelter to distressed animals.



Implementation of water conservation programs in drought affected areas.

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy:



In the current environment of protracted trade tensions and high policy uncertainty, the global growth outlook has weakened significantly. This threatens to undermine progress towards eradicating poverty, raising living standards and creating sufficient number of jobs. Amid rising tariffs and rapid shifts in trade policies, business confidence has deteriorated, dampening investment growth across most regions. While the worldwide shift towards more accommodative monetary policies has eased short-term financial market pressures somewhat, long-term fault lines create significant uncertainty.

The global economy suffered a massive blow due to the advent of COVID-19. With the global economy slowing and uncertainties looming, risks of setbacks to sustainable development have increased. The impact on global economy is already being felt and will be substantial, but the exact magnitude will depend on the length of COVID-19 restrictions. Even if the peak of the outbreak proves short-lived, with a gradual recovery in output & demand over the next few months, it will still exert a drag on global growth and hence the global economy is projected to grow by 5.8% in 2021 as economic activity normalizes.

Indian Economy:

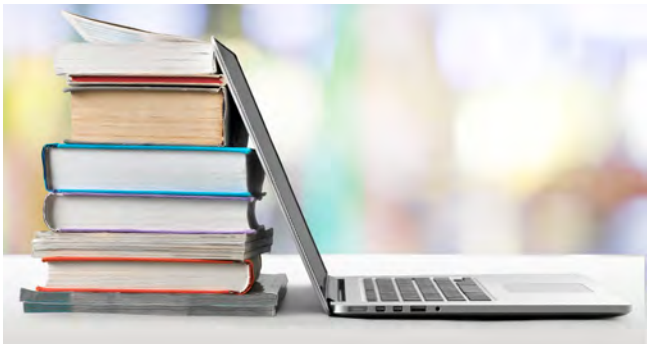
The return of the Modi-led Government in 2019 aroused expectations of greater political stability and more significant investments thanks to their pre-business and pro-reforms outlook. The crucial measures and policies declared by the Government in the past six months prove that the officials are well-aware of the economic conditions and are ready to act proactively. The liberalization of FDI norms, PSU bank consolidation, corporate tax rate-cut and more initiatives have boosted the demand & supply, enabling the macroeconomic stability. These moves are expected to foster credit growth, improve capital inflows and private investments, thus pushing economic growth. Despite the headwinds, such measures neutralize the negative impact of various global and local economic factors on our nation's economy.

The Indian economy's GDP grew at a rate of 4.2% in FY20, and for FY21 IMF expects the Indian economy to contract by 4.5%. The current slowdown in growth rate is because of COVID-19, resultant slow consumption rate, decline in fixed investment, weak trade activities and a difficult manufacturing atmosphere. There was a strong hope of recovery in the last quarter of FY20. However, COVID-19 pandemic outbreak has changed the equation. And during the course of time that it lasts, businesses and economy will continue to be impacted.

The outlook for Indian economy remains uncertain & subdued as COVID-19 arrived at a time when economy was already slowing due to persistent financial sector weaknesses. The severe disruption of economic activities caused, both through demand & supply shocks, has overtaken the incipient recovery in the economy. While the government has announced a number of structural reforms and other loan guarantee schemes to bring a degree of relief to rural households and small businesses, its impact on short term demand recovery is yet to be seen.

Industry Overview:

Education Sector:



The global education industry is expected to reach over US $8 trillion by 2025. It is fair to say that education is one of the fastest-growing sectors worldwide, generating large scale revenues and employment every year. While the growth is steady, the sector has undergone significant transformation in recent years. The education system worldwide is shifting towards digitized and more inclusive learning. While some developed countries have successfully made the transition, developing countries like India are catching up at a faster pace. Public spending on education has increased substantially across the globe. New materials are being demanded and produced in various formats at a rapid pace to meet the needs of growing market.

As the Indian education industry continues to carve new paths for better education, the sector on the path of promising growth. The country's higher education segment is expected to increase to around ₹ 250,000 crore (US$ 35 billion) by 2025. The Government, too, is taking various measures to improve the quality of education in India. Foreign Direct Investments in education sector has increased at a CAGR of 55% from ₹ 168 crore in 2011 to ₹ 5,479 crore in 2019. In the 2020-21 Union Budget, the Government has earmarked ₹ 99,300 crore for the Education sector.

With close to one-third of India's population being under the age of fifteen, the country has a remarkable growth opportunity for the education sector. The outlook of this industry remains bright in light of growing middle-class population coupled with thriving income levels, boost in "Beti Padhao" campaign, increase in variety of courses offered by colleges and universities, growing emphasis of the Government, and more. However, accessing quality education and financial commitment to education development continues to remain challenging.

The uncalled conditions due to COVID-19 have resulted in disruptions in life as we all know. The effect on education sector has been evident due to suspension of schools over a prolonged period. But as students and faculty remain confined to their homes, educational institutions are exploring ways to keep students engaged virtually and maintaining the learning momentum. While all educational institutions are not equipped to connect with students, some have started leveraging meeting platforms having video conferencing facilities for streaming online classes.

Publication Industry:

Books have always been regarded as an essential media for the development & promotion of human values. They foster and preserve new ideas, communicate knowledge, impart practical education and aid the overall development of an individual. Indian publication industry is growing moderately and has shown high resilience over the last few years.

The country's publishing market is non-homogenous and structured based on regions and languages. More than 50% of titles published in India are in Hindi and English, with Hindi constituting about 26%, followed by English at 24%. India ranks 2nd in the world in English language publishing. In fact, it is one of the very few markets globally that is increasing in both print and digital formats.

The fear of COVID however looms and resumption of sale of offline books after lockdown remains a concern. The lockdown has made publishers across the spectrum to think of newer ways to reach out to and engage the readers, mainly via the digital medium.



Academic & Supplementary Books Industry:

According to the India Book Market Report, our country is the sixth-largest publisher in the world. In 2019, the Indian book industry was estimated to be at $ 8 billion and is poised for better growth. Printed books continue to dominate the educational publishing market, but e-books and other digital products have also opened-up gateways into the industry. With increasing growth, academic and supplementary books industry is expected to see a rise in demand led by educational books.

K-12 Market:

The K-12 education system in India is expected to reach US$ 1.55 billion by 2024. Thanks to an increasing number of schools pressing emphasis on higher quality of education, the industry is poised to grow exponentially in the coming years. The technological advancements in teaching methods, along with government intervention, has further boosted opportunities in the K-12 education sector.

It is interesting to note that digital learning modules have picked up pace in the sector. E-learning and m-learning have revolutionized the way educational content is consumed. Government initiatives to modernize the industry have also encouraged private players and entrepreneurs to undertake investments to strengthen their position in the Indian K-12 market. Many schools are using creative and unconventional methods of teaching with the use of technology. Parents from the most remote parts of India have started giving due importance to education, thus enhancing the growth of the number of students every year.

E-Learning

A sharp rise in the number of internet users has boosted the demand for e-learning platforms and courses. The global e-learning market has seen a tremendous increase in demand for content developed and designed to meet remote learning needs. Anyone from anywhere in the world can access self-paced learning modules offered by educational institutions.

The global e-learning market is expected to reach US$ 238 billion by the end of 2024. Educational institutions are collaborating with suppliers to leverage e-learning and expand their students' reach. This gap indeed leads to more opportunities for the supply side of the e-learning industry. Important emerging trends like e-classrooms, micro learning, mobile learning and social learning are driving exponential growth in the market.

The pandemic has proven the importance of e-learning and will change the way we look at education. According to the World Economic Forum, 1.2 billion children are unable to continue learning as schools are shut down completely. Demand for e-learning solutions has seen a sharp rise during the lockdown period

Navneet Education Limited (NEL)

The Company was founded in 1959, primarily venturing into publication of educational supplementary books under three brands, namely “Navneet”, “Vikas” and “Gala”. Later in 1993, all three brands were consolidated under one company “Navneet Education Limited”.

NEL drives learning with research and education. The Company has been into publishing various educational supplementary books predominantly pertaining to the state boards of Maharashtra and Gujarat. Through our several publications we help schools, teachers and students achieve their goals in an ever-changing world. We have been successfully publishing textbooks, workbooks and extracurricular activity books under the brand name ‘Grafalco’ and textbooks for CBSE and ICSE students under the brand name ‘Indiannica’.

The Company is also one of the largest manufacturers and exporters of paper based scholastic and office stationery. Scholastic stationery is also widely distributed in the domestic market under the brand name ‘Youva’. In the digital space, NEL has been providing various digital products under the brands ‘Top Scorer’ and ‘Top Class’. ‘Orchids The International School’ is a part of NEL and manages 25 CBSE schools under one brand.



Our business growth strategies include:

- Driving volume growth from existing book brands and titles;
- Designing and implementing new methods of delivering products to our customers; and
- Development of new products & services for both domestic & international markets;
- Making technology and content acquisitions that complement our existing businesses.

NEL Segments & Outlook

Educational Content Publication Segment

One of the core components of NEL is educational textbooks and related supplementary material. This business is seasonal, with majority of sales occurring during the start of academic year. Changes in syllabus as directed by the State Education Boards plays a significant role as it ensures that students receive right information on a periodic basis. From a business point-of-view, these revisions motivate students to buy latest books to keep themselves updated. Since the syllabus was marginally changed in state-run schools of Maharashtra, the publication business showed marginal drop this year of about 1.6% from ₹ 71,076 Lakhs in FY19 to ₹ 69,875 Lakhs in FY20. The drop in the segment was due to drop in sales during last 15 days of the year due to lockdown on account of COVID-19 and also due to limited change in syllabus during the year. The sector is primed for steady progress in the coming years, which will be catalyzed by syllabus changes.

NEL has prominent presence in Maharashtra and Gujarat and efforts are being made to increase footprint in other states of the country. With increasing number of CBSE and affiliated schools, the company expects a surge in demand for new and advanced learning content. Publication Business for the ensuing year is dependent on Schools reopening. And as per current information, Schools are expected to open in the month of August. The Company has started receiving orders from Distributors & Traders and will ensure that no opportunity is lost.

We are also into continuous development of content in digital formats that can be used for both digital and physical print products, resulting in ease of learning, productivity and efficiency. Book content is made available online through our online platform as well as other proprietary platforms. Digital books are delivered to intermediaries, including Amazon, for sale to individuals in various industry-standard formats, which are now the preferred delivery mode of all types.

Stationery Segment – Domestic & Exports

NEL has been exporting its variety of products to markets worldwide. Over the years, it has become a brand synonymous with trust and excellence. This motivates the company to keep delivering products of the highest quality to maintain its foothold in international markets.

Reliance on premium quality products and competitive pricing are the foundations for NEL's growth in stationery sector. This sector is continually progressing at an impressive rate, thanks to increase in portfolio of our products. This growth has been powered by bringing new clients and presenting a range of products in foreign markets. As of now, the US is an important market as it contributes more than 60% of exports stationery business revenue of NEL. Overall stationery business witnessed a 14% growth in turnover of ₹ 74,124 Lakhs in FY20 as compared to ₹ 64,812 Lakhs in FY19. The focus will continue to be on expanding both domestic and exports to more territories and forge new partnerships on a global scale. We expect exports to grow at a steady rate on the back of orders received. In the domestic market, focus is on increasing sales & visibility across all states and maximizing business operations.

Maximizing Growth with Indiannica Learning Pvt. Ltd

Indiannica Learning is an integral part of NEL's educational content & product portfolio and will be crucial in exploring new geographies in addition to keeping up with accelerated



CBSE based curriculum publishing. Indiannica Learning is geared towards providing a wholesome learning experience. The outlook looks more optimistic this year due to publishing of new workbooks and venturing into ICSE Board content. This new content will add value to the library and promote sales in the longer term. Moreover, NEL will profit from Indiannica Learning's presence in more than 25 states, more particularly in Delhi, Punjab, Haryana, Rajasthan and Uttar Pradesh.

The revenue of Indiannica Learning stood at ₹ 5,497 Lakhs in FY20, against ₹ 6,473 Lakhs in FY19. March is the highest selling month for the company and due to lockdown since mid-March, company lost certain business. The loss incurred in FY20 is of ₹ 1,834 Lakhs, as against loss of ₹ 2,941 Lakhs in FY19. On the operations perspective, the focus will continue to be on providing digital solutions along with changing syllabus for creating a more perceptible learning environment. In our path towards progress, we have made changes in operations and invested in developing new titles.

Learning fostered with Digital Innovations

E-learning is a modern method of learning as it enables learning anywhere, anytime. Additionally, the techniques used in this method make learning more engaging and exciting. This move is beneficial for both teachers and students, ensuring smooth flow of knowledge despite hurdles.

NEL has been a pioneer in offering and innovating e-learning. 'Top-Class' is our first of its kind digital classroom product, which has enhanced overall learning experience for students with the help of a digital room which makes concepts clearer and more logical. More than 4,000 schools believe that 'Top-Class' is a significant contributor in the field of state board education.

Another offering by NEL, 'Top-Scorer' is directed towards providing audio-visual mode of learning to students. This helps in making complicated topics more simplified, so students will have no issues in understanding them. Top-Scorer comes with a unique teaching feature and provides test papers and analytics to prepare students for exams. What sets Top-Scorer apart is that has audio-visuals for all topics in textbooks, therefore leaving no stone unturned to ensure that students receive knowledge in the best way.

For comprehensive assessment of a student's academic progress, our 'Top-Assessment' platform proves very useful. It motivates students to engage in discussions and subsequently evaluates their grasp on several topics. Furthermore, 'Top-Assessment' is known to add new dimensions to learning techniques and helps teachers in explaining subjects with the capabilities of technology.

The strategy behind e-learning is to provide solutions which are interactive and tailor-made for a variety of topics. NEL is dedicated to providing its e-Learning products to more schools and make this modern technique of teaching the norm for the future.

eSense Learning Private Limited, a subsidiary of NEL, undertakes this initiative and had operational revenue of ₹ 2,058 Lakhs in FY20, which was lower than ₹ 2,330 Lakhs in FY19. The loss recorded for this year has been ₹ 684 Lakhs, as against loss of ₹ 113 Lakhs incurred in FY19. eSense is making efforts to increase its revenue by emphasizing its B2B and B2C model and reduction in share of hardware revenues for achieving sustainable progress.

School Management through K-12 Techno

The concept of K-12 is taking the popularity it deserves in every corner of the world. The K-12 model distributes education across all ages of students before they move to higher education. The system is packed with unconventional practices to ensure systematic education of children from Kindergarten to 12th grade.

NEL through its subsidiary namely Navneet Learning LLP holds 33.45% stake in K12 Techno Services Pvt. Ltd. (K12), an associate company in its pursuit to enrich K-12 education. “Orchids, The International School”, operated by K12, is now a dominant player in the direct education field. With presence of over five distinct locations across the nation, the 25 schools have a combined strength of more than 24,000 students. Plans are being drafted to continue expanding this

venture and operate more schools through K12.

Navneet (HK) Limited

Navneet (HK) Limited is a trading company and is used for sourcing materials. It has done revenue of ₹ 283 Lakhs in FY 20 as against ₹ 213 Lakhs in the last year i.e. FY19.

NEL Financial Performance

Key Metrics & Financial Ratios:

(₹ in Lakhs)

Year ended March 31	2020	2019	2018	2017	2016
Total Revenue	1,46,719	1,37,992	1,16,145	1,11,333	95,298
Operating Expenses	1,12,369	1,07,289	89,754	83,889	72,689
EBITDA	**34,351**	**30,703**	**26,391**	**27,444**	**22,610**
Depreciation	3,529	2,446	2,349	2,499	2,677
EBIT	**30,822**	**28,257**	**24,043**	**24,945**	**19,933**
Finance Cost	1,307	1,186	597	347	348
EBT	**29,514**	**27,071**	**23,445**	**24,598**	**19,585**
Tax	(7,579)	(9,324)	(8,124)	(8,434)	(6,971)
PAT	**21,935**	**17,747**	**15,321**	**16,164**	**12,614**
Capital Employed	99,455	87,196	82,205	74,230	63,016
Networth	96,572	87,196	80,841	72,560	62,398
Return on Capital Employed (%)	31.0	32.4	29.2	33.6	31.6
Return on Networth (%)	22.7	20.4	19.0	22.3	20.2

In FY20, NEL recorded an impressive pre-tax profit of ₹ 29,514 Lakhs and post-tax profits of ₹ 21,935 Lakhs. There has been a marked improvement when compared to ₹ 27,071 Lakhs of pre-tax profit and ₹ 17,747 Lakhs of post-tax profit in FY19. The total comprehensive income of NEL for FY20 stands at ₹ 20,413 Lakhs, which is an improvement from ₹ 18,139 Lakhs in FY19. Increase in EBITDA Margins and Net Profit Ratio underline company's dedication to maximizing its value for investors. For the coming financial year, the strategy will circle around thrusting sales & turnover, controlling costs and keeping a comfortable debt-equity ratio.

NEL Dividend Policy and Five years Dividend history:

Considering various financial parameters, internal, external and several other relevant factors, NEL may generally continue to pay minimum a 25% of its profit after tax as dividend to its shareholders. During FY20 NEL paid two interim dividends amounting to ₹ 8,277 Lakhs. This constitutes 37.73% of net profit (including dividend distribution tax).

Below is the dividend history for last 5 financial years:

Financial Year	Dividend (%)	Profit after tax (in Lakhs)	% of PAT (Inc DDT)
2019-20	150 (Interim)	21,935	37.73
2018-19	50	17,747	16.00
2017-18	75	15,321	29.41
2016-17	125	16,163	46.47
2015-16	110	12,780	49.35

Credit Rating:

During the year 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 very strong degree of safety regarding timely payment of financial obligations.

CARE Ratings too has reaffirmed CARE AA+ (pronounced CARE Double A Plus) rating to the Long & Short Term Bank facilities of the Company for the year. Bank facilities covered with this rating are considered to have very strong degree of safety regarding timely payment.

Risk Management:

Navneet Education Limited (NEL) continues to follow a well-structured risk management framework, which is based on three main aspects, such as enterprise risks, process risks and compliance risks.



(i) Enterprise risk management ensures that the company continues to evaluate potential risk and also works towards eliminating those risks.

(ii) In Process risk management, internal audit department assures 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 accountable business line executives to NEL's Audit Committee and then on to the Board of Directors.

The risk management process generally includes tracking and adherence, and it is significantly e-enabled to have improved reporting capacities and better consistency. Besides, all the three dimensions of NEL's Risk Management framework are reviewed on a yearly basis for their relevance and goes through modifications, as required.

Corporate Social Responsibility:

NEL has an established committee which looks after the Company's CSR activities. The company is active in supporting healthcare, education, disaster relief and animal welfare. The company contributed ₹ 641 Lakhs in FY20 for executing its CSR projects.

Internal Controls:

The internal control system of NEL is dependable, efficient and crucial to the success of the organization. The company reviews its numerous sectors and sales operations with the help of the internal control system. NEL deploys an effective internal control system which assures proper maintenance of internal audit controls, observing various operations, protecting assets and complying with regulations.

The yearly internal audit covers important areas of business operations, identified by a team of experts. Each area is reviewed by internal auditors, Audit Committee and the Board, which is being observed every quarter and often between consecutive quarters. The Audit Committee considers the inputs from the internal auditors and advises ways to enhance the internal controls time and again.

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, labor relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.

NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Members of Navneet Education Limited will be held on Monday, 28th September, 2020 at 3.30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")to transact the following business:

ORDINARY BUSINESS:

1) To receive and adopt the

   (a) Audited Financial Statement of the Company for the Financial Year ended 31st March, 2020 including the Audited Balance Sheet as at 31st March, 2020 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 Statement of the Company for the Financial Year ended 31st March, 2020 including the Audited Consolidated Balance Sheet as at 31st March, 2020 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 confirm the payment of two Interim Dividends declared on equity shares for the financial year 2019-20 as final dividend.

3) To appoint a Director in place of Shri Shailendra J. Gala (DIN: 00093040), 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 pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC"), applicable provisions of the Companies Act, 2013 ("Act"), and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, Shri Anil Swarup (DIN:08502186), who was appointed as an Additional Director of the Company by the Board of Directors (the 'Board') with effect from 8th August, 2019, and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company and who holds office until the date of this Annual General Meeting in terms of Section 161 of the Act, be and is hereby appointed as a director of the Company."

By Order of the Board of Directors
sd/-
Amit D. Buch
Company Secretary

Place: Mumbai
Date : 17th June, 2020

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. Incompliance with the provisions Of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to sunil@sunildedhia.com with a copy marked to investors@navneet.com.

4. The Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts in respect of special business under Item No.6 is annexed hereto.

5. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 23rd September, 2020 to Monday, 28th September, 2020 (both days inclusive) for the purpose of Annual General Meeting.

6. Pursuant to provisions of Section 205A and 205 C 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 final dividend for the financial year 2011-12 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 2012-13 is due for transfer to IEPF in September, 2020. Kindly note that no claim shall lie against the Company after the transfer of the said dividend amount to IEPF.

7. As per 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 the 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 DP in case of holdings in dematerialisation form or the Company's Registrar and Share Transfer Agent 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 (SS-2) on General Meetings issued by the Institute of Company Secretaries of India. The relevant details of Directors getting re-appointed/ appointed at the Annual General Meeting are given in the notes to the Notice of this Annual General Meeting.

12. All documents referred in the accompanying Notice and statement setting out material facts are open for inspection at the Registered office of the Company on all working days between 11.00 am and 1.00 pm up to the date of AGM.

13. Members desiring any information, as regards the Annual Accounts are requested to write to the Company at least seven 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 Monday, 21st September, 2020** 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 Agent namely M/s. Link Intime India Pvt. Ltd.

15. Details of the process and manner of e-voting is 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 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. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

20. Voting through electronic means:

(A) In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members facility

to exercise their right to vote at the 34th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).

The Instructions for e-voting are as under:

(I) In case of members receiving an e-mail:

(i) Log on to the e-voting website www.evotingindia.com.

(ii) Click on Shareholders / Members tab

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and 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)
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for "NAVNEET EDUCATION LIMITED".

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xviii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(II) In case the shareholders receiving physical copy:

i. Please follow all steps from (i) to (xvi) above.

ii. The voting period begins on Thursday, 24th September, 2020 (9.00 a.m.) and ends on Sunday, 27th September, 2020 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 21st September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

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

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

23. 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.

24. 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.

25. 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 CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE and NSE.

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 on General Meeting (SS-2) issued by the Institute of Company Secretaries of India.

Instructions for Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the Scrutiniser during the Meeting, the Members who have not exercised their vote through the remote e-voting can cast their vote as under:

i) On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
ii) Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered e-mail Id) received during registration for InstaMeet and click on 'Submit'.
iii) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
iv) 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'.
v) After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
vi) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OACM ARE AS UNDER:

Members who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the Meeting.

Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the Meeting.

In case the Members have any queries or issues regarding e-voting, you can write an e-mail to instameet@linkintime.co.in or Call on 022-49186175.

Instructions for Members for attending the AGM through InstaMeet (VC/OVAM):

Instructions for Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

1) Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/ OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

2) Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Members with > 2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors, etc. may be allowed to the Meeting without restrictions of first come first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the Meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

3) Members will be provided with InstaMeet facility wherein they shall register their details and attend the Annual General Meeting as under:

   i) Open the internet browser and launch the URL for InstaMeet https://instameet.linkintime.co.in and register with your following details:

   a) Demat Account No.: Enter your 16 digit Demat Ac count Number or Folio Number registered with the Company

   b) PAN: Enter your 10 digit Permanent Account Number (PAN)

   c) Mobile No.

   d) Email ID

   ii) Click "Go to Meeting"

Note:

Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the Members have any queries or issues regarding e-voting, they can write an e-mail to instameet@ linkintime.co.in or Call on 022-49186175.

Instructions for Members to register themselves as Speakers during Annual General Meeting.

Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/ folio number, e-mail id, mobile number at nelagm@navneet.com at least 7 days before the date of Annual General Meeting.

Members who would like to ask questions, may send their questions in advance mentioning their name, demat account number/ folio number, e-mail id, mobile number at nelagm@navneet.com. The same will be replied by the Company suitably.

Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the Meeting.

By Order of the Board of Directors
sd/-
Amit D. Buch
Company Secretary

Place: Mumbai
Date : 17th June, 2020

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 on General Meeting (SS-2) issued by the Institute of Company Secretaries of India.

Particulars	Shri Shailendra J. Gala	Shri Raju H. Gala
Date of birth/ age	21st January, 1969/51 years	1st July, 1963/56 years
DIN	00093040	02096613
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 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 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	Nil	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	34,91,144	20,08,149

Particulars	Shri Nilesh S. Vikamsey	Shri Anil Swarup
Date of birth/ age	16th August, 1964/ 55 years	1st July, 1958/61 years
DIN	00031213	08502186
Date of Appointment on Board	1st June, 2013	8th August, 2019
Qualifications	CA, DISA	M.A.(Political Science)
Experience and expertise in specific functional areas	He is a senior partner in one of the reputed Chartered Accountancy firm. He is the past President and 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 etc.	He has an experience spanning 38 years in Indian Administrative Service. He earned his Master's Degree in Political Science from Allahabad University in 1978 where he was also awarded the Chancellor's Gold Medal for being the best All Round Student. Before joining the Indian Administrative Service (IAS) in 1981, he served the Indian Police Service for a year. He won Director's Gold Medal for the best Officer Trainee at the Lal Bahadur Shastri National Academy of Administration amongst the officers of his batch. As a civil servant, he held various assignments within both the State (Uttar Pradesh) and Central Government. During the final years of

Particulars	Shri Nilesh S. Vikamsey	Shri Anil Swarup
		his career, he served as Secretary to the Government of India in the Ministry of Coal where he handled the aftermath of coal scam. Thereafter, he served as Secretary, School Education and Literacy where he attempted to foster public private partnership to improve quality of school education. As a strategic thinker and an innovative leader, he won several other awards and nominations, the prominent ones being Nominated as one of the Policy Change Agent by the Economic Times during the years 2010, 2012, 2015 & 2016. He was selected as one of the 35 Action Heroes in India Today's 35th Annual Edition.
Directorships held in other (excluding foreign) Companies	(i) IIFL Finance Limited (erstwhile IIFL Holdings Limited) (ii) SBI Life Insurance Company Limited (iii) Thomas Cook (India) Limited (iv) PNB Housing Finance Limited (v) IIFL Wealth Management Limited (vi) SBI Cards And Payment Services Limited (vii) SOTC Travel Limited (viii) NSEIT Limited	Nil
Memberships/Chairmanships of Committees across public companies	**Audit Committee** (i) IIFL Finance Limited (erstwhile - IIFL Holdings Limited)-Member (ii) SBI Life Insurance Company Limited-Member (iii) IIFL Wealth Management Limited-Member (iv) PNB Housing Finance Limited-Member (v) NSEIT Limited-Member (vi) Thomas Cook (India) Limited-Chairman (vii) SBI Cards And Payment Services Limited-Chairman **Stakeholders Relationship Committee** (i) Thomas Cook (India) Limited -Chairman	Nil
Number of shares held in the Company	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.6

The Board of Directors ('the Board') at its meeting held on 8th August, 2019 appointed Shri Anil Swarup (DIN: 08502186) as an Additional Director with effect from 8th August, 2019. The said appointment was made by the Board upon recommendation of Nomination and Remuneration Committee made at its meeting held on 30th July, 2019 and in accordance with the Articles of Association of the Company.

The Board, while appointing Shri Anil Swarup as Director of the Company, considered his background and wide experience. The Company has received from Shri Anil Swarup (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013, and (iii) Notice of interest in Form MBP-1 in terms of Section 184(1), and other applicable provisions of the Companies Act, 2013.

In accordance with the provisions of Section161of the Companies Act, 2013 and the rules made there under, Shri Anil Swarup would hold office as Director as such up to the date of this Annual General Meeting.

Your Directors recommend the passing of the resolution mentioned at Item No. 6 of the accompanying Notice as an Ordinary Resolution.

The necessary disclosures as required under Regulation 36 of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India are appended to this Notice.

Shri Anil Swarup is interested in the resolution set out at Item No. 6 of the accompanying Notice as it pertains to confirmation of his own appointment as a Director of 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 set out at Item No. 6 of the accompanying Notice.

By Order of the Board of Directors
sd/-
Amit D. Buch
Company Secretary

Place: Mumbai
Date : 17th June, 2020

Directors' Report

Dear Shareowners,

Your Directors present their thirty-fourth Annual Report along with the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2020.

(1) FINANCIAL RESULTS :

(₹ in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	1,44,180	1,36,054	1,51,205	1,44,501
Other Income	2,539	1,938	2,242	1,692
Total Revenue	1,46,719	1,37,992	1,53,447	1,46,193
Expenses	1,17,205	1,10,921	1,26,255	1,22,223
Profit Before Tax	29,514	27,071	27,192	23,970
Tax Expenses	7,579	9,324	7,461	9,249
Profit After Tax	21,935	17,747	19,730	14,721
Share of Profit/(Loss) of Associate			(6)	561
Other Comprehensive Income/(Expense) (net of tax)	(1,521)	392	(1,498)	420
Total Comprehensive Income for the year	**20,414**	18,139	**18,226**	15,702

(2) DIVIDEND :

During the Financial Year 2019-20 the Company declared two interim dividends amounting to total ₹ 8,277 Lakhs. The two interim dividends so declared works out to about 37.73% (including dividend distribution tax) of net profit as against your Company's policy of distribution of a minimum of 25% of its net profit. The aforesaid payment of interim dividends be treated as Final Dividend. The Dividend Distribution Policy of the Company as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached. The said Dividend Distribution Policy is attached and marked as Annexure 'A' and the same is also available on website of the Company.

(3) OPERATIONS :

Your Company achieved a total revenue (including other income) of ₹ 1,46,719 Lakhs during the year under review as against ₹ 1,37,992 Lakhs achieved in the previous financial year 2018-19. The EBITDA for the year under review stood at ₹ 34,351 Lakhs as against ₹30,703 Lakhs in the previous year. After providing ₹ 3,529 Lakhs towards depreciation, ₹ 7,671 Lakhs for income tax, ₹ 141 Lakhs deferred tax Income and ₹ 49 Lakhs as short provision of tax of earlier years, your Company achieved Net Profit before OCI of ₹ 21,935 Lakhs for the year ended 31st March, 2020 as against ₹ 17,747 Lakhs achieved in the previous year on standalone basis thereby registering an increase of over 19%.

(4) PERFORMANCE OF DIVISIONS :

Content Publishing Division:

Your Company's content publishing business clocked a turnover of ₹ 69,875 Lakhs during the year under review as compared to ₹ 71,076 Lakhs achieved in the previous financial year. There was a de-growth of about 2 % over the last year.

Stationery Division:

Your Company's Stationery business improved by 14% over the previous year and achieved turnover of ₹ 74,124

Lakhs as against turnover of ₹ 64,812 Lakhs of the previous financial year 2018-19.

(5) FINANCING :

During the year under review, the Company has issued Commercial Papers (CPs) to meet working capital requirements. As on 31st March, 2020, the outstanding amount of CPs was ₹ 130 crores. The other financing requirements of the Company has been met through working capital loans from multiple banks.

(6) 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, 2020, 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.

(7) DIRECTORS :

Shri Shailendra J. Gala (DIN: 00093040), 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 Board of Directors at its meeting held on 8th August, 2019 appointed Shri Anil Swarup (DIN: 08502186) as an Additional Director with effect from 8th August, 2019. The said appointment was made by the Board upon recommendation made by Nomination and Remuneration Committee at its meeting held on 30th July, 2019. Your Directors propose his appointment as Director of the Company at this Annual General Meeting.

(8) 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.As required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formed Risk Management Committee to discuss, identify evaluate and mitigate the various business risks that the company may face during its functioning.

(9) CORPORATE SOCIAL RESPONSIBILITY:

Your Company has contributed towards development in the sectors of health and medical care, education improvement and animal welfare.

Health and Medical care

Awareness generation for health and lifestyle and medical service access was focus to enhance health. Information is key to good health. This was exhibited through awareness drive amongst school children on childhood obesity that reached to more than 3,00,000 students in 345 schools. As an impact, 40,000 students participated in drawing competition on the subject.

Health services were provided to the underpriviledged and unreached communities through medical camps that reached out to more than 5,083 patients. Amongst these, surgeries were conducted on 510 patients for ailments of eyes, gyneacological ailments, ENT, orthopeadic, dental and pediatric problems.

During the dengue and malaria epidemic in Gujarat, camp were set up to treat the patients. More than 1,600 patients availed the services, and 750 were tested of which 443 were provided treatment.

During the year, the tribal areas in Mumbai were provided medical access through mobile health services program which treated more than 6,000 patients.

Your Company believes that wellness can be achieved through healthy regime and routines. Health comes from clean and hygienic surroundings. Cleanliness drive was conducted on Mumbai beach to encourage youth and citizens to encourage keep city clean.

Education improvement

Education fees, educational kits for children belonging to underprivileged groups were supported in Gujarat and Maharashtra. Amongst these were 1,068 children of farmers who committed suicide and belonging to deprived communities were provided educational kit at Kasar Taluka, Beed District, Maharashtra.

Vocational training for the youth plays an important role in empowering them and shaping their future. Skill based courses such as electrical and mechanical were attended by 130 students which helped them secure jobs.

Quality of education was also enhanced by digitalising classrooms that resulted in generating greater interests amongst 3,593 students and enhanced their class participation.

Animal Welfare

More than 114 organisations that reached out to more than 12,000 animals received support by the Company by providing medical care, food and shelter to distressed animals.

Environment Development and Others

In drought affected areas of Satara and Amravati, water conservation programs were implemented by the Company The community participated in construction of trenches, bandhs, and canals.

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

(10) NOMINATION AND REMUNERATION POLICY:

In compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down a Nomination and Remuneration Policy (NRC Policy) which has been uploaded on the Company's website.

The salient features of the NRC Policy are as under:

i) Setting out the objectives of the Policy;

ii) Definitions for the purposes of the Policy;

iii) Policy for appointment and removal of Director, KMP and Senior Management ;

iv) Policy relating to the Remuneration for the Managerial Personnel, KMP, Senior Management Personnel;

v) criteria for selection and appointment of Board members.

(11) BOARD MEETINGS :

Five (5) Board Meetings were held during the financial year ended 31st March, 2020. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report.

(12) INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

Your Company has maintained a proper and adequate system of internal controls. The Company's internal control procedures which includes internal financial controls, ensure compliance with various policies, practices and statutes and keeping in view the organisation's pace of growth and increasing complexity of operations. 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. The internal auditor's team carries out extensive audits throughout the year across all locations and across all functional areas and submits its reports to the Audit Committee of the Board of Directors.

(13) INDEPENDENT DIRECTORS :

The Company has received declarations / confirmations from all the Independent Directors of the Company as required under Section 149(7) of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that they meet and are in compliance with the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

(14) RELATED PARTY TRANSACTIONS:

Related party transactions that were entered into during the Financial Year were at arm's length basis and were in ordinary course of 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 transactions is presented before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of the transaction. The Board of Directors has adopted a policy on Related Party Transactions and the same is available on the website of the Company. 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.

(15) PERFORMANCE OF SUBSIDIARIES:

a) eSense Learning Private Limited

Your Company's wholly owned subsidiary Company namely eSense Learning Private Limited is focussed on providing digital education through eLearning solutions to students in India. The revenue of this subsidiary stood at ₹ 2,058 Lakhs for FY20 as compared to ₹ 2,330 Lakhs in the previous year. The loss (before tax and OCI) of the subsidiary increased to ₹ 684 Lakhs in FY20 as compared to loss of ₹ 113 Lakhs in the previous year. The subsidiary company continues its focus on scaling up 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 Limted, your Company's another wholly owned subsidiary focuses on enriching the learning experiences in CBSE/ ICSE curriculum. The revenue of this subsidiary stood at ₹ 5,497 Lakhs for FY 20 as compared to ₹ 6,473 Lakhs in the previous year. The Company posted a loss (before tax and OCI) of ₹ 1,834 Lakhs in FY 20 as compared to a loss of ₹ 2,941 Lakhs in the previous year.

c) Navneet (HK) Limited

This subsidiary was incorporated in January, 2017. Your Company holds 70% of its paid up equity share capital. This subsidiary commenced its business activities in FY18-19 and achieved turnover of ₹ 283 Lakhs in FY 20.

d) Navneet Learning LLP

The Company holds 93% of voting rights and equivalent share in profit/loss in Navneet Learning LLP ('the LLP'). After considering administrative expenses, the LLP incurred loss of ₹ 49,095/- for the Financial Year ended 31st March, 2020.

(16) CONSOLIDATED FINANCIAL STATEMENT :

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

(17) LISTING OF SECURITIES :

The equity shares of the Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with security ID 508989 and symbol of NAVNETEDUL respectively. The outstanding Commercial Papers issued are listed on NSE under separate security ID for each tranche. The Company confirms that the annual listing fees to both the stock exchanges for the Financial Year 2020-21 have been paid.

(18) COVID-19 :

In the last month of FY20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers. The Company took a series of measures in view of the COVID19 pandemic to ensure safety and health of all its employees and to ensure compliance with various directives being issued by Central/State/ Municipal authorities. The Company including its subsidiaries had instructed 'Work from Home' for all the employees of the Company during lock down period.

The Company could start its first manufacturing unit in mid April, second manufacturing units in first week of May and third unit in mid May. Your Company's one out of the two main offices could start working from mid May with limited staff present and by maintaining social distances and following the advisories issued by the Government of India from time to time for the safety of everyone. Your Company being long term debt free, it has sufficient working capital limits duly sanctioned by the banks. Your Company do not expect that it will face any liquidity crunch. Your Company being in education related business, its performance depends on schools reopening and therefore delay in opening of the schools may affect the profitability of the Company but the same can not be ascertained as of now. As a result of efficient technical facilities provided by your Company to its employees 'Work From Home' is happening successfully and securely. Hence, all financial reporting and controls are reported as usual. Since all manufacturing units and sales activities have started, the management is confident on its smooth operations in future.

(19) 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 number 46 to the financial statement.

(20) BOARD EVALUATION:

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

The following were the Evaluation Criteria:

a) For Independent Directors: -
Knowledge and Skills - Professional Conduct - Duties, Role and Functions - Fulfillment of the Independence Criteria; and

b) For Executive Directors: -
Performance as Team Leader/Member - Evaluating Business Opportunity and analysis of Risk Reward Scenarios - Set Key Goals and Achievements - Professional Conduct and Integrity - Sharing of Information with the Board.

The Board of Directors expressed its satisfaction with the evaluation process.

(21) 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.

(22) TRANSFER OF SHARES TO IEPF:

As required under Section 124 of the Companies Act, 2013, 98,663 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.

(23) WHISTLE BLOWER POLICY:

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism or Whistle Blower Policy for directors, employees and other stakeholders to report genuine concerns has been established. The same is uploaded on the website of the Company.

(24) 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 'C' and forms part of this Report.

(25) SECRETARIAL AUDIT :

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereto, your Company engaged the services of CS Sunil M. Dedhia (COP No.2031), Proprietor of Sunil M. Dedhia & Co., Company Secretary in Practice to conduct the Secretarial Audit of the Company for the Financial Year ended 31st March, 2020. The Secretarial Audit Report in Form MR- 3 is attached as Annexure 'D' forming part of this Report.

(26) SUBSIDIARY COMPANY :

The Company does not have any material subsidiary whose net worth exceeds 10% of the consolidated net worth of the Company in the immediately preceding accounting year or has generated 10% of the consolidated income of the company during the previous financial year. A statement containing salient features of the financial statement of subsidiary company in the prescribed format AOC-1 is included in the report as Annexure 'E' and forms part of this Report.

(27) 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.

(28) REGISTRATION OF INDEPENDENT DIRECTORS ON 'DATABANK OF INDEPENDENT DIRECTORS' :

As per the notification issued by the Ministry of Corporate Affairs namely Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 and Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 in respect of compliances for Independent Directors which have come into effect from 1st December, 2019, all Independent Directors of your Company have registered themselves with the 'Databank for Independent Directors' created and

maintained by the Indian Institute of Corporate Affairs website.

(29) CORPORATE GOVERNANCE :

A report on Corporate Governance as stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 alongwith requisite certificate obtained from M/s. N A Shah Associates LLP, Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached and forms part of this Report marked as Annexure 'F'.

(30) TRANSFER TO GENERAL RESERVES :

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

(31) AUDITORS :

Pursuant to provisions of Section 139 of the Companies Act, 2013 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, appointment of Auditors is not required for ratification at the 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.

(32) 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.

(33) BUSINESS RESPONSIBILITY REPORT (BRR):

Based on market capitalization criteria as on 31st March, 2019, Business Responsibility Report (BRR) is applicable to your Company which would form part of the Annual Report of the Company for the Financial Year 2019-20.

The BRR of the Company for the year ended 31st March, 2020 is attached herewith and marked as Annexure 'G'.

(34) 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 'H' 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.

(35) MANAGEMENT DISCUSSION AND ANALYSIS :

As per Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis report has been provided in a separate section which forms part of this Report.

(36) 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 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.

(37) 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.

(38) 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 there under. The details of 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 filed during the financial year	Nil
Number of complaints pending as on the end of the financial year	Nil

(39) 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 report.

(40) 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.

(41) 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, ADOPTATION 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
(ii) Year of Import
(iii) Has the technology been fully absorbed?

None, your Company has not imported any technology

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's export turnover has been ₹ 46,550 Lakhs.

Total Foreign Exchange earned and used:

(i) Foreign Exchange earned : ₹ 46,385 Lakhs
(ii) Foreign Exchange used : ₹ 3,828 Lakhs

(42) ACKNOWLEDGEMENT :

The Board of Directors take this opportunity to thank Company's customers, vendors, investors, bankers, central and state governments and all other regulatory authorities for their continued support extended to the Company during the year. The Board of Directors place on record its appreciation towards employees of the Company at all levels for their hard work, solidarilty, cooperation abd support given during the year under review.

For and on behalf of the Board of Directors
sd/-
Kamlesh S. Vikamsey
Chairman

Place: Mumbai
Date : 17th June, 2020

Annexure 'A' - Dividend Distribution Policy

INTRODUCTION:

Regulation 43 A of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), mandates top 500 listed entities, determined on the basis of their market capitalization as calculated on 31st March every financial year to formulate a Dividend Distribution Policy.

In compliance with Regulation 43 A of the Listing Regulations, the Company has framed this Dividend Distribution Policy ('Policy').

DEFINITIONS:

- Financial Year, shall have the same meaning defined under Section 2(41) of the Companies Act, 2013 and any amendment thereto.
- Dividend includes interim dividend.
- Board of Directors means the collective body of directors of the Company.
- Company shall have the same meaning as defined under Section 2(20) of the Companies Act, 2013 and any amendments thereto.
- Profit shall mean profit after tax and deferred tax.

PURPOSE:

This Policy reflects the intent of the Company to reward to its shareholders by sharing the portion of its distributable profit after retaining sufficient fund for its future growth and maintaining the financial soundness of the Company. The purpose of this Policy is also to lay down the criteria to be considered by the Board of Directors of the Company ('the Board') in taking decision for recommending dividend to its shareholders for any Financial Year.

APPLICABILITY:

This Policy shall not apply to determination and declaration of dividend on preference shares, if any, issued or to be issued by the Company since dividend on preference shares will always be as per the terms of issue approved by the shareholders;

REGULATORY FRAMEWORK:

The Dividend, if any, declared by the Company shall be governed by the provisions of the Companies Act, 2013 read with the Companies(Declaration of Payment of Dividend) Rules, 2014, the Listing Regulations and the provisions of Articles of Associations of the Company, as in force from time to time('the Applicable Laws').

THE INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVDEND:

Subject to the provisions of the Applicable Law, the Company's dividend payout will be determined based on available financial resources, growth/investment requirements and fair shareholder return. The Company will broadly take into consideration the following financial parameters and/or internal and external factors to determine whether or not to declare dividend or to determine quantum of the dividend to be declared.

INTERNAL FACTORS

- Profit earned during the Financial Year and the retained profit of the previous years in accordance with the provision of Section 123 and other applicable provisions of the Companies Act, 2013 read with rules framed thereunder;
- Cash flow position of the Company and the debt equity ratio;
- Retained earnings;
- Reserves and Surplus
- Projection with regard to the performance of the Company;
- Fund requirement to finance capital expenditure;
- Funds requirement to finance any organic/inorganic growth opportunities or to finance working capital needs of the Company;
- Opportunities for investment of the fund of the Company to capture future growth and current and future leverage;
- Dividend payout history.

EXTERNAL FACTORS

- Business cycle and long term/shot term industry outlook;
- Cost of external financing;
- Changes in the government policy, rate of inflation and taxes structure etc.;
- Quantum of dividend pay out by others comparable concerns etc.

The Company has been historically paying minimum 25% of its profit after tax as dividend to its shareholders. Considering various financial parameters, internal and external factors and several other relevant factors, the Company may generally continue to pay minimum 25% of its profit after tax as dividend to its shareholders.

CIRUCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

The Company has been consistently paying out dividend to its shareholders and can be reasonable expected to continue in future as well, unless the company is restrained to declare the dividend due to insufficient profit or due to any of the internal and external factors listed above.

Further,

Though the Company endeavors to declare the dividend to the shareholders, the Board may propose not to recommend dividend after analysis a various financial and other parameters including those listed above, cash flow position and fund required for future growth and capital expenditure or instead of a proposal to utilize excess cash for buy back of existing share capital.

POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILISED:

The profit being retained in the business shall be continued to be deployed in business for meeting the operating expenses, capital expenditure, augmentation of working capital including servicing of term loan, cash outflow for business growth and potential acquisition, if any, does contributing to the growth of the business and operations of the company.

The company stands committed to deliver sustainable to all its stakeholders.

AMENDMENTS AND UPDATIONS:

To the extent any change / amendment is required in terms of any applicable law or change in regulations, the regulation shall prevail over this policy. In such a case the provisions in this policy would be modified in due course to make it consistent such amended law and the amended policy shall be placed before the board for noting and necessary ratification.

PARAMETERS THAT SHALL BE ADOPTED WITH REGRAD TO VARIOUS CLASSES OF SHARES:

The holders of the equity shares of the Company as per the paid - up equity share Capital, on the record date/book closure date(s), are entitled to receive dividends. The other class of shares for example Preference Shares,if any, or shares with differential voting rights, if any, will be governed by the terms of the issue of such shares. Any convertible instruments into equity share that may be issued by the Company shall be entitled for dividend only upon conversion into equity share.

REVIEW OF POLICY:

The Board of Directors will review the policy periodically and consider modifying, amending, deleting any of the provisions of this policy. If the Board , at any time, proposes to declare dividend on the basis of criteria other than those specified in this Policy, proposes to modify any of the criteria, then it shall disclose such changes, along with the rationale for the same.

DISCLAIMER:

This policy does not purport to solicit investment in the Company's equity shares nor this policy purports to provide any kind of assurance to shareholders of any guaranteed returns (in any form), for investments in the Company's equity shares.

Annexure 'B' - Corporate Social Responsibility

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 CSR Committee	Refer Corporate Responsibility Section of Director's 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	₹ 24,780 Lakhs
4	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	₹ 496 Lakhs
5	Details of CSR spent during financial year Total amount to be spent for the financial year	₹ 641 Lakhs
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(₹)	Amount spent on the project or programs (1) direct expenditure on projects or programs(2) overheads(₹)	Cumulative expenditure upto the reporting period(₹)	Amount spent: Direct or through implementing agency
1	Education aid, teacher's skill development, digital education facility development	Education	Gujarat & Maharashtra	2,29,90,197	2,29,90,197	2,29,90,197	Implementing agency*
2	Health care and medical services	Medical and health services	Gujarat & Maharashtra	2,85,72,591	2,85,72,591	2,85,72,591	Implementing agency*
3	Medical services, food for distressed animals	Animal Welfare	Gujarat & Maharashtra	49,87,000	49,87,000	49,87,000	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(₹)	Amount spent on the project or programs (1) direct expenditure on projects or programs(2) overheads(₹)	Cumulative expenditure upto the reporting period(₹)	Amount spent: Direct or through implementing agency
4	Environment conservation and others	Others	Maharashtra	75,59,450	75,59,450	75,59,450	Implementing agency*
			Total	**6,41,09,238**	**6,41,09,238**	**6,41,09,238**	

*Details of Implementing agencies: Navneet Foundation, Shree Kutchi Visha Oswal Seva Samaj, Tribal Integrated Development & Education Trust, Shri Poona Kutchi Jain Samaj, Wockhardt Foundation, Shri K.V.O. Jain Manav Kalyan Kendra Dahisar, Nashik Run Charitable Trust

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 : 17th June, 2020

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

sd/-
Kamlesh S. Vikamsey
Chairman

Annexure 'C' - Extract of Annual Return

FORM NO.MGT-9
Extract of Annual Return as on the financial year ended on 31st March, 2020
(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 - 48.46 Stationery - 51.41

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 Limited Navneet Bhavan, Bhavani Shankar Road, Near Shardashram Society, Dadar (West), Mumbai-400028	U72200MH2008PTC181531	Subsidiary	100%	2(87)
2	Indiannica Learning Private Limited A-41 Ground Floor, (L2), Mohan Co-operative Industrial Estate, Main Mathura Road, New Delhi - 110 044	U22110DL1998PTC094399	Subsidiary	100%	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
3	Navneet Learning LLP Navneet Bhavan, Bhavani Shankar Road, Near Shardashram Society, Dadar (West), Mumbai-400028	AAA-3855	Subsidiary	93%	2(87)
4	Navneet (HK) Limited Room 718, Metro Centre II, 21, Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong	2480211	Subsidiary	70%	2(87)
5	K 12 Techno Services Private Limited 4/1, Trintera Building, New BEL Road, Mayuri Signal, AG's Layout, Mathikere, Bangalore KA 560054	U80101KA2010PTC072102	Associate (see note below)	33.45%	2(6)

Note: The Company is holding 93% of voting rights and equivalent share in profit/loss in Navneet Learning LLP ('the LLP') and the LLP holds 35.97% in K 12 Techno Services Private Limited ('K12'). As per Indian Accounting Standard, the Company has an indirect control (through the LLP) on K 12 and therefore K 12 becomes an Associate Company of the Company.

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

i) Category - wise share Holding

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 01st April, 2019				Shareholding at the end of the year -31st March, 2020				% 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	5,07,29,752	0	5,07,29,752	22.16	5,06,28,149	0	5,06,28,149	22.13	-0.03
(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	9,09,19,090	0	9,09,19,090	39.73	9,14,19,090	0	9,14,19,090	39.94	0.21
	Corporate Body	0	0	0	0.00	7,20,813	0	7,20,813	0.31	0.31
	Sub Total (A)(1)	**14,16,48,842**	**0**	**14,16,48,842**	**61.89**	**14,27,68,052**	**0**	**14,27,68,052**	**62.38**	**0.49**
[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

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 01st April, 2019				Shareholding at the end of the year -31st March, 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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)	**14,16,48,842**	**0**	**14,16,48,842**	**61.89**	**14,27,68,052**	**0**	**14,27,68,052**	**62.38**	**0.49**
(B)	**Public Shareholding**									
[1]	Institutions									
(a)	Mutual Funds / UTI	3,84,92,661	0	3,84,92,661	16.82	3,60,06,205	0	3,60,06,205	15.73	-1.09
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	10,71,708	0	10,71,708	0.47	20,87,947	0	20,87,947	0.91	0.44
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	1,00,35,235	0	1,00,35,235	4.38	88,60,052	0	88,60,052	3.87	-0.51
(f)	Financial Institutions / Banks	66,354	0	66,354	0.03	61,413	0	61,413	0.03	0.00
(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)	**4,96,65,958**	**0**	**4,96,65,958**	**21.70**	**4,70,15,617**	**0**	**4,70,15,617**	**20.54**	**-1.16**
[2]	Central Government/ State Government(s)/ President of India	2,500	0	2,500	0.00	2,500	0	2,500	0.00	0.00
	Sub Total (B)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
[3]	Non-Institutions	4,96,68,458	0	4,96,68,458	21.70	4,70,18,117	0	4,70,18,117	20.54	-1.16
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	2,22,88,785	24,29,665	2,47,18,450	10.79	2,28,18,591	22,39,960	2,50,58,551	10.95	0.16
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	55,20,305	0	55,20,305	2.41	57,56,210	0	57,56,210	2.52	0.11
(b)	NBFCs registered with RBI	2,777	0	2,777	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	3,79,975	0	3,79,975	0.17	4,06,981	0	4,06,981	0.18	0.01
	Trusts	1	0	1	0.00	1	0	1	0.00	0.00
	Hindu Undivided Family	13,18,620	0	13,18,620	0.58	14,19,680	0	14,19,680	0.62	0.04

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 01st April, 2019				Shareholding at the end of the year -31st March, 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Non Resident Indians (Non Repat)	4,29,468	0	4,29,468	0.19	4,91,161	0	4,91,161	0.21	0.02
	Non Resident Indians (Repat)	5,04,027	2,05,300	7,09,327	0.31	5,91,740	1,86,550	7,78,290	0.34	0.03
	Office Bearers	15,300	18,775	34,075	0.01	15,300	15,025	30,325	0.01	0.00
	Clearing Member	71,941	0	71,941	0.03	3,37,199	0	3,37,199	0.15	0.12
	Other Director	1,050	0	1,050	0.00	1,050	0	1,050	0.00	0.00
	Bodies Corporate	43,61,586	5,625	43,67,211	1.92	47,99,258	5,625	48,04,883	2.10	0.18
	Sub Total (B)(3)	**70,81,968**	**2,29,700**	**73,11,668**	**3.21**	**80,62,370**	**2,07,200**	**82,69,570**	**3.61**	**0.40**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**8,45,62,293**	**26,59,365**	**8,72,21,658**	**38.11**	**8,36,55,288**	**24,47,160**	**8,61,02,448**	**37.62**	**-1.33**
	Total (A)+(B)	**22,62,11,135**	**26,59,365**	**22,88,70,500**	**100.00**	**22,64,23,340**	**26,54,360**	**22,88,70,500**	**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)	**22,62,11,135**	**26,59,365**	**22,88,70,500**	**100.00**	**22,64,23,340**	**26,54,360**	**22,88,70,500**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% 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	Bipin A Gala/Gnanesh D Gala - Trustee for Navneet Trust	9,09,19,090	39.73	0.00	9,14,19,090	39.94	0.00	0.21
2	Kalpesh H Gala/Madhuriben H Gala	34,93,321	1.53	0.00	34,93,321	1.53	0.00	0.00
3	Anil D Gala/Bhairaviben A Gala	32,13,640	1.40	0.00	32,13,640	1.40	0.00	0.00
4	Gnanesh D Gala/Priti G Gala	30,65,392	1.34	0.00	30,65,392	1.34	0.00	0.00
5	Ranjanben B Gala/Bipin A Gala	25,98,191	1.14	0.00	25,98,191	1.14	0.00	0.00
6	Ketan B Gala/Ranjanben B Gala	24,09,211	1.05	0.00	24,09,211	1.05	0.00	0.00
7	Sandeep S Gala/Vimlaben S Gala	19,14,622	0.84	0.00	19,14,622	0.84	0.00	0.00
8	Shantilal R Gala (HUF)	16,50,795	0.72	0.00	0	0.00	0.00	-0.72
9	Devish Gnanesh Gala	14,03,136	0.61	0.00	14,03,136	0.61	0.00	0.00
10	Priti G Gala/Gnanesh D Gala	13,47,477	0.59	0.00	13,47,477	0.59	0.00	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% 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	
11	Bipin A Gala/Ranjan B Gala	12,89,687	0.56	0.00	12,89,687	0.56	0.00	0.00
12	Bhairaviben A Gala/Anil D Gala	12,40,715	0.54	0.00	12,40,715	0.54	0.00	0.00
13	Sangeeta R Gala/Raju H Gala	11,64,557	0.51	0.00	11,64,557	0.51	0.00	0.00
14	Raju H Gala/Sangeeta R Gala	11,08,174	0.48	0.00	11,08,174	0.48	0.00	0.00
15	Gnanesh D Gala/Bipin A Gala	10,17,120	0.44	0.00	10,17,120	0.44	0.00	0.00
16	Harshil Anil Gala	9,34,577	0.41	0.00	9,34,577	0.41	0.00	0.00
17	Darsha D Sampat/Dilip C Sampat	9,32,638	0.41	0.00	9,32,638	0.41	0.00	0.00
18	Jayshree J Sampat/Jaisinh K Sampat	8,96,195	0.39	0.00	8,96,195	0.39	0.00	0.00
19	Shantilal R Gala/Vimlaben S Gala/Sandeep S Gala	8,93,903	0.39	0.00	8,93,903	0.39	0.00	0.00
20	Archit R Gala	8,69,150	0.38	0.00	8,71,338	0.38	0.00	0.00
21	Madhuriben H Gala/Kalpesh H Gala	8,47,794	0.37	0.00	8,47,794	0.37	0.00	0.00
22	Jitendra L Gala (HUF)	7,94,808	0.35	0.00	7,94,808	0.35	0.00	0.00
23	Vimlaben S Gala/Shantilal R Gala/Sandeep S Gala	7,53,967	0.33	0.00	7,53,967	0.33	0.00	0.00
24	Bipin A Gala (HUF)	7,35,170	0.32	0.00	7,35,170	0.32	0.00	0.00
25	Shaan Sandeep Gala	5,69,110	0.25	0.00	5,69,110	0.25	0.00	0.00
26	Parth Sandeep Gala	4,80,800	0.21	0.00	4,80,800	0.21	0.00	0.00
27	Harakhchand R Gala (HUF)	2,75,082	0.12	0.00	0	0.00	0.00	-0.12
28	Pooja K Gala	2,73,379	0.12	0.00	2,73,379	0.12	0.00	0.00
29	Chandni Ketan Gala	2,55,162	0.11	0.00	2,55,162	0.11	0.00	0.00
30	Karishma Ketan Gala	2,52,242	0.11	0.00	2,52,242	0.11	0.00	0.00
31	Raju H Gala (HUF)	2,18,716	0.10	0.00	0	0.00	0.00	-0.10
32	Jigna Nilesh Shah/Nilesh V Shah	1,99,675	0.09	0.00	1,99,675	0.09	0.00	0.00
33	Anil D Gala (HUF)	1,61,637	0.07	0.00	1,61,637	0.07	0.00	0.00
34	Dilip C Sampat	1,26,267	0.06	0.00	1,26,267	0.06	0.00	0.00
35	Jaini Anil Gala	1,00,966	0.04	0.00	1,00,966	0.04	0.00	0.00
36	Henal Tanay Mehta/ Bhairaviben A Gala	1,04,800	0.04	0.00	1,04,800	0.04	0.00	0.00
37	Mita Manoj Savla	96,305	0.04	0.00	96,305	0.04	0.00	0.00
38	Vimlaben Shantilal Gala/ Shantilal R Gala	87,969	0.04	0.00	87,969	0.04	0.00	0.00
39	Jaisinh K Sampat/Jayshree J Sampat	86,165	0.04	0.00	86,165	0.04	0.00	0.00
40	Stuti K Gala	83,827	0.04	0.00	83,827	0.04	0.00	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% 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	
41	Amarchand R Gala (HUF)	76,990	0.03	0.00	76,990	0.03	0.00	0.00
42	Aditya Sanjeev Gala	65,100	0.03	0.00	65,100	0.03	0.00	0.00
43	Dungarshi R Gala (HUF)	54,501	0.02	0.00	54,501	0.02	0.00	0.00
44	Siddhant S Gala	53,078	0.02	0.00	53,078	0.02	0.00	0.00
45	Punita Chirayu Andani	50,489	0.02	0.00	50,489	0.02	0.00	0.00
46	Sanjeev Jitendra Gala/ Jasmine S Gala	6,67,483	0.29	0.00	6,67,483	0.29	0.00	0.00
47	Sanjeev J Gala/Aditya S Gala	6,15,791	0.27	0.00	6,15,791	0.27	0.00	0.00
48	Kalpesh H Gala	6,96,773	0.30	0.00	8,34,314	0.36	0.00	0.06
49	Ketan B Gala	43,424	0.02	0.00	43,424	0.02	0.00	0.00
50	Kanchan N Shah	21,89,403	0.96	0.00	5,00,000	0.22	0.00	-0.74
51	Anushka Kalpesh Gala	42,759	0.02	0.00	42,759	0.02	0.00	0.00
52	Rekhaben Kiritbhai Shah	43,750	0.02	0.00	43,750	0.02	0.00	0.00
53	Shailendra J Gala	27,48,984	1.20	0.00	34,91,144	1.53	0.00	0.33
54	Gnanesh D Gala	1,20,284	0.05	0.00	1,20,284	0.05	0.00	0.00
55	Shantilal R Gala	37,120	0.02	0.00	3,63,489	0.16	0.00	0.14
56	Manjulaben J Gala	9,41,375	0.41	0.00	9,41,375	0.41	0.00	0.00
57	Jaisinh Kanji Sampat	29,512	0.01	0.00	29,512	0.01	0.00	0.00
58	Mansi Kiritbhai Shah	28,125	0.01	0.00	28,125	0.01	0.00	0.00
59	Parini Kiritbhai Shah	28,125	0.01	0.00	28,125	0.01	0.00	0.00
60	Vimlaben S Gala	25,979	0.01	0.00	1,60,199	0.07	0.00	0.06
61	Manav S Gala	21,681	0.01	0.00	21,681	0.01	0.00	0.00
62	Manisha S Gala/Shailendra J Gala	21,681	0.01	0.00	21,681	0.01	0.00	0.00
63	Bipin A Gala	9,47,829	0.41	0.00	9,47,829	0.41	0.00	0.00
64	Jyoti Sanjiv Bhatia	15,050	0.01	0.00	15,050	0.01	0.00	0.00
65	Sandeep S Gala/Kavita S Gala	13,549	0.01	0.00	13,549	0.01	0.00	0.00
66	Anil D Gala	95,406	0.04	0.00	95,406	0.04	0.00	0.00
67	Jasmine S Gala	12,022	0.01	0.00	12,022	0.01	0.00	0.00
68	Sanjeev J Gala	14,77,704	0.65	0.00	22,19,864	0.97	0.00	0.32
69	Priti G Gala	8,908	0.00	0.00	8,908	0.00	0.00	0.00
70	Shantilal R Gala/Vimlaben S Gala	8,539	0.00	0.00	8,539	0.00	0.00	0.00
71	Madhuriben H Gala	20,228	0.01	0.00	20,228	0.01	0.00	0.00
72	Raju H Gala	6,54,170	0.29	0.00	8,99,975	0.39	0.00	0.10
73	Sandeep S Gala	557	0.00	0.00	9,60,660	0.42	0.00	0.42
74	Ranjanben B Gala	9,27,041	0.41	0.00	9,27,041	0.41	0.00	0.00
75	Amrutlal Nanji Shah/Lilavati Amrutlal Shah	0	0.00	0.00	15,000	0.01	0.00	0.01

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% 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	
76	Amrutlal Nanji Shah	0	0.00	0.00	1,42,190	0.06	0.00	0.06
77	Harakhchand Nanji Shah	0	0.00	0.00	1,76,393	0.09	0.00	0.09
78	Shaan Realtors Private Limited	0	0.00	0.00	7,20,813	0.31	0.00	0.31
79	Sangita Raju Gala	0	0.00	0.00	1,08,264	0.06	0.00	0.06
		14,16,48,842	**61.89**	**0.00**	**14,27,68,052**	**62.38**	**0.00**	**0.49**

(iii) Change in Promoters Shareholding

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01st April, 2019		Transactions during the year			Cumulative Shareholding at the end of the year - 31st March, 2020	
		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	Bipin A Gala/Gnanesh D Gala - Trustee for Navneet Trust	9,09,19,090	39.73	17-Dec-19	5,00,000	Market Purchase	9,14,19,090	39.94
2	Shantilal R Gala (HUF)	16,50,795	0.72	17-Jun-19	16,50,795	HUF - Dissloved	0	0
3	Harakhchand R Gala (HUF)	2,75,082	0.12	03-Jun-19	96,594	off- market -as per will	1,78,488	0.08
				06-Jun-19	1,78,488	off- market -as per will	0	0
4	Raju H Gala (HUF)	2,18,716	0.10	27-Aug-19	2,18,716	HUF - Dissloved	0	0
5	Kalpesh H Gala	6,96,773	0.30	03-Jun-19	48,297	Transmission	7,45,070	0.33
				06-Jun-19	89,244	Transmission	8,34,314	0.37
6	Kanchan N Shah	21,89,403	0.96	26-Sep-19	2,05,083	off- market -as per will	19,84,320	0.87
				27-Sep-19	14,84,320	Gift	5,00,000	0.22
7	Shailendra J Gala	27,48,984	1.20	27-Sep-19	7,42,160	Gift	34,91,144	1.52
8	Shantilal R Gala	37,120	0.02	17-Jun-19	3,26,369	HUF - Dissloved	3,63,489	0.16
9	Vimlaben S Gala	25,979	0.01	17-Jun-19	1,34,220	HUF - Dissloved	1,60,199	0.07
10	Sanjeev J Gala	14,77,704	0.65	27-Sep-19	7,42,160	Gift	35,03,138	1.53
11	Raju H Gala	6,54,170	0.29	03-Jun-19	48,297	Transmission	7,02,467	0.31
				06-Jun-19	89,244	Transmission	7,91,711	0.35
				27-Aug-19	1,08,264	HUF - Dissloved	8,99,975	0.4

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01st April, 2019		Transactions during the year			Cumulative Shareholding at the end of the year - 31st March, 2020	
		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
12	Sandeep S Gala	557	0.00	17-Jun-19	9,60,103	HUF - Dissloved	9,60,660	0.42
13	Amrutlal Nanji Shah/Lilavati Amrutlal Shah	0	0.00	26-Sep-19	15,000	Disclosed as Promoter	15,000	0.01
14	Amrutlal Nanji Shah	0	0.00	26-Sep-19	1,17,190	off market -as per will	1,57,190	0.07
15	Harakhchand Nanji Shah	0	0.00	26-Sep-19	87,893	off market -as per will	1,76,393	0.08
16	Shaan Realtors Private Limited	0	0.00	24-Dec-19	180000	Market Purchase	1,80,000	0.08
				28-Feb-20	13859	Market Purchase	1,93,859	0.08
				02-Mar-20	15000	Market Purchase	2,08,859	0.09
				03-Mar-20	20000	Market Purchase	2,28,859	0.1
				04-Mar-20	46141	Market Purchase	2,75,000	0.12
				05-Mar-20	65000	Market Purchase	3,40,000	0.15
				18-Mar-20	24136	Market Purchase	3,64,136	0.16
				19-Mar-20	25000	Market Purchase	3,89,136	0.17
				20-Mar-20	15000	Market Purchase	4,04,136	0.18
				25-Mar-20	156677	Market Purchase	5,60,813	0.25
				26-Mar-20	50000	Market Purchase	6,10,813	0.27
				27-Mar-20	110000	Market Purchase	7,20,813	0.31
17	Sangita Raju Gala	0	0.00	27-Aug-19	108264	HUF - Dissloved	1,08,264	0.05
18	Archit R Gala	8,69,150	0.38	27-Aug-19	2188	HUF - Dissloved	8,71,338	0.38

iv) Shareholding Pattern of Top Ten Shareholders

Sr. No.	Name	Shareholding at the beginning of the year - 2019		Transactions during the year			Cumulative Shareholding at the end of the year - 2020	
		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	1,93,72,917	8.46	12 Apr 2019	1,00,899	Purchase	1,94,73,816	8.51
				19 Apr 2019	5,04,000	Purchase	1,99,77,816	8.73
				26 Apr 2019	23,200	Purchase	2,00,01,016	8.74
				20 Mar 2020	12,000	Purchase	2,00,13,016	8.74
2	FRANKLIN INDIA SMALLER COMPANIES FUND	95,62,930	4.18	12 Apr 2019	65,811	Purchase	96,28,741	4.21
				19 Apr 2019	5,72,000	Purchase	1,02,00,741	4.46
				10 May 2019	28,000	Purchase	1,02,28,741	4.47
				17 May 2019	33,004	Purchase	1,02,61,745	4.48
				24 May 2019	30,073	Purchase	1,02,91,818	4.50
				31 May 2019	3,26,065	Purchase	1,06,17,883	4.64
				07 Jun 2019	4,678	Purchase	1,06,22,561	4.64
				14 Jun 2019	14,367	Purchase	1,06,36,928	4.65
				21 Jun 2019	91,813	Purchase	1,07,28,741	4.69
				29 Jun 2019	39,102	Purchase	1,07,67,843	4.70
				05 Jul 2019	45,539	Purchase	1,08,13,382	4.72
				12 Jul 2019	3,972	Purchase	1,08,17,354	4.73
				26 Jul 2019	16,037	Purchase	1,08,33,391	4.73
				02 Aug 2019	34,705	Purchase	1,08,68,096	4.75
				09 Aug 2019	875	Purchase	1,08,68,971	4.75
				06 Sep 2019	1,00,000	Purchase	1,09,68,971	4.79
				13 Dec 2019	2,00,000	Purchase	1,11,68,971	4.88
				20 Mar 2020	8,067	Purchase	1,11,77,038	4.88
3	KOTAK EMERGING EQUITY SCHEME	36,06,713	1.58	26 Apr 2019	-13,005	Sale	35,93,708	1.57
				31 Mar 2020	-1,74,489	Sale	34,19,219	1.49
4	SOMERSET EMERGING MARKETS SMALL CAP FUND LLC	31,84,306	1.39	-	-	-	31,84,306	1.39
5	NEMISH S SHAH	14,68,192	0.64	-	-	-	14,68,192	0.64
6	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES I	13,80,299	0.60	29 Nov 2019	-5,011	Sale	13,75,288	0.60
				13 Dec 2019	-3,037	Sale	13,72,251	0.60
				06 Mar 2020	-2,237	Sale	13,70,014	0.60
7	JPMORGAN INDIA SMALLER COMPANIES FUND	12,85,636	0.56	-	-	-	12,85,636	0.56
8	INTERACTIVE TECHNOLOGIES PVT LTD	12,16,265	0.53	-	-	-	12,16,265	0.53
9	SHAMYAK INVESTMENT PRIVATE LIMITED	9,78,795	0.43	-	-	-	9,78,795	0.43

Sr. No.	Name	Shareholding at the beginning of the year - 2019		Transactions during the year			Cumulative Shareholding at the end of the year - 2020	
		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
10	ABAKKUS EMERGING OPPORTUNITIES FUND-1*	0	0.00	08 Nov 2019	11,00,000	Purchase	11,00,000	0.48
				10 Jan 2020	7,25,000	Purchase	18,25,000	0.80
				24 Jan 2020	61,000	Purchase	18,86,000	0.82
				06 Mar 2020	5,000	Purchase	18,91,000	0.83
				20 Mar 2020	50,000	Purchase	19,41,000	0.85
11	UTI - CCF -SAVINGS PLAN**	45,44,048	1.99	12 Apr 2019	-1,00,000	Sale	44,44,048	1.94
				07 Jun 2019	-4,070	Sale	44,39,978	1.94
				06 Sep 2019	-1,00,932	Sale	43,39,046	1.90
				13 Sep 2019	-2,32,850	Sale	41,06,196	1.79
				27 Sep 2019	-26,218	Sale	40,79,978	1.78
				04 Oct 2019	-1,44,503	Sale	39,35,475	1.72
				11 Oct 2019	-4,916	Sale	39,30,559	1.72
				18 Oct 2019	-48,933	Sale	38,81,626	1.70
				25 Oct 2019	-38,970	Sale	38,42,656	1.68
				01 Nov 2019	-82,256	Sale	37,60,400	1.64
				08 Nov 2019	-12,11,664	Sale	25,48,736	1.11
				15 Nov 2019	-8,528	Sale	25,40,208	1.11
				29 Nov 2019	-31,991	Sale	25,08,217	1.10
				06 Dec 2019	-1,29,149	Sale	23,79,068	1.04
				13 Dec 2019	-1,25,109	Sale	22,53,959	0.98
				20 Dec 2019	-5,97,820	Sale	16,56,139	0.72
				27 Dec 2019	-2,96,964	Sale	13,59,175	0.59
				10 Jan 2020	-13,59,175	Sale	0	0.00
12	IIFL RE ORGANIZE INDIA EQUITY FUND **	10,71,708	0.47	19 Apr 2019	-10,71,708	Sale	0	0

*Not in the list of top 10 shareholders as on 1-4-2019. The same is reflected above since the shareholder was in the list of top 10 shareholders as on 31-3-2020.

**Ceased to be the top 10 shareholders as on 31-3-2020. The same is reflected above since the shareholder was one of the top 10 shareholders as on 31-3-2019.

Notes :

1. Paid up Share Capital of the Company (Face Value ₹ 2/-) at the end of the year is 22,88,70,500 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(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	31,85,676	1.39	-	-	-	31,85,676	1.39
3	Raju H Gala	17,62,344	0.77	03-Jun-19	48,297	Transmission	18,10,641	0.79
				06-Jun-19	89,244	Transmission	18,99,885	0.83
				27-Aug-19	1,08,264	HUF - Dissloved	20,08,149	0.88
4	Bipin A Gala	22,37,516	0.98	-	-	-	22,37,516	0.98
5	Anil D Gala	33,09,046	1.44	-	-	-	33,09,046	1.44
6	Shailendra J Gala	27,48,984	1.20	27-Sep-19	7,42,160	Gift	34,91,144	1.53
7	Atul J Shethia (upto 13th Nov. 2019)	-	-	-	-	-	-	-
8	Nilesh S Vikamsey	-	-	-	-	-	-	-
9	Mohinder Pal Bansal	-	-	-	-	-	-	-
10	Tushar K Jani	-	-	-	-	-	-	-
11	Dr. Vijay B Joshi	1,050	-	-	-	-	1,050	-
12	Usha Laxman	-	-	-	-	-	-	-
13	Anil Swarup	-	-	-	-	-	-	-
14	Amit D Buch	-	-	-	-	-	-	-
15	Deepak Kaku	-	-	-	-	-	-	-

V. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	UnSecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	3,000	26,500	-	29,500
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	1	-	1
Total (i+ii+iii)	**3,000**	**26,501**	**-**	**29,501**

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	UnSecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
Addition	18,877	1,13,550	-	1,32,427
Reduction	(21,877)	(1,21,051)	-	(1,42,928)
Net Change	**(3,000)**	**(7,501)**	**-**	**(10,501)**
Indebtedness at the end of the financial year				
(i) Principal Amount	-	19,000	-	19,000
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	1	-	1
Total (i+ii+iii)	**-**	**19,001**	**-**	**19,001**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration 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 (upto 13th Nov. 2019)	
1	**Gross Salary** (a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act,-1961	1,33,03,464	1,56,13,618	1,39,93,510	1,34,83,476	1,20,64,385	60,42,773	7,45,01,226
	(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)	**1,33,03,464**	**1,56,13,618**	**1,39,93,510**	**1,34,83,476**	**1,20,64,385**	**60,42,773**	**7,45,01,226**
	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	Anil Swarup	Total
1	**Independent Directors**								
	Fees for attending Board/ Committee Meetings	2,10,000	60,000	3,10,000	1,25,000	1,80,000	2,75,000	1,70,000	13,30,000
	Commission	-	-	-	-	-	-		-
	Others, please specify	-	-	-	-	-	-		-
	Total	**2,10,000**	**60,000**	**3,10,000**	**1,25,000**	**1,80,000**	**2,75,000**	**1,70,000**	**13,30,000**
	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.	Particulars 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	37,13,093	53,02,044	90,15,137
	(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	**37,13,093**	**53,02,044**	**90,15,137**

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 'D' - Secretarial Audit Report

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

(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, 2020 ('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, 2020 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 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, 2018 which were not applicable to the Company during Audit Period;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which were not applicable to the Company during Audit Period;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 which were not applicable to the Company during Audit Period; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 which were not applicable to the Company during Audit Period.

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) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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, Standards etc. mentioned above.

I further report that based on review of compliance system prevailing in the Company and on the basis of the Compliance Certificate(s) issued by the Senior Management officials and taken on record by the Board of Directors at their meetings, I am of the opinion that the Company has adequate systems and processes in place commensurate with its size and nature of operations to monitor and ensure compliance with the following laws applicable specifically to the Company:

(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; and
(k) Hazardous Wastes (Management, Handling And Transboundary Movement) Rules, 2016.

I further report that the Board of Directors of the Company is duly constituted with 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 and Committee Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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 Annexure which 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
UDIN: F003483B000441162

Place: Mumbai
Date: July 11, 2020

Annexure

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.

(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.

(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 test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed 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 test basis.

(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
UDIN: F003483B000441162

Place: Mumbai
Date: July 11, 2020

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 Lakhs)

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 Private Limited	₹	2,363	(3,711)	1,777	3,125	-	2,064	(684)	-	(684)	5	-	100%
2	Navneet Learning LLP	₹	11,160	-	11,160	#	11,159	-	(1)	-	(1)	-	-	93%
3	Indiannica Learning Private Limited	₹	4,935	(913)	10,788	6,766	-	5,512	(1,878)	22	(1,856)	13	-	100%
4	Navneet (HK) Limited	₹	38	(10)	122	94	-	283	(2)	-	(2)	(1)	-	70%

ASSOCIATE

(₹ in Lakhs)

Sr. No.	Name of Associate 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	K 12 Techno Services Private Limited	₹	1,501	17,057	29,057	10,499	0	10,643	29	0	24	(5)	0	-

Note: The above numbers of associate company are based on un-audited financial results as furnished by its management.

Annexure 'F'

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, 2020 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('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. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

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, 2020.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. 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.

6. We conducted our examination of the relevant records of the Company 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') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. 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

8. 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, 2020, 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.

9. 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

10. 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
UDIN: 20037381AAAABF7912

Place: Mumbai
Date: 17th June, 2020

Corporate Governance Report

(1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the report contains the details of Corporate Governance systems and processes at Navneet Education Limited ('the Company').

The Company's corporate governance philosophy has been further strengthened by adopting a Code of Business Conduct and Ethics and Code of Conduct to Regulate, Monitor and Report trading by Insiders for prevention of insider trading by the Directors and Designated Persons and Code of practices for fair disclosure of unpublished price sensitive information.

Corporate governance is an integral part of values, ethics and best business practices followed by the Company. The Company believes in ensuring corporate fairness, transparency, professionalism and accountability in its functioning. Good Corporate Governance is reflected in investors' confidence and trust, employee loyalty, effective stakeholder relationships and 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 informed decision.

(2) BOARD OF DIRECTORS

(a) Composition and Board Diversity

The Board of Directors consists of well qualified and persons with considerable professional expertise and experience. All the Directors take active part at the Board and Committee Meetings by providing valuable inputs, guidance and advise on various aspect of business and policy decisions. Of the Company

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 specific functional area and other statutorily required details is provided in 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 2019-20, five (5) board meetings were held on 15th May, 2019, 8th August, 2019, 13th November, 2019, 31st January, 2020 and 13th March, 2020. The details of category of each Director, attendance by Directors at the above Board meetings and attendance at last Annual General Meeting 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	5	Yes
2.	Shri Raju H. Gala	P & ED	5	Yes
3.	Shri Bipin A. Gala	P & ED	5	Yes
4.	Shri Anil D. Gala	P & ED	5	Yes
5.	Shri Shailendra J. Gala	P & ED	4	Yes
6.	Shri Anil Swarup	NI & NED	4	Not Applicable*
7.	Shri Kamlesh S. Vikamsey	NI & NED	5	Yes
8.	Shri Nilesh S.Vikamsey	NI & NED	2	Yes
9.	Smt. Usha Laxman	I & NED	3	Yes

Sr. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at last AGM
10.	Shri Tushar K. Jani	I & NED	2	Yes
11.	Shri Mohinder Pal Bansal	I & NED	5	Yes
12.	Dr. Vijay B. Joshi	I & NED	2	Yes
13.	Shri Atul Shethia**	ED	1	Yes

* His appointment was made with effect from 8th August, 2019 and the Annual General Meeting was held on 24th July, 2019 and therefore his attending AGM on 24th July, 2019 is mentioned as Not Applicable.
** Resigned as Director wef 14th November, 2019.

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

(c) Directorship in other Public Limited Companies as on 31st March, 2020

Sr. No.	Name of Director	No. of Directorship*	No. of Committee Positions held**	No. of Committee Chaired**
1	Shri Gnanesh D. Gala	1	1	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 Anil Swarup	0	0	0
7	Shri Kamlesh S. Vikamsey	9	8	4
8	Shri Nilesh S.Vikamsey	8	7	2
9	Smt. Usha Laxman	0	0	0
10	Shri Tushar K. Jani	3	1	0
11	Shri Mohinder Pal Bansal	5	2	2
12	Dr. Vijay B. Joshi	0	0	0

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

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

(d) Names of listed companies where a Director is a Director and category of Directorship

Sr. No.	Name of Director	Name of listed company where Director	Category of Director
1	Shri Gnanesh D. Gala	(i) Shemaroo Entertainment Limited	(i) Independent Director
2	Shri Raju H. Gala	Nil	NA
3	Shri Bipin A. Gala	Nil	NA
4	Shri Anil D. Gala	Nil	NA
5	Shri Shailendra J. Gala	Nil	NA
6	Shri Anil Swarup	Nil	NA

Sr. No.	Name of Director	Name of listed company where Director	Category of Director
7	Shri Kamlesh S. Vikamsey	(i) Man Infraconstruction Limited (ii) Tribhovandas Bhimji Zaveri Limited (iii) Apcotex Industries Limited (iv) GIC Housing Finance Limited (v) Container Corporation Of India Limited (vi) PTC India Financial Services Limited	(i) Independent Director (ii) Independent Director (iii) Independent Director (iv) Independent Director (v) Part Time Non-Official (Independent) Director (vi) Independent Director
8	Shri Nilesh S.Vikamsey	(i) IIFL Finance Limited(erstwhile IIFL Holdings Limited) (ii) SBI Life Insurance Company Limited (iii) Thomas Cook (India) Limited (iv) PNB Housing Finance Limited (v) IIFL Wealth Management Limited (vi) SBI Cards and Payment Services Limited	(i) Independent Director (ii) Independent Director (iii) Independent Director (iv) Independent Director (v) Independent Director (vi) Independent Director
9	Smt. Usha Laxman	Nil	NA
10	Shri Tushar K. Jani	(i) VIP Industries Limited	(i) Independent Director
11	Shri Mohinder Pal Bansal	(i) Allcargo Logistics Limited (ii) Prince Pipes And Fittings Limited	(i) Independent Director (ii) Independent Director
12	Dr. Vijay B. Joshi	Nil	NA

(e) Relationship between directors inter-se:

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

(f) Shares held by Non-Executive Directors in the Company as on 31st March, 2020.

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	-	-
Shri Anil Swarup	-	-

(g) Details of familiarisation programme

As per the Regulation 27(5) of the Securities and Exchange Board of India (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 take 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 latest happenings at Company's various locations. The Directors are also 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 brief presentation on the performance of business units and future strategy is 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 is 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 evaluation of Board of Directors has been carried out as required under the Listing Regulations and the Companies Act, 2013 which 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 company performance and the effectiveness of the entire 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.

(h) Criteria setting out the skills/expertise/competence identified by the Board of Directors

The Board of Directors ('Board') has not established specific minimum age, education, years of business experience or specific types of skills for appointing any individual as a Board member, but, in general, expects an individual to have ample experience and a proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values and loyalty to the interest of the Company and its stakeholders.

The Board would generally ensure that an individual should have ability to exercise objectivity and independence in making informed business decisions, willingness and commitment to devote the required time to fulfil his/her duties, ability to communicate effectively and collaborate with other Board members to contribute effectively to the diversity of perspectives that enhances Board including a willingness to listen and respect the views of others.

The Board would also assess individual's skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including, but not limited to relevant experience in international operations, public service, finance, accounting, strategic planning, technology and marketing.

The Company believes that an effective and diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that the Company retains its competitive advantage. The ultimate objective is to have a Board that offers a broad range of perspectives that are directly relevant to the business and organizational needs.

Chart / matrix setting out the skills/expertise/ competence of the Board of Directors The Board of the Company is highly structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise and special skills.

The following are the skills as identified by the Board.

Core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)	Names of Directors who have such skills / expertise / competence
Finance, Law, Management, Administration, Corporate Governance related to the Company's business	Shri Kamlesh Vikamsey, Shri Gnanesh Gala, Shri Anil Gala, Shri Tushar Jani, Shri Mohinder Pal Bansal, Dr. Vijay Joshi, Smt Usha Laxman, Shri Nilesh Vikamsey, Shri Anil Swarup
Technical Operations and knowledge on Production, Processing, Quality and Marketing of Company's products	Shri Bipin Gala, Shri Gnanesh Gala, Shri Shailendra Gala, Shri Raju Gala, Shri Anil Gala

Management, Strategy, Sales, Marketing, Administration, Technical Operations related to the Company's business	Shri Kamlesh Vikamsey, Shri Gnanesh Gala, Shri Bipin Gala, Shri Raju Gala, Shri Shailendra Gala, Shri Anil Gala, Shri Tushar Jani, Shri Anil Swarup

(i) Independent Directors are non - executive directors as defined under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013 along with rules made thereunder. Based on the declarations received from Independent Directors, the Board of Directors has confirmed that they meet criteria of independence as mentioned under Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149(6) of the Companies Act,2013 along with rules made thereunder and that they are independent of the management.

As required under Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the meeting of Independent Directors was held on 17th March, 2020 without the presence of non- independent directors and members of the management.

(3) AUDIT COMMITTEE

(a) The Company has constituted Audit Committee in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The role, scope and terms of reference of the Audit Committee covers matters as prescribed in Regulation 18(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The role, scope and terms broadly include overseeing financial reporting process, accounting policies and practises, reviewing periodic financial results, adequacy of Internal Audit function, related party transactions, and 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/yearly unaudited/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 the Securities and Exchange Board of India (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 2019-20, five (5) Audit Committee Meetings were held on 15th May, 2019, 8th August, 2019, 13th November, 2019, 31st January, 2020 and 17th March, 2020.
- The composition of the Audit Committee and other relevant details are as under:-

Name of Member	Category	No. of meetings Attended
Shri Mohinder Pal Bansal (Chairman of the Committee)	I & NED	4
Shri Tushar K. Jani	I & NED	3
Dr. Vijay B. Joshi	I & NED	4
Shri Nilesh S. Vikamsey	NI & NED	2
Smt. Usha Laxman	I & NED	3

I & NED – Independent & Non -Executive Director, NI & NED- Non- Independent & Non- Executive Director.

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 attend 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 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant Section and 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.

During the year three (3) Nomination and Remuneration Committee meetings were held on 4th May, 2019, 30th July, 2019 and 17th March, 2020.The composition of Nomination and Remuneration Committee and other relevant details are as under:

Name of Member	Category	No. of Meetings Attended
Shri Tushar K. Jani (Chairman of the Committee)	I & NED	1
Dr. Vijay B. Joshi	I & NED	3
Smt. Usha Laxman	I & NED	3
Shri Kamlesh S. Vikamsey	NI & NED	2

I & NED – Independent & Non -Executive Director, NI & NED- Non Independent & Non-Executive Director.

(5) Remuneration of Directors

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

- There were no pecuniary relationship or transaction of the Independent & Non-Executive Directors and Non Independent & Non-Executive Directors of the company vis-a-vis the Company.
- 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. Shri Anil Swarup, Non Independent & Non-Executive Director is paid consultancy fees of ₹ 16.20 Lakhs during FY 2019-20.

(b) 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 areas 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 / provided to each Director during FY 2019-20 for attending Board and committee meetings are as detailed hereunder:

(₹ in Lakhs)

Sr. No.	Name of Director	Category	Salary	Bonus	Other Benefits	Contri. To PF	Sitting Fees	Total remuneration
1	Shri Gnanesh D.Gala	P & ED	77.15	15.43	40.89	9.26	-	142.73
2	Shri Raju H. Gala	P & ED	77.15	15.43	63.99	9.26	-	165.83
3	Shri Bipin A.Gala	P & ED	77.15	15.43	47.79	9.26	-	149.63
4	Shri Anil D. Gala	P & ED	77.15	15.43	42.69	9.26	-	144.53
5	Shri Shailendra J. Gala	P & ED	70.72	14.14	36.10	8.49	-	129.45
6	Shri Atul J. Shethia*	ED	32.48	6.50	17.55	3.90	-	60.43
7	Shri Kamlesh S. Vikamsey	NI & NED	-	-	-	-	2.10	2.10
8	Shri Nilesh S. Vikamsey	NI & NED	-	-	-	-	0.60	0.60
9	Smt. Usha Laxman	I & NED	-	-	-	-	2.75	2.75
10	Shri Tushar K. Jani	I & NED	-	-	-	-	1.25	1.25
11	Shri Mohinder Pal Bansal	I & NED	-	-	-	-	3.10	3.10
12	Dr. Vijay B. Joshi	I & NED	-	-	-	-	1.80	1.80
13	Shri Anil Swarup**	NI & NED	-	-	-	-	1.70	1.70

* upto 13th November, 2019 as he resigned as Director wef 14th November, 2019.
** appointed with effect from 8th August, 2019.
P & ED- Promoter & Executive Director, ED- Executive Director, NI & NED- Non Independent & Non-Executive Director, I & NED- Independent & Non -Executive Director.

Note: The above amount excludes provision for gratuity and leave benefits which have been actually determined on overall basis.

(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, perquisite 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 - Non-Executive Directors and Independent 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

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/ redresser of Investors' Grievance, ensuring that communications to those shareholders whose dividend was outstanding to claim the same have been sent and also ensuring that the shareholders have received dividend declared during the year and annual report in time as statutorily required. The committee also discuss and note if Company's Registrar & Share Transfer Agent namely - Link Intime India Private Limited has adhered to the service standard and that the critical queries have been addressed by them to the shareholders.

During the financial year 2019-20 four (4) Stakeholders Relationship Committee meetings were held on 15th May, 2019, 8th August, 2019, 13th November, 2019 and 31st January, 2020.

(a) The composition of Stakeholders Relationship Committee and other relevant details are as under:

Name of Member	Category	No. of Meetings Attended
Shri Tushar K. Jani (Chairman of the Committee)	I & NED	2
Shri Mohinder Pal Bansal	I & NED	4
Dr. Vijay B. Joshi	I & NED	2
Shri Gnanesh D. Gala	P & ED	4

I & NED- Independent & Non -Executive Director, P & ED- Promoter & Executive Director

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

(c) During the year nine complaints were received and all were resolved as on 31st March, 2020.

(7) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee formulated and recommended a CSR Policy in terms of Section 135 of the Act, 2013 along with a list of projects / programmes to be undertaken for CSR spending in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company was required to spend ₹ 496 Lakhs constituting 2% of the average net profits of the Company, made during the three immediately preceding financial years, towards CSR spending for the FY19-20. The Company spent ₹ 641 Lakhs towards CSR during FY 19-20.

The composition of CSR Committee and other relevant details are as under:

Name of Member	Category	No. of Meeting Attended
Dr. Vijay B. Joshi (Chairman of the Committee)	I & NED	0
Shri Bipin A.Gala	P & ED	1
Shri Anil D. Gala	P & ED	1
Smt. Usha Laxman	I & NED	1

(8) RISK MANAGEMENT COMMITTEE

The Company's Risk Management Committee is overseeing all the risks that the organization faces such as strategic, financial, market, IT, legal, regulatory, reputational and other risks and recommends suitable action.

One Risk Management Committee meeting was held during the year on 17th March, 2020. The composition of Risk Management Committee and other relevant details are as under:

Name of Member	Category	No. of Meetings Attended
Shri Gnanesh D. Gala (Chairman of the Committee)	P & ED	1
Shri Shailendra J. Gala	P & ED	1
Dr. Vijay B. Joshi	I & NED	1

(9) GENERAL MEETINGS

a. The details of last three Annual General Meetings held are given below:

Financial Year & Meeting No.	Day & Date	Time	Venue
2018-19 Thirty Third	Wednesday, 24th July, 2019	10.30 a.m.	M.C.Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.

Financial Year & Meeting No.	Day & Date	Time	Venue
2017-18 Thirty Second	Tuesday, 24th July, 2018	3.30 p.m.	P.L. Deshpande Maharashtra Kala Academy, Mini Theatre, 3rd Floor, Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400025.
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.

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

(i) At the 33rd AGM held on 24th July, 2019, five special resolutions were passed as detailed below:

- Re-appointing Shri Mohinder Pal Bansal as an Independent Director for a second term of five years;
- Re-appointing Shri Tushar K. Jani as an Independent Director for a second term of five years;
- Re-appointing Smt. Usha Laxman as an Independent Director for a second term of five years;
- Re-appointing Dr.Vijay B. Joshi as an Independent Director for a second term of five years;
- Re-classification of some of the person forming part of Promoter Group from "Promoter & Promoter Group category" to "Public Category".

(ii) At the 32nd AGM held on 24th July, 2018, no Special Resolution was passed.

(iii) At the 31st AGM held on 3rd August, 2017, no Special Resolution was passed.

c. Passing of Resolutions by Postal Ballot

No resolutions were passed last year i.e. in FY 2019-20 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.

(10) 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 exchanges 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 exchanges where the shares of the Company are listed.

(11) GENERAL SHAREHOLDER INFORMATION

a. 34th Annual General Meeting :

Day & Date : Monday, 28th September, 2020
Time : 3.30 p.m.
Venue : The Company is conducting meeting through Video Conferencing ("VC")/Other Audio Visual Mechanism ("OAVM") pursuant to MCA circular dated 5th May, 2020 and as such there is no requirement to have venue of AGM. For details please refer to the Notice of this AGM.

b. Financial Year: April to March.

c. Dividend payment during the year under review:

The Board of Directors declared two interim dividends during the Financial Year 2019-20.The first interim dividend of ₹ 2.50 per share (125%) was declared on 13th November, 2019 and the second interim dividend of ₹ 0.50 (25%) was declared on 13th March, 2020 for the Financial Year 2019-20. The dividends so declared were paid to all the eligible shareholders whose names appeared in Company's Register of Members on book closure date fixed for the respective interim dividend.

d. Financial Calendar for FY 2020-21 (tentative and subject to change) :

Board Meetings to be held for approving Quarterly Results:

(i) Quarter ending 30th June, 2020, 30th September, 2020, 31st December, 2020: within 45 days from the date of closure of the respective quarter.

(ii) For the financial year ending 31st March, 2021: within 60 days of close of the financial year.

(iii) AGM for the financial year ending 31st March, 2021: by July/August, 2021.

e. Date of Book Closures:

The Company's Register of Members and Share Transfer Books will remain closed for the purpose of Annual General Meeting from Wednesday, 23rd September, 2020 to Monday, 28th September, 2020 (both days inclusive).

f. Listing of Shares:

The shares of the Company are listed on the following Stock Exchanges:

(i) BSE Ltd.
Phiroze Jeejebhoy Towers, Dalal Street, Mumbai - 400001

(ii) National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051

The Listing Fees for FY 2020-21 have been paid to both the above Stock Exchanges.

g. Stock and ISIN Code of Company's shares:

BSE : 508989 NSE: NAVNETEDUL
ISIN : INE 060A01024

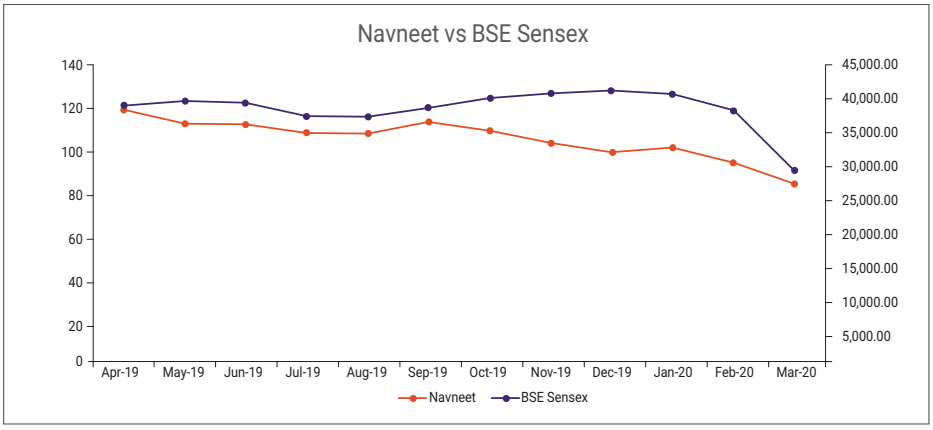
h. Volume of Shares traded and Stock Price Movement on a month to month basis :

Month	BSE	NSE	BSE	BSE	NSE	NSE
	No. of Shares	No. of Shares	(High)(₹)	(Low)(₹)	(High)(₹)	(Low)(₹)
April, 2019	1,40,887	20,25,574	119.50	108.10	119.95	107.70
May, 2019	65,366	9,12,485	112.90	105	112.90	104.10
June, 2019	58,618	5,45,301	112.80	104.15	112.80	104
July, 2019	48,019	4,59,820	108.75	98.95	108.90	99.15
August, 2019	77,565	4,79,470	108.50	96	110	95.30
September, 2019	1,05,001	11,50,177	113.80	94.50	113.85	95.50
October, 2019	81,086	6,65,273	109.75	97	111.30	95.65
November, 2019	12,12,903	7,29,496	104.10	96.75	104.80	97.25
December, 2019	1,73,582	25,51,410	100	87	99.50	86.90

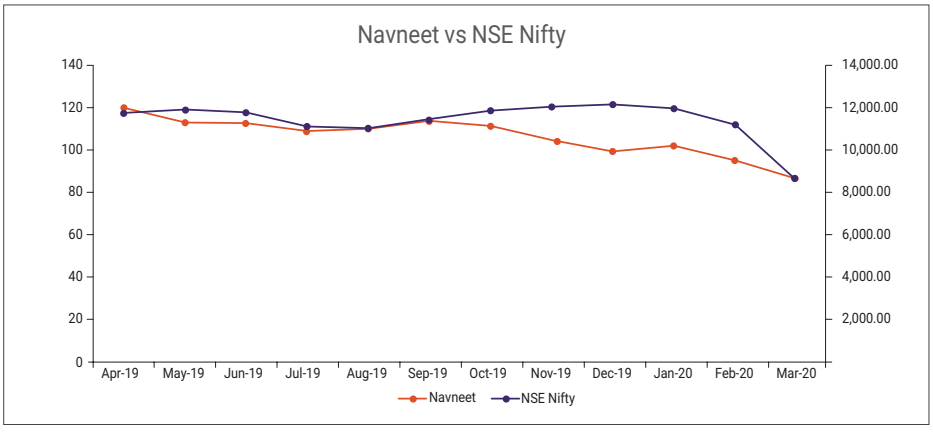
Month	BSE	NSE	BSE	BSE	NSE	NSE
	No. of Shares	No. of Shares	(High)(₹)	(Low)(₹)	(High)(₹)	(Low)(₹)
January, 2020	2.40,087	30,25,855	102.15	88.05	102.00	88.30
February, 2020	1,86,556	10,58,759	95.10	82	95	82.05
March, 2020	3,15,849	38,00,966	85.55	45.10	86.45	45.00

i. Performance in comparison to broad - based indices viz.BSE Sensex and NSE Nifty

Navneet Education Limited Share Price movement v/s BSE Sensex
April 2019- March 2020



Navneet Education Limited Share Price movement v/s NSE Nifty
April 2019-March 2020



j. Volume of Shares traded during the year under review as a percentage of the number of Shares outstanding as on 31st March, 2020 :

BSE : 1.18 % 27,05,519 shares
NSE : 7.60 % 1,74,04,583 shares

k. Registrar & Share Transfer Agent:

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

l. Share Transfer in Physical Form

Effective 1st April, 2019, the Securities and Exchange Board of India has amended Regulation 40 of the Listing Regulations, which deals with transfer, transmission or transposition of securities. According to this amendment, the request for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

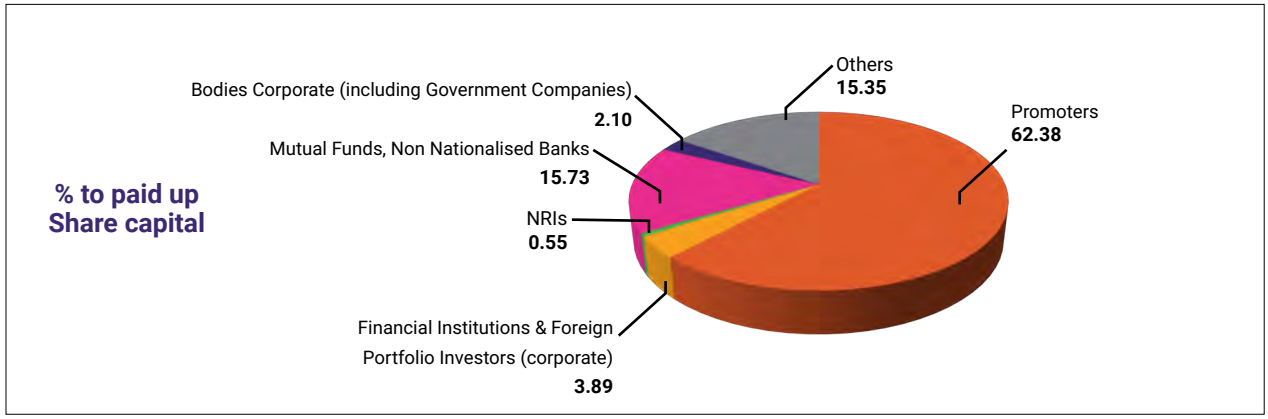
According to SEBI, this amendment will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

m. Distribution of Shareholding as on 31st March, 2020:

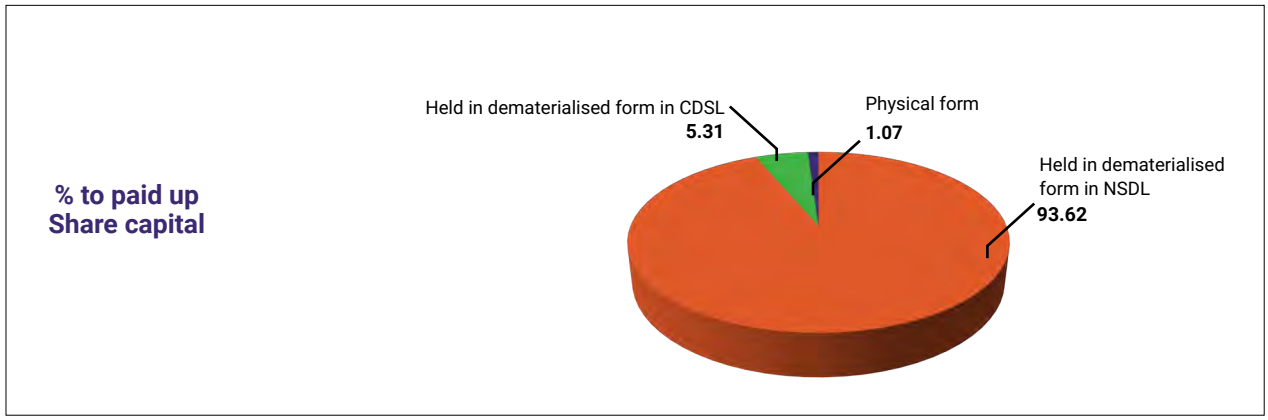
No. of equity Shares held	No. of Shareholders	%of Shareholders	No. of Shares	% of Shares
001-500	23,322	76.37	29,89,244	1.31
501-1000	2,833	9.28	22,20,633	0.97
1001-2000	1,523	4.99	22,34,557	0.98
2001-3000	631	2.07	16,04,011	0.70
3001-4000	670	2.19	24,45,759	1.07
4001-5000	232	0.76	10,87,125	0.47
5001-10000	663	2.17	45,13,040	1.97
10001 & above	665	2.17	21,17,76,131	92.53
Total	**30,539**	**100**	**22,88,70,500**	**100**

n. Category of Shareholders as on 31st March, 2020:



o. 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, 2020 is as under:



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

p. Outstanding GDRs / ADRs / Warrants:

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

q. Commodity price risk or foreign exchange risk and hedging activities.

The Company do 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. 58 forming part of 'Notes on Standalone Ind-AS Financial Statements' for the year ended 31st March, 2020. During the year 2019-20, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts

for hedging foreign exchange exposures against exports and imports.

The management periodically reviews the Risk Management Policy for managing each of these risks.

r. Plant Locations:

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

- Village Dantali, Dist. & Tal. Gandhi Nagar, Gujarat.
- Village Sayali, Silvassa, U.T. off Dadra Nagar and Haveli
- Village Khaniwade, Tal. Vasai, Dist. Thane

s. Address for Correspondence

Registered Office: Navneet Bhavan,
Bhavani Shankar Road,
Dadar (West), Mumbai 400 028.
Tel : +91-22-66626565
Fax : +91-22-66626470
Email : investors@navneet.com

Corporate Identification Number(CIN) :
L22200MH1984PLC034055

t. Compliance Officer

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

u. Details of credit ratings obtained during FY 2019-20

Sr. No.	Name of credit rating agency	Rating	Facilities / Instruments	Amount (₹ in Lakhs)
1.	CRISIL Limited	A1+	Commercial Paper - Short term	30,000
2.	CARE Rating Limited	AA+ Stable/A1+	Bank Facility - Long/short term	45,000
		A1+	Bank Facility – Short term	200

(12) 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and at arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. During the financial year 2019-20, following related party transactions may be treated as material in nature considering the amount of transaction involved vis-a-vis the total amount of related party transactions entered by the Company:

i) Loans given to the Company's wholly owned subsidiary companies amounting to ₹ 14.50 crore, loans received back from company's wholly owned subsidiary companies amounting to ₹ 39 crore and loan given to 'Allcargo Logistics Limited' amounting to ₹ 30 crore. The loans so given and received back were not in conflict with the interest of the Company.

ii) Investment made by the Company in Optionally Convertible Preference Shares in its wholly owned subsidiary Company namely 'Indiannica Learning Private Limited' amounting to ₹ 49 crore and further investment of ₹ 20 crore made as partner in 'Navneet Learning LLP'. The investments so made by the Company as mentioned above are not in conflict with the interest of the Company.

Also refer website of the Company www.navneet.com for policy on 'Material related party transactions". 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, and strictures imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India 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 Regulations with the stock exchanges as well as regulations and guidelines of Securities and Exchange Board of India. No penalties or strictures imposed on the Company by the stock exchanges, Securities and Exchange Board of India 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 Securities and Exchange Board of India (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, for making complaint on any Integrity issue.

d. The Company is in compliance with all the mandatory requirements of Securities and Exchange Board of India (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 do not bear 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 2019-20 does not contain any audit qualification.
4	Separate post of Chairman and CEO	The Company has separate post of Chairman and MD/CEO.
5	Reporting of Internal Auditor	The Internal Auditor reports directly to the Audit Committee.

e. Policy for determining 'material' subsidiaries:

The Company does not have a material non-listed subsidiary Company whose income or net worth exceeds 10% of the consolidated income or net worth respectively of the Indian holding Company in the immediately preceding accounting year. Though the Company do not have any 'material' subsidiary company, the policy for determining subsidiaries has been formed and the same is put on website of the Company www.navneet.com.

f. Policy on dealing with related party transactions:
The policy on dealing with related party transactions has been uploaded on the Company's website on www.navneet.com.

g. Risk Management:

The Company's Risk Management Committee is overseeing all the risks that the organization faces such as strategic, financial, market, IT, legal, regulatory, reputational and other risks and recommends suitable action.

h. The Company did not raise any funds through preferential allotment or qualified institutions placement during the year.

i. A certificate from a practicing company secretary has been received stating that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

j. All the recommendations of the various committees made were accepted by the Board.

k. During the financial year 2019-20, details of amount charged to Statement of Profit and Loss by the Company, its subsidiaries and its associate with respect to the Statutory Auditors of holding Company and all entities in the network firm/network entity of which Statutory Auditors is a part:

Particulars	₹ in Lakhs
Audit (Statutory and Tax Audit)	36.00
Taxation matters (Including GST Audit)	5.06
Others (including reimbursement)	1.26
Total	**42.32**

(Note: Above amount is exclusive of applicable taxes)

l. Disclosure in relation to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

Particulars	Number of Complaints
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on the end of the financial year	Nil

(13) 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 12(d) above.

(14) 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 Securities and Exchange Board of India (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 Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 in the respective places in this Report.

(15) 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 Securities and Exchange Board of India (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, 2020 is annexed as Annexure I to this report.

(16) CEO and CFO Certification :

The certificate required under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly signed by CEO and CFO of the Company was placed before the Board. The same is provided as Annexure II to this report.

(17) Disclosure with respect to demat suspense account/unclaimed suspense account:

During the year, the Company has credited ₹ 19,10,820/- to the Investor Education and Protection Fund (IEPF) pursuant to the provisions of the Companies Act, 2013.

The cumulative amount transferred by the Company to IEPF up to March 31, 2020 is ₹ 1,40,26,505/-.

In accordance with the provisions of the Companies Act, 2013, the Company has transferred 27,006 equity shares of ₹ 2/- each, to the credit of IEPF Authority, on 3rd December, 2019, in respect of which dividend had not been paid or claimed by the members for seven consecutive years or more as on the cut-off date, i.e. July 12, 2019. The Company has initiated necessary action for transfer of shares in respect of which dividend has not been paid or claimed by the members consecutively since 2012-13.

The Company has uploaded on its website, the details of unpaid and unclaimed amounts lying with the Company as on date of last Annual General Meeting (i.e. 24th July, 2019).

Details of shares transferred to IEPF Authority during financial year 2019-20 are also available on the website of the Company.

The Company has also uploaded these details on the website of the IEPF Authority (www.iepf.gov.in).

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

Due Date for transfer to IEPF, of Unclaimed / unpaid dividends for the financial year 2012-13 and thereafter:

Dividend Year	Declaration Date	Due Date
Final Dividend 2012-13	06-Aug-13	09-Sep-20
Final Dividend - 2013-14	29-Sep-14	02-Nov-21
Final Dividend - 2014-15	28-Sep-15	01-Nov-22
Interim Dividend - 2015-16	05-Mar-16	09-Apr-23
Final Dividend - 2016-17	03-Aug-17	06-Sep-24
Final Dividend - 2017-18	24-Jul-18	27-Aug-25
Final Dividend - 2018-19	24-Jul-19	27-Aug-26
1st Interim Dividend - 2019-20	13-Nov-19	17-Dec-26
2nd Interim Dividend - 2019-20	13-Mar-20	17-Apr-27

COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(B) TO (I) OF LISTING REGULATIONS

Sr. No.	Particulars	Regulation	Compliance Status Yes/No/N.A	Key Compliance observed
1	Board of Directors	17	Yes	• Composition and Appointment of Directors • Meetings and quorum • Review of compliance reports • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to Non-Executive Directors • Minimum information to be placed before the Board • Compliance Certificate by Chief Executive Officer and Chief Financial Officer • Risk assessment and risk management plan • Performance evaluation of Independent Directors • Recommendation of Board for each item of special business
2	Maximum number of Directorship	17A	Yes	• Directorship in listed entities
3	Audit Committee	18	Yes	• Composition • Meeting and quorum • Chairperson present at Annual General Meeting • Role of the Committee
4	Nomination and Remuneration Committee	19	Yes	• Composition • Meeting and quorum • Chairperson present at Annual General Meeting • Role of the Committee
5	Stakeholders Relationship Committee	20	Yes	• Composition • Meeting and quorum • Chairperson present at Annual General Meeting • Role of the Committee
6	Risk Management Committee	21	Yes	• Composition • Meeting • Role of the Committee
7	Vigil Mechanism	22	Yes	• Vigil Mechanism for Directors and employees • Adequate safeguards against victimisation • Direct access to Chairperson of Audit Committee
8	Related Party Transactions	23	Yes	• Policy on Materiality of related party transactions and dealing with related party transactions • Prior approval including omnibus approval of Audit Committee for related party transactions • Periodical review of related party transactions • Disclosure on related party transactions

Sr. No.	Particulars	Regulation	Compliance Status Yes/No/N.A	Key Compliance observed
9	Subsidiaries of the Company	24	Yes	• Review of financial statements and investments of subsidiaries by the Audit Committee • Minutes of the Board of Directors of the subsidiaries are placed at the meeting of the Board of Directors • Significant transactions and arrangements of subsidiaries are placed at the meeting of the Board of Directors
10	Secretarial Audit	24A	Yes	• Annual Secretarial Audit and Annual Secretarial Compliance Report
11	Obligation with respect to Independent Directors	25	Yes	• Maximum directorship and tenure • Meetings of Independent Directors • Cessation and appointment of Independent Directors • Familiarisation of Independent Directors • Declaration from Independent Director that he/she meets the criteria of Independence • Directors insurance for all the Independent Directors
12	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes	• Membership / Chairmanship in Committees • Affirmation on compliance of Code of Conduct by Directors and Senior Management • Disclosure of shareholding by Non-Executive Directors • Disclosures by Senior Management about potential conflicts of interest • No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter
13	Other Corporate Governance	27	Yes	• Compliance with discretionary requirements • Filling of quarterly, half-yearly and yearly compliance report on Corporate Governance
14	Website	46(2)(b) to (i)	Yes	• Terms and conditions of appointment of Independent Directors • Composition of various Committees of the Board of Directors • Code of Conduct of Board of Directors and Senior Management Personnel • Details of establishment of Vigil Mechanism / Whistle-blower policy • Policy on dealing with related party transactions • Policy for determining material subsidiaries • Details of familiarisation programmes imparted to Independent Directors

Annexure 'I'

Declaration

In accordance with Regulation 34(3) of Securities and Exchange Board of India (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, 2020.

For Navneet Education Limited
sd/-
Gnanesh D. Gala
Chief Executive Officer

Place : Mumbai
Date : 17th June, 2020

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, 2020 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 : 17th June, 2020

sd/-
Gnanesh D. Gala
Chief Executive Officer

sd/-
Deepak L. Kaku
Chief Financial Officer

Annexure 'G' - Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number:** L22200MH1984PLC034055
2. **Name of the Company:** Navneet Education Limited
3. **Registered office Address :** Navneet Bhavan, Bhavani Shankar Road, Dadar (West), Mumbai-400028.
4. **Website:** www.navneet.com
5. **E-mail Id:** investors@navneet.com
6. **Financial Year reported:** 2019-20
7. **Sector(s) that the Company is engaged in (industrial activity code- wise) :**

Name and description of main products	Description	*Industrial Group
The Company is engaged in the business of publication of education and non-education books and manufacture of paper and non-paper stationery	Publication Stationery	5811 17099

*As per National Industrial Classification

8. **List of three key products/services that the company manufactures/provides (as in balance Sheet):**
Publication : (a) Work Books (b) Children Story Books (c) General Books
Stationery : (a) Long books (b) Short Books (c) File Folders

9. **Total number of locations where business activity is undertaken by the Company:**

   (a) Number of International Locations (Provide details of major 5): Nil

   (b) Number of National Locations :

   The Company has its presence in the State of Maharashtra and Gujarat with its Registered Office situated at Mumbai and manufacturing units situated at (i) Village Dantali, Behind Kasturi Nagar Dist. & Tal. Gandhinagar Gujarat (ii) Village Sayali, Silvassa Rakanpur, Taluka Kalol, Dist. U.T. off. Dadra and Nagar Haveli (iii) Village Khaniwade Tal. Vasai, Dist. Palghar.

10. **Markets served by the Company- Local/State/ National/International:**

    In addition to Indian Market, the Company also exports its stationery products to USA, South and Central America, Europe, Africa, Middle East and New Zealand.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid -up Capital: ₹ 4,577 Lakhs
2. Total Turnover (including other income): ₹ 14,6719 Lakhs
3. Total Comprehensive Income After Tax: ₹ 20,414 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)

   (i) 3.27 % of Total Comprehensive Income After tax for FY20.
   (ii) 3.64 % of average Net Profit for last three financial years including FY20.

5. List of activities in which expenditure in 4 above has been incurred:
Education, Medical & Health Care, Animal Welfare and Others.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? Yes. The Company has 4 (four) subsidiary companies as on 31st March, 2020.

2. Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent company? If Yes, then indicate the number of such subsidiary company(s).

Given the current size and scale of operations, subsidiary companies, as of now, are not engaged in initiatives process of the Company OR There is no participation.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? if yes, then indicate the percentage of such entity/ entities[(less than 30%,30-60%, More than 60%)]

No. Other entities with whom the Company does business with viz. suppliers, distributors etc. do not participate in the BR initiatives of the Company.

SECTION D: BR information

1. Details of Director/ Directors responsible for BR:

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

Shri Bipin A.Gala- Whole time Director DIN: 00094108

(b) Details of the BR head

The Company does not have BR head as of now. Shri Bipin A.Gala, Whole time Director would oversee BRR implementation.

2. Principle-wise (as per NVGs) BR Policy/policies?

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as under:

P1- Business should conduct and govern themselves with Ethics, Transparency and Accountability.

P2- Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3- Businesses should promote the well- being of all employees.

P4- Businesses should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5- Businesses should respect and promote human rights.

P6- Businesses should respect, protect and make efforts to restore the environment.

P7- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8- Businesses should support inclusive growth and equitable development.

P9- Businesses should engage with and provide value to their customers and consumers in a responsive manner.

(a) Details in compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company.								
3	Doe the policy confirm to the national /international stakeholders?	All the policies are compliant with respective principles of NVG guidelines.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/appropriate Board of Directors?	The mandatory policies under Indian Laws and regulations have been adopted by the Board of Directors and signed by the Managing Director. Other operational internal policies are approved by the management.								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	Does the Company have specified committee of the Board/Directors Official to oversee the implementation of policy?	The Board has appointed Shri Bipin A.Gala, Whole time Director to oversee policy implementation. The Company does not have BR head as of now.								
6.	Indicate the link for the policy to be reviewed on line	Mandatory policies viz. CSR Policy, Insider Trading Policy, Code of Conduct are available on Company's website.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the Company have an in-house structure to implement the policy/policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The policies are evaluated regularly by the CEO and/ or respective senior executives.								

2. If answer to the question at serial number 1 against any principle, is 'No', please explain why (tick up to 2 options): N.A.

3. Governance related to BR :

(a) Indicate the frequency with which the Board of Directors Committee of the Board of Directors or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Company assess the BR performance annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR report is available on company's website www.navneet.com . It will be published annually.

SECTION E : PRINCIPLE-WISE PERFOMANCE

Principle 1-Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to Ethics, bribery and corruption cover only the Company ? Yes /No. Does it extend to group/Joint Ventures/Suppliers/Contractors/ NGOs? Others?

The Company has defined code of conduct for Directors and all employees that covers issues, inter alia, related to ethics and bribery. The Company acts with integrity in accordance with values of responsibility, excellence and innovation where the \company does business. Compliances and adherence to the law and Company's own internal regulations are integral to the Company. It covers dealing with suppliers, customers and other business partners.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management ? If so, provide details thereof, in about 50 words or so.

During the year under review, the Company has not received any complaints under investigation mechanism.

Principle 2 – Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company as always continues to believe and incorporate environment friendly initiatives and business practices in its operations as much as possible.

The Company's products do not contribute to any environmental concern/risk/opportunities except for some of the materials used in its manufacturing process. The Company is taking below mentioned precautions :

- The products are mainly paper based. To mitigate the forest depletion because of paper usage, it continues to use bagasse and FSC paper in its production in place of regular paper.
- Proper safety precautions used while storing and consumption of solvent based ink and PVC based adhesive.
- All hazardous wastes are disposed off to the government authorized vendor.

In the previous year, the Company has made below changes to its product or materials to reduce the social / environmental concerns or risks :

- Introduced Ezee subject book, Ezee index card product in which repositionable plastic discs are used as binding components instead of previous Metal wiro or spiral which is a safety risk to consumer.
- Introduced 100% recycled Kraft series products both in export and domestic market, which helps reduce consumption the new cover board materials.
- Replaced many solvent base ink jobs like Bright colour file folders, hanging file folders, PDQ cartons, etc. with water base eco friendly ink.
- Jobs changed from offset printing to tinting coating process to reduce the usage of solvent base ink after making necessary developments.
- Water based ink carbouys are lined with polybag so that carbouys can be sent back to manufacturer and are reused for next orders instead of getting new plastic carbouys against every new order and then scrap after use. This helped in saving plastic usage and thereby environmental concerns.
- Returning packaging materials such as box, ring and core of wiro products to manufacturers to be reused as packaging for next orders instead of using new packaging material for every order.
- Reuse PET strap for palletization of export orders and internal palletized materials movements instead of using new straps every time.
- Changed the carbouy design of adhesives from 50kg to 5 kg with wide mouth and lining it which helped in 100 % consumption of adhesive from the carbuouy. Previously around 1kg adhesive was wasted as leftover in each carbuoy.
- Usage of reusable antiskid grip sheets for wrapping FG and WIP for internal movement. Previously stretch wrap film was used which was single use.
- Replaced all below 50 micron plastic used like BOPP, PP bags, shrink film, etc., to above 51 micron, thereby reducing environment risk.
- Recycled and reused old and leftover PP sheets making the manufacturer reuse it in their next production cycle, thereby reducing overall plastic consumption.

2. For each such products, provide the following details in respect of resource use(energy , water, raw material etc.) per unit of product(optional)

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

The Company do not have an exclusive tracking system for measuring the resources used for separate processes or per product due to numerous types of products involving multiple processes. Below are few procedures the Company implemented to reduce the resource consumption in general during sourcing/ production/distribution :

- Reduction of packing material by way of reusing the old ones after adopting various methods.
- Reducing wastages by changes in designs of carbuoys.

- Reducing wastages by inner lining of the containers.
- Reuse strapping material repeatedly.
- Replacing single use materials with multiple times usable material there by vastly reducing the consumption.
- Recycle and reuse all plastic leftovers by returning them and asking manufacturer to use them in their next production cycle and supply to us.

Following are some of the continuous measures the Company takes to combat the environmental effects of the raw materials it uses These again depend on the products the Company make as per the market or customer demand. As far as possible it tries to balance between its commercial and environmental concerns.

Particulars	FY18-19	FY 19-20
Usage of FSC Paper in stationery division	47%	41%
Usage of Bagasse Paper	39%	27%
Usage of Recycled & Agro based paper	21%	20%
Usage of Water Based Ink	70%	51%
Usage of Starch Based Adhesive	49%	19%
Usage of solar power	1600 KWH/ day	1600 KWH/day
Reduction in electricity consumption by using more natural light by way of sky lights	20000 units / year	20000 units / year

The Company do not have an exclusive tracking system for measuring the resources used for separate processes or per product due to numerous types of products involving multiple processes.

Following are some of the measures to combat the environmental effects of the raw materials that Company take. These again depend on the products the Company produces as per the market or customer demand. As far as possible the Company try to balance between its commercial and environmental concerns.

Particulars	FY 17-18	FY 18-19
Usage of FSC Paper in stationery division	44%	47%
Usage of Bagasse Paper	5%	39%
Usage of Recycled & Agro based paper	16%	21%
Usage of Water Based Ink	64%	70%
Usage of Starch Based Adhesive	47%	49%
Usage of solar power	1600 KWH/ day	1600 KWH/ day
Reduction in electricity consumption by using more natural light by way of sky lights	20000 units / year	20000 units / year

(b) Reduction during usage by consumption (energy, water) has been achieved since the previous year?

Not Applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

- The Company's major sourcing is for paper which constitutes 80% of its raw materials used. The Company ensures to purchase paper from well known, respected brands. Many of them are ISO 14001 certified ensuring compliance to environmental issues.
- It use FSC certified paper sourced from FSC certified plants ensuring sustainability and responsible sourcing.
- The Company uses alternate method of transportation of paper through sea route by ships instead of the regular road transportation which has helped in saving fuel, time and money. (1982 MT Paper procured using sea route last year)

- The Company continue to educate its vendors through meetings, visits to their factories, slogans on its emails and purchase orders, etc. In FY 18-19 the Company added an advise on all its purchase orders for vendors to use safe and eco friendly packing material and reuse them as far as possible.

- The Company's transporters are advised, as part of the agreement with them, to keep their vehicles in good condition and keep all papers of the vehicles and drivers up to date and valid. The Company do not allow any vehicle which is not having valid certificates including PUC certificate inside the factory nor use them for transportation purpose.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is committed to the improvement of the surrounding localities of its factories. The Company take measures to uplift the life styles of the local people living around its factories. The Company ensures this by following below practices.

- Outsourcing : continues to do 50% of its outsourcing in the local areas within 20 kms surrounding factories.

- Procurement : First preference is given to localized procurement in the nearby areas of the factories as always. The Company search for improving the local vendors to make indigenous purchases is a continuous process.

- Employment : Local man power is preferred for recruitment.

- Packing : 30% of non paper stationery packing is done in the vicinity of factories.

- The Company has developed and encouraged local factories across India to service its different sales areas. For example it has vendors developed at Bangaluru, Nagpur, Pune, etc., to cater to the sales in various regions of India.

- train local people for development in the areas of their work and life style skills.

- Supporting and training surrounding areas vendors employees in improving their financial stability by making them follow all the welfare schemes of the government like PMSBY, PMJJY, medical schemes, getting PAN cards, Aadhar cards, bank accounts, etc.

- It gives training to the local vendors in machine maintenance and quality improvement to help them increase their business and profitability.

- The Company provide free school books for the children of the vendors employees.

- As a part of its CSR activity, the Company provides free medical assistance to many villages surrounding its factories where its vendor factories are located helping the families lead a better life.

- The Company provide student and teacher development programmes and distribute free books in the tribal and other government schools in the surrounding areas including those of our vendor factories.

- The Company conducted free dental camps in our vendor premises.

- The Company provided clothes and umbrellas free of cost to the employees of its nearby vendors as recognition for their work.

5. Does the Company have a mechanism to recycle products and waste? If Yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%,>10%) Also provide details thereof, in about 50 words or so.

The Company gives utmost importance to scrap management.

The Company has reduced its scrap holding area and started daily scrap disposal for all the major items. This ensures proper control on scrap and timely recycling of them.

Majority of the scrap is recyclable. The waste paper which forms majority of Company's scrap is sold back to paper mills for recycling through scrap dealers. The Company also recycles and reuses its plastic and card board wastes.

The Company follows all possible waste reduction practices in the production of its goods. The Company also gives training to all its employees on different techniques of scrap reduction and ensures that they are followed by these employees. This helps in reduction of Company's carbon footprint.

Principle 3 Businesses should promote the well-being of all employees

1. Please indicate total number of employees : 2,750

2. Please indicate the total number of employees hired on temporary/contractual/casual basis :726

3. Please indicate the number of permanent women employee :174

4. Please indicate the number of permanent employees with disabilities :17

5. Do you have an employee association that is recognized by Management : No

6. What percentage of your permanent employees is members of this recognized employee association? N.A.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment filed in the last financial year and pending as on the date of financial year:

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of financial year
1.	Child labour/ forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   (a) Permanent Employees: 29.42%
   (b) Permanent Women Employees : 13.22%
   (c) Casual/ Temporary/ Contractual Employees : 69.28%
   (d) Employees with Disabilities : 32.51%

Principle 4 Businesses should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the Company mapped its internal and external stakeholders? Yes/ No.?**

   Yes. The Company has mapped its internal and external stakeholders.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes

3. **Are there any special initiatives taken by the company to engage with the disadvantaged vulnerable & marginalized stakeholders. If so, provide details thereof, in about 50 words or so.?**

   The Company has undertaken a unique housing project at Dombivli, Maharashtra for under privileged communities and offered 1008 houses to deserving

people from poor economic background at subsidized rates. Primary health care center was development and upgraded to provide quality medical services to the community. Medical examination equipment was provided along with redevelopment of infrastructure facilities. Skill development that would improve the employability of the youth was initiated. Training in repairs and maintenance of white goods and motors was designed to help develop vocational skills.

Principle 5 Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others? Partially covered?**

   The Company does not have stated Human Rights Policy. However, few of the aspects are covered in the 'Company's Code of Conduct and Ethics of Employees' and 'Sexual Harassment Policy'.

2. **How many stake holder complaints have been received in the last financial year and what percent was satisfactorily resolved by the management?**

   There were nine (9) complaints received from equity shareholders during the financial year 2019-20 and no complaints were pending as on 31st March, 2020.

Principle 6 Businesses should respect, protect and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/Others.**

   The Company continues to show its commitment to the environment sustainability by having and following environment, water & energy conservation policy and health & safety policies which works towards providing an environmentally sound and safe work atmosphere. All employees are trained and awareness is created of their responsibilities towards conservation, health & safety.

   The Company's policies extend to its whole group and associated parties, wherever applicable.

   The Company takes care to increase the awareness of its suppliers, vendors, contractors and others with whom it deals by printing the required environment friendly instructions and what the Company expects out of them on all its communications with them such as purchase orders and service orders. The Company also has an additional clause / advise asking all its vendors to use safe and eco friendly packing material and reuse them as much as possible.

   The Company also send periodic communication to all its vendors and contractors about the company's policies and expectations in being supportive of environment conservation apart from conducting audits.

2. **Does the company have strategies /initiatives to address global environmental issues such as climate change, global warming etc.? Y/N. If yes, please give hyperlink for webpage etc.?**

   Yes. The Company has strategies/initiatives to address global environment issues as follows :

   - By increasing awareness of employees and others through training of its policies. All its employees are well aware of their responsibilities towards conservation, health and safety. They take all necessary steps to reduce the effects of its operations on environment.
   - The company operates in a sustainable manner managing material, energy and water consumption by using the same efficiently, wisely and responsibly.
   - The environment policy guides the Company in ensuring compliance of all related environmental issues and controls by way of waste management, pollution control, etc.
   - The water & energy conservation policy supports and enhances Company's commitment to environmental sustainability and encourages changes in individual behaviours, actions, and processes.

- The Company communicates with its suppliers, vendors, contractors, etc. about being environment friendly and our expectations regularly. The Company do this by printing slogans, etc. on all its purchase orders, mails, etc. and by periodical communication about its policies and practices in being environment friendly.

- The Company conduct social compliance audits of its vendors as per BSCI norms.

- The Company conducted energy audits in its factories to assess and took necessary corrective actions to minimise energy consumption.

- The Company is undertaking green building initiatives for two of its factories. The obtaining of certificate is under process.

- The plants have following certifications which are renewed on regular basis show casing Company's commitment to its EHS and quality initiatives.

  - BSCI – A Grade
  - WCA
  - Sedex Members Ethical trade Audit (SMETA)
  - ISO 9001 : 2015
  - ISO 14001 : 2015
  - OHSAS 18001 : 2007
  - WAREX – Warehouse Excellency Award, Platinum Grades awarded to its warehouses by Institute of Logistics, CII
  - FSC Certification by Forest stewardship Council

Responsible Sourcing/social audits for customers like Walmart, Target, Staples, etc. are successfully completed. All the compliance audits of new clients are attended to and successfully completed which shows Company's continuous upgradation to all new requirements.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes. The Company conducts Environment Risk assessment for all its processes and activities and take precautions / corrective actions as per the analysis. This is done annually or whenever any new activity is introduced.

4. Does the Company have any project related to Clean development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company believes and is focused on clean development mechanism and has taken up many projects thereby reducing its carbon footprint. Some of them are as follows :

a. India has rich availability of sunlight. In order to tap this natural resource, the Company has installed sky pipe technology to use focused sun light instead of electricity for lighting the plant. Until now the Company has installed the same in many of Company's premises to save power of 5.04 kwh units/hr. The project is successfully maintained since 3 years.

b. Until now the Company has installed 724 KWP solar panels in two of Company's factories. The Company use this solar power in place of regular power consumption of our factories. Both factories put together, the power consumption is reduced by around 30% because of this.

c. The Company has installed capacity of 4.8 MW of wind power which generates 77,38,000 units of power every year.

The Company submit annual Environmental Audit Statement report submitted to local MPCB yearly as per the legal requirement.

5. Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy etc. Y/N. If yes, please give hyperlink for web page etc.?

Apart from the points mentioned in point no. 4 above, the Company also follow below initiatives in its plants to reduce environmental impacts. There are many new initiatives taken in additional to previous ones which are listed below.

1. **Clean Technology :**

- The Company uses Bagasse and FSC paper in manufacturing to reduce the forest depletion.
- The Company test the plastics and other relevant materials for compliance of REACH, SVHC and use only safe materials.

2. **Power Consumption :**

- Production is run on solar power as much as possible. At present the Company is producing approximately 9,00,000 KWH per year in-house with the help of solar panels.
- The Company has installed sky pipes, an unique solution to use focused day light inside the buildings. By using this, the Company has increased the lux levels from 150 to 300. Power saved is calculated at 5.04 kwh/hour with the amount saving of ₹23 per hour.
- Natural light is used majorly during day time by using polycarbonate sheets in the roof and side walls to allow daylight inside the warehouse.
- Instead of air compressors the Company use air guns and other alternative methods for cleaning wherever possible.
- Lights used in the plants are 28 Watts tube lights of T5 variety and LED lights which gives more lux levels with less power consumption.
- All the computers are with the settings to go into sleep mode if inactive for three minutes. This ensures minimum power consumption when computers are not in use.
- The inside temperature of the plants are kept low by 4-5 degrees Celsius by insulating the building by smart board.
- Roof is insulated by fibre glass insulation with aluminum foil to keep temperatures low by reflecting sunlight.
- Instead of providing additional lights to increase lux levels in production, the Company has rearranged the lights to provide almost 50% more lux with same number of lights.
- Energy efficient motors of 65HP are installed in its machinery to reduce power consumption of those machines considerably.
- Navneet maintains all its electrical equipment in proper condition. Systems are set so that minimum power is consumed.

3. **Transport : In continuation with Company's sustainability initiatives, the Company has started ocean transport of our raw material in place of road transport, thereby saving on fuel, time and money.**

   While making agreements with transporters, the Company insist that vehicles with PUC and proper maintenance only need to be used for our purposes. Without PUC, no vehicle is allowed within its premises nor used for our loading and unloading purposes.

4. **Environment Initiatives :**

- The Company is maintaining more than ten thousands trees and plants in its factories to increase the green cover. The Company has started the concept of garden green in its factories, where in it covers as much open place as possible with greenery including lawns. The Company adds around 300-400 trees every year in its factories.
- Rain water harvesting is done by way of self constructed pond and wells in its plants.
- Solar heater used for heating water and cooking in canteen operations.
- Solar panels of 724 KWP generate 9,00,000 KWH of solar power is generated per year.
- By making all these improvements, the Company is reducing CO_2 emissions by around 671 MT per year because of reduced power consumption and less waste generated. Until now the Company saved around 5600 MT of CO_2 emissions.

- The Company is identified as Giga-guru for its demonstrated results and continuous efforts in reducing CO2 emissions in the project Gigaton of its prime customer.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. We conduct periodical emission / waste water testing as per norms and confirm that the parameters are maintained within the levels prescribed by the PCB.

7. Number of Show Cause/ legal notices received from CPCB? SPCB which are pending) i.e. not resolved to satisfaction) as on end of Financial Year.: Nil

Principle 7 Businesses when engaged in influencing public and regulatory policy should do so in a responsive manner

1. Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:

The Company is member of:
- Indian Merchant's Chamber
- The Federation of Educational Publishers in India
- Bombay Booksellers & Publishers Association
- The Federation of Indian Publishers
- CAPEXIL
- Gujarat Chamber of Commerce & Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No. If yes specify the broad areas(drop box: Governance and Administration, Economic Reforms, Inclusive development Policies, Energy security, water , Food Security, Sustainable Business Principles, Others): No

Principle 8 Businesses should support growth and equitable development

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has contributed to the development in the field of education, health and medical aid, animal welfare, sports development, tribal development and others.

2. Are the programmes/projects undertaken through in- house team/own foundation/external NGO/ government structures/any other organization?

The Company works in collaboration with non-government organizations and its own foundation called 'Navneet Foundation' to reach out to the deprived communities and groups.

3. Have you done any impact assessment of your initiative?

All the programs are monitored on regular basis through quarterly reports and mid-term reports, visits and meetings. The beneficiary meetings provided the outcome and impact of the interventions of various partner organizations.

4. What is your company's direct contribution to community development projects-Amount in ₹ and the details of the project undertaken.

Sector	Amount in ₹
Education	2,29,90,197
Medical & Health Care	2,85,72,591
Animal Welfare	49,87,000
Others	75,59,450
Total	**6,41,09,238**

Quality of education for children and youth is vital for development in society. Children belonging to under privileged communities were provided support by tuition fees, providing education kit and overall development programs. Health and medical care were provided to individuals and organizations working in the sector for improvement of health services, medical aid and treatment and improving life style. Efforts to impact the voiceless animals are important for biodiversity and environment development through provision of medical care, food and shelter to the distressed.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

   The Company has emphasized its efforts towards sustainable development through interventions with various programs. Implementing partners are approved on basis of their strategies to work with community participation and contribution. This is to ensure that programs implemented develop the knowledge and resources of the community in order to sustain.

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customers complaints/consumer cases are pending as on the end of financial year.**

   Presently, there are no pending consumer complaint .

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No /N.A./Remarks(additional information):** Not Applicable

3. **Is there any cases filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year, If so, provide details thereof, in about 50 words or so. :** No

4. **Did your company carry out consumer survey/ consumer satisfaction trends?**

   For some of stationery brand, consumer survey in the form of feedback by filling questionnaire form is carried out by the Company.

Navneet Education Limited

Standalone Financial Statements for the year ended 31st March, 2020

Independent Auditor's Report

To The Members Of Navneet Education Limited

Report on the Audit of Standalone Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of Navneet Education Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

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 Companies Act, 2013 ("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, 2020 its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter

Recoverability of investments and loans advanced to wholly owned subsidiaries (refer note 9.3 and 10 to the standalone Ind AS financial statements).

Indiannica Learning Private Limited is a CBSE content publisher and exclusive licensee of Encyclopaedia Britannica curricular solutions in India and eSense Learning Private Limited is involved in the business of e-learning and creation of digital content. These subsidiaries have been incurring losses & hence judgement is required in regard to recoverability of loans & investments into these subsidiaries as at 31st March, 2020. Accordingly we determined this to be a key audit matter.

Our procedures on the management's assessment of these matters included discussion on impairment test carried out by management including the business outlook, basis of estimates, valuation technique (fair value report obtained from independent chartered accountant with respect to investment in eSense Learning Private Limited), appropriateness & reasonableness of assumptions, and various other parameters with the management. We did not identify any significant exceptions to the management's assessment as regards impairment in the carrying value of investments in subsidiaries of ₹ 14,974 Lakhs (net of impairment of ₹ 373 Lakhs) and loan of ₹ 900 Lakhs to subsidiaries is appropriate and no additional provision for impairment is necessary.

Information Other than the standalone Ind AS financial statements & Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards '(Ind AS)' specified under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 sub-section (11) of section 143 of the Companies Act, 2013, 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 Statement of Cash Flow 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 Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the

Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors for the year ended 31st March, 2020 is in accordance with the provisions of section 197 read with Schedule V of the Act; and

h. 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 39 (a) & 10.1 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 Registration Number: 116560W/W100149

sd/-
Sandeep Shah
Partner
Membership No. 37381
UDIN: 20037381AAAABI4140

Place: Mumbai
Date: 17th June, 2020

Annexure I To Independent Auditor's Report for the year ended 31st March, 2020

[Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date]

To,
The Members of
Navneet Education 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 our opinion, this frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the said phased program, during the year, the Company was not required to carry out the physical verification of any of the fixed assets. Considering the same, we are not required to comment on the material discrepancies under (i) (b) of paragraph 3 of the Order.

(c) According to the information and explanation given to us and on the basis of our examination of the title deeds / purchase agreements / lease deed, we report that, the title deeds of Immovable properties included in the fixed assets 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 receipts. 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 the books of account.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to Companies 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 loan. The repayment of the loan and the payment of interest on loan are regular.

(c) According to the information and explanations given to us, there are 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 sections 185 and 186 of the Act in respect of 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, 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 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 statutes, outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.

(b) According to the 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 Services Tax as on 31st March, 2020 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 statutes	Nature of dues	Amount (₹) in Lakhs (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. 1999-00	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 / VAT	8.11	F.Y. 2004-05	Sales Tax Appellate Tribunal
		1,084.56	F.Y. 2007-08	Departmental Appellate Authorities
		1,026.32	F.Y. 2008-09	
		1.32	F.Y. 2010-11	
		2.66	F.Y. 2011-12	
		2.04	F.Y. 2012-13	
		6.93	F.Y. 2013-14	
		2.26	F.Y. 2014-15	
		9.75	F.Y. 2013-14	Assessing Officer
		23.46	F.Y. 2016-17	
		2.81	F.Y. 2018-19	Assessing Officer (the Company is in process of filing appeal against demand order from Assessing Officer)
	Total	**2,212.56**		

(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 and financial institutions during the year. There are no loans or borrowings from debenture holders / Government.

(ix) In our opinion and according to the information and explanations given to us, the money raised during the year by issue of

commercial papers have been applied for the purposes for which they were obtained. Further, the Company did not raise any money during the year by way of initial public offer or further public offer and term loans.

(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 explanations 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 explanations 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 explanations given to us and based on our examination of the records, transactions with the related parties are in compliance with sections 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. Refer note 55 of the standalone Ind AS financial statements.

(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-IA 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 Registration Number: 116560W/W100149

sd/-
Sandeep Shah
Partner
Membership No. 37381
UDIN: 20037381AAAABI4140

Place: Mumbai
Date: 17th June, 2020

Annexure II To Independent Auditor's Report for the year ended 31st March, 2020

[Referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date]

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of Navneet Education Limited ("the Company"), as of 31st March, 2020, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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 at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls over Financial Reporting

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 issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

sd/-
Sandeep Shah
Partner
Membership No. 37381
UDIN: 20037381AAAABI4140

Place: Mumbai
Date: 17th June, 2020

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Standalone Balance Sheet

as at 31st March, 2020

(₹ in Lakhs)

	Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
I.	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	3	16,164	15,074
	(b) Right-of-use assets	4	3,422	-
	(c) Capital work-in-progress	5	427	1,350
	(d) Investment property	6	1,691	1,783
	(e) Intangible assets (other than Goodwill)	7	370	469
	(f) Intangible assets under development	8	53	22
	(g) Financial assets			
	(i) Investments	9	26,365	19,580
	(ii) Loans	10	2,224	4,928
	(iii) Others	11	126	2,680
	(h) Deferred tax assets (net)	12	667	26
	(i) Assets for non-current tax (net)	13	233	211
	(j) Other non-current assets	14	299	380
	TOTAL NON-CURRENT ASSETS		**52,041**	**46,503**
	Current assets			
	(a) Inventories	15	45,532	52,774
	(b) Financial assets			
	(i) Trade receivables	16	20,538	21,986
	(ii) Cash and cash equivalents	17	426	1,470
	(iii) Other bank balances	18	395	335
	(iv) Loans	19	5,012	1,188
	(v) Other financial assets	20	1,321	1,403
	(c) Other current assets	21	5,424	3,954
	TOTAL CURRENT ASSETS		**78,648**	**83,110**
	TOTAL ASSETS		**1,30,689**	**1,29,613**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity share capital	22	4,577	4,577
	(b) Other equity	23	91,995	82,619
	TOTAL EQUITY		**96,572**	**87,196**
	LIABILITIES			
	Non-Current liabilities			
	(a) Financial Liabilities			
	(i) Lease liabilities	24	2,883	-
	TOTAL NON-CURRENT LIABILITIES		**2,883**	**-**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	25	19,001	29,501
	(ii) Lease liabilities	24	744	-
	(iii) Trade payables	26		
	- Amount due to micro and small enterprises		658	607
	- Amount due to others		3,072	5,274
	(iv) Other financial liabilities	27	3,642	3,043
	(b) Other current liabilities	28	1,185	833
	(c) Provisions	29	2,833	3,120
	(d) Liabilities for current tax (Net)	30	99	39
	TOTAL CURRENT LIABILITIES		**31,234**	**42,417**
	TOTAL EQUITY AND LIABILITIES		**1,30,689**	**1,29,613**

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 : 17th June, 2020

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 : 17th June, 2020

Standalone Statement Of Profit And Loss

for the year ended 31st March, 2020

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I	Revenue from operations	31	1,44,180	1,36,054
II	Other Income (net)	32	2,539	1,938
III	**Total Revenue (I + II)**		**1,46,719**	**1,37,992**
IV	**Expenses**			
	Cost of materials consumed	33	68,964	72,805
	Purchase of stock-in-trade		112	89
	Changes in inventories of finished goods, stock-in-trade & WIP	34	1,614	(5,459)
	Employee benefits expense	35	14,781	13,385
	Finance costs	36	1,307	1,186
	Depreciation and amortisation expense	37	3,529	2,446
	Other expenses	38	26,898	26,469
IV	**Total expenses**		**1,17,205**	**1,10,921**
V	Profit before tax (III - IV)		**29,514**	**27,071**
VI	**Tax expense:**			
	Current tax		7,671	9,534
	Deferred tax charge / (credit)		(141)	(184)
	(Excess) / Short Provision of earlier year		49	(26)
			7,579	9,324
VII	**Profit for the year (V - VI)**		**21,935**	**17,747**
VIII	Other comprehensive income:			
a)	Items that will not be reclassified to profit or loss in subsequent year			
	Re-measurement of net defined benefit plan		(46)	(124)
	Less: Income tax on above		12	43
b)	Items that will be reclassified to profit or loss in subsequent year			
	Cash flow hedge through other comprehensive income		(1,987)	846
	Less: Income tax on above		500	(373)
VIII	Total other comprehensive income / (loss) for the year, net of tax		**(1,521)**	**392**
IX	**Total comprehensive income for the year (VII + VIII) (Total of profit and other comprehensive income for the year)**		**20,414**	**18,139**
	Earnings per equity share of ₹2/- each (Previous Year: ₹2/- each)	44		
	(1) Basic		9.58	7.67
	(2) Diluted		9.58	7.67

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 : 17th June, 2020

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 : 17th June, 2020

Standalone Statement Of Cash Flow

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash Flow from Operating Activities		
Net profit before tax	29,514	27,071
Adjustments for:		
Interest income	(572)	(682)
(Profit) / Loss on disposal of property, plant and equipment	(141)	7
(Profit) / Loss on sale of investments	(81)	(21)
Finance cost	1,307	1,186
Income on financial assets measured at FVTPL	(47)	(43)
Allowances for doubtful advances	59	94
Provision for slow moving inventories	50	-
Impairment of investments	373	-
Allowance for bad and doubtful debts	325	76
Bad debts and other irrecoverable advance written off	157	20
Unrealised foreign exchange fluctuation loss / gain	(196)	(1)
Depreciation and amortisation expense	3,529	2,446
Operating Profit before working capital changes:	**34,276**	**30,154**
Changes in operating assets and liabilities:		
(Increase) / Decrease in inventories	7,192	(11,540)
(Increase) / Decrease in trade and other receivables	1,163	3,088
(Increase) / Decrease in other financial assets	(4,602)	96
(Increase) / Decrease in other non-current financial assets	2,554	(2,367)
(Increase) / Decrease in other non-current assets	(38)	1
(Increase) / Decrease in other current assets	(1,041)	(2,357)
Increase / (Decrease) in trade and other payables	(2,152)	147
Increase / (Decrease) in provisions	(288)	425
Increase / (Decrease) in financial liabilities	(493)	885
Increase / (Decrease) in current liabilities	352	118
Increase / (Decrease) in other non current liabilities	-	(1)
Cash Generated from Operations	**36,924**	**18,650**
Less: Income taxes paid (Refer note 60.2)	(7,331)	(9,612)
Net cash inflow from Operating Activities (A)	**29,593**	**9,038**
Cash flow from Investing Activities		
Purchase of property, plant and equipment, intangible assets (including change in capital work-in-progress)	(3,675)	(2,263)
Proceeds from disposal of property, plant and equipment	211	62
Payments for acquisition of intangible assets (including change in intangible under development)	(97)	(85)
Loan / advances given to subsidiary companies	(1,450)	-
Loan / advances received back from subsidiary companies	3,900	-
Loan / advances given	(1,195)	-
Loan / advances received back	961	-
Payments for capital contribution to subsidiary entity (LLP)	(1,997)	(1,435)
Payments for investment in subsidiary (OCPS)	(4,900)	-
Payment for purchase of investment	(1,23,142)	(33,400)
Proceeds from sale of investment	1,23,009	33,422

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest received	1,372	682
	(7,002)	**(3,017)**
Less: Income taxes paid on interest income (Refer note 60.2)	(350)	(235)
Net cash (outflow) from Investing Activities (B)	**(7,352)**	**(3,252)**
Cash flow from Financing Activities		
Payment against buyback of shares (face value and premium)	-	(7,500)
Buy back expense (Net of tax)	-	(61)
Proceeds from short term borrowings	94,427	1,03,100
Repayment of short term borrowings	(94,927)	(1,10,000)
Proceeds from issue of commercial paper	38,000	72,000
Repayment of commercial paper	(45,000)	(52,000)
Payments of Lease liabilities	(950)	-
Interest Paid	(1,008)	(1,189)
Dividend Paid (including Dividend Distribution Tax) (Refer note 52)	(11,037)	(4,223)
Net cash inflow from Financing Activities (C)	**(20,495)**	**128**
Net Increase in Cash and Cash Equivalents (A + B + C)	**1,746**	**5,914**
Cash and cash equivalent as at the commencement of the year	(1,530)	(7,414)
Cash and cash equivalent as at the end of the year	216	(1,530)
Unrealised loss / (gain) in respect of foreign currency cash and bank balances	-	30
Net Increase as mentioned above	**1,746**	**5,914**

Notes:

1. The above Statement of Cash Flows 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 Statement of Cash Flows :

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash and cash equivalents (note 17)	426	1,470
Cash credit considered as cash and cash equivalents (note 25) and book overdraft (note 27)	(210)	(3,000)
Balances as per statement of cash flow	**216**	**(1,530)**

3. For cash flow related notes refer note 60.

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 : 17th June, 2020

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 : 17th June, 2020

Standalone Statement Of Changes In Equity

for the year ended 31st March, 2020

A. Equity Share Capital

(₹ in Lakhs)

Balance as at 1st April, 2018	Changes in equity share capital during the year 2018-19	Balance as at 31st March, 2019	Changes in equity share capital during the year 2019-20	Balance as at 31st March, 2020
4,671	(94)	4,577	-	4,577

B. Other Equity

(₹ in Lakhs)

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 reserve	
Balance as at 31st March, 2018	**127**	**76**	**9,716**	**66,726**	**(407)**	**(68)**	**76,170**
Amount utilized for buy back of shares	-	-	(7,406)	-	-	-	(7,406)
Amount transferred to capital redemption reserve upon buyback (Refer note 22.1)	(94)	-	94	-	-	-	-
Amount utilized for Dividend and Dividend Distribution Tax	-	-	-	(4,223)	-	-	(4,223)
Addition during the year (net of taxes)	-	-	-	-	(81)	473	392
Buy-back expenses (net of tax)	-	-	(61)	-	-	-	(61)
Net profit for the year	-	-	-	17,747	-	-	17,747
Balance as at 31st March, 2019	**33**	**76**	**2,343**	**80,249**	**(488)**	**405**	**82,619**
Amount utilized for Final and Interim Dividend and Dividend Distribution Tax theron (Refer note 52)	-	-	-	(11,037)	-	-	(11,037)
Addition during the year (net of taxes)	-	-	-	-	(35)	(1,487)	(1,522)
Net profit for the year	-	-	-	21,935	-	-	21,935
Balance as at 31st March, 2020	**33**	**76**	**2,343**	**91,147**	**(523)**	**(1,082)**	**91,995**

Note: Refer note 23 for nature and purpose of other equity.

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 : 17th June, 2020

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 : 17th June, 2020

Significant Accounting Policies

for the year ended 31st March, 2020

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 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 31st March, 2020 were approved and adopted by Board of Directors of the Company in their meeting dated 17th June, 2020.

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 the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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, except when otherwise mentioned. Figures of ₹ 50,000 or less have been denoted by #.

c) Basis of measurement

The financial statements have been prepared under historical cost convention basis, except for the following material items which are measured at fair value as required by relevant Ind AS:

i) Certain financial assets and financial liabilities (including derivative instruments) [Refer accounting policy regarding financial instruments in note no. 2.2(i)]

ii) Defined benefit plans

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 the Company's normal operating cycle and other criteria set out in the Division II of Schedule III of the Companies Act, 2013, for a Company whose financial statements are made in compliance with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. 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 as the case may be.

Significant Accounting Policies

for the year ended 31st March, 2020

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 and location and present value of the expected cost for the dismantling / decommissioning of the asset.

ii) Capital work-in-progress comprises of 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.

iii) Property, plant and equipment are eliminated from 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 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 recognized 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 lives of the relevant assets net of residual value whose lives are in consonance with the lives 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, upto 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 to reflect the expected pattern of consumption of the future benefits embodied in the properties, plant and equipment and in case any changes, 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 recognized as investment property in books of account.

ii) Investment properties are measured initially at cost, including transaction costs. Cost of investment properties 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 and location and present value of any obligatory decommissioning cost for its intended use.

Significant Accounting Policies

for the year ended 31st March, 2020

Subsequent expenditure is capitalized to the asset's carrying amount 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. All other repairs and maintenance costs are recognised in the Statement of Profit and Loss 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, upto 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 to reflect the expected pattern of consumption of the future benefits embodied in the investment properties and in case of any changes, effect of the same is given prospectively.

d) Intangible assets & Amortisation

i) Intangible assets are recognized 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 recognized at cost. Intangible assets are stated at cost of development and / or consideration paid for acquisition less accumulated amortisation and accumulated impairment loss, if any.

ii) Amortisation of intangible assets is provided on straight line basis over the estimated useful life as tabulated below:

Block	Useful life
Trademark and copyright	10 years*
Software	3 years

* In case where right to use copyright is available for less than 10 years, intangible asset is amortised over the available usage period on straight line basis.

iii) The useful lives and methods of amortisation of intangible assets are reviewed at each balance sheet date to reflect the expected pattern of consumption of the future benefits embodied in the intangible assets 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 recognized 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 recognized 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:

Significant Accounting Policies

for the year ended 31st March, 2020

i) Raw materials, packing materials, consumables, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable) and other costs after deducting discounts and rebates which are incurred in bringing them to their present location and condition. Cost is determined on weighted average basis. Cost also includes the reclassification from OCI of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs.

ii) Work-in-progress / Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average basis, conversion costs (i.e. costs directly related to the units of production), appropriate proportion of manufacturing overheads based on normal operating capacity and other costs incurred in bringing them to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

iii) Stocks in trade (Traded goods) are valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average basis, and other costs incurred in bringing them to their present location and condition.

iv) Scraps are valued at estimated net realizable value.

v) Cost of inventories is arrived at after providing for cost of obsolescence wherever considered necessary.

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

The operating segments have been identified based on the conditions specified in paragraph 5 to Ind AS 108, i.e. an operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ('CODM') to make decisions for which discrete financial information is available.

Operating Segments are reported in a manner consistent with internal reporting provided to the CODM. The Managing Director is the CODM of the Company. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

i) Financial instruments

Initial Recognition

All financial instruments are recognized 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 recognized on trade date. While, loans and borrowings and payables are recognized net of directly attributable transaction costs.

Significant Accounting Policies

for the year ended 31st March, 2020

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 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.

Investment in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

Equity instruments

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.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- 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
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Significant Accounting Policies

for the year ended 31st March, 2020

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity investments designated as FVTOCI are not subject to impairment assessment.

Equity instruments included within the FVTPL category are measured at fair value with all fair value changes recognised in the statement of profit and loss.

Financial assets at fair value through profit or loss (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 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

Significant Accounting Policies

for the year ended 31st March, 2020

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.

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

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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 115.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company re-classifies financial assets, it applies the re-classification prospectively from the re-classification date which is the first day of the immediately next reporting period following the change in business model. The Company does not re-state any previously recognised gains, losses (including impairment gains or losses) or interest.

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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

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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.

j) Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. No adjustment was required to be made for the revenue recognized prior to implementation of this standard.

The Company earns revenue primarily from sale of knowledge based information in educational and general books, paper stationery and non-paper stationery. The Company also provides job-work services.

Revenue is recognised upon transfer of control of promised products and services to customers, when there are no longer any unfulfilled obligations, in an amount that reflects the consideration which the Company expects to receive in exchange for those products and services. The performance

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for the year ended 31st March, 2020

obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

- Sale of products

  Revenue is recognized at a point in time upon transfer of control of promised products to customers, which coincides with the dispatch or delivery of goods as per the relevant terms of the contract, in an amount that reflects the consideration we expect to receive in exchange for those products. The sale is recorded at the fair value of the consideration received or receivable, net of returns and allowances, trade, volume & other discounts / rebate and any taxes or duties collected on behalf of the government such as goods and services tax, etc.

  Accumulated experience and judgement is used to estimate and provide for turnover discounts, expected cash discounts, other eligible discounts, expected returns and incentives.

  Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

- Sale of services

  Revenue from services rendered is recognised at a point in time based on agreements / arrangements with the customers. Revenue for fixed price contracts (including right to use contents) are recognized over the contract period on straight line basis unless there is a more appropriate allocation.

- Income from power generation

  Income from power generation is recognized on the basis of electrical units generated & transferred to transmission company (in excess of captive consumption) and is recognized at prescribed rate as per agreement for sale of electricity by the Company. Income from power generation is grouped under 'Other operating revenue'.

- Other income

  - 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.

  - Dividend income on investment is accounted for in the year in which the right to receive the payment is established.

- Contracts with customer and significant judgement in applying the standard

  - The Company's contracts with customers mainly include promises to transfer products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract, if any.

  - Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as volume discounts and incentives. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

k) Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

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for the year ended 31st March, 2020

Incentives on exports related to operations as provided by government are recognized in books after due consideration of certainty of utilization / receipt of such incentive.

l) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets, otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

Loss allowance for expected life time credit loss is recognised on initial recognition.

m) 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.

Effective 1st April, 2018, the Company has adopted Appendix B to Ind AS 21 'Foreign Currency Transactions and Advance Consideration' which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

n) 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 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.

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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 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 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.

iii) Compensated absences

The Company has benefits in the form of compensated absences. The present value of such compensated absences 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 are recognised when the curtailment or settlement occurs.

o) Leases

The Company has adopted Ind AS 116 'Leases' effective from 1st April, 2019 and has made transition adjustment as per para C8(c)(ii) of Ind AS 116, i.e. prospective implementation without changing opening balance of reserves, as notified by the Ministry of Corporate Affairs in the Companies (Indian Accounting Standard) Amendment Rules, 2019. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance.

As a Lessee

- Accounting policy effective from 1st April, 2019
  - The Company's lease asset classes primarily consist of leases for office premises, warehouses, vehicles and computers.
  - At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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- At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

- The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprise of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

- The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term of right-of-use asset.

- The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

- The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

- Accounting policy before 1st April, 2019

  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 recognized (net of GST) in income on a straight line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

p) 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

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for the year ended 31st March, 2020

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 recognized 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 recognized in the statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in Equity, respectively.

q) 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.

r) 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.

s) Provisions, contingent liabilities and contingent assets

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 recognized 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 recognized for future operating losses.

Provisions are measured at the present value of the 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 recognized 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 recognized 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.

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for the year ended 31st March, 2020

t) 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 revenues, expenses, assets and liabilities, disclosure of contingent liabilities as on the date of financial statements. 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 conducted internal assessment of residual value and method of depreciation / amortisation of property, plant & equipment, investment properties and intangible assets and estimated that the useful life is in consonance with Schedule II of the Companies Act, 2013. 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 investment in subsidiaries

The Company conducts impairment reviews of investments in subsidiaries whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management has anticipated future cash flows and other factors of the underlying businesses / operations of the subsidiaries and a suitable discount rate in order to calculate the present value. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

c) Determining the lease term of contracts with renewal as a Lessee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals).

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for the year ended 31st March, 2020

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. Any subsequent change in certainty of exercising option to extend lease term could impact the carrying value of right of use asset and lease liability significantly.

d) Impairment of financial assets (including trade receivable)

Allowance for doubtful receivables and advances (including advances to subsidiaries) represent the estimate of losses that could arise due to inability of the customer / counter party to make payments when due. These estimates are based on the ageing, category, specific credit circumstances and the historical experience of the Company as forward looking estimates at the end of each reporting period.

e) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognized 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 / modified effective from 1st April, 2020 but not effective as at reporting date

Ministry of Corporate Affairs has not notified new standard or amendments to the existing standards which would have been effective from April 1, 2020.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

3 Property, plant and equipment (PPE)

(₹ in Lakhs)

Description of Assets	Land (Refer note 3.1 below)	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Gross block as at 31st March, 2018	**1,811**	**11,303**	**20,239**	**427**	**1,540**	**2,092**	**37,411**
Additions during the year 2018-19	-	294	1,254	48	256	458	2,311
Deduction for the year 2018-19	-	-	600	30	48	135	813
Gross block as at 31st March, 2019	**1,811**	**11,597**	**20,893**	**445**	**1,748**	**2,415**	**38,909**
Additions during the year 2019-20	-	322	2,850	25	67	311	3,576
Deduction for the year 2019-20	-	-	459	#	-	240	700
Gross block as at 31st March, 2020	**1,811**	**11,919**	**23,283**	**470**	**1,815**	**2,486**	**41,785**
Accumulated depreciation upto 31st March, 2018	**84**	**5,706**	**13,458**	**365**	**1,314**	**1,461**	**22,389**
Depreciation for the year 2018-19	-	529	1,289	36	96	239	2,189
Deduction for the year 2018-19	-	-	555	28	34	126	743
Accumulated depreciation upto 31st March, 2019	**84**	**6,235**	**14,192**	**373**	**1,376**	**1,575**	**23,835**
Depreciation for the year 2019-20	-	488	1,529	36	102	261	2,416
Deduction for the year 2019-20	-	-	407	#	-	223	630
Accumulated depreciation upto 31st March, 2020	**84**	**6,723**	**15,314**	**409**	**1,477**	**1,613**	**25,621**
Net Block as at 31st March, 2020	**1,727**	**5,196**	**7,969**	**61**	**338**	**873**	**16,164**
Net Block as at 31st March, 2019	1,727	5,362	6,701	72	372	840	15,074

3.1 Land includes a leasehold land whose gross block of ₹ 86 Lakhs (Previous year: ₹ 86 Lakhs) and accumulated depreciation of ₹ 84 Lakhs (Previous year: ₹ 84 Lakhs).

3.2 Refer note 40 (a) for disclosure of contractual capital commitments for acquisition of property, plant and equipment.

4 Right of use assets

(₹ in Lakhs)

Description of Assets	Office premises
Gross block as at 31st March, 2019	**-**
Additions during the year 2019-20	4,277
Deduction for the year 2019-20	-
Gross block as at 31st March, 2020	**4,277**
Accumulated depreciation upto 31st March, 2019	**-**
Depreciation for the year 2019-20	855
Deduction for the year 2019-20	-
Accumulated depreciation upto 31st March, 2020	**855**
Net Block as at 31st March, 2020	**3,422**
Net Block as at 31st March, 2019	**-**

4.1 Refer note 41 for disclosures relating to Ind AS 116 'Leases'.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

5 Capital work-in-progress

(₹ in Lakhs)

Description of Assets	Land	Building	Plant and Equipment	Furniture	Total
As at 31st March, 2018	**43**	**-**	**58**	**155**	**256**
Additions during the year 2018-19	9	123	1,163	-	1,295
Capitalised in PPE in year 2018-19	-	-	46	155	201
As at 31st March, 2019	**52**	**123**	**1,175**	**-**	**1,350**
Additions during the year 2019-20	33	26	287	29	375
Capitalised in PPE in year 2019-20	-	123	1,175	-	1,298
As at 31st March, 2020	**85**	**26**	**287**	**29**	**427**

6 Investment property

(₹ in Lakhs)

Description of Assets	Building (Refer note 6.2 below)	Plant and Equipment	Office Equipment	Furniture and Fixtures	Total
Gross block as at 31st March, 2018	**2,862**	**104**	**7**	**171**	**3,144**
Additions during the year 2018-19	-	-	-	-	-
Deduction for the year 2018-19	-	-	-	-	-
Gross block as at 31st March, 2019	**2,862**	**104**	**7**	**171**	**3,144**
Additions during the year 2019-20	-	-	-	-	-
Deduction for the year 2019-20	-	-	-	-	-
Gross block as at 31st March, 2020	**2,862**	**104**	**7**	**171**	**3,144**
Accumulated depreciation upto 31st March, 2018	**1,010**	**95**	**7**	**150**	**1,261**
Depreciation for the year 2018-19	91	2	-	6	99
Deduction for the year 2018-19	-	-	-	-	-
Accumulated depreciation upto 31st March, 2019	**1,101**	**97**	**7**	**156**	**1,361**
Depreciation for the year 2019-20	87	1	-	4	92
Deduction for the year 2019-20	-	-	-	-	-
Accumulated depreciation upto 31st March, 2020	**1,188**	**98**	**7**	**160**	**1,453**
Net Block as at 31st March, 2020	**1,674**	**6**	**#**	**11**	**1,691**
Net Block as at 31st March, 2019	1,761	7	#	15	1,783

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for the year ended 31st March, 2020

6.1 Amount recognized in Statement of Profit and Loss for investment properties:

(₹ in Lakhs)

Particulars	31-03-2020	31-03-2019
Rental income (grouped under note 32 in other income)	588	504
Direct operating expenses that generated rental income	(74)	(39)
Profit from investment properties before depreciation	**514**	**465**
Depreciation	(92)	(99)
Profit from investment properties	**422**	**366**

Also refer note 41 (b) for disclosure related to 'Leases' of investment properties.

6.2 Building with a carrying amount of ₹ 1,208 Lakhs (Previous year: ₹ 1,270 Lakhs) are subject to first charge to secure bank loan (refer note 25.1). The same property is provided on cancellable lease to one of its subsidiary as at 31st March, 2020.

6.3 Fair value of investment properties as at year-end 31st March, 2019 was determined based on valuation carried by external independent property valuers, having appropriate recognised professional qualifications which was ₹ 11,683 Lakhs. In the opinion of the Management, there is no material change in this fair value of investment properties which was determined for the last year-end.

6.4 The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements and there are no restriction on remittance of income and proceed on disposal (except restriction over disposal of investment property as disclosed in note 6.2 above).

7 Intangible assets (other than Goodwill)

(not internally generated)

(₹ in Lakhs)

Description of Assets	Trade Mark	Copy Right	SAP	Software	Total
Gross block as at 31st March, 2018	**60**	**1,145**	**247**	**918**	**2,370**
Additions during the year 2018-19	#	-	-	74	74
Deduction for the year 2018-19	-	-	-	#	#
Gross block as at 31st March, 2019	**60**	**1,145**	**247**	**992**	**2,444**
Additions during the year 2019-20	-	-	-	66	66
Deduction for the year 2019-20	**-**	**-**	**-**	**-**	**-**
Gross block as at 31st March, 2020	**60**	**1,145**	**247**	**1,058**	**2,510**

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

Description of Assets	Trade Mark	Copy Right	SAP	Software	Total
Accumulated amortisation upto 31st March, 2018	**58**	**636**	**247**	**876**	**1,817**
Amortisation expense for the year 2018-19	#	119	-	39	158
Deduction for the year 2018-19	-	-	-	#	#
Accumulated amortisation upto 31st March, 2019	**58**	**755**	**247**	**915**	**1,975**
Amortisation expense for the year 2019-20	#	119	-	46	165
Deduction for the year 2019-20	-	-	-	-	-
Accumulated depreciation upto 31st March, 2020	**58**	**874**	**247**	**961**	**2,140**
Net Block as at 31st March, 2020	**2**	**271**	**-**	**97**	**370**
Net Block as at 31st March, 2019	2	390	-	77	469

7.1 Remaining useful life of intangible assets

(₹ in Lakhs)

Description	Carrying amount as at ₹ in Lakhs		Remaining useful life as at [Months]	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Trade Mark	2	2	9 to 98	4 to 110
Copy Right	271	390	22 to 86	35 to 98
Software	97	77	2 to 35	9 to 33
Total	**370**	**468**		

8 Intangible assets under development (not internally generated)

(₹ in Lakhs)

Description of Assets	SAP	Software	Total
As at 31st March, 2018	**-**	**12**	**12**
Additions during the year 2018-19	-	10	10
Capitalised in year 2018-19	-	-	-
As at 31st March, 2019	**-**	**22**	**22**
Additions during the year 2019-20	53	-	53
Capitalised in year 2019-20	-	22	22
As at 31st March, 2020	**53**	**-**	**53**

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9 Non Current Financial Assets - Investments

(₹ in Lakhs)

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
A.	**Valued at Cost, Unquoted investments**		
i)	**Investment in subsidiary companies**		
	Equity instruments		
	a) eSense Learning Private Limited (Refer note 9.2) 23,633,500 (PY: 23,633,500) Equity Shares of ₹10/- each fully paid up Less: Impairment loss (Refer note 9.3 below)	2,678 (373)	2,660 -
	b) Indiannica Learning Private Limited (Refer note 9.2) 49,351,063 (PY: 49,351,063) Equity Shares of ₹ 10/- each fully paid up	7,770	7,740
	c) Navneet (HK) Limited 273,070 (PY: 273,070) Equity Shares of HK$ 1 each fully paid up	23	23
	Other instruments		
	a) Indiannica Learning Private Limited 4,90,00,000 (PY: Nil) 0% Optionally Convertible Preference Shares of ₹ 10 each (Refer note 9.6 below)	4,900	-
ii)	**Investment in subsidiary entity**		
	a) Navneet Learning LLP (Refer note 9.5 below)	11,153	9,157
	Sub-total (A)	**26,151**	**19,580**
B.	**Valued at fair value through profit and loss**		
i)	**Quoted Equity Share Investments**		
	a) Career Point Limited (Refer note 9.7) 173,559 (PY: Nil) Equity Shares, face value of ₹ 10 each	214	-
	Sub-total (B)	**214**	**-**
	Total (A+B)	**26,365**	**19,580**
9.1	Aggregate amount of unquoted investments (gross amount)	26,524	19,580
	Aggregate amount of Impairment in value of unquoted investment	(373)	-
	Aggregate amount of unquoted investments (net amount)	26,151	19,580
	Aggregate market value of quoted investments	214	-
	Total	**26,365**	**19,580**
	Aggregate book value of quoted investments	214	-

9.2 Financial guarantees are issued in favour of the banks against loan taken by subsidiaries. The amount of guarantee is ₹ 4,650 Lakhs (Previous Year ₹ 4,650 Lakhs). Fair value of such guarantee amount is included to investment disclosed above amounting to ₹ 221 Lakhs (Previous year: ₹ 205 Lakhs) and ₹ 147 Lakhs (Previous year: ₹ 117 Lakhs) for eSense Learning Private Limited and Indiannica Learning Private Limited respectively. (Refer footnote (ii) of note 55).

9.3 Impairment test for investments and loan to eSense Learning Private Limited & Indiannica Learning Private Limited:

The Company has made long-term investments into these subsidiaries. These companies have incurred losses during the year and previous years. Considering the same, detail impairment test has been carried out by the Management. Disclosure in regards to impairment tests carried in regards to these subsidiaries are as under:

a) Impairment test for investment into 'Indiannica Learning Private Limited'

Based on the estimate of future profitability and business prospects projected in detailed

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projections prepared and approved by Managing Director of the Company, no impairment provision in the investment / loan value is required as at 31st March, 2020. Further, there is commitment from holding company to support this subsidiary time to time.

b) Impairment test for investment in 'eSense Learning Private Limited'

During the year, valuation of equity share investment into this subsidiary Company has been obtained from an independent practicing chartered accountant and based on which, the Company has recognised impairment loss of ₹ 373 Lakhs (Previous year: ₹ Nil). This loss is charged to the Statement of Profit & Loss under 'Other Expenses'. Also refer note 38.

c) Key assumptions used for value in use calculations:

i) Discount rate

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings of the Company. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Particulars	31st March, 2020	31st March, 2019
Pre-tax discount rate	14.80%	14.80%

ii) Growth rate estimate

Growth rate is based on the estimates of growth in business expected by the Management of the Company after taking into account external / industry growth, customer feedback etc..

Management of the Company has performed sensitivity analysis on the above key assumptions to determine value in use.

9.4 Refer Note 62 for information on principal place of business and the Company's ownership interest in the above subsidiaries.

9.5 The Company holds 93% of voting rights and equivalent share in profit / loss with respect to the investment made in 'Navneet Learning LLP' (subsidiary entity) in accordance with LLP agreement and the underlying value of the assets against this investment is higher as compared to investments made.

9.6 During the year, the Company has invested in 4,90,00,000 (Previous year: Nil) in Optionally Convertible Preference Shares (OCPS) of ₹ 10 each aggregating to ₹ 4,900 Lakhs in its subsidiary company 'Indiannica Learning Private Limited' at face value. The OCPSs carries 0% coupon rate. The Subsidiary Company has an option to convert OCPS into same number of equity shares of the Company of ₹ 10 each (being face value of the shares) at any time after allotment date but before end of 20 years. In case OCPS are not converted by the subsidiary Company, they shall be redeemed at par in full not later than 20 years from the date of allotment.

9.7 As per IND AS 109, at initial recognition, the Company has chosen to designate investment in Career Point Limited as 'Fair Value through Profit and Loss'. Career Point Limited shares are listed on National Stock Exchange and Bombay Stock Exchange.

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10 Non Current Financial Assets - Loans

(Unsecured, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Considered good		
Security Deposits	347	200
Loans and Advances		
i) Loans to Subsidiary (Refer note 9.3 and 55)	100	2,900
ii) Loans to Employees	173	201
iii) Loans to Vendors	#	23
iv) Other Loans & Advances (Refer note 10.1 below)	1,604	1,605
	2,224	**4,928**
Considered doubtful		
Corporate Deposits	107	107
Other Loans & Advances	15	22
Security Deposit	15	15
	137	**144**
Less: Allowances for doubtful advances (Refer note 10.2 below)	(137)	(144)
Total	**2,224**	**4,928**

10.1 The above amount includes ₹ 1,459 Lakhs (Previous year : ₹ 1,459 Lakhs) from one party against which Company has filed a legal case with Honourable High Court of Mumbai. As per the interim order, the Company possesses the property deed of an immovable property for recovery of the due, which is adequate to cover loan amount. The Company expects the matter to be favourably settled in its favour. Considering the interim order of the Hon'ble High Court of Mumbai and the possession of the deed of the property, loan against the said property is considered secured.

10.2 Allowances for doubtful advances are accounted based on expected loss assessment carried out on periodic basis by the management. Movement of the same is given below:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	144	102
Allowance made during the year	-	43
Reversal of allowance during the year	7	1
Balance at the end of the year	**137**	**144**

11 Other non-current financial assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Refund receivable from governement authority (Refer note 11.1)	126	2,680
Total	**126**	**2,680**

11.1 As the Company is rightfully entitled to receive Sales tax, Goods and Service tax refunds and other refunds , the same is classified as financial asset in accordance with ITFG clarification issued by the Institute of Chartered Accountants of India.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

12 Deferred Tax Assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Corresponding effect in Statement of Profit & Loss		
Property, plant and equipment	(295)	(455)
Provision for employee benefits	325	545
Provision for sales returns	65	153
Provision for slow-moving inventories	13	-
Allowances for doubtful receivables	135	65
Financial guarantee contracts (subsidiaries)	(74)	(96)
Provision for doubtful advances	59	84
Forward contracts (fair value hedge)	42	33
Others	63	17
	333	**345**
Corresponding effect in Other Comprehensive Income		
Forward contracts (cash flow hedge)	334	(319)
	334	**(319)**
Total	**667**	**26**
Opening balance	26	204
Tax (expense) recognised in profit or loss	141	184
Tax (expense) recognised in other comprehensive income	500	(329)
Tax (expense) recognised in general reserve	-	(33)
Closing balance	**667**	**26**

12.1 Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of: (a) deductible temporary differences; (b) the carry forward of unused tax losses; and (c) the carry forward of unused tax credits (Refer note 51 for 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).

13 Assets for Non current Tax (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Income Taxes (Net of provisions)	233	211
Total	**233**	**211**

14 Other Non Current Assets

(Unsecured, unless otherwise stated) (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Considered good		
Capital Advance	253	372
Advance to Suppliers	-	2
Prepaid Expenses	46	6
	299	**380**
Considered doubtful		
Capital Advance	65	59
Less: Allowances for doubtful advances	(65)	(59)
Total	**299**	**380**

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15 Inventories

(valued at lower of cost or estimated net realisable value)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw Materials	15,159	19,880
Raw Materials in transit	629	1,700
Work In Progress	2,008	2,164
Finished Goods	26,718	28,175
Stock in Trade (in respect of goods acquired for trading)	#	1
Stores, Spares & Consumables	1,018	854
Total	**45,532**	**52,774**

15.1 During the year, ₹ 702 Lakhs (Previous year: ₹ 801 Lakhs) was recognised as an expense for inventories.

15.2 Inventories are subject to first charge to secure bank loan (Refer note 25.1).

16 Current Financial Assets - Trade receivables

(Unsecured, unless otherwise stated) (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Considered good (Refer note 16.4 below)	21,076	22,171
Less: Allowance for bad and doubtful debts and expected credit losses	(538)	(185)
(Refer note 16.5 and 58)		
Total	**20,538**	**21,986**

16.1 Trade receivables are subject to first charge to secure bank loan (Refer note 25.1).

16.2 Trade receivables are generally due between 30 to 90 days. The Company's term includes charging of interest for delayed payment beyond agreed credit days. However, the Company charges interest after considering the historical trend, business prospects, reason for delay, market conditions etc.

16.3 Credit risk is managed at the operational segment level (i.e. publication and stationery). The credit limit and credit period are fixed for each customer after evaluating the financial position, past performance, business opportunities, credit references etc. The credit limit and the credit period are reviewed regularly at periodical intervals.

16.4 As per Memorandum of Understanding with one of the party, a sum of ₹ 55 Lakhs (Previous year: ₹ 50 Lakhs) is secured by mortgage of immovable property.

16.5 The Company follows simplified approach & the trade receivables do not contain significant financing component and accordingly the Company does not separately track changes in credit risk of trade receivables as the impairment amount represents "lifetime" expected credit loss. Accordingly, the disclosure as required by Schedule III, Division II as regards (a) Trade Receivables which have significant increase in credit risk & (b) Trade Receivables which are credit impaired is not required. In addition to the pool assessment, the Company carried out individual assessment in respect of certain parties where the possibility of default in collection of trade receivable was high.

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
The amount of trade receivables for which the Company has assessed credit risk on an individual basis	428	165
The amount of loss allowance recognised for such trade receivables	(428)	(165)

16.6 For details of trade receivable from related parties, refer note 55.

Notes on Standalone Financial Statements

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17 Current Financial Assets - Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash on hand	30	41
Balance with scheduled banks		
- In Current Account	196	1,429
Current investment in liquid mutual funds (quoted) - (19,428 units (Previous year : Nil units) of PGIM India Overnight Fund - Direct Plan Growth, face value ₹ 1,000 each (Refer note 17.1)	200	-
Total	**426**	**1,470**
17.1 Aggregate market value / Net Asset Value of quoted investments	200	-

18 Current Financial Assets - Other bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Earmarked balances with banks		
- In unpaid and uncliamed dividend account (Refer note 27 and 18.2)	353	296
Bank deposit (Refer note 18.3)	41	38
Other Bank Balances (Refer note 18.1 below)	1	1
Total	**395**	**335**

18.1 Other bank balances represent restricted deposits (along-with accrued interest thereon) under lien placed with sales tax authorities.

18.2 There is no amount due to Investor Education & Protection Fund as on 31st March, 2020.

18.3 Bank deposit includes interest accrued but not due amounting to ₹ 6 Lakhs (Previous year: ₹ 3 Lakhs) and this deposit is under lien for tender deposit given to a customer.

19 Current Financial Assets - Loans

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Inter-corporate Deposits (Refer note 19.2 below)	3,444	159
Loans and advances (Refer note 19.1)		
i) Loans to Subsidiary (Refer note 9.3 and 55)	828	450
ii) Loans to Employees	195	194
iii) Loans to Vendors	2	11
iv) Other Loans & Advances	543	374
Total	**5,012**	**1,188**

19.1 The loans and advances given to various parties are for commercial purpose and same is repayable on demand.

19.2 Inter-corporate deposit also includes ₹ 3,000 Lakhs (Previous year: ₹ Nil) given to one company in which Directors are common. Subsequent to year-end, the Company has received back the same along-with interest @ 13%.

20 Current Financial Assets - Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Receivables against sale of property, plant and equipment	6	12
Advances to Employees for expenses	91	46
Refund receivable from government authority (Refer note 20.2)	784	-
Export incentive receivable (Refer note 20.3)	404	526

Notes on Standalone Financial Statements

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(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial assets at fair value (forward & option contracts) (Refer note 27)	-	819
Gratuity recoverable from Employee's Gratuity Fund (Refer note 20.1)	36	-
Total	**1,321**	**1,403**

20.1 Gratuity recoverable from Employee's Gratuity Fund maintained with Life Insurance Corporation represents gratuity amount paid to employees directly during the year on behalf of such fund.

20.2 Refund receivable from government authority includes GST refunds receivables from government authorities which are expected to be realised within 12 months. Accordingly, the same is grouped as current financial assets. Out of which, subsequent to year end, the Company has received refund of ₹ 400 Lakhs (Previous year: ₹ 16 Lakhs)

20.3 As the Company is rightfully entitled to receive export incentives, the same is classified as financial asset in accordance with ITFG clarification issued by the Institute of Chartered Accountants of India.

21 Other current assets

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
GST input credit (net) (Refer note 21.2)	1,260	2,383
Prepaid Expenses	770	479
Advance to Suppliers	3,122	1,018
Extra Duty Deposit receivable (Refer note 21.1)	-	#
Prepaid gratuity (Refer note 48 (b) (i) and 29.1)	272	74
Total	**5,424**	**3,954**

21.1 Extra Duty Deposit is the duty levied by custom department in respect of items where the final valuation / assessment is in-process of being determined by the special valuation bench of the custom department. During the current year, the government, after completion of valuation assessment, has paid full refund of the additional duty. (Also refer note 39 (c))

21.2 Subsequent to year end, out of these GST input tax credit, the Company has applied for refund amounting to ₹ 177 Lakhs (Previous year: ₹ 746 Lakhs).

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22 Equity Share Capital

Authorized:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
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
Total		**5,000**		**5,000**

Issued, Subscribed & Paid Up:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Equity Shares of ₹ 2/- each (₹ 2/- each) fully paid up	22,88,70,500	4,577	22,88,70,500	4,577
Total		**4,577**		**4,577**

22.1 Reconciliation of the number of Equity Shares outstanding

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Number of Shares at the beginning of the year	22,88,70,500	4,577	23,35,58,000	4,671
Add: Shares issued	-	-	-	-
Less: Shares bought back	-	-	46,87,500	94
Number of Shares at the end of the year	**22,88,70,500**	**4,577**	**22,88,70,500**	**4,577**

The Company had bought back 46,87,500 equity shares aggregating to 2.01% of the paid-up equity share capital of the Company at a price of ₹ 160 per share on 16th October, 2018. The Company concluded the buyback procedures on 23rd October, 2018 and 46,87,500 equity shares were extinguished. The Company had utilised its general reserve for the buyback of its shares. Further, capital redemption reserve of ₹ 94 Lakhs representing the nominal value of shares bought back had been created as an appropriation from general reserves in accordance with section 69 of the Companies Act, 2013. Consequently, the paid up equity share capital is reduced to ₹ 4,577 Lakhs. Transaction costs related to buyback are adjusted against general reserves (net of tax).

22.2 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.

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22.3 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, 2020	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Equity Shares of ₹ 2/- each fully paid up	-	46,87,500	-	46,57,000	-
Total	**-**	**46,87,500**	**-**	**46,57,000**	**-**

22.4 Equity Shareholders holding more than 5% of the shares

(₹ in Lakhs)

Name of the shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% held	No. of Shares	% held
Bipin Amarchand Gala and Gnanesh Dungarshi Gala - Trustee of Navneet Trust	9,14,19,090	39.94	9,09,19,090	39.73
HDFC Trustee Company Ltd - under its various schemes	2,00,13,016	8.74	1,93,72,917	8.46

23 Other Equity

(₹ in Lakhs)

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
A.	**Reserve and Surplus**		
(i)	Capital Redemption Reserve	33	33
(ii)	Capital Reserve	76	76
(iii)	General Reserve	2,343	2,343
(iv)	Retained earnings	91,147	80,249
		93,599	**82,701**
B.	**Other comprehensive income**		
(v)	Re-measurement of the net defined benefit plan	(523)	(488)
(vi)	Cash flow hedge through other comprehensive income	(1,082)	405
		(1,605)	**(83)**
	Total	**91,994**	**82,618**

(i) Capital Redemption Reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	33	127
Amount transferred to capital redemption reserve upon buyback (Refer note 22.1)	-	(94)
Balance at the end of the year	**33**	**33**

Note: The Company had recognised capital redemption reserve on buyback of equity shares from its general reserve. The amount in capital redemption reserve was equal to nominal amount of the equity shares bought back. This reserve will be utilised in accordance with section 69 of the Companies Act, 2013.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

(ii) Capital Reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	76	76
Changes during the year	-	-
Balance at the end of the year	**76**	**76**

Note: It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business mergers and acquisitions in earlier years.

(iii) General Reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	2,343	9,716
Amount utilized for buy back of shares	-	(7,406)
Amount transferred to capital redemption reserve upon buyback (Refer note 22.1)	-	94
Buy-back expenses (net of tax)	-	(61)
Balance at the end of the year	**2,343**	**2,343**

Note: The General Reserve represents appropriation of profit by the Company.

(iv) Retained earnings

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	80,250	66,726
Amount utilized for Final and Interim Dividend and Dividend Distribution Tax theron (Refer note 52)	(11,037)	(4,223)
Net profit for the year	21,935	17,747
Balance at the end of the year	**91,148**	**80,250**

Note: The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the financial position and dividend policy of the Company and in compliance with the requirements of the Companies Act, 2013.

(v) Re-measurement of the net defined benefit plan

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	(488)	(407)
Addition during the year (net of taxes)	(35)	(81)
Balance at the end of the year	**(523)**	**(488)**

Note: Gain / (Loss) arising out of change in actuarial assumption at the time of actuarial valuation is transferred to this reserve through other comprehensive income.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

(vi) Cash flow hedge through other comprehensive income

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	405	(68)
Net amount recognised during the year	(1,552)	473
Amount recycled to P&L during the year (Refer note 42 (d))	65	-
Balance at the end of the year	**(1,082)**	**405**

Note: The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

24 Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Lease liabilities on right to use assets	3,627	-
Total	**3,627**	**-**

24.1 Current and non-current bifurcation:

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Current	744	-
Non-current	2,883	-

24.2 Refer note 41 for disclosures relating to Ind AS 116 'Leases'.

25 Current Financial Liabilities - Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured		
i) Cash Credit from Bank (Refer note 25.1 below)	-	3,000
	-	**3,000**
Unsecured		
i) Working Capital loan from Banks (Refer note 25.2 below)	6,001	6,501
ii) Commercial Papers (Refer note 25.3 and 25.4 below)	13,000	20,000
	19,001	**26,501**
Total	**19,001**	**29,501**

25.1 Secured current borrowings 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.

25.2 Unsecured working capital demand loan includes interest accrued but not due amounting to ₹ 1 Lakh (Previous year: ₹ 1 Lakh). Interest rate for unsecured rupee loan is ranging from 7.10% to 8.00% (Previous year: 8.10% to 8.25%). Subsequent to year end, this loan has been fully repaid in the month of April 2020.

25.3 Commercial papers (unsecured) amounting to ₹ 13,000 Lakhs (Previous year: ₹ 20,000 Lakhs) were issued during the year which carry interest rate ranging from 5.70% to 5.95% (Previous year: 7.90%). The repayment of the same is due ranging from 4th May, 2020 to 20th May, 2020.

25.4 These Commercial papers are listed on the National Stock Exchange.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

26 Current Financial Liabilities - Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
- Due to Micro, Small and Medium Enterprises (Refer note 26.1)	658	607
- Due to Others	3,072	5,274
Total	**3,730**	**5,882**

26.1 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, 2020 based on available information with the Company which are as under:

(₹ in Lakhs)

	Particulars	2019-20	2018-19
(a)	the principal amount remaining unpaid to any supplier at the end of financial year;	658	607
(b)	the interest due on above, remaining unpaid to any supplier at the end of financial year;	-	-
(c)	the amount of interest paid by the buyer in terms of section 16 of the MSMED Act (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during financial year;	-	-
(d)	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
(e)	the amount of interest accrued and remaining unpaid at the end of financial year; and	-	-
(f)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

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.

26.2 Trade payables are non-interest bearing and are normally settled as per due dates generally ranging from 0 to 30 days.

26.3 The Company has financial risk management policies in place to ensure that all payables are paid within the agreed credit terms.

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27 Other current financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Creditors for capital goods (Refer note 26.1)	6	1,148
Employee benefits payable	1,174	1,259
Unpaid and uncliamed dividend (Refer note 18 and 27.1)	353	296
Financial guarantee contracts (Refer note 57)	47	47
Financial liabilities at fair value (forward contracts) (Refer note 20)	1,498	-
Book Overdraft	211	-
Security deposits	353	294
Total	**3,642**	**3,043**

27.1 There is no amount due to Investor Education & Protection Fund as on 31st March, 2020.

28 Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advances received from customers	834	462
Deferred revenue (Refer note 31.4)	-	1
Statutory Dues		
- Provident Fund / ESIC / Profession Tax	131	122
- Tax Deducted At Source	182	210
- Sales tax / VAT / GST payable	38	38
Total	**1,185**	**833**

29 Current provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits (Refer note 29.1)		
- Compensated absences (Refer note 29.2 and 48 (b) (ii))	1,653	1,722
Other Provisions		
- Sales return (Refer note 47 (a))	544	984
- Discounts (Refer note 47 (b))	501	414
- Others (contingencies, rent escalation etc.) (Refer note 47 (c)	135	#
Total	**2,833**	**3,120**

29.1 The movement represents the provision created for the year arising out of the actuarial valuation after considering the actual settlements made during the year.

29.2 In case of accumulated compensated absences outstanding as at year-end, the employees have already earned the right to avail the leave and they are normally entitled to avail the leave at any time during the year. As the employees has an unconditional right to avail the leave, the same are classified as 'current provisions' as per the guidance note on Schedule III of the Companies Act, 2013 issued by the Institute of Chartered Accountants of India.

30 Liabilities for Current Tax (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current Tax Liabilities (Net)	99	39
Total	**99**	**39**

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

31 Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sale of products		
- Finished Goods (Refer note 31.1)	1,40,180	1,32,254
- Traded Goods	245	103
Sale of services	324	283
Other operating revenues	-	-
- Export incentives (Refer note 31.5)	1,926	1,614
- Sale of scrap and waste	1,315	1,608
- Power generation income	121	111
- Others	69	82
Total	**1,44,180**	**1,36,054**

31.1 Provision for Sales Returns:

The above amount is net of provision made for sales return amounting to ₹ 544 Lakhs (Previous year: ₹ 984 Lakhs). Also refer Note 47 (a) and Note 29.

31.2 Disclosures of Ind AS 115:

(a) For accounting policy of revenue recognition, refer note 2 (j).

(b) Contracts with customer and significant judgement in applying the standard

i) The Company's operations relates 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. The Company applies the guidance provided in Ind AS 115 'Revenue from contracts with customer' for determining the timing of recognition of revenue.

ii) For details of revenue recognised from contracts with customers, refer note 31 above.

iii) There are no contract assets arising from the Company's contract with customers.

(c) Disaggregation of revenue

i) For disaggregation of revenue, refer break-up given in note 31 above and note 56 (B).

ii) Refer note 56 (A) (iv) for details regarding customer concentration that represents 10% or more of the Company's total revenue during the year ended 31st March, 2020 and 31st March, 2019.

(d) Performance obligation

i) For timing of satisfaction of its performance obligations, refer note 2(j) of significant accounting policies of the Company.

ii) Unsatisfied (or partially satisfied) performance obligations are due to unexpired contract period in cases of contract where exclusive license is granted to translate, print, publish and sale the translated book in defined territory. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ Nil. Aggregate value of transaction with unsatisfied performance obligation in previous year was ₹ 1 Lakh which is fully recognised as revenue in the current year upon fulfilment of obligations.

31.3 Reconciliation of revenue recognized with the contracted price is as follows:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Contracted price	1,43,566	1,35,437
Less: Reductions towards variable consideration components	2,817	2,797
	1,40,749	**1,32,639**
Add: Other Operating Revenue	3,431	3,415
Revenue recognised	**1,44,180**	**1,36,054**

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

The reduction towards variable consideration comprises of volume discounts, sales promotion, etc.

31.4 Changes in deferred revenue are as follows (Refer note 28):

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Balance at the beginning of the year	1	126
Revenue recognised that was included in the deferred revenue at the beginning of the year upon fulfilment of obligations	1	125
Balance at the end of the year	**-**	**1**

31.5 The Company receives government assistance in the form of MEIS license / duty drawback, which are issued to eligible exporters. Above revenue includes MEIS and duty drawback income of ₹ 1,926 Lakhs (Previous year: ₹ 1,614 Lakhs). Out of the revenue recognised, ₹ 404 Lakhs (Previous year: ₹ 526 Lakhs) will be received from government upon receipt of balance amount from customer and fulfilment of other procedural formalities.

32 Other Income (net)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a) Interest income		
Interest income on financial asset (at amortised cost)	572	682
Income on financial assets measured at FVTPL	47	43
b) Income from current investments carried at FVTPL		
Profit on redemption of mutual funds	68	22
Profit on fair valuation of quoted equity shares	13	-
Dividend income from mutual funds	15	-
c) Gain on foreign exchange transactions (net) (Refer note 32.1)	1,031	616
d) Gain on fair valuation of financial assets (net)	24	15
e) Other non-operating income	-	-
Rent income on rented premises (Refer note 41 (b))	588	504
Profit on sale of property, plant and equipment	141	-
Others miscellaneous income	40	56
Total	**2,539**	**1,938**

32.1 Gain on foreign exchange transaction includes loss of ₹ 658 Lakhs (Previous Year: gain of ₹ 753 Lakhs) of exchange difference (net) arising on financial instruments.

33 Cost of materials consumed

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Raw Materials consumed (Refer note 15.1)	68,964	72,805
Total	**68,964**	**72,805**

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

34 Changes in inventories of finished goods, Stock-in -Trade and work-in- progress

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Closing Stock		
Work In Progress	2,008	2,164
Finished Goods	26,718	28,175
Stock in Trade	#	1
	28,726	**30,340**
Opening Stock		
Work In Progress	2,164	1,760
Finished Goods	28,175	23,121
Stock in Trade	1	#
	30,340	**24,881**
Total	**1,614**	**(5,459)**

35 Employee benefits expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries, Wages & Bonus	13,045	11,924
Contribution to PF, ESIC and LWF (Refer note 48 (a))	804	602
Contribution to Other Funds	348	302
Staff Welfare Expenses	584	558
Total	**14,781**	**13,385**

36 Finance costs

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest expenses on borrowings	1,008	1,186
Interest expense on lease liability (Refer note 41)	299	-
Total	**1,307**	**1,186**

37 Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation of property, plant and equipment (Refer note 3)	2,416	2,189
Depreciation of right-of-use assets (Refer note 4)	855	-
Depreciation of investment property (Refer note 6)	92	99
Amortisation of intangible assets (Refer note 7)	165	158
Total	**3,529**	**2,446**

38 Other expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Printing Expenses	1,288	1,403
Binding Expenses	2,717	2,932
Other Manufacturing Expenses	2,090	2,106
Freight Expenses	879	1,074
Stores & Spares Consumed	630	682
Power & Fuel	497	422
Repairs and maintenance	-	-
Building	647	492
Plant & Machinery	338	372
Others	241	221
Royalty	3,294	3,381
Transportation Expenses	2,316	2,534
Legal and Professional Fees	933	1,322
Rent	399	1,209
Marketing Expenses	1,060	1,114
Advertisement	978	1,047

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sales Commission	776	664
Sales Promotion Expenses	337	362
Sales Tax / GST Expenses (Refer note 38.1 and 38.2 below)	1,630	317
Insurance	228	202
Bank Charges	187	149
Rates & Taxes	120	86
Allowance for bad and doubtful debts	325	76
Impairment of investments (Refer note 9.3)	373	-
Auditor's remuneration (Refer note 43)	32	32
Bad debts & other irrecoverable advance written off	157	20
Corporate Social Responsibility Expenses (Refer note 49)	641	777
Donation	28	1
Other Expenses (Refer note 38.3 below)	3,760	3,472
Total	**26,898**	**26,469**

38.1 Sales Tax / GST expenses for the year includes ₹ 1,340 Lakhs (Previous year: ₹ Nil) towards the dispute resolution of MVAT liability.

38.2 As expense-wise breakup in respect of input credit reversals is not readily available, such reversal are grouped under Sales Tax / GST expenses.

38.3 Other expenses do not include any item of expenditure which is exceeding one percent of the revenue from operations or ₹ 10 Lakhs whichever is higher, in addition to the consideration of 'materiality'.

39 Contingent liabilities:

(a) Tax matters:

i) For disputed Income tax matters ₹ 526 Lakhs and (Previous year: ₹ 526 Lakhs) against which amount provided in books is ₹ 521 Lakhs (Previous year: ₹ 521 Lakhs) and amount paid under protest is ₹ 484 Lakhs (Previous year: ₹ 484 Lakhs) (Refer below note).

Income tax demands mainly include the appeals filed by the Company before various departmental appellate authorities / High Courts against the disallowances made by Income Tax Authorities of certain deductions / expenses claimed. Pending final decisions, the Company has deposited amounts under protest with Income Tax Authorities.

ii) For disputed Sales tax matters ₹ 2,259 Lakhs (Previous Year: ₹ 5,205 Lakhs) against which amount paid under protest is ₹ 89 Lakhs (Previous Year: ₹ 309 Lakhs). (Refer below note)

Sales Tax demands have been mainly raised on account of dispute on rate of certain products, non submission of statutory declarations etc. Pending final decisions, the Company has deposited amounts under protest with Sales Tax Department. Also refer note 38.1.

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 recognized in the financial statements.

(b) Against bond (mainly GST benefit):

Duty free imports for which export obligation is pending as at year end amounting to ₹ 158 Lakhs (Previous Year: ₹ 227 Lakhs). In the event Company does not meet the respective obligation, GST would have to be paid for which input credit would be available.

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(c) Extra Duty Deposit is the duty levied by custom department in respect of items where the final valuation / assessment is in-process of being determined by the special valuation bench of the custom department. During the current year, the government, after completion of valuation assessment, has paid full refund of the additional duty. (Refer note 21.1)

40 Capital Commitments and Other Commitments

(a) Estimated amount of contracts remaining to be executed (net of advances) on capital account is ₹ 2,117 Lakhs (Previous year: ₹ 1,907 Lakhs).

(b) Company is committed to fund its wholly owned subsidiaries as and when required.

41 Disclosure under Ind AS 116 'Leases'

The Company has adopted Ind AS 116 'Leases' effective from 1st April, 2019 and has made transition adjustment as per para C8(c)(ii) of Ind AS 116, i.e. prospective implementation without changing opening balance of reserves, as notified by the Ministry of Corporate Affairs in the Companies (Indian Accounting Standard) Amendment Rules, 2019. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance.

Consequently, amounts of 'Depreciation & Amortisation', 'Finance Costs' and 'Other Expenses' are not comparable with previous year. Also refer note 2.2(o) for accounting policy on leases.

a) As a Lessee

The Company's lease assets primarily consist of leases for office premises, warehouses, vehicles and computers. For lease arrangement with lease terms of 12 months or less, the Company has applied the 'short-term lease' recognition exemptions and for lease with lower underlying value asset, the Company has applied the 'low value asset' recognition exemption.

(₹ in Lakhs)

Particulars	Amounts
Interest expense on lease liabilities; (Refer note 36)	299
Expense relating to short-term leases (included in 'Other expenses')	356
Expense relating to leases of low value assets (included in 'Other expenses')	43
Lease payments debited to lease liabilities	950
Expense relating to variable lease payments not included in the measurement of lease liabilities;	-
Income from subleasing right-of use assets;	-
Total cash outflow of leases; [including short term and low value leases]	1,350
Gains or losses arising from sale and leaseback transaction;	

Notes:

1. The right-of-use asset is depreciated using the straight-line method (SLM) from the commencement date over the lease term of right-of-use asset. For details of addition, depreciation and carrying amount of right of use asset, refer note 4.
2. Also refer note 58 for contractual maturities of lease liability (as per Ind AS 107).
3. For the purpose of calculation of lease liabilities, future lease payments are discounted at incremental borrowing rate for the lease term of 5 years. This lease term is arrived based on reasonable certainty of renewal of lease agreement.

b) As a Lessor

For assets given on cancellable lease, it's depreciation and carrying amount, refer note 6. Also, for rental income earned on that properties, refer note 6.1, which is recognized on a straight line basis over the term of the relevant lease for long term leases.

Notes on Standalone Financial Statements

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42 Derivative Financial Instruments

The Company uses derivative financial instruments such as forwards and options, to hedge its risks associated with foreign exchange fluctuation. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted price for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

(a) The assets and liabilities position of various outstanding derivative financial instruments is given below:

Particulars	2019-20		2018-19	
	In USD	₹ in Lakhs	In USD	₹ in Lakhs
Hedge				
Foreign currency forward contract (with underlying trade receivables considered for fair flow hedge) - Assets	47,11,427	3,565	45,18,628	3,123
Foreign currency forward contract (with underlying firm commitments considered for cash value hedge) - Assets	4,36,58,573	33,039	4,18,46,372	28,920
Foreign currency forward contract (with underlying firm commitments considered for cash value hedge) - Liabilities	-	-	64,919	45
Foreign currency option contract (with underlying firm commitments considered for cash value hedge) - Assets	-	-	30,00,000	2,073
Total	**4,83,70,000**	**36,604**	**4,94,29,919**	**34,161**

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 (Refer note 20 and 27):

(₹ in Lakhs)

Particulars	Currency pair		Fair value Gain / (loss) Amount	
			2019-20	2018-19
Foreign currency forward contract (with underlying trade receivables considered for fair flow hedge)	USD_INR	Sell	(170)	94
Foreign currency forward contract (with underlying firm commitments considered for cash value hedge)	USD_INR	Sell	(1,328)	652
	USD_INR	Buy	-	#
Foreign currency option contracts (with underlying firm commitments considered for cash value hedge)	USD_INR	Buy & Sell	-	72
Total Gain / (Loss)			**(1,498)**	**819**

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(c) Details of amount held in hedging reserve (i.e. cash flow hedge) and the period over which these are going to be released:

For the year ended as on 31st March, 2020 **(₹ in Lakhs)**

Particulars	Closing value in hedging reserve Gain / (Loss)	Release in less than 12 months	Release in more than 12 months
Foreign currency forward contracts (gross amount):			
USD_INR (trade receivables)	(1,328)	(1,328)	Nil
USD_INR (trade payables)	-	-	Nil
Closing balance as at year end	**(1,328)**	**(1,328)**	**Nil**

For the year ended as on 31st March, 2019 **(₹ in Lakhs)**

Particulars	Closing value in hedging reserve Gain / (Loss)	Release in less than 12 months	Release in more than 12 months
Foreign currency contracts (gross amount):			
USD_INR (trade receivables)	652	652	Nil
USD_INR (trade payables)	#	#	Nil
Foreign currency option contracts (gross amount):			
USD_INR (trade payables)	72	72	Nil
Closing balance as at year end	**724**	**724**	**Nil**

(d) Amount of gain / loss (net of taxes) recognised in hedging reserve and recycled:

i) During the financial year 2019-20: **(₹ in Lakhs)**

Particulars	Opening balance	Net amount recognised	Recycled to P&L (Refer note below)	Closing balance
Foreign currency forward contracts	452	(1,599)	65	(1,082)
Foreign currency option contracts	(47)	47	-	-
Total	**405**	**(1,552)**	**65**	**(1,082)**

Note - Amount recycled to P&L also includes loss of ₹ 65 Lakhs reclassified from OCI to P&L as per FAQ issued by ICAI for Ind AS entities amid Covid-19, in case where customer have cancelled their orders subsequently due to lock-down.

ii) During the financial year 2018-19: **(₹ in Lakhs)**

Particulars	Opening balance	Net amount recognised	Recycled to P&L	Closing balance
Foreign currency contracts	(68)	(172)	692	452
Foreign currency option contracts	-	(47)	-	(47)
Total	**(68)**	**(219)**	**692**	**405**

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for the year ended 31st March, 2020

(e) Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes.

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, 2020 is ₹ Nil (Previous year : ₹ Nil)."

43 Auditors Remuneration:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Payment to auditor as:		
a) Auditor (i) Statutory audit	24	18
(ii) Tax audit	3	2
b) for taxation matters	5	11
c) for other services	#	#
d) for reimbursement of expenses	#	#
Total	**32**	**32**

44 Earnings Per Share :

(₹ in Lakhs)

Particulars	2019-20	2018-19
Net Profit available for Equity Shareholders as per statement of profit and loss	21,935	17,747
Weighted average number of equity shares for basic and diluted EPS (in Numbers)	2,289	2,314
Basic and Diluted Earning per share (₹)	9.58	7.67
Face Value Per Equity Share (₹)	2.00	2.00

45 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 Lakhs)

Particulars	Amount as at year end	Maximum amount outstanding during the year
Loans & Advances in the nature of Loans to subsidiaries (excluding accrued interest):		
eSense Learning Private Limited	800	800
	(450)	(450)
Indiannica Learning Private Limited	100	3,900
	(2,900)	**(2,900)**

Previous year figures are in bracket

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

46 Details of loans given, investments made and guarantees given covered under section 186(4) of the Companies Act, 2013:

(a) Details of investments made have been given as part of note 9.

(b) Loans and Financial Guarantees given below:

(₹ in Lakhs)

Name of the Company	Relationship	Nature of transaction	As at 31-Mar-2020	As at 31-Mar-2019
Details of loans				
eSense Learning Private Limited	Subsidiary Company	Loan given	800	450
Indiannica Learning Private Limited	Subsidiary Company	Loan given	100	2,900
Details of Guarantees				
eSense Learning Private Limited	Subsidiary Company	Financial Guarantee	1,650	1,650
Indiannica Learning Private Limited	Subsidiary Company	Financial Guarantee	3,000	3,000

Loan and guarantee is given for commercial and corporate purpose. Subsequent to year end, the loan is received back in full along with interest.

47 Disclosure of movement of provisions :

(a) Provision for sales return

(₹ in Lakhs)

Particulars	2019-20	2018-19
Opening balance of provision	984	909
Add: Addition during the year	544	984
Less: Utilized	984	909
Closing balance of provisions	**544**	**984**

Note: Provision has been made for expected return for sales made during the year. Provision for sales return would be utilised against the returns which are expected to be received in the subsequent financial year.

(b) Provision for discounts

(₹ in Lakhs)

Particulars	2019-20	2018-19
Opening balance of provision	414	254
Add: Addition during the year	501	414
Less: Utilized/Written Back	414	254
Closing balance of provisions	**501**	**414**

Note: Provision has been recognized for expected discount to be provided to distributor on the basis of agreed terms and fulfilment of future obligation by distributor.

(c) Provision for contingencies, rent escalation etc.

(₹ in Lakhs)

Particulars	2019-20	2018-19
Opening balance of provision	#	#
Add: Addition during the year	135	#
Less: Utilized/Written Back	#	-
Closing balance of provisions	**135**	**#**

Note: Provision has been recognized against certain business related obligations, rent escalation etc.

48 Employee benefits:

(a) The Company has recognized the following amounts towards defined contribution plans as an expense and included in the Statement of Profit and Loss.

(₹ in Lakhs)

Particulars	2019-20	2018-19
Provident Fund	751	531
Employee State Insurance Corporation	51	70
Labour Welfare Fund	1	1
Total	**803**	**602**

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

(b) Defined benefit plan and long term employment benefits:

These plans typically expose the Company to actuarial risks such as: Investment, Interest rate, longevity and salary increase risk:

I. Investment / Interest risk: The Company is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit. Since the scheme is unfunded in case of compensated absence, the Company is not exposed to Investment / Interest risk.

II. Longevity Risk: The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

III. Risk of Salary Increase: The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

(i) Defined benefit plan and long term employment benefits: Gratuity (Defined benefit plan):

In respect of gratuity, the Company makes 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:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Change in Obligation		
Opening Present Value of Accrued Gratuity	3,690	3,134
Service Cost	257	221
Actuarial changes arising from changes in financial assumptions	(45)	10
Actuarial changes arising from changes in demographic assumptions	(1)	-
Actuarial changes arising from changes in experience adjustments	97	103
Interest Cost	279	240
Less : Benefits paid	(89)	(18)
Closing Present Value of Accrued Gratuity	**4,188**	**3,690**

(₹ in Lakhs)

Particulars	2019-20	2018-19
Change in Plan Asset		
Opening Fund Balance	3,764	3,132
Interest Income	302	255
Adjustment to Opening balance	(6)	(1)
Return on the plan asset	4	(11)
Contribution by the Company	483	407
Less: Benefits paid	(89)	(18)
Closing Fund Balance	**4,460**	**3,764**

(₹ in Lakhs)

Particulars	2019-20	2018-19
Reconciliation of present value of obligation and the plan asset		
Closing Fund Balance	4,460	3,764
Closing present value of Accrued Gratuity	4,188	3,690
Net Liability / (Asset) recognized in balance sheet	**(272)**	**(74)**

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	2019-20	2018-19
Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	257	221
Interest Cost	279	240
Return on Plan Assets	(302)	(255)
Expenses recognized in the Statement of P&L	**234**	**206**

(₹ in Lakhs)

Particulars	2019-20	2018-19
Expenses recognized in the other comprehensive income		
Net Actual (Gain) / Loss recognized	51	113
Return on the plan asset	(4)	11
Expenses recognized in the other comprehensive income	**47**	**124**

(₹ in Lakhs)

Particulars	2019-20	2018-19
Movement in the Liability recognized in Balance Sheet.		
Opening Net Liability	(74)	2
Adjustment to Opening balance	6	1
Expenses as above	234	206
Contribution paid	(483)	(407)
Other comprehensive income (OCI)	47	124
Closing Net Liability	**(272)**	**(74)**

(₹ in Lakhs)

Particulars	2019-20	2018-19
Experience adjustment:		
Experience adjustment on plan liability	97	103
Experience adjustment on plan asset	(4)	11
Net experience adjustment	**93**	**114**

Sensitivity analysis:

Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

Sensitivity analysis for the year ended 31st March, 2020:

(₹ in Lakhs)

Defined benefit obligation	Discount rate	Salary escalation rate
Effect on defined benefit obligation due to increase by 100 basis point	3,809	4,628
Effect on defined benefit obligation due to decrease by 100 basis point	4,637	3,809

Sensitivity analysis for the year ended 31st March, 2019:

(₹ in Lakhs)

Defined benefit obligation	Discount rate	Salary escalation rate
Effect on defined benefit obligation due to increase by 100 basis point	3,393	4,032
Effect on defined benefit obligation due to decrease by 100 basis point	4,039	3,394

Assumptions

Return on plan assets	6.80%	7.67%
Salary escalation rate	7.00%	8.00%
Discounting rate	6.80%	7.67%
Employee attrition rate	0.80% for all ages	0.80% for all ages

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

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)

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India under their Group Gratuity Scheme. The reimbursement is subject to Insurer's Surrender Policy.

As at 31st March, 2020 and 31st March, 2019, the plan assets have been primarily invested in Government securities. The Company expects to contribute 4,25,00,000 to the gratuity scheme during the next financial year."

Expected maturity analysis of defined benefit obligation

(₹ in Lakhs)

Period	2019-20	2018-19
Within 1 year	440	537
From 1 year to 2 years	142	132
From 2 years to 3 years	156	412
From 3 years to 4 years	495	195
From 4 years to 5 years	239	189
From 5 years to 10 years	1,384	1,249

The weighted average remaining duration of the benefit obligation as at 31st March, 2020 is 10.36 years (Previous year: 9.24 years).

(ii) Defined benefit plan and long term employment benefits: Compensated absences (unfunded)

In respect of Compensated absences, 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 compensated absences 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 Lakhs)

Particulars	2019-20	2018-19
Change in Obligation		
Opening Present Value	1,722	1,529
Service Cost	700	603
Actuarial changes arising from changes in financial assumptions	(24)	6
Actuarial changes arising from changes in demographic assumptions	#	-
Actuarial changes arising from changes in experience adjustments	(779)	(483)
Interest Cost	128	115
Less: Benefits paid	(94)	(48)
Closing Present Value	**1,653**	**1,722**

(₹ in Lakhs)

Particulars	2019-20	2018-19
Change in Plan Asset		
Opening Fund Balance	-	-
Contribution by the Company	94	48
Less: Benefits paid	(94)	(48)
Closing Fund Balance	**-**	**-**

(₹ in Lakhs)

Particulars	2019-20	2018-19
Reconciliation of present value of obligation and the plan asset		
Closing Fund Balance	-	-
Closing present value	1,653	1,722
Net Liability recognized in balance sheet	**1,653**	**1,722**

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	2019-20	2018-19
Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	700	603
Interest Cost	128	115
Net Actual (Gain) / Loss recognized	(803)	(477)
Expenses recognized in the Statement of P&L	**25**	**241**

(₹ in Lakhs)

Particulars	2019-20	2018-19
Movement in the Liability recognized in Balance Sheet		
Opening Net Liability	1,722	1,529
Expenses as above	25	241
Benefits paid	(94)	(48)
Closing Net Liability	**1,653**	**1,722**

Sensitivity analysis for the year ended 31st March, 2020:

(₹ in Lakhs)

PVO	Discount rate	Salary escalation rate
Effect on defined benefit obligation due to increase by 100 basis point	1,477	1,868
Effect on defined benefit obligation due to decrease by 100 basis point	1,868	1,476

Sensitivity analysis for the year ended 31st March, 2019:

(₹ in Lakhs)

PVO	Discount rate	Salary escalation rate
Effect on defined benefit obligation due to increase by 100 basis point	1,543	1,934
Effect on defined benefit obligation due to decrease by 100 basis point	1,938	1,543

Assumptions

Salary escalation rate	7.00%	8.00%
Discounting rate	6.80%	7.67%
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

49 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 promoting education, preventive health care, animal welfare & others which are as per eligible activities specified in Schedule VII of the Companies Act, 2013. (Refer also note 60.3)

(a) Gross amount required to be spent by the Company during the current year is ₹ 496 Lakhs (Previous year: ₹ 435 Lakhs).

(b) Details of amount spent during the year are as under:

(₹ in Lakhs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
	(-)	(-)	(-)
(ii) On purpose other than (i) above	641	-	641
	(777)	**(-)**	**(777)**

(Previous years figures are in bracket)

50 All amounts are rounded to the nearest lakhs, except when otherwise mentioned. Figures of ₹ 50,000 or less have been denoted by #.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

51 Disclosure as per Ind AS 12 'Income Taxes'

A. Income tax expense in the statement of profit and loss consists of:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Current income tax:		
In respect of the current year	7,671	9,534
In respect of the prior years	49	(26)
Deferred tax		
In respect of the current year	(141)	(184)
Income tax expense recognized in the statement of profit or loss	**7,579**	**9,324**
Income tax recognized in other comprehensive income:		
Deferred tax arising on income and expense recognized in OCI		
a) Re-measurement of the net defined benefit plan	(12)	(43)
b) Financial liabilities at fair value (forward contracts)	(500)	373
Income tax expense recognized in other comprehensive income	**(512)**	**330**

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 Lakhs)

Particulars	2019-20	2018-19
Profit before tax (before OCI)	29,514	27,071
Impact of changes on account of permanent disallowances (net) (refer note 51.2)	361	37
Impact of Chapter VI-A deductions (net)	233	15
Adjusted profit	30,107	27,123

(₹ in Lakhs)

Particulars	2019-20	2018-19
Enacted income tax rate in India	25.17%	34.94%
Computed expected tax expense	**7,577**	**9,478**
Tax expenses as per the Statement of Profit and Loss	7,579	9,325
Impact of tax rate change	(7)	-
Others	6	154
Actual tax expenses	**7,577**	**9,478**

Notes:

51.1 The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax and remeasured its deferred tax balances on the basis of rate prescribed in the said section. Accordingly, the applicable corporate income tax rate for the Company for the year ended 31st March, 2020 and 31st March, 2019 is 25.17% and 34.94%, respectively.

51.2 Deferred tax asset is not recognised on provision towards impairment loss on investments amounting to ₹ 373 Lakhs (Previous year: ₹ Nil) due to lack of reasonable certainity as regard timing of reversal.

51.3 In the opinion of the Management, the Company does not have any item of allowance / disallowance; tax treatment of which is uncertain on account of on-going disputes with the authorities.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

52 Dividend distribution

Particulars	₹ in Lakhs (incl. DDT)
Final dividend for FY 2018-19:	
a) Final dividend of ₹ 1.00 per equity share (50%) on 24th July, 2019	2,289
b) Dividend Distribution Tax on final dividend	470
Interim / Final dividends for FY 2019-20:	
a) First interim dividend of ₹ 2.50 per equity share (125%) on 13th November, 2019	5,722
b) Second interim / final dividend of ₹ 0.50 per equity share (25%) on 13th March, 2020	1,144
c) Dividend Distribution Tax on interim dividend (Both on a and b)	1,411
Total	**11,037**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividend in Indian rupees. (Also refer Statement of Changes in Equity). Also refer Dividend Distribution Policy of the Company given on the website in 'Corporate Governance Policies' section.

53 Disclosure as per Ind AS 10 'Events after the reporting period'

a) No significant event has occurred subsequent to year end.

54 COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, etc. The Company has made assessment of its liquidity position for the next financial year and has considered internal and external information in assessing the recoverability of its assets such as investments, loans, intangible assets, trade receivable, inventories etc. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of these assets.

The impact assessment of COVID-19 is an ongoing process, and may be different from that estimated as at the date of approval of these financial results, given the uncertainties associated with its nature and duration and the Company will continue to monitor all material changes to the entity's environment.

55 Related Party Transactions

I) List of related parties with whom transactions have taken place and their relationships:

(a) Enterprises where control exists:
Subsidiaries:

eSense Learning Private Limited
Navneet Learning LLP
Indiannica Learning Private Limited
Navneet (HK) Limited

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

(b) Associates:

K12 Techno Services Private Limited

(c) Other Related Parties with whom transactions have taken place during the year:

(i)	Enterprises over which (i) Key Management Personnel and their relatives & (ii) entities having significant influence over the Company have control or are under significant influence through voting powers	Navneet Prakashan Kendra Vikas Prakashan Gala Publishers Sandeep Agency Allcargo Logistics Limited	Navneet Foundation The Flagship Advertising Pvt. Ltd. Sai Plast Navneet Trust
(ii)	Directors /Key Management Personnel & Relatives	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 Devish G. Gala	Shri Kamlesh S. Vikamsey Shri Nilesh S. Vikamsey Smt. Usha Laxman Shri Tushar K. Jani Shri Mohinder Pal Bansal Dr. Vijay B. Joshi Shri Archit R. Gala Smt. Henal T. Mehta Shri Atul J. Shethia (upto 13.11.2019) Shri Anil Swarup (from 8.08.2019)
(iii)	Key Management Personnel as per the Companies Act 2013	Shri Deepak L Kaku (Chief Financial Officer) Shri Amit D Buch (Company Secretary)	
(iv)	Post employment Benefit Plan	Employees' Gratuity fund	

II) Disclosure in respect of transactions with related parties during the year

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20 (₹ In Lakhs)		2018-19 (₹ In Lakhs)	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	**Royalty Expense**				
	Subsidiary:	6		239	
	eSense Learning Private Limited		6		239

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20 (₹ In Lakhs)		2018-19 (₹ In Lakhs)	
		Amount	Amounts for major parties	Amount	Amounts for major parties
	Enterprises owned or significantly influenced by KMP or their relatives:	3,094		3,085	
	Navneet Prakashan Kendra		1,613		1,737
	Vikas Prakashan		919		808
	Gala Publishers		561		540
2	**Lease payment (Refer note 41)**				
	Enterprises owned or significantly influenced by KMP or their relatives:	951		924	
	Navneet Prakashan Kendra		712		678
	Vikas Prakashan		58		55
	Gala Publishers		33		32
	Sandeep Agency		147		159
3	**Sales Promotion Expense**				
	Subsidiaries:	-		29	
	eSense Learning Private Limited		-		29
4	**Electricity Expense**				
	Enterprises owned or significantly influenced by KMP or their relatives:	#		#	
	Navneet Prakashan Kendra		#		#
5	**Legal and professional fees**				
	Enterprises owned or significantly influenced by KMP or their relatives:	201		152	
	The Flagship Advertising Pvt. Ltd.		186		139
	Smt. Henal T. Mehta		15		14
	Consultancy fees paid to non-executive director:	16		-	
	Anil Swarup		16		-

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20 (₹ In Lakhs)		2018-19 (₹ In Lakhs)	
		Amount	Amounts for major parties	Amount	Amounts for major parties
6	**Other Manufacturing Expenses**				
	Enterprises owned or significantly influenced by KMP or their relatives:	12		5	
	The Flagship Advertising Pvt. Ltd.		7		-
	Sai Plast		5		5
7	**Purchase of Finished Goods**				
	Subsidiary:	292		237	
	eSense Learning Private Limited		3		20
	Navneet (HK) Limited		289		216
8	**Digital contents (Prepayments)**				
	Subsidiary:	286		-	
	eSense Learning Private Limited		286		-
9	**Advertisement expense**				
	Enterprises owned or significantly influenced by KMP or their relatives:	56		-	
	The Flagship Advertising Pvt. Ltd.		56		-
10	**Sample expense (Other expense)**				
	Enterprises owned or significantly influenced by KMP or their relatives:	#		-	
	Smt. Henal T. Mehta		#		-
11	**Corporate Social Responsibility expenses**				
	Enterprises owned or significantly influenced by KMP or their relatives:	350		300	
	Navneet Foundation		350		300

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20 (₹ In Lakhs)		2018-19 (₹ In Lakhs)	
		Amount	Amounts for major parties	Amount	Amounts for major parties
12	**Short term employee benefits (Remuneration / Salary) Paid to (Refer footnote (i) below)**				
	KMP & their Relative:	1,229		1,276	
	Shri Atul J. Shethia		60		87
	Shri Bipin A. Gala		150		146
	Shri Anil D. Gala		145		152
	Shri Gnanesh D. Gala		143		152
	Shri Shailendra J. Gala		129		132
	Shri Raju H. Gala		166		158
	Shri Sanjeev J. Gala		132		147
	Shri Ketan Bipin Gala		137		144
	Shri Kalpesh H. Gala		139		139
	Smt. Pooja Ketan Gala		5		5
	Shri Archit R. Gala		11		7
	Shri Devish G. Gala		12		9
	KMP & their Relative as per the Companies Act 2013:	90		82	
	Shri Deepak L Kaku		53		46
	Shri Amit D Buch		37		36
	Sitting fees paid to non-executive director:	14		10	
	Shri K S Vikamsey		2		1
	Shri. Nilesh S. Vikamsey		1		1
	Smt. Usha Laxman		3		2
	Shri Tushar K. Jani		1		1
	Shri Mohinder Pal Bansal		3		2
	Dr. Vijay B. Joshi		2		3
	Shri Anil Swarup		2		-
13	**Rent Income**				
	Subsidiaries:	70		73	

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20 (₹ In Lakhs)		2018-19 (₹ In Lakhs)	
		Amount	Amounts for major parties	Amount	Amounts for major parties
	eSense Learning Private Limited		70		69
	Indiannica Learning Pvt. Ltd.		-		5
14	**Sale of services**				
	Subsidiaries:	236		34	
	Indiannica Learning Pvt. Ltd.		236		34
	Associates:	-		#	
	K12 Techno Services Pvt. Ltd.		-		#
15	**Interest Income**				
	Subsidiaries:	194		198	
	eSense Learning Private Limited		59		9
	Indiannica Learning Pvt. Ltd.		134		189
	Enterprises owned or significantly influenced by KMP or their relatives, including:	14		-	
	Allcargo Logistics Limited		14		-
16	**Sales of Finished Goods / services**				
	Subsidiaries:	-		4	
	eSense Learning Private Limited		-		#
	Indiannica Learning Pvt. Ltd.		-		4
	Enterprises owned or significantly influenced by KMP or their relatives:	-		#	
	Navneet Foundation		-		#
17	**Loan Given**				
	Subsidiaries:	1,450		1,850	
	eSense Learning Private Limited		350		450
	Indiannica Learning Pvt. Ltd.		1,100		1,400

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for the year ended 31st March, 2020

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20 (₹ In Lakhs)		2018-19 (₹ In Lakhs)	
		Amount	Amounts for major parties	Amount	Amounts for major parties
18	**Inter corporate deposit given**				
	Enterprises owned or significantly influenced by KMP or their relatives:	3,000		-	
	Allcargo Logistics Limited		3,000		-
19	**Investment made in subsidiaries**				
	Capital contribution:	1,995		1,435	
	Navneet Learning LLP		1,995		1,435
	Investments in OCPS:	4,900		-	
	Indiannica Learning Pvt. Ltd. (Refer Note 9.6).		4,900		-
	Others - Notional guarantee commission:	47		43	
	eSense Learning Private Limited		17		17
	Indiannica Learning Pvt. Ltd.		30		26
20	**Loan repayment**				
	Subsidiary:	3,900		-	
	Indiannica Learning Pvt. Ltd.		3,900		-
21	**Contribution to Post-employment benefit plan**	483		407	
	Employees' Gratuity fund		483		407
22	**Shares bought Back**				
	KMP & their Relative:	-		3,884	
	Shri Bipin A. Gala		-		72
	Shri Anil D. Gala		-		106
	Shri Gnanesh D. Gala		-		102
	Shri Shailendra J. Gala		-		41
	Shri Raju H. Gala		-		56
	Shri Sanjeev J. Gala		-		41
	Shri Ketan Bipin Gala		-		79
	Shri Kalpesh H. Gala		-		134

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20 (₹ In Lakhs)		2018-19 (₹ In Lakhs)	
		Amount	Amounts for major parties	Amount	Amounts for major parties
	Smt. Pooja Ketan Gala		-		9
	Shri Archit R. Gala		-		28
	Navneet Trust		-		3,217
23	**Dividend Paid (Including Interim Dividend)**				
	KMP & their Relative:	4,666		1,708	
	Shri Bipin A. Gala		90		34
	Shri Anil D. Gala		132		51
	Shri Gnanesh D. Gala		127		49
	Shri Shailendra J. Gala		140		20
	Shri Raju H. Gala		80		27
	Shri Sanjeev J. Gala		140		20
	Shri Ketan Bipin Gala		98		38
	Shri Kalpesh H. Gala		173		64
	Smt. Pooja Ketan Gala		11		4
	Shri Archit R. Gala		35		13
	Navneet Trust		3,639		1,388
	Dividend paid to non-executive director:	#		#	
	Dr. Vijay B. Joshi		#		#
	Enterprises owned or significantly influenced by KMP or their relatives:	4		2	
	Smt. Henal T. Mehta		4		2

III) Related Parties Accounts Payable/Receivable as on 31.3.2020

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20 (₹ In Lakhs)		2018-19 (₹ In Lakhs)	
		Amount	Amounts for major parties	Amount	Amounts for major parties
1	**Loans & Advances Recoverable**				
	Subsidiaries:	900		3,350	

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20 (₹ In Lakhs)		2018-19 (₹ In Lakhs)	
		Amount	Amounts for major parties	Amount	Amounts for major parties
	eSense Learning Private Limited		800		450
	Indiannica Learning Pvt. Ltd.		100		2,900
2	**Interest on loans & advances recoverable**				
	Subsidiaries:	28		-	
	eSense Learning Private Limited		28		-
	Indiannica Learning Pvt. Ltd.		#		-
	Enterprises owned or significantly influenced by KMP or their relatives, including:	14		-	
	Allcargo Logistics Limited		14		-
3	**Investments in Subsidiaries**				
	Capital contribution:	11,153		9,157	
	Navneet Learning LLP		11,153		9,157
	Investments in OCPS:	4,900		-	
	Indiannica Learning Pvt. Ltd.		4,900		-
	Equity investments:	7,793		7,763	
	Navneet (HK) Limited		23		23
	Indiannica Learning Pvt. Ltd. (including financial guarantee, for details refer footnote (ii) below)		7,770		7,740
	Equity investments (Net of impairment loss):	2,305		2,660	
	eSense Learning Private Limited (including financial guarantee, for details refer footnote (ii) below and also refer note 9.3)		2,305		2,660
4	**Trade receivable**				
	Subsidiaries:	150		37	
	Indiannica Learning Pvt. Ltd.		150		37
	Associates:	-		#	
	K12 Techno Services Pvt. Ltd.		-		#
5	**Advance to Subsidiary**	134		-	

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20 (₹ In Lakhs)		2018-19 (₹ In Lakhs)	
		Amount	Amounts for major parties	Amount	Amounts for major parties
	eSense Learning Private Limited		134		-
6	**Balance with Fund**	4,460		3,765	
	Employees' Gratuity Scheme		4,460		3,765
7	**Inter corporate deposit given**				
	Enterprises owned or significantly influenced by KMP or their relatives:	3,000		-	
	Allcargo Logistics Limited		3,000		-

Footnote:

(i) The above figure excludes provision for gratuity and compensated absences which have been actuarially determined on overall basis.

(ii) Financial Guarantee are issued in favour of banks against loans taken by subsidiaries. The amount of guarantee is ₹ 4,650 Lakhs (Previous Year: ₹ 4,650 Lakhs). Fair value of financial guarantee is accounted in accordance with Ind AS 109 (Refer note 9).

(iii) Transactions with related parties in the nature of sale of goods, rendering of services, purchase of goods, procurement of services are at arm's length price.

(iv) Interest rate ranges from 8% to 9% per annum, has been charged to eSense Learning Private Limited and Indiannica Learning Private limited.

56 Operating Segment

The Company's operations relates 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. The company is organised into business units based on its products and services and has three reportable segments as follows :

i) Publication
ii) Stationery
iii) Others comprises of revenue from generation of power by windmill, trading items etc.

The accounting principles and policies used in the preparation of the Standalone Financial Statements, as set out in the note on significant accounting policies, are also consistently applied to record assets, liabilities, revenue and expenditure, in individual segments.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

[A] The following summary describes the operations in each of the reportable segments

(₹ in Lakhs)

Particulars	Publication		Stationery		Others		Total	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Revenue	69,875	71,076	74,124	64,812	515	492	1,44,514	1,36,380
Less : Inter Segment Revenue	-	-	-	-	(334)	(326)	(334)	(326)
Net Revenue	69,875	71,076	74,124	64,812	181	166	1,44,180	1,36,054
Other Income	139	100	1,327	824	-	(7)	1,467	916
Segment Revenue	**70,015**	**71,176**	**75,451**	**65,636**	**181**	**158**	**1,45,647**	**1,36,970**
Segment Results	**20,721**	**24,668**	**12,235**	**6,410**	**272**	**213**	**33,228**	**31,291**
Add: Unallocated Other Income / (Expense)							1,072	1,029
Less: Financial Expenses							(1,189)	(1,186)
Less: Unallocable Expenditures							(3,597)	(4,063)
Profit Before Taxation							**29,514**	**27,071**
Provision for Taxation (Income tax, Deferred tax and excess provision of earlier years)							7,579	9,324
Profit after taxation							**21,935**	**17,747**
Segment Assets	57,935	55,438	49,200	59,032	11,809	9,890	1,18,945	1,24,361
Unallocated Assets							11,744	5,252
Total Assets							**1,30,688**	**1,29,613**
Segment Liabilities	5,230	4,831	6,313	6,886	2	3	11,545	11,719
Unallocated Liabilities							22,571	30,659
Total Liabilities							**34,116**	**42,416**
Capital Expenditure	3,029	1,995	1,433	1,210	-	-	4,463	3,204
Unallocated Capital Expenditure							2,851	285
Depreciation and amortisation on Segmental Assets	1,764	1,329	1,046	959	80	92	2,889	2,381
Unallocated Depreciation and amortisation							640	66
Non-cash items								
(i) Impairment of investment (Refer note (v))							373	-
(ii) Allowances for doubtful debts and bad-debts							482	96

Notes :

(i) 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.

(ii) 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 enterprise as a whole have been grouped as unallocable.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

(iii) In publication segment, concentration of revenues from one customer of the Company were 16.67% and 14.45% of total publication revenue for the year ended 31st March, 2020 and 31st March, 2019 respectively and in stationery segment, concentration of revenues from one customer of the Company were 35.75% and 38.61% of total stationery revenue for the year ended 31st March, 2020 and 31st March, 2019 respectively.

(iv) Sales between operating segments are carried out at arm's length basis and are eliminated at Company level consolidation.

(v) Impairment of investment in 'eSense Learning Private Limited' of ₹ 373 Lakhs (Previous year: ₹ Nil). Also refer note 9.3 (b).

[B] Geographical Segments

(₹ in Lakhs)

Particulars	Outside India				India	Total
	North & Central America	Africa	Europe	Others		
Segment Revenue from operations	33,743	1,031	10,125	1,652	97,630	1,44,180
	(29,388)	(2,107)	(5,105)	(1,426)	(98,028)	(1,36,054)
Non-current assets	-	-	-	-	22,659	22,659
	(-)	(-)	(-)	(-)	(19,290)	(19,290)

(Previous Years Figures in Brackets)

Note: As per IND AS 108, 'Operating Segment', non-current assets considered above are other than financial instruments, deferred tax assets, post-employment benefit assets etc.

57 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.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

Fair value hierarchy

The following table presents the financial assets and financial liabilities by level with the fair value measurement hierarchy :

(₹ in Lakhs)

	Particulars	31st March, 2020		31st March, 2019	
		Level of input used in*	Carrying Amount	Level of input used in	Carrying Amount
a)	**Financial assets**				
	At Amortised Cost				
	Trade receivables	NA	20,538	NA	21,986
	Cash and cash equivalents	NA	226	NA	1,470
	Bank deposits	NA	42	NA	39
	Earmarked balances with Bank	NA	353	NA	296
	Loans	NA	7,236	NA	6,115
	Other financial assets	NA	1,447	NA	3,264
	At Fair Value Through P&L				
	Investment in Equity (Refer note 9.7)	Level 1	214	Level 1	-
	Investment in Mutual fund	Level 1	200	Level 1	-
	Security deposits	Level 2	-	Level 2	1
	Investment in Financial guarantee -subsidiaries	Level 2	368	Level 2	322
	Financial assets at fair value (forward contracts)	Level 2	-	Level 2	819
b)	**Financial liabilities**				
	At Amortised Cost				
	Cash Credit	NA	-	NA	3,000
	Trade payables	NA	3,730	NA	5,882
	Working capital loan	NA	6,001	NA	6,501
	Commercial paper	NA	13,000	NA	20,000
	Other financial liability	NA	2,098	NA	2,996
	Lease Liability	NA	3,627	NA	-
	At Fair Value Through P&L				
	Financial guarantee contracts	Level 2	47	Level 2	47
	Financial liabilities at fair value (forward contracts)	Level 2	1,498	Level 2	-

* There has been no transfer between level 1 and level 2 during the year ended 31st March, 2020 and 31st March, 2019. Level is NA, since valued at amortised cost.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

Notes:

(i) For Details of income and gains related to financial instruments (Refer Note 32)

(ii) Investments in subsidiaries are valued at cost less impairment loss (if any) in accordance with Ind AS 27 'Separate Financial Statements', consequently the same is not disclosed in above table.

Financial /Bank guarantee:

(i) Financial Guarantees are issued in favour of banks against loans taken by subsidiaries. The amount of guarantee is ₹ 4,650 Lakhs (Previous Year: ₹ 4,650 Lakhs). Fair value of financial guarantee is accounted in accordance with Ind AS 109 (Refer note 9.2 and 27).

(ii) Bank Guarantee is given to electricity department (DNH Power Distribution Corporation Limited) for electricity deposit of ₹ 32 Lakhs (Previous Year: ₹ 30 Lakhs).

58 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 and 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 Lakhs)

Year ended as on	Change in Int. Rate	Effect on profit before tax
31st March, 2020	Increase by 50 basis points (50 bps)	95
	Decrease by 50 basis points (50 bps)	(95)
31st March, 2019	Increase by 50 basis points (50 bps)	148
	Decrease by 50 basis points (50 bps)	(148)

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

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 and cash and cash equivalent.

The following table analyses the foreign currency risk from monetary assets and liabilities as at balance sheet date:

Particulars / Foreign currency	2019-20		2018-19	
	Amount in foreign currency	₹ in Lakhs	Amount in foreign currency	₹ in Lakhs
Payables				
EUR	820	1	644	#
GBP	3,377	3	4,713	4
HKD	-	-	70,290	6
USD	51,384	39	25,143	17
Balances with banks				
USD	-	-	17,00,671	1,175
Total Asset / Liability (net)	**(55,581)**	**(43)**	**15,99,881**	**1,147**

Note: - Open purchase / sales orders are not considered for above purpose. Further foreign currency trade receivables are fully hedged by forward contracts and advances receivable / payable are not exposed to risk, hence not considered above.

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 Lakhs)

Year ended as on	Change in USD rate	Effect on profit before tax
31st March, 2020	Increase by 500 basis points (500 bps)	(2)
	Decrease by 500 basis points (500 bps)	2
31st March, 2019	Increase by 500 basis points (500 bps)	36
	Decrease by 500 basis points (500 bps)	(36)

Previous year figures are in bracket

Note:- Foreign currency trade receivables are not considered for the purpose of sensitivity because they are fully hedged by forward contracts.

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, 2020, ₹ 1,395 Lakhs (Previous year: ₹ 1,788 Lakhs) is due from a single US based customer being the Company's largest customer. 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.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix and past historical experience. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

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 except as mention in note 16.4.

The ageing of trade receivable and credit loss allowance is as under: **(₹ in Lakhs)**

Particulars	Ageing		Total
	Upto 6 months	More than 6 months	
As at 31st March, 2020			
Secured	-	-	-
Unsecured	19,367	1,709	21,076
Total receivables	19,367	1,709	21,076
Allowance for doubtful receivables and expected credit losses			538
Net Receivables	**19,367**	**1,709**	**20,538**
Expected loss rate *			2.55%
As at 31st March, 2019			
Secured	-	-	-
Unsecured	20,932	1,239	22,171
Total receivables	20,932	1,239	22,171
Allowance for doubtful receivables and expected credit losses			185
Net Receivables	**20,932**	**1,239**	**21,986**
Expected loss rate *			0.83%

* Expected loss rate includes both allowance made based assessed credit risk on an individual basis and expected loss based on historical experience.

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

Movement in expected credit loss /allowances for doubtful debts

(₹ in Lakhs)

Particulars	Expected credit loss		Allowances for doubtful debts	
	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019
Balance at the beginning of the year	20	10	165	99
Allowance made during the year	90	10	304	80
Reversal of allowance during the year	-	-	42	14
Balance at the end of the year	**110**	**20**	**428**	**165**

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 management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Year ended 31st March, 2020				
Non-derivative				
Working capital loan	6,001	-	-	6,001
Commercial paper	13,000	-	-	13,000
Lease liability	744	2,883	-	3,627
Trade payables	3,730	-	-	3,730
Other financial liability	2,098	-	-	2,098
Financial guarantee contract	47	-	-	47
Derivative				
Financial liabilities at fair value (forward contracts)	1,498	-	-	1,498
Year ended 31st March, 2019				
Non-derivative				
Working capital loan	6,501	-	-	6,501

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Commercial paper	20,000	-	-	20,000
Lease liability	-	-	-	-
Cash credit facility	3,000	-	-	3,000
Trade payables	5,882	-	-	5,882
Other financial liability	2,996	-	-	2,996
Financial guarantee contract	47	-	-	47

Note - Future interest payment in respect to current borrowings of working capital loan, Commercial paper, Cash credit facility are not added in maturity profile tabulated above.

The table below summarises the maturity profile of the Company's financial assets based on contractual undiscounted receipts.

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Year ended 31st March, 2020				
Non-derivative				
Investments Current and Non current	-	214	-	214
Loans (including Inter Corporate Deposit)	5,012	2,224	-	7,236
Trade receivables	20,538	-	-	20,538
Cash and Cash equivalent	426	-	-	426
Other Bank balances	395	-	-	395
Other financial assets	1,321	126	-	1,447
Year ended 31st March, 2019				
Non-derivative				
Loans (including Inter Corporate Deposit)	1,188	4,928	-	6,116
Trade receivables	21,986	-	-	21,986
Cash and Cash equivalent	1,470	-	-	1,470
Other Bank balances	335	-	-	335
Other financial assets	584	2,680	-	3,264
Derivative				
Financial assets at fair value (forward contracts and option contract)	819	-	-	819

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

The Company is not exposed to significant liquidity risk based on past performance and current expectations. The company believes that the cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

Note: Investments in subsidiaries are valued at cost less impairment loss (if any) in accordance with Ind AS 27 'Separate Financial Statements', consequently the same is not disclosed in maturity profile tabulated above.

The note below sets out details of the undrawn facilities that will be available for future operating facilities and to settle capital commitments of the Company.

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Secured cash credit and other borrowing facility		
- Amount used (Bank OD or Book OD)	211	4,131
- Amount unused	37,789	33,869
	38,000	**38,000**
Unsecured cash credit and other borrowing facility		
- Amount used	6,000	6,500
- Amount unused	25,000	24,500
	31,000	**31,000**
Total facilities		
- Amount used	6,211	10,631
- Amount unused	62,789	58,369
	69,000	**69,000**

59 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 Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Working capital loan	6,001	6,501
Lease liability	3,627	-

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Commercial papers	13,000	20,000
Cash credit facility / Book OD	210	3,000
Trade payables	3,730	5,882
Less: cash and cash equivalent	(426)	(1,470)
Net Debt	**26,142**	**33,913**
Equity	96,572	87,196
Capital and Net debt	**1,22,714**	**1,21,110**
Gearing Ratio	**21%**	**28%**

60 Disclosures for 'Statement of Cash Flows' as per Ind AS 7

60.1 Reconciliation of liabilities from financing activities for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	31st March, 2020	Cash flows (net)	Impact of Ind AS 116	31st March, 2019
Short term / Long term borrowings (including current portion)	19,001	(7,500)	-	26,501
Lease Liability (impact of IND AS 116)	3,627	(950)	4,577	-
Total	**22,628**	**(8,450)**	**4,577**	**26,501**

Note - The Company has accounted for lease liabilities and fair value changes in accordance with Ind AS 116 implemented during the year. Detail break-up of above non-cash element is given below:

i) Transition adjustment on implementation of Ind AS 116	4,277
ii) Finance cost on lease liabilities	299
Total	**4,576**

Reconciliation of liabilities from financing activities for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	31st March, 2020	Cash flows (net)	Impact of Ind AS 116	31st March, 2019
Short term / Long term borrowings (including current portion)	26,501	13,097	-	13,404
Total	**26,501**	**13,097**	**-**	**13,404**

60.2 Aggregate outflow on account of direct taxes paid is ₹ 7,681 Lakhs (Previous year: ₹ 9,846 Lakhs).

60.3 Net cash inflow from operating activity netted off with expenditure on Corporate Social Responsibility (CSR) expenditure of ₹ 641 Lakhs (Previous year: ₹ 777 Lakhs) (Refer note 49).

Notes on Standalone Financial Statements

for the year ended 31st March, 2020

61 Details of the sources of estimation uncertainty in related to significant accounting estimates and judgements:

(i) Impairment of investment in subsidiaries

Refer note 2.3 (b) of significant accounting policies and note 9.3 for significant accounting estimates and judgements used in performing impairment test on investment value of subsidiaries.

(ii) Provision for employee benefits

Refer note 2.3 (e) of significant accounting policies and note 48(b)(i) for significant accounting estimates and judgements used and it's financial impact of sensitivity of such assumptions.

62 Company Information

(₹ in Lakhs)

Name of the entity	Principal place of business	Proportion of ownership (either directly / indirectly through subsidiaries)	
		As at 31st March, 2020	As at 31st March, 2019
Subsidiaries			
eSense Learning Private Limited	India	100.00%	100.00%
Indiannica Learning Private Limited	India	100.00%	100.00%
Navneet Learning LLP	India	93.00%	93.00%
Navneet (HK) Limited	Hong Kong	70.00%	70.00%
Associates			
K12 Techno Services Private Limited	India	33.45%	33.23%
(investment through 'Navneet Learning LLP')			

63 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.

64 Previous Year Figures have been regrouped/rearranged wherever necessary.

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

sd/-
Sandeep Shah
Partner
Membership Number: 37381

Place: Mumbai
Date : 17th June, 2020

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 : 17th June, 2020

Navneet Education Limited

Consolidated Financial Statements for the year ended 31st March, 2020

Independent Auditor's Report

To The Members Of Navneet Education Limited

Report on the Audit of Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying 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, which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2020, the consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

In respect of the consolidated Ind AS financial statements (refer note 62 & 7.2), the key audit matter was the carrying value of goodwill and Intangibles (license) due to continued losses in respect of one of the subsidiary namely 'Indiannica Learning Private Limited' (Indiannica). The said subsidiary is a CBSE Content Publisher and an exclusive licensee of Encyclopaedia Britannica curricular solutions in India with positive business outlook. During the year it has increased operating margins and the losses are mainly on account of infrastructure for future growth. Our procedures on the management's assessment of these matters included discussion on impairment test carried out by management including discussion relating to the basis of estimates, valuation technique, appropriateness & reasonableness of assumptions, review of the accuracy of the management's earlier estimates and understanding of the reasons for variances and various other parameters with the management. Considering the above and the future business outlook (approved projections as shared by the management), reduction in losses during the year and the underlying strength in the Company's products and contents, we are satisfied and concur with the management's view that no provision is required for impairment of carrying value of goodwill on acquisition and intangible asset comprising of brand license aggregating to ₹6,499 Lakhs.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the

preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 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 including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates 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.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements,

whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India and its associates, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in

our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a) We did not audit the financial statements in respect of two subsidiary entities whose financial statements reflect Group's share of total assets of ₹ 11,245 Lakhs, Group's share of total revenue of ₹ 198 Lakhs, Group's share of net loss (including Other Comprehensive Income) of ₹ 3 Lakhs and Group's share of cash outflows (net) of ₹ 18 Lakhs for the year ended 31st March, 2020 as considered in the consolidated financial results. In respect of one foreign subsidiary company, financial statements have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditor under generally accepted auditing standards applicable in their respective country.

   These financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial results, 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 subsidiaries are based solely on the report of such other auditor.

b) The consolidated financial statements also include unaudited results of one associate for which Group's share of net profit (including Other Comprehensive Income) of ₹ 0.10 Lakhs. This unaudited financial statement have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of 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 associate is 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.

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 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 ,2020 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, 2020 from being appointed as a director in terms of section 164 (2) of the Act;

   With respect to the associate company, written representations received from the directors of the said associate company as on 31st March, 2020 and taken on record by the board of directors of the said associate, we report that none of the directors of the associate are disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to reporting on adequacy of internal financial controls system over financial reporting of the Group covered under the Act and the operating effectiveness of such controls to the extent applicable, refer to our separate report given in Annexure I to this report, which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. With respect to associate company whose financial statements have not been audited till the date of signing of this report, refer to our comments in the other matters paragraph in Annexure I;

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company and its subsidiaries to its directors during the year is in accordance with the provisions of section 197 of the Act. In respect to one associate company, section 197 is not applicable; and

h) 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 12.1 and 44 (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 Registration no.116560W / W100149

sd/-
Sandeep Shah
Partner
Membership No: 37381
UDIN: 20037381AAAABJ9072

Place: Mumbai
Date: 17th June, 2020

Annexure I To Independent Auditor's Report

[Referred to in paragraph 2(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 Companies Act, 2013 ("the Act")

Opinion

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 subsidiary companies together referred to as "the Group") and its associate company as of and for the year ended 31st March, 2020, 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 on that date.

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, 2020, 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.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls over Financial Reporting

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.

Auditor's 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 and if such controls operated effectively in all material respects.

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

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) is ₹ 0.10 Lakhs. 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 ended 31st March, 2019, dated 30th September, 2019 issued by such other statutory auditor, contained a disclaimer of opinion which 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 on their opinion whether the Company had adequate internal financial control over financial reporting and whether such controls were operating effectively. Further, statutory auditor have mentioned that this disclaimer of opinion does not affect their opinion on financial statement for the year ended 31st March, 2019 of the said associate. The said disclaimer of opinion was also reported in their audit report dated 29th October, 2018 for the year ended 31st March, 2018.

Our opinion is not modified in respect of the above matters.

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

sd/-
Sandeep Shah
Partner
Membership No: 37381
UDIN: 20037381AAAABJ9072

Place: Mumbai
Date: 17th June, 2020

Consolidated Balance Sheet

as at 31st March, 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	17,963	17,026
(b) Right of use assets	4	4,091	-
(c) Capital work-in-progress	5	427	1,350
(d) Investment property	6	129	137
(e) Goodwill		4,567	4,567
(f) Other intangible assets	7	3,070	3,426
(g) Intangible assets under development	8	138	319
(h) Investments accounted for using the equity method	9	8,572	6,573
(i) Financial assets			
(i) Investments	10	214	-
(ii) Trade receivables	11	64	23
(iii) Loans	12	2,175	2,083
(iv) Other financial assets	13	127	2,680
(j) Deferred tax assets (net)	14	969	215
(k) Assets for non-current Tax (net)	15	413	349
(l) Other non-current assets	16	302	382
TOTAL NON-CURRENT ASSETS		**43,222**	**39,130**
Current assets			
(a) Inventories	17	47,104	55,127
(b) Financial assets			
(i) Trade receivables	18	26,789	29,236
(ii) Cash and cash equivalents	19	613	1,737
(iii) Other bank balances	20	399	337
(iv) Loans	21	4,197	745
(v) Other financial assets	22	1,398	1,408
(c) Other current assets	23	5,248	4,074
TOTAL CURRENT ASSETS		**85,748**	**92,664**
TOTAL ASSETS		**1,28,970**	**1,31,794**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	24	4,577	4,577
(b) Other equity	25	81,702	74,513
Equity attributable to equity holders of the parent		86,279	79,090
Non-controlling interests		42	42
TOTAL EQUITY		**86,321**	**79,132**
LIABILITIES			
Non-Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	38	44
(ii) Lease liabilities	27	3,373	-
(b) Provisions	28	98	80
(c) Other non current liabilities	29	1	1
TOTAL NON-CURRENT LIABILITIES		**3,510**	**125**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	30	23,516	33,699
(ii) Lease liabilities	27	906	-
(iii) Trade payables	31		
- Amount due to micro and small enterprises		810	1,296
- Amount due to others		3,818	7,793
(iv) Other financial liabilities	32	3,930	3,238
(b) Other current liabilities	33	1,443	1,147
(c) Provisions	34	4,617	5,325
(d) Liabilities for Current Tax	35	99	39
TOTAL CURRENT LIABILITIES		**39,139**	**52,537**
TOTAL EQUITY AND LIABILITIES		**1,28,970**	**1,31,794**

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 : 17th June, 2020

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 : 17th June, 2020

Consolidated Statement Of Profit And Loss

for the period ended 31st March, 2020

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
I	Revenue from operations	36	1,51,205	1,44,501
II	Other Income (net)	37	2,242	1,692
III	**Total Revenue (I + II)**		**1,53,447**	**1,46,193**
IV	**Expenses**			
	Cost of materials consumed	38	70,441	76,065
	Purchase of stock-in-trade		457	374
	Changes in inventories of finished goods, stock-in-trade and WIP	39	1,994	(6,234)
	Employee benefits expense	40	18,012	17,125
	Finance costs	41	1,713	1,532
	Depreciation and amortisation expense	42	4,688	3,270
	Other expenses	43	28,950	30,091
IV	**Total expenses**		**1,26,255**	**1,22,223**
V	Profit before share of profit/(loss) of an associate and tax (III - IV)		27,192	23,970
VI	Share of profit / (loss) of an associate		(6)	561
VII	Profit before tax for the year (V + VI)		27,186	24,531
VIII	Tax expense:			
	Current Tax		7,671	9,534
	Deferred Tax		(259)	(259)
	(Excess) / Short Provision of earlier year		49	(26)
			7,461	9,249
IX	**Profit for the year (VII - VIII)**		**19,724**	**15,282**
X	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)			
	Re-measurement of net defined benefit plan		(18)	(96)
	Less: Income tax on above		7	43
	Foreign currency translation reserve		(#)	-
b)	Items that will be reclassified to profit or loss in subsequent year			
	Cash flow hedge through other comprehensive income		(1,987)	846
	Less: Income tax on above		500	(373)
X	Total other comprehensive income / (loss) for the year, net of tax		(1,498)	420
XI	**Total Comprehensive Income for the year (IX + X)**		**18,226**	**15,702**
	Profit attributable to:			
	Owners of the parent		19,724	15,283
	Non-controlling interest		(#)	(1)
			19,724	**15,282**
	Other comprehensive income attributable to:			
	Owners of the parent		**(1,498)**	**420**
	Non-controlling interest		-	-
			(1,498)	420
	Earnings per equity share of ₹ 2/- each (Previous Year: ₹ 2/- each)	48		
	(1) Basic		8.62	6.60
	(2) Diluted		8.62	6.60

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 : 17th June, 2020

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 : 17th June, 2020

Consolidated Statement Of Cash Flow

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash Flow from Operating Activities		
Net profit before tax and share of profit / (loss) in an associate	27,186	24,531
Adjustments for:		
Interest income	(378)	(487)
(Profit) / Loss on disposal of property, plant and equipment	(141)	13
(Profit) on sale of investments	(81)	(22)
Share of (profit) / loss of an associate	6	(561)
Inventory provision	449	304
Bad-debt written off	165	97
Finance cost	1,713	1,532
Changes in fair value of financial assets or liabilities	(18)	(96)
Provisions for Doubtful Advances	100	109
Allowance for bad and doubtful debts and credit losses	490	166
Unrealised foreign exchange fluctuation (loss)/ gain	(196)	(1)
Depreciation and amortisation expense	4,688	3,270
	33,982	28,854
Changes in operating assets and liabilities:		
(Increase) / Decrease in inventories	7,574	(12,616)
(Increase) / Decrease in trade and other receivables	1,946	2,319
(Increase) / Decrease in other financial assets	(52)	(939)
(Increase) / Decrease in other non-current financial assets	2,553	(2,367)
(Increase) / Decrease in other non-current assets	(38)	66
(Increase) / Decrease in other current assets	(1,274)	547
(Increase) / Decrease in Loans & Advances	(3,542)	10
Increase / (Decrease) in trade and other payables	(4,460)	1,035
Increase / (Decrease) in provisions	(690)	1,089
Increase / (Decrease) in lease liabilities	-	-
Increase / (Decrease) in other non current liabilities	1	(1)
Increase / (Decrease) in financial liabilities	(360)	964
Increase / (Decrease) in current liabilities	295	194
	35,933	19,157
Less: Income taxes paid (Refer note 3 below)	(7,608)	(9,631)
Net cash inflow from Operating Activities (A)	**28,325**	**9,526**
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	(4,238)	(3,277)
Proceeds from disposal of property, plant and equipment	211	62
Payment for purchase of investment	(1,23,142)	(33,400)
Proceeds from sale of investment	1,23,009	33,422
Payment for capital contribution in LLP (subsidiary entity) for investment in an Associate	(2,005)	(1,430)
Interest and financial income received	378	487
	(5,787)	(4,136)
Less: Income taxes paid (Refer note 3 below)	(104)	(168)

Consolidated Statement Of Cash Flow

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net cash (outflow) from Investing Activities (B)	**(5,891)**	**(4,304)**
Cash flow from Financing Activities		
Payment against buyback of shares (face value and premium)	-	(7,500)
Buy back expense (Net of tax of ₹ 32,19,451)	-	(61)
Proceeds from short term borrowings	1,13,727	1,08,850
Repayment of short tem borrowings	(1,13,227)	(1,16,703)
Proceeds from vehicle loan	-	55
Repayment of vehicle loan	(7)	(11)
Proceeds from issue of commercial paper	38,000	72,000
Repayment of commercial paper	(45,000)	(52,000)
Payment for lease liabilities	(1,145)	-
Interest paid	(1,397)	(1,532)
Dividend Paid (including Dividend Distribution Tax)	(11,037)	(4,223)
Net cash (outflow) from Financing Activities (C)	**(20,086)**	**(1,126)**
Net Increase in Cash and Cash Equivalents (A + B + C)	**2,348**	**4,096**
Cash and cash equivalent as at the commencement of the year	(5,160)	(9,226)
Cash and cash equivalent as at the end of the year	(2,813)	(5,160)
Unrealised loss / (gain) in respect of foreign currency cash and bank balances	-	30
Net Increase as mentioned above	**2,348**	**4,096**

Notes:

1. The above Statement of Cash Flow has been prepared under the 'Indirect Method' set out in IND AS 7, "Statement of Cash Flows".
2. Refer note 56 for changes in financing activities arising from cash and non-cash changes.
3. Aggregate taxes paid during the year ₹ 7,712 Lakhs (Previous year : ₹ 9,799 Lakhs).
4. Reconciliation of cash and cash equivalents as per cash flow statement:

(₹ in Lakhs)

Particulars	31st March, 2020	31st March, 2019
Cash and cash equivalents (note 19)	613	1,737
Bank overdrafts (refer note 30) and book overdraft (refer note 32)	(3,211)	(2,717)
Cash credit considered as cash and cash equivalents (note 30)	(215)	(4,180)
Balances as per statement of cash flow	**(2,813)**	**(5,160)**

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 : 17th June, 2020

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 : 17th June, 2020

Consolidated Statement Of Changes In Equity

for the year ended 31st March, 2020

A. Equity Share Capital

(₹ in Lakhs)

Balance at 1st April, 2018	Changes in equity share capital during the year 2018-19	Balance at 31st March, 2019	Changes in equity share capital during the year 2019-20	Balance at 31st March, 2020
4,671	(94)	4,577	-	**4,577**

B. Other Equity

(₹ in Lakhs)

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	Foreign currency reserve on conversion of foreign subsidiary	Cash flow hedge reserve	
Balance as at 31st March, 2018	**127**	**76**	**9,716**	**61,072**	**(420)**	**(2)**	**(68)**	**70,501**
Amount utilized for Dividend and Dividend Distribution Tax	-		-	(4,223)	-	-	-	(4,223)
Amount transferred to capital redemption reserve upon buyback (Refer note 24.1)	94	-	(94)	-	-	-	-	-
Amount utilized for buy back of shares	-	-	(7,406)	-	-	-	-	(7,406)
Buy-back expenses (net of tax)	-	-	(61)	-	-	-	-	(61)
Addition during the year (net of taxes)	-	-	-	-	(53)	#	473	420
Net profit for the year	-	-	-	15,282	-	-	-	15,282
Balance as at 31st March, 2019	**221**	**76**	**2,155**	**72,131**	**(473)**	**(2)**	**405**	**74,513**
Amount utilized for Dividend and Dividend Distribution Tax	-	-	-	(11,037)	-	-	-	(11,037)
Addition during the year (net of taxes)	-	-	-	-	(11)	#	(1,487)	(1,498)
Net profit for the year	-	-	-	19,724	-	-	-	19,724
Balance as at 31st March, 2020	**221**	**76**	**2,155**	**80,818**	**(484)**	**(2)**	**(1,082)**	**81,702**

Note: Refer note 25 for nature and purpose of other equity.

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 : 17th June, 2020

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 : 17th June, 2020

Significant Accounting Policies

for the year ended 31st March, 2020

1. Group 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 National Stock Exchange.

The consolidated financial statements of the Group for the year ended 31st March, 2020 were approved and adopted by board of directors of the Holding Company on their meeting dated 17th June, 2020.

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 and relevant amendment rules issued thereafter.

The Group has consistently applied the accounting policies used in the preparation of its consolidated financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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 lakhs, except when otherwise mentioned. Figures of ₹ 50,000 or less have been denoted by #.

c) Basis of measurement

The financial statements have been prepared under historical cost convention basis, except for the following material items which are measured at fair value as required by relevant Ind AS:

i) Certain financial assets and financial liabilities (including derivative instruments) [Refer accounting policy regarding financial instruments in note no. 2.2(i)]

ii) Defined benefit plans

2.2 Basis of Consolidation

a) Principles of consolidation

i) The consolidated financial statements relate to the financial statements of the holding Company, its subsidiaries and associates as at 31st March, 2020. 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

Significant Accounting Policies

for the year ended 31st March, 2020

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 holding Company, i.e., year ended on 31st March, 2020. When the end of the reporting period of the holding Company 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 holding Company to enable the holding Company 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 holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognized 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 is 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 currency of foreign subsidiary is different from the reporting currency of the holding Company. All assets and liabilities (excluding share capital and opening reserves and surplus) of foreign subsidiary are translated into INR using the exchange rate prevailing at the reporting date. The income and expenses of foreign subsidiary is 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).

Significant Accounting Policies

for the year ended 31st March, 2020

When a foreign subsidiary is disposed of in its entirety or partially such that control, significant influence or join 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 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 investee 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 holding Company's investment in each subsidiary and the holding Company'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 recognized 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 cost to the holding Company of its investment in subsidiaries and associate over the holding Company's portion of equity, at the date on which investment in Subsidiaries and Associate is made, is recognized as goodwill in the Consolidated Financial Statements. When the cost to the holding Company is less than the holding Company's portion of equity, the difference is recognized 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.

Significant Accounting Policies

for the year ended 31st March, 2020

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 recognized in profit or loss. An impairment loss recognized 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 and relevant amendment rules issued thereafter. Based on the nature of 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 as the case may be.

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 and location and present value of the expected cost for the dismantling/ decommissioning of the asset.

ii) Capital work-in-progress comprises of 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.

iii) Property, plant and equipment are eliminated from 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 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 Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized 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 lives of the relevant assets net of residual value whose lives are in consonance with the lives 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

Significant Accounting Policies

for the year ended 31st March, 2020

3 years for servers and networks being lower than the useful life of 6 years as prescribed under Part C of Schedule II of the Companies Act, 2013. Also leasehold improvements are depreciated over the period of lease term or 10 years, whichever is less.

- 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, upto 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 to reflect the expected pattern of consumption of the future benefits embodied in the properties, plant and equipment and in case of any changes, 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 recognized as investment property in books of accounts.

ii) Investment properties are measured initially at cost, including transaction costs. Cost of investment properties 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 and location and present value of any obligatory decommissioning cost for its intended use.

Subsequent expenditure is capitalized to the assets carrying amount 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. All other repairs and maintenance costs are recognised in the Statement of Profit and Loss 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, upto 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 to reflect the expected pattern of consumption of the future benefits embodied in the investment properties and in case of any changes, effect of the same is given prospectively.

d) Intangible assets & Amortisation

i) Acquired intangible assets:

Intangible assets are recognized 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 recognized at cost. Intangible assets are carried

Significant Accounting Policies

for the year ended 31st March, 2020

at cost of development and / or consideration paid for acquisition less accumulated amortization and accumulated impairment loss; if any.

Amortisation of intangible assets is provided on straight line basis over the estimated useful life as tabulated below:

Block	Range of useful life
Trademark and copyright	3 to 10 years
Software	2.5 to 3 years

License is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of license.

ii) Internally generated intangible assets:

Content development expenditure incurred where it is reasonably certain that outcome of development will be commercially exploited to yield economic benefits to the Group, is considered as an intangible asset. Content development cost includes majorly salaries related to contents capitalised during the year.

Amortisation of internally generated intangible assets is provided on straight line basis over the estimated useful life as tabulated below:

Block	Range of useful life
Content	4 years from year in which project is capitalised
Technology Platform	3 years from year in which project is capitalized

iii) The useful lives and methods of amortisation of intangible assets are reviewed at each balance sheet date to reflect the expected pattern of consumption of the future benefits embodied in the intangible assets 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 recognized 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 recognized 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 are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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

Significant Accounting Policies

for the year ended 31st March, 2020

location and condition. Cost 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 OCI 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 are valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average basis (first-in first-out basis in case of one subsidiary 'Indiannica Learning Private Limited'), conversion cost (i.e. costs directly related to the units of production), an appropriate proportion of manufacturing overheads based on normal operating capacity and other costs incurred in bringing them to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

iii) Stocks in trade (Traded goods) are valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average basis (first-in first-out basis in case of one subsidiary 'Indiannica Learning Private Limited'), and other costs incurred in bringing them to their present location and condition.

iv) Scraps are valued at estimated net realizable value.

v) Cost of inventories is arrived at after providing for cost of obsolescence wherever considered necessary.

Net realizable value (NRV) test is performed on these costs by comparing 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

The operating segments have been identified based on the conditions specified in paragraph 5 to Ind AS 108, i.e. an operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

Operating Segments are reported in a manner consistent with internal reporting provided to the CODM. The Managing Director is the CODM of the group. The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

i) Financial instruments

Initial recognition

All financial instruments are recognized 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 recognized on trade date. While, loans and borrowings and payables are recognized 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'

Significant Accounting Policies

for the year ended 31st March, 2020

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.

Equity instruments

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.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- 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
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity investments designated as FVTOCI are not subject to impairment assessment.

Equity instruments included within the FVTPL category are measured at fair value with all fair value changes recognised in the statement of profit and loss.

Financial assets at fair value through profit or loss (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

Significant Accounting Policies

for the year ended 31st March, 2020

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.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Group may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made upon initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity investments designated as FVTOCI are not subject to impairment assessment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

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 derecognises a financial asset on trade date only when the contractual rights to the cash

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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 OCI recognised in the statement of profit and loss. Cumulative gain or loss that had been recognised in OCI 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.

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

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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 115.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company re-classifies financial assets, it applies the re-classification prospectively from the re-classification date which is the first day of the immediately next reporting period following the change in business model. The Company does not re-state any previously recognised gains, losses (including impairment gains or losses) or interest.

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.

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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 are 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 OCI 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 OCI 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.

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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.

j) Revenue recognition

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. No adjustment was required to be made for the revenue recognized prior to implementation of this standard.

The Group earns revenue primarily from sale of knowledge based information in educational and general books, paper stationery and non-paper stationery.

Revenue is recognised upon transfer of control of promised products and services to customers, when there are no longer any unfulfilled obligations, in an amount that reflects the consideration which the Group expects to receive in exchange for those products and services. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

- Sale of products

  Revenue is recognized at a point in time upon transfer of control of promised products to customers, which coincides with the dispatch coincides with dispatch or delivery of goods as per the relevant terms of the contract , in an amount that reflects the consideration we expect to receive in exchange for those products. The sale is recorded at the fair value of the consideration received or receivable, net of returns and allowances, trade, volume & other discounts / rebate and any taxes or duties collected on behalf of the government such as goods and services tax, etc.

  Accumulated experience and judgement is used to estimate and provide for turnover discounts, expected cash discounts, other eligible discounts, expected returns and incentives.

  Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

  Revenue from sale of educational contents in digital form is recognized as under:

  o In case the sale is in the nature of right to use, the revenue is recognized at the point of time

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when the license for the content is activated and there are no further performance obligations.

- o In case the sale is in the nature of right to access, the revenue is recognized over the license period on straight line basis.

- Revenue from sale of hardware is recognized upon transfer of control which is usually on delivery to customers of promised products at point in time in an amount that reflects the consideration we expect to receive in exchange for those products.

- Sale of services

  Revenue from services rendered is recognised at a point in time based on agreements / arrangements with the customers. Revenue for fixed price contracts (including right to use contents) are recognized over the contract period on straight line basis unless there is a more appropriate allocation.

- Income from power generation

  Income from power generation is recognized on the basis of electrical units generated & transferred to transmission company (in excess of captive consumption) and is recognized at prescribed rate as per agreement for sale of electricity by the Group. Income from power generation is grouped under 'Other operating revenue'.

- Revenue from subscription of digital content / royalty for right-to-use license are accounted over the subscription period / agreement period in accordance with the terms of the arrangement.

- Other Income

  - o Interest income in respect of all the debt instruments, financial guarantee's and deposits which are measured at cost or at fair value through OCI, 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.

  - o Dividend income on investment is accounted for in the year in which the right to receive the payment is established.

- Contracts with customer and significant judgement in applying the standard

  - o The Group's contracts with customers mainly include promises to transfer products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract, if any.

  - o Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as volume discounts and incentives. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

k) Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Incentives on exports related to operations as provided by government are recognized in books after due consideration of certainty of utilization / receipt of such incentive.

l) Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course

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of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets, otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

Loss allowance for expected life time credit loss is recognised on initial recognition.

m) 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 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.

Effective 1st April, 2018, the Group has adopted Appendix B to Ind AS 21 'Foreign Currency Transactions and Advance Consideration' which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

n) 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 and Government Pension 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

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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 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.

iii) Compensated absences

The Group has benefits in the form of compensated absences. The present value of such compensated absences 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 are recognised when the curtailment or settlement occurs.

o) Leases

The Group has adopted Ind AS 116 'Leases' effective from 1st April, 2019 and has made transition adjustment as per para C8(c)(ii) of Ind AS 116, i.e. prospective implementation without changing opening balance of reserves, as notified by the Ministry of Corporate Affairs in the Companies (Indian Accounting Standard) Amendment Rules, 2019. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance.

As a Lessee:

- **Accounting policy effective from 1st April, 2019**
  - The Group's lease asset classes primarily consist of leases for office premises, warehouses, vehicles and computers.
  - At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
  - At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.
  - The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprise of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of lease incentive received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

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- The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term of right-of-use asset.

- The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

- The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

- **Accounting policy before 1st April, 2019**

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.

As a Lessor:

Lease income from operating leases where the Group is a lessor is recognized (net of GST) in income on a straight line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

p) 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 OCI 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

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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 recognized in the statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in Equity, respectively.

q) 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.

r) 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.

s) Provisions and contingent liabilities and contingent assets

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 recognized 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 recognized 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 recognized 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 recognized 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.

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t) 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 conducted internal assessment of residual value and method of depreciation / amortisation of property, plant & equipment, investment properties and intangible assets and estimated that the useful life is in consonance with Schedule II of the Companies Act, 2013. 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 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 testing for Licenses under intangible assets, internally generated intangible assets and Goodwill on consolidation

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) Determining the lease term of contracts with renewal as a Lessee

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals).

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The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. Any subsequent change in certainty of exercising option to extend lease term could impact the carrying value of right of use asset and lease liability significantly.

d) 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.

e) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognized 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 / modified effective from 1st April, 2020 but not effective as at reporting date

Ministry of Corporate Affairs has not notified new standard or amendments to the existing standards which would have been effective from April 1, 2020.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

3 Property, plant and equipment (PPE)

(₹ in Lakhs)

Description of Assets	"Land (Refer note 3.1)"	Lease-hold Property	"Buildings (Refer note 3.4)"	Plant and Equipment	Office Equip-ment	Furni-ture and Fixtures	"Vehi-cles (Refer note 3.3)"	Total
Gross block as at 31st March, 2018	**1,811**	**171**	**13,606**	**20,695**	**479**	**1,758**	**2,093**	**40,613**
Additions during the year 2018-19	-	-	294	1,316	52	262	519	2,443
Deduction / adjustments for the year 2018-19	-	-	-	679	34	56	135	904
Gross block as at 31st March, 2019	**1,811**	**171**	**13,900**	**21,332**	**497**	**1,964**	**2,477**	**42,152**
Additions during the year 2019-20	-	-	322	2,880	27	67	311	3,607
Deduction / adjustments for the year 2019-20	-	-	-	459	#	(#)	240	699
Gross block as at 31st March, 2020	**1,811**	**171**	**14,222**	**23,753**	**524**	**2,031**	**2,548**	**45,060**
Depreciation upto 31st March, 2018	**84**	**40**	**6,302**	**13,795**	**402**	**1,480**	**1,461**	**23,564**
Depreciation for the year 2018-19	-	22	612	1,363	41	107	246	2,391
Deduction / adjustments for the year 2018-19	-	-	-	629	32	42	126	829
Depreciation upto 31st March, 2019	**84**	**62**	**6,914**	**14,529**	**411**	**1,545**	**1,581**	**25,126**
Depreciation for the year 2019-20	-	21	567	1,591	41	112	269	2,601
Deduction / adjustments for the year 2019-20	-	-	-	407	#	(#)	223	630
Depreciation upto 31st March, 2020	**84**	**83**	**7,481**	**15,713**	**452**	**1,657**	**1,627**	**27,097**
Net Block as at 31st March, 2020	1,727	88	6,741	8,040	72	374	921	17,963
Net Block as at 31st March, 2019	**1,727**	**109**	**6,986**	**6,803**	**86**	**419**	**896**	**17,026**

3.1 Land includes a leasehold land whose gross block of ₹ 86 Lakhs (Previous year: ₹ 86 Lakhs) and accumulated depreciation of ₹ 84 Lakhs (Previous year: ₹ 84 Lakhs).

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

3.2 For one of the subsidiaries 'Indiannica Learning Private Limited', details of charge created on property, plant and equipment, refer note 30.2 of the consolidated financial statements.

3.3 For details of hypothecation charge created on vehicle, refer note 26 of the consolidated financial statements.

3.4 Building with a carrying amount of ₹ 1,208 Lakhs (Previous year: ₹ 1,270 Lakhs) is subject to first charge to secure bank loan (refer note 30.1).

3.5 Refer note 45 for disclosure of contractual capital commitments for acquisition of property, plant and equipment.

4 Right of use assets

(₹ in Lakhs)

Description of Assets	Office premises
Gross block as at 31st March, 2018	**-**
Additions during the year 2018-19	-
Deduction / adjustments for the year 2018-19	-
Gross block as at 31st March, 2019	**-**
Additions during the year 2019-20	5,108
Deduction / adjustments for the year 2019-20	-
Gross block as at 31st March, 2020	**5,108**
Depreciation upto 31st March, 2018	**-**
Depreciation for the year 2018-19	-
Deduction / adjustments for the year 2018-19	-
Depreciation upto 31st March, 2019	**-**
Depreciation for the year 2019-20	1,017
Deduction / adjustments for the year 2019-20	-
Depreciation upto 31st March, 2020	**1,017**
Net Block as at 31st March, 2020	**4,091**
Net Block as at 31st March, 2019	-

4.1 Refer note 46 for disclosures relating to Ind AS 116 'Leases'.

5 Capital work-in-progress

(₹ in Lakhs)

Description of Assets	Land	Buildings	Plant and Equipment	Furniture	Total
As at 31st March, 2018	**43**	**-**	**58**	**155**	**256**
Additions during the year 2018-19	9	123	1,163	-	1,295
Capitalised in PPE in year 2018-19	-		46	155	201
As at 31st March, 2019	**52**	**123**	**1,175**	**-**	**1,350**
Additions during the year 2019-20	33	26	287	29	375
Capitalised in PPE in year 2019-20	-	123	1,175	-	1,298
As at 31st March, 2020	**85**	**26**	**287**	**29**	**427**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

6 Investment property

(₹ in Lakhs)

Description of Assets	Building
Gross block as at 31st March, 2018	**559**
Additions during the year 2018-19	-
Deduction for the year 2018-19	-
Gross block as at 31st March, 2019	**559**
Additions during the year 2019-20	-
Deduction for the year 2019-20	-
Gross block as at 31st March, 2020	**559**
Depreciation upto 31st March, 2018	**414**
Depreciation for the year 2018-19	8
Deduction for the year 2018-19	-
Depreciation upto 31st March, 2019	**422**
Depreciation for the year 2019-20	8
Deduction for the year 2019-20	-
Depreciation upto 31st March, 2020	**430**
Net Block as at 31st March, 2020	**129**
Net Block as at 31st March, 2019	137

6.1 Amount recognized in Statement of Profit and Loss for investment properties:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Rental income (grouped under note 37 in other income)	518	430
Direct operating expenses that generated rental income	(74)	(39)
Direct operating expenses that did not generate rental income	-	-
Profit from investment properties before depreciation	444	391
Depreciation	(8)	(8)
Profit from investment properties	436	383

Also refer note 46 (b) for disclosure related to 'Leases' of investment properties.

6.2 Fair value of investment properties as at year-end 31st March, 2019 was determined based on valuation carried by external independent property valuers, having appropriate recognised professional qualifications which was ₹ 9,974 Lakhs. In the opinion of the management of the holding Company, there is no material change in this fair value of investment properties which was determined for the last year-end.

6.3 The group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance & enhancements and there are no restriction on remittance of income and proceed on disposal.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

7 Other intangible assets (Other than Goodwill)

(₹ in Lakhs)

Description of Assets	Content (internally generated)	Technology Platform (internally generated)	Trade Mark	Licenses	Copy Right	SAP	Software	Total
Gross block as at 31st March, 2018	**362**	**-**	**442**	**3,499**	**1,098**	**247**	**1,077**	**6,725**
Additions during the year 2018-19	418	86	#	-	-	-	92	596
Deduction for the year 2018-19	-	-	-	-	-	-	#	#
Gross block as at 31st March, 2019	**780**	**86**	**442**	**3,499**	**1,098**	**247**	**1,169**	**7,321**
Additions during the year 2019-20	568	55	-	-	-	-	83	706
Deduction for the year 2019-20	-	-	-	-	-	-	-	-
Gross block as at 31st March, 2020	**1,348**	**141**	**442**	**3,499**	**1,098**	**247**	**1,252**	**8,027**
Accumulated amortisation upto 31st March, 2018	**91**	**-**	**440**	**602**	**629**	**247**	**1,016**	**3,025**
Amortisation expense for the year 2018-19	195	29	#	482	110	-	54	870
Deduction for the year 2018-19	-	-	-	-	-	-	#	#
Accumulated amortisation upto 31st March, 2019	**286**	**29**	**440**	**1,084**	**739**	**247**	**1,070**	**3,895**
Amortisation expense for the year 2019-20	359	47	#	484	110	-	62	1,062
Deduction for the year 2019-20	-	-	-	-	-	-	-	-
Accumulated amortisation upto 31st March, 2020	**645**	**76**	**440**	**1,568**	**849**	**247**	**1,132**	**4,957**
Net Block as at 31st March, 2020	**703**	**65**	**2**	**1,931**	**249**	**#**	**120**	**3,070**
Net Block as at 31st March, 2019	494	57	2	2,415	359	-	99	3,426

7.1 Remaining useful life of intangible assets

Description	Carrying amount as at (₹ in Lakhs)		Remaining useful life as at [months]	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Content	703	494	12 to 36	24 to 36
Technology Platform	65	57	12 to 24	24
Trade Mark	2	2	9 to 98	4 to 110
Licenses	1,931	2,415	48	60 to 72
Copy Right	249	359	22 to 86	35 to 98
Software	120	99	2 to 35	2 to 33
Total	**3,070**	**3,426**		

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

7.2 In one of the subsidiaries 'Indiannica Learning Private Limited', impairment test for licenses has been carried out by the management based on the projections for next four years as approved by the management. Remaining useful life of this license is also 4 years for which projections are made. The value in use 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.

7.3 In one of the subsidiaries 'eSense Learning Private Limited', on revamp in syllabus of certain academic standards in Gujarat and Maharashtra state, new contents have been developed & capitalised as it meets the criteria of Ind AS 38 'Intangible Assets'. Also the Company has developed & capitalised technology platforms to support these contents and to support other products available for teachers and students in accordance with Ind AS 38. As at year end, certain contents and technology platforms are under development and hence cost incurred upto year end is grouped as intangible assets under development in note 8.

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 Management. The value in use of the future earnings based on the projections is higher than the carrying value of the contents and technology platform. 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.

8 Intangible assets under development

(₹ in Lakhs)

Description of Assets	Content (internally generated)	Software	SAP	Technology Platform (internally generated)	Total
As at 31st March, 2018	**69**	**32**	**-**	**57**	**158**
Additions during the year 2018-19	244	23	-	41	308
Capitalised in intangible assets in year 2018-19	69	21	-	57	147
As at 31st March, 2019	**244**	**34**	**-**	**41**	**319**
Additions during the year 2019-20	18	5	53	57	133
Capitalised in intangible assets in year 2019-20	234	39	-	41	314
As at 31st March, 2020	**28**	**#**	**53**	**57**	**138**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

9 Investments accounted for using the equity method

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unquoted investments		
Investment in equity instruments		
Associate Company		
K12 Techno Services Private Limited	759	759
(5,627 (Previous Year 5,627) Equity Shares of ₹10/- each)		
Investment in Compulsorily Convertible Preference Shares		
Associate Company		
K12 Techno Services Private Limited	10,400	8,400
(5,789 (Previous Year 5,789) Compulsorily Convertible Cumulative Preference Shares of ₹10/- each)		
(9,829 (Previous Year 9,829) Class A Compulsorily Convertible Cumulative Preference Shares of ₹10/- each)		
(3,966 (Previous Year 3,966) 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)		
(626,289 (Previous Year 626,289) Series A3 Compulsorily Convertible Cumulative Preference Shares of ₹20/- each)		
(417,526 (Previous Year 417,526) Series A3-2 Compulsorily Convertible Cumulative Preference Shares of ₹20/- each)		
(255,673 (Previous Year Nil) Series B2 Compulsorily Convertible Cumulative Preference Shares of ₹20/- each)		
Less: Cumulative share of loss	2,596	2,589
Add: Cumulative share of Other Comprehensive income	9	3
Total	**8,572**	**6,573**

9.1 This Compulsorily Convertible Preference Shares is convertible at any point of time by the holder (i.e. Navneet Learning LLP, subsidiary entity of Navneet Education Limited). Further, preference shareholder's agreement, in substance, provides the Company access to the returns associated with an ownership interest. Accordingly, the proportion allocated to the Company is determined by taking into account the eventual exercise of those potential voting rights and preference share instruments as disclosed in investment schedule above that currently give the entity access to the returns.

9.2 Break-up of investment in K12 Techno Services Private Limited

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment in equity instruments and preference shares	10,381	8,412
Goodwill	778	747
Less: Cumulative share of loss	(2,596)	(2,589)
Add: Share of Other Comprehensive income	9	3
Total	**8,572**	**6,573**
Aggregate amount of unquoted investments	8,572	6,573

10 Non Current Financial Assets - Investments

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Valued at fair value through profit and loss		
Quoted Equity Share Investments		
a) Career Point Limited	214	-
1,73,559 (PY: Nil) Equity Shares, face value of ₹ 10 each		
Total	**214**	**-**
10.1 Aggregate book value of quoted investments	214	-
Aggregate market value of quoted investments	214	-

10.2 As per IND AS 109, at initial recognition, the holding Company has chosen to designate investment in Career Point Limited as 'Fair Value through Profit and Loss'. Career Point Limited shares are listed on National Stock Exchange and Bombay Stock Exchange.

11 Non Current Financial Assets - Trade receivables

(Unsecured, unless otherwise stated) (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Considered good (Refer note 18.5)	65	23
Total	**65**	**23**

12 Non Current Financial Assets - Loans

(Unsecured, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Considered good		
Security Deposits	398	256
Loans and Advances		
i) Loan to Employees	173	201
ii) Loan to Vendors	#	23
iii) Other Loans & Advances (Refer note 12.1)	1,604	1,605
	2,175	2,083
Considered doubtful		
Corporate Deposits	107	107
Other Loans & Advances	15	22
Security Deposit	15	15
	137	144
Less: Allowances for doubtful advances (Refer note 12.2 below)	(137)	(144)
Total	**2,175**	**2,083**

12.1 The above amount includes ₹ 1,459 Lakhs (Previous year: ₹ 1,459 Lakhs) from one party against which holding Company has filed a legal case with Honourable High Court of Mumbai. As per the interim order, holding Company possesses the property deed of an immoveable property for recovery of the due, which is adequate to cover loan amount. Holding Company expects the matter to be favourably settled in its favour.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

Considering the interim order of the Honourable High Court of Mumbai and the possession of the deed of the property, the said property is considered to be secured.

12.2 Allowances for doubtful advances are accounted based on expected loss assessment carried out on periodic basis by the management of the holding Company. Movement of the same is given below:

Particulars	31st March, 2020 ₹ in Lakhs	31st March, 2019 ₹ in Lakhs
Balance at the beginning of the year	144	102
Allowance made during the year	-	43
Reversal of allowance during the year	7	1
Balance at the end of the year	**137**	**144**

13 Other non-current financial assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Refund receivable from Government authorities (Refer note 13.1).	127	2,680
Total	**127**	**2,680**

13.1 As the Company is rightfully entitled to receive Sales tax, Goods and Service tax refunds and other refunds , the same is classified as financial asset in accordance with ITFG clarification issued by the Institute of Chartered Accountants of India.

14 Deferred Tax Assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Corresponding effect in Statement of Profit & Loss		
Property, plant and equipment	(429)	(667)
Provision for employee benefits	351	575
Hedging reserve (impact of forward contracts)	43	33
Provision for sales returns	201	324
Provision for obsolete inventories	92	-
Provision for doubtful debts	202	176
Provision for doubtful advances	58	84
Provision for bonus	20	88
Provision for slow-moving inventories	13	-
Others	84	17
	635	**534**
Corresponding effect in Other Comprehensive Income		
Hedging reserve (impact of forward contracts)	334	(319)
Remeasurement of defined benefit plans	-	-
	334	**(319)**
Total	**969**	**215**
Opening balance	215	318
Tax (expense) recognised in profit or loss	259	259
Tax (expense) recognised in other comprehensive income	495	(329)
Tax (expense) recognised in general reserve	-	(33)
Closing balance	**969**	**215**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

14.1 Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of: (a) deductible temporary differences; (b) the carry forward of unused tax losses; and (c) the carry forward of unused tax credits (Refer note 51) for 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).

15 Assets for Non current Tax (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Income Taxes (net of Provisions)	413	349
Total	**413**	**349**

16 Other Non Current Assets

(Unsecured, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Considered Good		
Capital Advance	254	372
Advance to Suppliers	-	2
Prepaid Expenses	46	6
Other Income Receivable	1	1
Deposit with customers	1	1
	302	**382**
Considered doubtful		
Capital Advance	65	59
Less: Allowances for doubtful advances	(65)	(59)
Total	**302**	**382**

17 Inventories

(valued at lower of cost or estimated net realisable value)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw Materials	15,159	19,884
Raw Materials in transit	629	1,700
Work In Progress	2,008	2,164
Job In Progress	-	-
Finished Goods	28,605	30,451
Less: Provision for Obsolete Inventory	(397)	-
Stock in Trade (in respect of goods acquired for trading)	82	74
Stores, Spares & Consumables	1,018	854
Total	**47,104**	**55,127**

17.1 During the year, ₹ 710 Lakhs (Previous Year: ₹ 1,131 Lakhs) was recognised as an expense for inventories.

17.2 Inventories of holding Company and one of the subsidiaries are subject to first charge to secure bank loan (Refer note 30.1 and note 30.2)

17.3 In one of the subsidiaries, inventories are provided for ₹ 449 Lakhs (Previous year: ₹ 304 Lakhs).

18 Current Financial Assets - Trade receivables

(Unsecured, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Considered good (Refer note 18.4)	27,675	29,856
Less: Allowance for bad and doubtful debts and expected credit losses	(886)	(620)
(Refer note 18.5 and 54)		
Total	**26,789**	**29,236**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

18.1 Trade receivables of holding company are subject to first charge to secure bank loan (Refer note 30.1)

18.2 Trade receivables are generally due between 30 to 120 days. The holding Company's term includes charging of interest for delayed payment beyond agreed credit days. However, the Company charges interest after considering the historical trend, business prospects, reason for delay, market conditions etc.

18.3 Credit risk is managed at the operational segment level. The credit limit and credit period are fixed for each customer after evaluating the financial position, past performance, business opportunities, credit references etc. The credit limit and the credit period are reviewed regularly at periodical intervals.

18.4 As per Memorandum of Understanding with one of the party, a sum of ₹ 55 Lakhs (Previous year: ₹ 50 Lakhs) is secured by mortgage of immovable property.

18.5 The Group follows simplified approach & the trade receivables do not contain significant financing component and accordingly the Company does not separately track changes in credit risk of trade receivables as the impairment amount represents "lifetime" expected credit loss. Accordingly, the disclosure as required by Schedule III, Division II as regards (a) Trade Receivables which have significant increase in credit risk & (b) Trade Receivables which are credit impaired is not required. However, in addition to collective pool assessment, the Company carried out individual assessment in respect of certain parties where the possibility of default in collection of trade receivable was high.

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
The amount of trade receivables for which the Company has assessed credit risk on an individual basis	705	549
The amount of loss allowance recognised for such trade receivables	(705)	(549)

19 Current Financial Assets - Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance with Scheduled Banks		
- In Current Account	381	1,694
Current investment in liquid mutual funds (quoted)	200	-
- (19,428 units (Previous year : Nil units) of PGIM India Overnight Fund - Direct Plan Growth, face value ₹ 1,000 each (Refer note 19.1)		
Cash on hand	32	43
Total	**613**	**1,737**
Aggregate market value / Net Asset Value of quoted investments	200	-

20 Current Financial Assets - Other bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Earmarked balances with banks		
" - In Unclaimed and unpaid dividend Account (Refer note 32 and 20.1)"	353	296
Bank deposit (Refer note 20.2)	41	38
Other Bank Balances (Refer note 20.3)	5	4
Total	**399**	**337**

20.1 There is no amount due to Investor Education & Protection Fund as on 31st March, 2020.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

20.2 Bank deposit includes interest accrued but not due amounting to ₹ 6 Lakhs (Previous year: ₹ 3 Lakhs) and this deposit is under lien for tender deposit given to a customer.

20.3 Other bank balances represent restricted deposits (along-with accrued interest thereon) under lien placed with sales tax authorities.

21 Current Financial Assets - Loans

(Unsecured, considered good) **(₹ in Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Inter Corporate Deposits (Refer note 21.2 below)	3,444	159
Loans and Advances (Refer note 21.1)		
i) Loans to Employees	196	194
ii) Loans to Vendors	2	11
iii) Other Loans & Advances	542	374
Tender and deposits	13	7
Total	**4,197**	**745**

21.1 The loans and advances given to various parties is for commercial purpose and same are repayable on demand.

21.2 Inter corporate deposit also includes ₹ 3,000 Lakhs (Previous year: ₹ Nil) given to one company in which Director is common. Subsequent to year end, the Company has received back deposit amount along-with interest @ 13%.

22 Current Financial Assets - Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Receivables for sale of property, plant and equipment	6	12
Advances to Employee for expenses	124	46
Refund receivable from government authority (Refer note 22.2)	783	-
Export incentive receivable	404	526
Financial assets at fair value (forward and option contracts) (Refer note 32)	-	819
Gratuity recoverable from Employee's Gratuity Fund (Refer note 22.1)	36	-
Other receivables (Deposit etc.)	45	5
Total	**1,398**	**1,408**

22.1 Gratuity recoverable from Employee's Gratuity Fund maintained with Life Insurance Corporation represents gratuity amount paid to employees directly during the year on behalf such fund.

22.2 Refund receivable from government authority includes GST refunds receivables from government authorities which are expected to be realised within 12 months. Accordingly, the same is grouped as current financial assets. Out of which, subsequent to year end, the Company has received refund of ₹ 400 Lakhs (Previous year: ₹ 16 Lakhs)

22.3 As the Company is rightfully entitled to receive export incentives, the same is classified as financial asset in accordance with ITFG clarification issued by the Institute of Chartered Accountants of India.

23 Other current assets

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
GST input credit (net) (Refer note 23.2)	1,265	2,383
Prepaid Expenses	761	515
Advance to Suppliers	2,950	1,018
Other advances	-	83

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Extra Duty Deposit receivable (Refer note 23.1)	-	#
SAD (custom) receivable	#	#
Prepaid gratuity (Refer Note No.57 (b))	272	74
Total	**5,248**	**4,074**

23.1 Extra Duty Deposit is the duty levied by custom department in respect of items where the final valuation / assessment is in-process of being determined by the special valuation bench of the custom department. During the current year, the Government, after completion of valuation assessment, has paid full refund of the additional duty. (Also refer note 44(c))

23.2 Subsequent to year end, out of these GST input tax credit, the Company has applied for refund amounting to ₹ 177 Lakhs (Previous year: ₹ 746 Lakhs).

24 Equity Share Capital

Authorized:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
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, 2020		As at 31st March, 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Equity Shares of ₹ 2/- each (₹ 2/- each) fully paid up	22,88,70,500	4,577	22,88,70,500	4,577
Total		**4,577**		**4,577**

24.1 Reconciliation of the number of Equity Shares outstanding

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Number of Shares at the beginning of the year	22,88,70,500	4,577	23,35,58,000	4,671
Add: Shares Issued	-	-	-	-
Less: Shares Cancelled / Buy Back	-	-	46,87,500	94
Number of Shares at the end of the year	**22,88,70,500**	**4,577**	**22,88,70,500**	**4,577**

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for the year ended 31st March, 2020

Holding Company had bought back 46,87,500 equity shares aggregating to 2.01% of the paid-up equity share capital of the company at a price of ₹ 160 per share on 16th October, 2018. The Company concluded the buyback procedures on 23rd October, 2018 and 46,87,500 equity shares were extinguished. The Company has utilised its general reserve for buyback of its shares. Further, capital redemption reserve of ₹ 94 Lakhs representing the nominal value of shares bought back had been created as an appropriation from general reserves in accordance with section 69 of the Companies Act, 2013, consequently, the paid up Equity Share Capital is reduced to ₹ 4,577 Lakhs. Transaction costs related to buyback are adjusted against general reserves (net of tax).

24.2 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.

24.3 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, 2020	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Equity Shares of ₹ 2/- each fully paid up	-	46,87,500	-	46,57,000	-
Total	**-**	**46,87,500**	**-**	**46,57,000**	**-**

24.4 Equity Shareholders holding more than 5 % of the shares

Name of the shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% held	No. of Shares	% held
Bipin Amarchand Gala and Gnanesh Dungarshi Gala - Trustee of Navneet Trust	9,14,19,090	39.94	9,09,19,090	39.73
HDFC Trustee Company Ltd - under its various schemes	2,00,13,016	8.74	1,93,72,917	8.46

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25 Other Equity

(₹ in Lakhs)

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
A.	**Reserve and Surplus**		
(i)	Capital Redemption Reserve	221	221
(ii)	Capital Reserve	76	76
(iii)	General Reserve	2,155	2,155
(iv)	Retained earnings	80,818	72,131
		83,270	**74,583**
B.	**Other comprehensive income**		
(v)	Re-measurement of the net defined benefit plan	(484)	(473)
(vi)	Foreign currency reserve on conversion of foreign subsidiary	(2)	(2)
(vii)	Cash flow hedge through other comprehensive income	(1,082)	405
		(1,568)	**(70)**
	Total	**81,702**	**74,514**

Movement and description of above reserves:

(i) Capital Redemption Reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020 ₹ in Lakhs	As at 31st March, 2019 ₹ in Lakhs
Balance at the beginning of the year	221	127
Amount transferred to capital redemption reserve upon buyback (Refer note 24.1)	-	94
Balance at the end of the year	221	221

Note: The Group has recognised capital redemption reserve on buyback of equity shares from its general reserve. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back. This reserve will be utilised in accordance with section 69 of the Companies Act, 2013.

(ii) Capital Reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	76	76
Changes during the year	-	-
Balance at the end of the year	**76**	**76**

Note: It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Group for business mergers and acquisitions in earlier years.

(iii) General Reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	2,155	9,716
Amount utilized for buy back of shares	-	(7,406)
Amount transferred to capital redemption reserve upon buyback (Refer note 24.1)	-	(94)
Buy-back expenses (net of taxes)(Refer note 24.1)	-	(61)
Balance at the end of the year	**2,155**	**2,155**

Note: The General Reserve represents appropriation of profit by the Company.

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for the year ended 31st March, 2020

(iv) Retained earnings

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	72,131	61,071
Amount utilized for Dividend and Dividend Distribution Tax	(11,037)	(4,223)
Net profit for the year	19,724	15,282
Balance at the end of the year	**80,818**	**72,131**

Note: The amount that can be distributed by the Group as dividend to its equity shareholders is determined based on the financial position and dividend policy of the Group and in compliance with the requirements of the Companies Act, 2013

(v) Re-measurement of the net defined benefit plan

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	(473)	(420)
Addition during the year (net of taxes)	(11)	(53)
Balance at the end of the year	**(484)**	**(473)**

Note: Gain / (Loss) arising out of change in actuarial assumption at the time of actuarial valuation is transferred to this reserve through Other Comprehensive Income.

(vi) Foreign currency reserve on conversion of foreign subsidiary

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	(2)	(2)
Addition during the year (net of taxes)	(#)	#
Balance at the end of the year	**(2)**	**(2)**

Note: It represents exchange difference arising on translation of the foreign operations that are recognised in other comprehensive income and accumulated in separate reserve within equity. The cumulative amount is reclassified to profit and loss when the investment is disposed-off.

(vii) Cash flow hedge through other comprehensive income

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	405	(68)
Net amount recognised during the year	(1,552)	473
Amount recycled to P&L during the year (Refer note 47 (d))	65	-
Balance at the end of the year	**(1,082)**	**405**

Note: The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

26 Non-current Financial Liabilities - Borrowings

(Secured) (₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Vehicle loan from NBFC (Refer note 26.1)	38	44
Total	**38**	**44**

26.1 In respect of one of the subsidiaries 'Indiannica Learning Private Limited', vehicle loan (Secured) amounting to ₹ 55 Lakhs was taken during the financial year 2018-19 and carries interest @ 10.7044%. The loan is repayable in 48 monthly installments of ₹ 1 Lakh each including interest. Number of installments remaining as at March 31, 2020 is 26 (March 31, 2019: 38). This loan is secured against hypothecation charge created on vehicle and one month installment in advance which is grouped under Security deposits in 'Non-current financial assets-Loans'.

27 Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Lease liabilities on right to use assets	4,279	-
Total	**4,279**	**-**

27.1 Current and non-current bifurcation:

(₹ in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Non-current	3,373	-
Current	906	-

27.2 Refer note 46 for disclosures relating to Ind AS 116 'Leases'.

28 Non current provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefit		
- Gratuity (Refer Note No.57 (b) (i))	98	80
Total	**98**	**80**

29 Other Non current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred revenue (Refer note 36.4)	1	1
Total	**1**	**1**

30 Current Financial Liabilities - Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Secured (Refer note 30.1)		
i) Cash Credit from Bank	215	4,180
ii) Working Capital Rupee Loans repayable on demand from banks	1,300	300
iii) Bank Overdraft (Refer note 30.2 and 30.3)	3,000	2,717
	4,515	**7,197**
b) Unsecured		
From Banks:		
i) Working Capital loan from Banks (Refer note 30.4)	6,001	6,501
ii) Commercial Paper (Refer note 30.5 and 30.6)	13,000	20,000
	19,001	**26,501**
Total	**23,516**	**33,699**

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30.1 Secured current borrowings of holding Company 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.

30.2 Bank Overdraft is in respect to one of the subsidiaries 'Indiannica Learning Private Limited' and is secured against pari passu charge on current assets & fixed assets (both present and future) of the subsidiary, along with Corporate Guarantee for ₹ 3,000 Lakhs (Previous Year: ₹ 3,000 Lakhs) from holding Company.

30.3 The average rate of interest for the above mentioned overdraft facility during the year is 8.78% per annum (Previous Year 9.46% per annum).

30.4 Unsecured working capital demand loan includes interest accrued but not due amounting to ₹ 1 Lakh (Previous year: ₹ 1 Lakh). Interest rate for unsecured rupee loan is ranging from 7.10% to 8.00% (Previous year: 8.10% to 8.25%). Subsequent to year end, this loan has been fully repaid in the month of April 2020.

30.5 Commercial papers (unsecured) amounting to ₹ 13,000 Lakhs (Previous year: ₹ 20,000 Lakhs) were issued by holding Company during the year which carry interest rate ranging from 5.70% to 5.95% (Previous year: 7.90%). The repayment of the same is due ranging from 4th May, 2020 to 20th May, 2020.

30.6 These Commercial papers are listed on the National Stock Exchange.

31 Current Financial Liabilities - Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
- Due to Micro, Small and Medium Enterprises	810	1,296
- Due to Others	3,818	7,793
Total	**4,628**	**9,089**

31.1 Trade payables are non-interest bearing and are normally settled as per due dates generally ranging from 0 to 90 days.

31.2 The Group has financial risk management policies in place to ensure that all payables are paid within the agreed credit terms. (Refer note 54)

32 Other current financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current maturity of vehicle loan	7	6
Creditors for capital goods	7	1,153
Employee Benefits Payable	1,410	1,470
Unclaimed and unpaid dividend (Refer Note 20 and 32.1)	353	296
Financial liabilities at fair value (forward and options contracts) (Refer note 22)	1,498	-
Book Overdraft	211	-
Security deposits	444	314
Total	**3,930**	**3,238**

32.1 There is no amount due to Investor Education & Protection Fund as on 31st March, 2020.

33 Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advances received from customers	833	475
Advance received against right to use hardware	-	#
Deferred revenue (Refer note 36.4)	41	45
Statutory Dues		
- Provident Fund / ESIC / Profession Tax	160	159
- Tax Deducted At Source	250	323
- Sales tax / VAT / GST payable	159	145
Total	**1,443**	**1,147**

Notes on Consolidated Financial Statements

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34 Current provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits (Refer Note 34.1)		
- Gratuity (Refer Note 57 (b) (i))	16	17
- Compensated absences (Refer Note No. 34.2 and 57 (b) (ii))	1,877	1,937
Other Provisions		
- Sales return (Refer note 49(a))	1,976	2,641
- Discounts (Refer note 49(b))	501	412
- Performance bonus (Refer note 49(c))	86	316
- Others (contingencies, rent escalation etc.) (Refer note 49(d))	161	#
Total	**4,617**	**5,325**

34.1 The movement represents the provision created for the year arising out of the actuarial valuation after considering the actual settlements made during the year.

34.2 In case of accumulated compensated absences outstanding as at year-end, the employees have already earned the right to avail the leave and they are normally entitled to avail the leave at any time during the year. As the employees has an unconditional right to avail the leave, the same are classified as 'current provisions' as per the Guidance Note on Schedule III of the Companies Act, 2013 issued by the Institute of Chartered Accountants of India.

35 Liabilities for Current Tax (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provisions for tax (net of advance tax)	99	39
Total	**99**	**39**

36 Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sale of products		
- Finished Goods (Refer note 36.1)	1,45,591	1,38,556
- Traded Goods	277	108
Sale of services	1,785	2,068
Other operating revenues		
- Export incentives (Refer note 36.5)	1,926	1,614
- Sale of scrap and waste	1,315	1,608
- Power generation income	121	111
- Others (Royalty, Subscription etc.)	190	436
Total	**1,51,205**	**1,44,501**

36.1 Provision for Sales Returns:

The above amount is net of provision made for sales return amounting to ₹ 1,976 Lakhs (Previous year: ₹ 2,641 Lakhs). Also refer note 49 (a) and note 34.

36.2 Disclosures of Ind AS 115

(a) Refer note 2 (j) of Significant accounting policies for Revenue recognition.

(b) Contracts with customer and significant judgement in applying the standard:

(i) The Group's operations relates to publication of knowledge based information in educational and general books form as well as electronic media and manufacturing of paper and other stationery items. It caters to the educational need of Indian as well as Global market.

The Group applies the guidance provided in Ind AS 115 'Revenue from contracts with customer' for determining the timing of recognition of revenue. Refer note 2(j) of significant accounting policies.

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(ii) For details of revenue recognised from contracts with customers, refer note 36 above.

(iii) There are no contract assets arising from the group's contract with customers.

(c) Disaggregation of revenue

(i) For disaggregation of revenue, refer break-up given in note 36 above and note 59 (B).

(ii) Refer note 59 (A)(4) for details regarding customer concentration that represents 10% or more of the Group's total revenue during the year ended 31st March, 2020 and 31st March, 2019.

(d) Performance obligation

(i) For timing of satisfaction of its performance obligations, refer note 2(j) of significant accounting policies of the Group.

(ii) Unsatisfied (or partially satisfied) performance obligations are due to unexpired contract period in cases where the contract for grant exclusive license to translate, print, publish and sale the translated book in defined territory. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 42 Lakhs (Previous year: ₹ 46 Lakhs) out of which 81% (Previous year: 77%) is expected to be recognised as revenue in the next year and the balance thereafter.

36.3 Reconciliation of revenue recognized with the contracted price is as follows:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Contracted price	1,52,926	1,46,476
Less: Reductions towards variable consideration components	5,273	5,744
	1,47,653	1,40,732
Add: Other Operating Revenue	3,552	3,769
Revenue recognised	**1,51,205**	**1,44,501**

The reduction towards variable consideration comprises of volume discounts, sales promotion, etc.

36.4 Changes in deferred revenue are as follows (Refer note 29 and 33):

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Balance at the beginning of the year	46	159
Deferred during the year	51	84
Revenue recognised that was included in the deferred revenue at the beginning of the year	55	198
Balance at the end of the year	**42**	**46**

36.5 The Company receives government assistance in the form of MEIS license / duty drawback, which are issued to eligible exporters. Above revenue includes MEIS and duty drawback income of ₹ 1,926 Lakhs (Previous year: ₹ 1,614 Lakhs). Out of the revenue recognised, ₹ 404 Lakhs (Previous year: ₹ 526 Lakhs) will be received from government upon receipt of balance amount from customer and fulfilment of other procedural formalities.

37 Other Income (net)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a) Interest income		
Interest income on financial asset (at amortised cost)	378	444
Income on financial assets measured at FVTPL	-	43
b) Income from current investments carried at FVTPL		
Dividend income from mutual funds	15	-

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(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit on fair valuation of quoted equity shares	13	-
Profit on redemption of mutual funds	68	22
c) Gain on foreign exchange transactions (net) (Refer note 37.1)	1,034	612
d) Gain on fair valuation of financial assets (net)	24	15
e) Other non-operating income		
Rent income on rented premises	518	431
Interest on Income Tax refund	5	-
Profit on sale of property, plant and equipment	142	#
Others miscellaneous income	45	124
Total	**2,242**	**1,692**

37.1 Gain on foreign exchange transaction includes loss of ₹ 658 Lakhs (Previous Year: gain of ₹ 753 Lakhs) of exchange difference (net) arising on financial instruments.

38 Cost of materials consumed

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Raw Materials consumed (Refer note 17.1)	70,441	76,065
Total	**70,441**	**76,065**

39 Changes in inventories of finished goods, Stock-in -Trade and work-in- progress

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Closing Stock		
-Work In Process	2,008	2,164
-Finished Goods	28,605	30,451
-Stock in Trade	82	74
	30,695	**32,689**
Opening Stock		
-Work In Process	2,164	1,760
-Finished Goods	30,451	24,597
-Stock in Trade	74	98
	32,689	**26,455**
Total	**1,994**	**(6,234)**

40 Employee benefits expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries, Wages & Bonus	15,919	15,291
Contribution to PF, ESIC and LWF (Refer note 57 (a))	993	770
Contribution to Other Funds	422	380
Staff Welfare Expenses	678	684
Total	**18,012**	**17,125**

41 Finance costs

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest expenses on borrowings	1,397	1,532
Interest expense on lease liability (Refer note 46)	316	-
Total	**1,713**	**1,532**

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42 Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation of property, plant and equipment (Refer note 3)	2,608	2,392
Depreciation of right-of-use assets (Refer note 4)	1,018	-
Depreciation of investment property (Refer note 6)	#	8
Amortisation of intangible assets (Refer note 7)	1,062	870
Total	**4,688**	**3,270**

43 Other expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Royalty	3,669	3,692
Transportation Expenses	2,703	3,096
Insurance	228	214
Rent	380	1,396
Freight & Octroi	885	1,074
Advertisement	1,062	1,167
Power & Fuel	497	422
Printing Expenses	1,299	1,418
Binding Expenses	2,717	2,932
Other Manufacturing Expenses	2,122	2,715
Stores & Spares Consumed	630	682
Repairs to:		
a) Plant & Machinery	338	372
b) Buildings	662	505
c) Other repairs	336	392
Auditor's remuneration	45	44
Legal and Professional Fees	1,004	1,372
Rates & Taxes	199	92
Sales Tax / GST Expenses (Refer note 43.1)	1,630	317
Commission	866	715
Marketing Expenses	1,245	1,335
Sales Promotion Expenses	509	633
Bad debts and other irrecoverable advance written off	165	97
Allowance for Expected credit loss & bad and doubtful debts	490	166
Corporate Social Responsibility Expenses	641	777
Donation	28	1
Bank Charges	188	149
Staff recruitment expenses	6	117
Incidental expenses for issue of OCPS	44	-
Other Expenses (Refer note 43.3)	4,361	4,199
Total	**28,950**	**30,091**

43.1 Sales Tax / GST expenses for the year includes ₹ 1,340 Lakhs towards the dispute resolution of MVAT liability.

43.2 As expense-wise breakup in respect of input credit reversals is not readily available, such reversal are grouped under Sales Tax / GST expenses.

43.3 Other expenses do not include any item of expenditure which is exceeding one percent of the revenue from operations or ₹ 10 Lakhs, whichever is higher, in addition to the consideration of 'materiality'.

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44 Contingent liabilities:

(a) Tax matters:

i) For disputed Income tax matters ₹ 526 Lakhs and (Previous year: ₹ 526 Lakhs) against which amount provided in books is ₹ 521 Lakhs (Previous year: ₹ 521 Lakhs) and amount paid under protest is ₹ 484 Lakhs (Previous year: ₹ 484 Lakhs) (Refer below note).

Income tax demands mainly include the appeals filed by the holding Company before various departmental appellate authorities / High Courts against the disallowances made by Income Tax Authorities of certain deductions / expenses claimed. Pending final decisions, the Company has deposited amounts under protest with Income Tax Authorities.

ii) For disputed Sales tax matters ₹ 2,259 Lakhs (Previous Year: ₹ 5,205 Lakhs) against which amount paid under protest is ₹ 89 Lakhs (Previous Year: 309 Lakhs). (Refer below note)

Sales Tax demands have been mainly raised on account of dispute on rate of certain products, non submission of statutory declarations etc. Pending final decisions, the holding Company has deposited amounts under protest with Sales Tax Department.

iii) In one of the subsidiaries 'Indiannica Learning Private Limited' has received demand notice and penalty order from income tax department for FY 2016-17 and FY 2017-18 respectively aggregating to ₹ 130 Lakhs (Previous year: ₹ Nil) against which no provision is made in books and no amount paid under protest as at year-end. Appeal for the same has been filed by the company against the said demand notice and penalty order with CIT (Appeal).

iv) In one of the subsidiaries 'eSense Learning Private Limited', income tax department has made certain disallowances during assessments against returned losses for Assessment Year 2013-14 and Assessment Year 2014-15 and reduced the losses claimed by the Company by ₹ 238 Lakhs for these Assessment years.

Similar disallowance of ₹ 120 Lakhs was made for Assessment Year 2012-13. Appeal against the said disallowance was decided by ITAT during the year. ITAT has given substantial relief by allowing disallowance amounting to ₹ 94 Lakhs as against disallowance of ₹120 Lakhs made during assessment. Management is hopeful of getting such reliefs in subsequent years as nature of dispute is similar. Considering this, in the opinion of the management there would not any major liability with respect to pending Appeal.

Further, during the year, against balance disallowance of AY 2012-13, department has levied penalty of ₹ 8 Lakhs u/s 271(1)(c) of the Income Tax Act, 1961. The Company has made payment under protest of 20% of total demand (i.e. ₹ 162 Lakhs) and filed appeal with CIT (Appeal) against this penalty order."

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 recognized in the financial statements.

(b) Against bond:

Duty free imports for which export obligation is pending as at year end amounting to ₹ 158 Lakhs (Previous Year: ₹ 227 Lakhs). In the event Company does not meet the respective obligation, GST would have to be paid for which input credit would be available.

(c) Extra Duty Deposit is the duty levied by custom department in respect of items where the final valuation / assessment is in-process of being determined by the special valuation bench of the custom department. During the current year, the government, after completion of valuation assessment, has paid full refund of the additional duty. (Refer note 23.1)

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45 Capital Commitments and Other Commitments

Estimated amount of contracts remaining to be executed (Net of advances) on capital account is ₹ 2,117 Lakhs (Previous year: ₹ 1,907 Lakhs).

46 Disclosure under Ind AS 116 'Leases'

The group has adopted Ind AS 116 'Leases' effective from 1st April, 2019 and has made transition adjustment as per para C8(c)(ii) of Ind AS 116, i.e. prospective implementation without changing opening balance of reserves, as notified by the Ministry of Corporate Affairs in the Companies (Indian Accounting Standard) Amendment Rules, 2019. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance.

Consequently, amounts of 'Depreciation & Amortisation', 'Finance Costs' and 'Other Expenses' are not comparable with previous year. Also refer note 2.2(o) for accounting policy on leases.

a) As a Lessee

The Group's lease assets primarily consist of leases for office premises, warehouses, vehicles and computers. For lease arrangement with lease terms of 12 months or less, the Company has applied the 'short-term lease' recognition exemptions and for lease with lower underlying value asset, the Company has applied the 'low value asset' recognition exemption.

(₹ in Lakhs)

Particulars	Amounts
Interest expense on lease liabilities; (Refer note 41)	316
Expense relating to short-term leases (included in 'Other expenses')	407
Expense relating to leases of low value assets (included in 'Other expenses')	43
Lease payments debited to lease liabilities	1,150
Expense relating to variable lease payments not included in the measurement of lease liabilities;	-
Income from subleasing right-of use assets;	-
Total cash outflow of leases; [including short term and low value leases]	1,600
Gains or losses arising from sale and leaseback transaction;	-

Notes:

1. The right-of-use asset is depreciated using the straight-line method (SLM) from the commencement date over the lease term of right-of-use asset. For details of addition, depreciation and carrying amount of right of use asset, refer note 4.

2. Also refer note 54 for contractual maturities of lease liability (as per Ind AS 107).

3. For the purpose of calculation of lease liabilities, future lease payments are discounted at incremental borrowing rate for the lease term of 5 years. This lease term is arrived based on reasonable certainty of renewal of lease agreement.

b) As a Lessor

For assets given on cancellable lease, it's depreciation and carrying amount, refer note 6. Also, for rental income earned on that properties, refer note 6.1 which is recognized on a straight line basis over the term of the relevant lease for long-term leases.

47 Derivative Financial instruments

The holding Company uses derivative financial instruments such as forwards and options, to hedge its risks associated with foreign exchange fluctuation. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted price for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

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for the year ended 31st March, 2020

(a) The assets and liabilities position of various outstanding derivative financial instruments is given below:

Particulars	2019-20		2018-19	
	In USD	₹ in Lakhs	In USD	₹ in Lakhs
Hedge				
Foreign currency forward contract (with underlying trade receivables considered for fair flow hedge) - Assets	47,11,427	3,565	45,18,628	3,123
Foreign currency forward contract (with underlying firm commitments considered for cash value hedge) - Assets	4,36,58,573	33,039	4,18,46,372	28,920
Foreign currency forward contract (with underlying firm commitments considered for cash value hedge) - Liabilities	-	-	64,919	45
Foreign currency option contract (with underlying firm commitments considered for cash value hedge) - Assets	-	-	30,00,000	2,073
Total	**4,83,70,000**	**36,604**	**4,94,29,919**	**34,161**

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: (Refer note 22 and 32)

(₹ in Lakhs)

Particulars	Currency pair		Fair value Gain / (loss) Amount	
			2019-20	2018-19
Foreign currency forward contract (with underlying trade receivables considered for fair flow hedge)	USD_INR	Sell	(170)	94
Foreign currency forward contract (with underlying firm commitments considered for cash value hedge)	USD_INR	Sell	(1,328)	652
	USD_INR	Buy	-	#
Foreign currency option contracts (with underlying firm commitments considered for cash value hedge)	USD_INR	Buy & Sell	-	72
Total Gain / (Loss)			**(1,498)**	**819**

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(c) Details of amount held in hedging reserve (i.e. cash flow hedge) and the period over which these are going to be released

For the year ended as on 31st March, 2020

(₹ in Lakhs)

Particulars	Closing value in hedging reserve Gain / (Loss)	Release in less than 12 months	Release in more than 12 months
Foreign currency forward contracts (gross amount):			
USD_INR (trade receivables)	(1,328)	(1,328)	Nil
USD_INR (trade payables)	-	-	Nil
Foreign currency option contracts (gross amount):			
USD_INR (trade payables)	-	-	Nil
Closing balance as at year end	**(1,328)**	**(1,328)**	**Nil**

For the year ended as on 31st March, 2019

(₹ in Lakhs)

Particulars	Closing value in hedging reserve Gain / (Loss)	Release in less than 12 months	Release in more than 12 months
Foreign currency forward contracts (gross amount):			
USD_INR (trade receivables)	652	652	Nil
USD_INR (trade payables)	#	#	Nil
Foreign currency option contracts (gross amount):			
USD_INR (trade payables)	72	72	Nil
Closing balance as at year end	**724**	**724**	**Nil**

(d) Amount of loss recognised in hedging reserve and recycled:

i) During the financial year 2019-20:

(₹ in Lakhs)

Particulars	Opening balance	Net amount recognised	Recycled to P&L	Closing balance
Foreign currency forward contracts	452	(1,599)	65	(1,082)
Foreign currency option contracts	(47)	47	-	-
Total	**405**	**(1,552)**	**65**	**(1,082)**

Note - Amount recycled to P&L also includes loss of ₹ 65 Lakhs reclassified from OCI to P&L as per FAQ issued by ICAI for Ind AS entities amid Covid-19, in case where customer have cancelled their orders subsequently due to lock-down.

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ii) During the financial year 2018-19:

(₹ in Lakhs)

Particulars	Opening balance	Net amount recognised	Recycled to P&L	Closing balance
Foreign currency forward contracts	(68)	(172)	692	452
Foreign currency option contracts	#	(47)	-	(47)
Total	**(68)**	**(219)**	**692**	**405**

(e) Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes.

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, 2020 is ₹ Nil (Previous year : ₹ Nil).

48 Earnings Per Share :

(₹ in Lakhs)

Particulars	2019-20	2018-19
Net Profit available for Equity Shareholders as per statement of profit & loss	19,724	15,283
Weighted average number of equity shares for basic and diluted EPS (in Numbers)	2,289	2,314
Basic and Diluted Earning per share (₹)	8.62	6.60
Face Value Per Equity Share (₹)	**2.00**	**2.00**

49 Disclosure of movement of provisions :

(a) Provision for sales return

(₹ in Lakhs)

Particulars	2019-20	2018-19
Opening balance of provision	2,641	2,066
Add: Addition during the year	1,976	2,641
Less: Utilized/Written Back	2,641	2,066
Closing balance of provisions	**1,976**	**2,641**

Note: Provision has been made for expected return for sales made during the year. Provision for sales return would be utilised against the returns which are expected to be received in the subsequent financial year.

(b) Provision for Discounts

(₹ in Lakhs)

Particulars	2019-20	2018-19
Opening balance of provision	412	254
Add: Addition during the year	501	412
Less: Utilized/Written Back	412	254
Closing balance of provisions	**501**	**412**

Note: Provision has been recognized for expected discount to be provided to distributor on the basis of agreed terms and fulfilment of future obligation by distributor.

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(c) Provision for performance bonus

(₹ in Lakhs)

Particulars	2019-20	2018-19
Opening balance of provision	316	127
Add: Addition during the year	72	231
Less: Utilized/Written Back	302	42
Closing balance of provisions	**86**	**316**

Note: Provision has been recognized based on performance evaluation of employees as per engagement terms and which are expected to be paid in the next year.

(d) Provision for contingencies, rent escalation etc.

(₹ in Lakhs)

Particulars	2019-20	2018-19
Opening balance of provision	#	#
Add: Addition during the year	161	#
Less: Utilized/Written Back	#	-
Closing balance of provisions	**161**	**#**

Note: Provision has been recognized against certain business related obligations, rent escalation etc.

50 All amounts are rounded to the nearest lakhs, except when otherwise mentioned. Figures of ₹ 50,000 or less have been denoted by #.

51 Disclosure as per Ind AS 12 'Income Taxes'

A Income tax expense in the statement of profit and loss consists of:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Current income tax:		
In respect of the current year	7,671	9,534
In respect of the prior years	49	(26)
Deferred tax		
In respect of the current year	(259)	(259)
Income tax expense recognized in the statement of profit or loss	**7,461**	**9,249**
Income tax recognized in other comprehensive income:		
Deferred tax arising on income and expense recognized in OCI		
a) Re-measurement of the net defined benefit plan	(7)	(43)
b) Financial Liabilities at Fair value (forward contracts)	(500)	373
Income tax expense recognized in other comprehensive income	**(507)**	**329**

B The reconciliation between the provision of income tax of the Group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

(₹ in Lakhs)

Particulars	2019-20	2018-19
Profit before tax	27,192	23,970
Impact of changes on account of permanent disallowances (net)	361	37
Impact of Chapter VI-A deductions (net)	233	15
Tax losses for which no deferred income tax was recognised (refer note C below)	2,142	2,189
	29,928	**26,211**
Enacted income tax rate in India	25.17%	34.94%
Computed expected tax expense	**7,532**	**9,159**
Effect of:		
Tax expenses as per the Statement of Profit and Loss	7,461	9,249
Impact of tax rate change	(41)	-
Others (including tax on inter-company margin removal)	112	(90)

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(₹ in Lakhs)

Particulars	2019-20	2018-19
Income tax expense recognized in the statement of profit and loss	**7,532**	**9,159**

Note: The Group has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax and remeasured its deferred tax balances on the basis of rate prescribed in the said section. The applicable corporate income tax rate for the Company for the year ended 31st March, 2020 and 31st March, 2019 is 25.17% and 34.94%, respectively.

In the opinion of the Management of the holding company, subsidiaries and the holding company does not have any item of allowance / disallowance; tax treatment of which is uncertain on account of on-going disputes with the authorities.

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 reasonably certain that future 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.

In respect to both subsidiaries having carry forward depreciation losses as at 31st March, 2020 of ₹ 4,508 Lakhs (Previous year: ₹ 3,722 Lakhs) which doesn't have any expiry date and carry forward business losses as on 31st March, 2020 is ₹ 6,504 Lakhs (Previous year: ₹ 5,148 Lakhs) which will be expired in next 1 to 8 years (Previous year : 1 to 8 years). Considering losses incurred during last two years, these assets are not recognised in financial statements.

D In respect to two subsidiaries 'eSense Learning Private Limited' and 'Indiannica Learning Private Limited', no provision for tax has been made, as the both subsidiary Companies have incurred tax loss during the year and there are brought forward losses under income tax. As stated above, the subsidiaries Companies have recognised deferred tax assets to the extent of deferred tax liability.

52 COVID-19 has impacted the normal business operations of the Group by way of interruption in production, supply chain disruption, unavailability of personnel, etc. The Group has made assessment of its liquidity position for the next financial year and has considered internal and external information in assessing the recoverability of its assets such as investments, loans, intangible assets, trade receivable, inventories etc. The Group has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Group expects to fully recover the carrying amount of these assets.

The impact assessment of COVID-19 is an ongoing process, and may be different from that estimated as at the date of approval of these financial results, given the uncertainties associated with its nature and duration and the Group will continue to monitor all material changes to the entity's environment.

53 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.

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Fair value hierarchy

The following table presents the financial assets and financial liabilities by level with the fair value measurement hierarchy :

		31st March, 2020		31st March, 2019	
		Level of input used in*	Carrying Amount ₹ in Lakhs	Level of input used in	Carrying Amount ₹ in Lakhs
a)	**Financial assets**				
	At Amortised Cost				
	Trade receivables	NA	26,853	NA	29,259
	Cash and cash equivalents	NA	413	NA	1,737
	Bank deposits	NA	45	NA	42
	Earmarked balances with Bank	NA	353	NA	296
	Loans	NA	6,371	NA	2,829
	Other financial assets	NA	1,526	NA	3,270
	At Fair Value Through P&L				
	Investment in Equity (Refer Note 10.2)	Level 1	214	Level 1	-
	Investment in Mutual fund	Level 1	200	Level 1	-
	Security deposits	Level 2	-	Level 2	1
	Financial assets at fair value (forward and option contracts)	Level 2	-	Level 2	819
b)	**Financial liabilities**				
	At Amortised Cost				
	Cash Credit	NA	215	NA	4,180
	Trade payables	NA	4,629	NA	9,089
	Working capital loan	NA	7,301	NA	6,801
	Commercial paper	NA	13,000	NA	20,000
	Other financial liability	NA	2,432	NA	3,238
	Bank overdraft	NA	3,000	NA	2,717
	Vehicle Loan	NA	38	NA	44
	Lease Liability	NA	4,279	NA	-
	At Fair Value Through P&L				
	Financial liabilities at fair value (forward and option contracts)	Level 2	1,498	Level 2	-

* There has been no transfer between level 1 and level 2 during the year ended 31st March, 2020 and 31st March, 2019. Level is NA, since valued at amortised cost.

Further, investments in an associate are not recognised as per IND AS 109 and hence, not considered above.

Notes on Consolidated Financial Statements

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Financial /Bank guarantee:

(i) Financial Guarantees are issued in favour of banks against loans taken by subsidiaries. The amount of guarantee is ₹ 4,650 Lakhs (Previous Year: ₹ 4,650 Lakhs). The Guarantee given is covered under section 186(4) of the Companies Act, 2013, and is for commercial purpose only.

(ii) In one of the subsidiaries 'Indiannica Learning Private Limited', the Subsidiary Company has given bank guarantee to Sales Tax department ₹ 2 Lakhs (Previous year: ₹ 2 Lakhs).

(iii) Bank Guarantee is given to electricity department (DNH Power Distribution Corporation Limited) for electricity deposit of ₹ 32 Lakhs (Previous Year: ₹ 30 Lakhs).

54 Financial Risk Management

The Group 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 Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Lakhs)

	Change in Int. Rate	Effect on profit before tax [increase / (decrease)]
March 31, 2020	Increase by 50 basis points (50 bps)	118
	Decrease by 50 basis points (50 bps)	(118)
March 31, 2019	Increase by 50 basis points (50 bps)	155
	Decrease by 50 basis points (50 bps)	(155)

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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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to trade payables, trade receivables and cash and cash equivalent.

The following table analyses the foreign currency risk from monetary assets and liabilities as at balance sheet date:

Particulars / Foreign currency	2019-20		2018-19	
	Amount in foreign currency	₹ in Lakhs	Amount in foreign currency	₹ in Lakhs
Payables				
EUR	820	1	644	#
GBP	3,377	3	4,713	4
HKD	-	-	70,290	6
USD	51,384	39	25,143	17
Balances with banks				
USD	-	-	17,00,671	1,175
Total Asset / Liability (net)	**(55,581)**	**(43)**	**15,99,881**	**1,147**

Note: - Open purchase / sales orders are not considered for above purpose. Further foreign currency trade receivables are fully hedged by forward contracts and advances receivable / payable are not exposed to risk, hence not considered above.

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 Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Lakhs)

	Change in USD rate	Effect on profit before tax
March 31, 2020	Increase by 500 basis points (500 bps)	(2)
	Decrease by 500 basis points (500 bps)	2
March 31, 2019	Increase by 500 basis points (500 bps)	36
	Decrease by 500 basis points (500 bps)	(36)

Previous year figures are in bracket

Note:- Foreign currency trade receivables are not considered for the purpose of sensitivity because they are fully hedged by forward contracts.

Price risk

The Group is not exposed to any significant price risk.

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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 Group 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 Group's established policy, procedures and control relating to customer credit risk management. The Group 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.

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix and past historical experience. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

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 Group does not hold collateral as security except as mentioned in note 18.4.

The ageing of trade receivable and credit loss allowance is as under:

(₹ in Lakhs)

Particulars	Ageing		Total
	Upto 6 months	More than 6 months	
As at 31st March, 2020			
Secured	-	-	-
Unsecured	25,412	2,328	27,739
Total receivables	**25,412**	**2,328**	**27,739**
Allowances for doubtful receivables and expected credit loss	-	-	886
Net Receivables	**25,412**	**2,328**	**26,853**
Expected loss rate *			3.19%
As at 31st March, 2019			
Secured	-	-	-
Unsecured	27,810	2,068	29,879
Total receivables	**27,810**	**2,068**	**29,879**
Allowances for doubtful receivables and expected credit loss			620
Net Receivables	**27,810**	**2,068**	**29,259**
Expected loss rate *			2.07%

* Expected loss rate includes both allowance made based assessed credit risk on an individual basis and expected loss based on historical experience.

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Movement in expected credit loss / allowances for doubtful debts

(₹ in Lakhs)

Particulars	Expected credit loss		Allowances for doubtful debts	
	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019
Balance at the beginning	71	35	549	419
Additional provision	110	36	409	144
Amounts written off	-	-	253	14
Balance at the end	**181**	**71**	**705**	**549**

Deposits with banks and other financial assets

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum level of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Year ended March 31, 2020				
Non-derivative				
Working capital loan	7,301	-	-	7,301
Commercial paper	13,000	-	-	13,000
Lease liability	906	3,373	-	4,279
Bank overdraft	3,000	-	-	3,000
Cash credit facility	215	-	-	215
Trade payables	4,629	-	-	4,629
Vehicle loan	7	38	-	45
Other financial liability	2,425	-	-	2,425
Derivative				
Financial liabilities at fair value (forward contracts)	1,498	-	-	1,498
Year ended March 31, 2019				

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Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivative				
Working capital loan	6,801	-	-	6,801
Commercial paper	20,000		-	20,000
Lease liability	-	-	-	-
Bank overdraft	2,717	-	-	2,717
Cash credit facility	4,180	-	-	4,180
Trade payables	9,089	-	-	9,089
Vehicle loan	6	44	-	50
Other financial liability	3,232	-	-	3,232
Derivative				
Financial liabilities at fair value (forward contracts)	-	-	-	-

Note - Future interest payment in respect to current borrowings of Working capital loan, Commercial paper, Cash credit facility are not added in maturity profile tabulated above.

The table below summarises the maturity profile of the Group's financial assets based on contractual undiscounted receipts.

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Year ended 31st March, 2020				
Non-derivative				
Investments : Current and Non Current	-	214		214
Loans (including Inter Corporate Deposit)	4,197	2,175	-	6,372
Trade receivables	26,789	64	-	26,853
Cash and cash equivalent	613	-	-	613
Other bank balances	399	-	-	399
Other financial assets	1,399	127	-	1,526
Derivative				
Financial assets at fair value (forward contracts and option contract)	-	-	-	-
Year ended 31st March, 2019				
Non-derivative				
Loans (including Inter Corporate Deposit)	745	2,083	-	2,828

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(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade receivables	29,236	23	-	29,259
Cash and cash equivalent	1,737	-	-	1,737
Other bank balances	337			337
Other financial assets	590	2,680		3,270
Derivative				
Financial assets at fair value (forward contracts and option contract)	819	-	-	819

Note: The Group is not exposed to significant liquidity risk based on past performance and current expectations. The Group believes that the cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

Further, investments in an associate are not recognised as per IND AS 109 and hence, not disclosed in Maturity profile above.

55 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loan obligation, trade and other payables and less cash and cash equivalents.

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Working capital loan	7,301	6,801
Lease Liability	4,279	-
Vehicle loan	44	50
Bank overdraft / Book OD	3,211	2,717
Cash credit facility	215	4,180
Trade payables	4,629	9,089
Commercial paper	13,000	20,000
Less: cash and cash equivalent	(613)	(1,737)
Net Debt	**32,066**	**41,101**
Equity	86,321	79,132
Capital and Net debt	**1,18,387**	**1,20,233**
Gearing Ratio	**27.09%**	**34.18%**

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56 Disclosures for 'Statement of Cash Flows' as per Ind AS 7

56.1 Reconciliation of liabilities from financing activities for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	31st March, 2020	Cash flows (net)	Impact of Ind AS 116	31st March, 2019
Short term / Long term borrowings (including current portion)	23,560	(10,189)	-	33,749
Lease Liability (impact of IND AS 116)	4,279	(1,145)	5,424	-
Total	**23,560**	**(11,334)**	**-**	**33,749**

Note - The Group has accounted for lease liabilities and fair value changes in accordance with Ind AS 116 implemented during the year. Detail break-up of above non-cash element is given below:

i) Transition adjust on implementation of Ind AS 116	5,108
ii) Finance cost on lease liabilities	316
Total	**5,424**

Reconciliation of liabilities from financing activities for the year ended 31st March, 2019

Particulars	31st March, 2019	Cash flows (net)	Non-cash changes	31st March, 2018
Short term / Long term borrowings (including current portion)	33,749	19,094	-	14,654
Total	**33,749**	**19,094**	**-**	**14,654**

56.2 Net cash inflow from operating activity netted off with expenditure on Corporate Social Responsibility (CSR) expenditure of ₹ 641 Lakhs (Previous year: ₹ 777 Lakhs).

57 Employee benefits:

(a) The Group has recognized the following amounts towards defined contribution plans as an expense and included in the Statement of Profit and Loss.

(₹ in Lakhs)

Particulars	2019-20	2018-19
Provident Fund	896	655
Employee State Insurance Corporation	65	88
Government Pension Fund	30	26
Labour Welfare Fund	1	1
Total	**992**	**770**

(b) Defined benefit plan and long term employment benefits:

These plans typically expose the Group to actuarial risks such as: Investment, Interest rate, longevity and salary increase risk:

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

I. Investment / Interest risk: The Group is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit. Since the scheme is unfunded in case of compensated absence and in case of gratuity (in one subsidiary Company), the Company is not exposed to Investment / Interest risk.

II. Longevity Risk: The Group is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

III. Risk of Salary Increase: The Group is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

(i) Defined benefit plan and long term employment benefits: Gratuity (Defined benefit plan):

The holding 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 Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Non Funded) (Refer note below)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Change in Obligation				
Opening Present Value of Accrued Gratuity	3,807	3,227	84	77
Service Cost	292	255	26	27
Actuarial (Gain)/ Loss on Obligation	33	108	(5)	(22)
Interest Cost	287	247	6	6
Less: Benefits paid	(97)	(31)	(8)	(3)
Closing Present Value of Accrued Gratuity	**4,322**	**3,807**	**103**	**84**

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Non Funded) (Refer note below)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Change in Plan Asset				
Opening Fund Balance	3,867	3,210	-	-
Interest Income	310	261	-	-
Adjustment to Opening balance	(6)	(5)	-	-
Return on the plan asset	12	(4)	-	-
Contribution	496	437	8	3
Less: Benefits paid	(97)	(31)	(8)	(3)
Closing Fund Balance	**4,582**	**3,867**	**-**	**-**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Non Funded) (Refer note below)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Reconciliation of present value of obligation and the plan asset				
Closing Fund Balance	4,582	3,867	-	-
Closing present value of Accrued Gratuity	4,322	3,807	103	84
Net Liability	**(260)**	**(60)**	**103**	**84**

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Non Funded) (Refer note below)	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Asset recognised in balance sheet	(272)	(74)	-	-
Liability recognized in balance sheet	12	14	103	84
Net Liability	**(260)**	**(60)**	**103**	**84**

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Non Funded) (Refer note below)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Expenses recognized in the Statement of Profit & Loss				
Current Service Cost	292	255	26	27
Interest Cost	287	247	6	6
Return on Plan Assets	(310)	(261)	(5)	(22)
Less: Capitalised to contents / technology platform	-	-	(3)	(1)
Expenses recognized in the Statement of Profit & Loss	**269**	**242**	**25**	**8**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Non Funded) (Refer note below)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Expenses recognized in the other comprehensive income				
Net Actual (Gain) / Loss recognized	33	108	(5)	(22)
Return on the plan asset	(12)	4	-	-
Expenses recognized in the other comprehensive income	**21**	**112**	**(5)**	**(22)**

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Non Funded) (Refer note below)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Movement in the Liability recognized in Balance Sheet				
Opening Net Liability	(60)	17	84	77
Adjustment to Opening balance	6	5	-	-
Expenses recognized in the Statement of Profit & Loss	269	242	30	31
Capitalised to contents / technology platform	-	-	3	1
Contribution paid	(495)	(437)	(8)	(3)
Expenses recognized in the other comprehensive income	21	112	(5)	(22)
Closing Net Liability	**(259)**	**(60)**	**103**	**84**

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Non Funded) (Refer note below)	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Experience adjustment:				
Experience adjustment on plan liability	96	104	-	-
Experience adjustment on plan asset	(4)	11	-	-
Net experience adjustment	**92**	**115**	**-**	**-**

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

Sensitivity analysis:

Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

(₹ in Lakhs)

Defined benefit obligation	Discount rate	Salary escalation rate
Effect on defined benefit obligation due to increase by 100 basis point	3,893	4,753
Effect on defined benefit obligation due to decrease by 100 basis point	4,762	3,893

Assumptions

Return on plan assets	Ranging from 6.53% to 6.80%	Ranging from 7.32% to 7.66%
Salary escalation rate	Ranging from 6.00% to 9.00%	Ranging from 6.00% to 9.00%
Discounting rate	Ranging from 6.53% to 6.80%	Ranging from 7.32% to 7.66%
Employee attrition rate (other than one subsidiary Company)	0.80% to 8% for all ages	0.80% to 8% for all ages
Employee attrition rate (in case of one subsidiary Company):		
Ages: up to 30 years	20.00%	20.00%
From 31 to 44 years	15.00%	15.00%
Above 44 years	10.00%	10.00%
Mortality rate (other than one subsidiary Company)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality rate (in case of one subsidiary Company)	Indian Assured Lives Mortality (2012-14)	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'.

The Group contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India under their Group Gratuity Scheme. The reimbursement is subject to insurer's Surrender Policy.

As at 31st March, 2020 and 31st March, 2019, the plan assets have been primarily invested in Government securities. The Group expects to contribute 4,25,00,000 to the gratuity scheme during the next financial year."

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

Expected maturity analysis of defined benefit obligation **(₹ in Lakhs)**

Period	2019-20	2018-19
With in 1 year	456	556
From 1 year to 2 years	161	156
From 2 years to 3 years	177	437
From 3 years to 4 years	516	223
From 4 years to 5 years	258	220
From 5 years to 10 years	1,502	1,475

(ii) Defined benefit plan and long term employment benefits: compensated absences

In respect of Compensated absences benefit, accrual is made on the basis of a year-end actuarial valuation in pursuance of the Group's leave rules.

The Group 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 Lakhs)

Particulars	Compensated absences (Non Funded)	
	31st March, 2020	31st March, 2019
Change in Obligation		
Opening Present Value of Accrued Gratuity	1,937	1,774
Addition due to subsidiary	-	-
Service Cost	801	714
Actuarial (Gain)/ Loss on Obligation	(866)	(603)
Interest Cost	143	133
Less: Benefits paid	(138)	(82)
Closing Present Value of Accrued Gratuity	**1,877**	**1,937**
Change in Plan Asset		
Opening Fund Balance	-	-
Addition due to subsidiary	-	-
Interest Income	-	-
Return on the plan asset	-	-
Contribution	138	82
Less: Benefits paid	(138)	(82)
Closing Fund Balance	**-**	**-**
Reconciliation of present value of obligation and the plan asset		
Closing Fund Balance	-	-
Closing present value of Accrued Gratuity	1,877	1,937

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Compensated absences (Non Funded)	
	31st March, 2020	31st March, 2019
Net Liability recognized in balance sheet	**1,877**	**1,937**
Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	802	714
Interest Cost	143	133
Return on Plan Assets	-	-
Net Actual (Gain) / Loss recognized	(866)	(603)
	78	**245**
Less: Capitalised to contents / technology platform	(5)	(4)
Encashment other than full & final settlement	#	14
Expense recognized in the statement of P&L	**73**	**255**
Movement in the Liability recognized in Balance Sheet		
Opening Net Liability	1,937	1,774
Addition due to subsidiary	-	-
Expenses as above	78	245
Contribution paid	(138)	(82)
Closing Net Liability	**1,877**	**1,937**

Sensitivity analysis:

(₹ in Lakhs)

Defined benefit obligation	Discount rate	Salary escalation rate
Effect on defined benefit obligation due to increase by 100 basis point	1,584	2,003
Effect on defined benefit obligation due to decrease by 100 basis point	2,003	1,584

Assumptions

Salary escalation rate	Ranging from 6.00% to 9.00%	Ranging from 6.00% to 9.00%
Discounting rate	Ranging from 6.32% to 6.80%	Ranging from 7.32% to 7.66%
Employee attrition rate	0.80% to 8% for all ages	0.80% to 8% for all ages
Mortality rate (other than one subsidiary Company)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality rate (in case of one subsidiary Company)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08) Ultimate
Composition of plan assets	Not funded	Not funded

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

58 Related Party Transactions

I) List of related parties with whom transactions have taken place and relationships:

(a) Associates:
K-12 Techno Services Pvt.Ltd.

(b) Enterprises owned or significantly influenced by key management personnel or their relatives:

Navneet Prakashan Kendra	The Flagship Advertising Pvt. Ltd.
Vikas Prakashan	Navneet Foundation
Gala Publishers	Navneet Trust
Sandeep Agency	Sai Plast
Allcargo Logistics Limited	

(c) Key Management Personnel & Relatives of the group:

Shri Bipin A. Gala	Shri Devish G. Gala
Shri Anil D. Gala	Smt. Henal T. Mehta
Shri Gnanesh D. Gala	Shri Atul J. Shethia (upto 13.11.2019)
Shri Raju H. Gala	Shri Kamlesh S. Vikamsey
Shri Shailendra J. Gala	Shri Nilesh S. Vikamsey
Shri Sanjeev J. Gala	Smt. Usha Laxman
Shri Kalpesh H. Gala	Shri Tushar K. Jani
Shri Ketan B. Gala	Shri Mohinder Pal Bansal
Smt. Pooja Ketan Gala	Dr. Vijay B. Joshi
Shri Archit R. Gala	Shri Anil Swarup (from 08.08.2019)

(d) Director Key Management Personnel & their relatives as per the Companies Act 2013:
Shri Deepak L Kaku (Chief Financial Officer of Parent Company and one subsidiary)
Shri Amit D Buch (Company Secretary of Parent Company)

(e) Post employment Benefit Plan
Employees' Gratuity scheme

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

II) Disclosure in respect of transactions with related parties during the year:

(₹ In Lakhs)

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20		2018-19	
		Amount	Amounts for material transactions	Amount	Amounts for material transactions
1	**Royalty Expense**				
	Enterprises owned or significantly influenced by KMP or their relatives:	3,094		3,085	
	Navneet Prakashan Kendra		1,613		1,737
	Vikas Prakashan		919		808
	Gala Publishers		561		540
2	**Lease payment (Refer note 46)**				
	Enterprises owned or significantly influenced by KMP or their relatives:	951		924	
	Navneet Prakashan Kendra		712		678
	Vikas Prakashan		58		55
	Gala Publishers		33		32
	Sandeep Agency		147		159
3	**Electricity Expense**				
	Enterprises owned or significantly influenced by KMP or their relatives:	#		#	
	Navneet Prakashan Kendra		#		#
4	**Legal and Professional fees**				
	Enterprises owned or significantly influenced by KMP or their relatives:	201		152	
	The Flagship Advertising Pvt. Ltd.		186		139
	Smt. Henal T. Mehta		15		14
	Consultancy fees paid to non-executive director:	16		-	
	Shri Anil Swarup		16		-
5	**Other Manufacturing Expenses**				
	Enterprises owned or significantly influenced by KMP or their relatives:	12		5	

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20		2018-19	
		Amount	Amounts for material transactions	Amount	Amounts for material transactions
	Sai Plast		5		5
	The Flagship Advertising Pvt. Ltd.		7		-
6	**Advertisement expense**				
	Enterprises owned or significantly influenced by KMP or their relatives:	56		-	
	The Flagship Advertising Pvt. Ltd.		56		-
7	**Sample expense (Other expense)**				
	Enterprises owned or significantly influenced by KMP or their relatives:	#		-	
	Smt. Henal T. Mehta		#		-
8	**Corporate Social Responsibility expenses**				
	Enterprises owned or significantly influenced by KMP or their relatives:	350		300	
	Navneet Foundation		350		300
9	**Remuneration / Salary Paid to (Refer footnote (i) below)**				
	KMP & their Relative:	1,229		1,276	
	Shri Atul J. Shethia		60		87
	Shri Bipin A. Gala		150		146
	Shri Anil D. Gala		145		152
	Shri Gnanesh D. Gala		143		152
	Shri Shailendra J. Gala		129		132
	Shri Raju H. Gala		166		158
	Shri Sanjeev J. Gala		132		147
	Shri Ketan Bipin Gala		137		144
	Shri Kalpesh H. Gala		139		139
	Smt. Pooja Ketan Gala		5		5
	Shri Archit R. Gala		11		7
	Shri Devish G. Gala		12		9

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20		2018-19	
		Amount	Amounts for material transactions	Amount	Amounts for material transactions
	KMP & their Relative as per the Companies Act 2013:	90		82	
	Shri Deepak L Kaku		53		46
	Shri Amit D Buch		37		36
	Sitting fees paid to non-executive director:	14		11	
	Shri Kamlesh S. Vikamsey		2		1
	Shri Nilesh S. Vikamsey		1		1
	Smt. Usha Laxman		3		2
	Shri Tushar K. Jani		1		3
	Shri Mohinder Pal Bansal		3		2
	Dr. Vijay B. Joshi		2		2
	Shri Anil Swarup		2		-
10	**Investment in Preference Shares**				
	Associate:	2,000		1,429	
	K12 Techno Services Pvt. Ltd.		2,000		1,429
11	**Interest Income**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	14		-	
	Allcargo Logistics Limited		14		-
12	**Sales of Finished Goods**				
	Enterprises owned or significantly influenced by KMP or their relatives:	-		86	
	Navneet Foundation		-		86
13	**Inter corporate deposit given**				
	Enterprises owned or significantly influenced by KMP or their relatives:	3,000		-	
	Allcargo Logistics Limited		3,000		-
14	**Contribution to post-employment benefit scheme**	517		442	
	Employees' Gratuity scheme		517		442
15	**Shares bought Back**				

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20		2018-19	
		Amount	Amounts for material transactions	Amount	Amounts for material transactions
	KMP & their Relative:	-		3,884	
	Shri Bipin A. Gala		-		72
	Shri Anil D. Gala		-		106
	Shri Gnanesh D. Gala		-		102
	Shri Shailendra J. Gala		-		41
	Shri Raju H. Gala		-		56
	Shri Sanjeev J. Gala		-		41
	Shri Ketan Bipin Gala		-		79
	Shri Kalpesh H. Gala		-		134
	Smt. Pooja Ketan Gala		-		9
	Shri Archit R. Gala		-		28
	Navneet Trust		-		3,217
16	**Dividend Paid (including Interim Dividend)**				
	KMP & their Relative:	4,666		1,708	
	Shri Bipin A. Gala		90		34
	Shri Anil D. Gala		132		51
	Shri Gnanesh D. Gala		127		49
	Shri Shailendra J. Gala		140		20
	Shri Raju H. Gala		80		27
	Shri Sanjeev J. Gala		140		20
	Shri Ketan Bipin Gala		98		38
	Shri Kalpesh H. Gala		173		64
	Smt. Pooja Ketan Gala		11		4
	Shri Archit R. Gala		35		13
	Navneet Trust		3,639		1,388
	Dividend paid to non-executive director:	#		#	
	Dr. Vijay B. Joshi		#		#
	Enterprises owned or significantly influenced by KMP or their relatives:	4		2	
	Smt. Henal T. Mehta		4		2

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

III) Related Parties Account balances as on 31st March, 2020

(₹ In Lakhs)

Sr. No.	Nature of Transaction/ Relationship/Major Parties	2019-20		2018-19	
		Amount	Amounts for material parties	Amount	Amounts for material parties
1	**Investments**				
	In Equity Shares & preference shares (including Goodwill & net of Group's share of loss)				
	Associates:	8,572		6,573	
	K12 Techno Services Pvt. Ltd.		8,572		6,573
2	**Inter corporate deposit given**				
	Enterprises owned or significantly influenced by KMP or their relatives:	3,000		-	
	Allcargo Logistics Limited		3,000		-
3	**Interest Income**				
	Enterprises owned or significantly influenced by KMP or their relatives, including:	14		-	
	Allcargo Logistics Limited		14		-
4	**Balance with post employment benefit Fund**				
	Employees' Gratuity scheme		4,582		3,867

Footnote:

(i) The above figure excludes provision for gratuity and compensated absences which have been actuarially determined on overall basis.

(ii) Transactions with related parties in the nature of sale of goods, rendering of services, purchase of goods, procurement of services are at arm's length price.

(iii) Above amounts are including taxes (wherever applicable) except dividend paid.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

59 Operating Segments

The Group's operations relates to publication of knowledge based information in educational and general books form as well as electronic media and manufacturing of paper and other stationery items. It caters to the educational need of Indian as well as Global market. The company is organised into business units based on its products and services and has three reportable segments as follows

i) Publication
ii) Stationery
iii) Others comprises of revenue from generation of power by windmill, trading items etc."

The accounting principles and policies used in the preparation of the Standalone Financial Statements, as set out in the note on significant accounting policies, are also consistently applied to record assets, liabilities, revenue and expenditure, in individual segments.

[A] The following summary describes the operations in each of the reportable segments

(₹ in Lakhs)

Particulars	Publication		Stationery		Others		Total	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Revenue	76,900	79,524	74,124	64,812	515	492	1,51,539	1,44,828
Less : Inter Segment Revenue	-	-	-	-	(334)	(326)	(334)	(326)
Net Revenue	76,900	79,524	74,124	64,812	181	165	1,51,205	1,44,501
Other Income	103	125	1,331	824	-	(7)	1,434	941
Segment Revenue	**77,003**	**79,649**	**75,455**	**65,636**	**181**	**158**	**1,52,639**	**1,45,443**
Segment Results	**19,185**	**22,189**	**12,236**	**6,406**	**272**	**213**	**31,694**	**28,808**
Add:Unallocated Other Income / (Expense)							808	750
Less: Financial Expenses							(1,713)	(1,532)
Less: Unallocable Expenditures							(3,597)	(4,056)
Profit before share of profit/(loss) of an associate and tax							**27,192**	**23,970**
Provision for Taxation (Income tax and Deferred tax)							(7,461)	(9,249)
Share in Profit/(Loss) of associate, Minority Interest and Goodwill							(6)	561
Profit after taxation							**19,724**	**15,282**
Segment Assets	58,770	60,193	49,227	59,039	9,230	7,310	1,17,226	1,26,542
Unallocated Assets							11,744	5,252
Total Assets							**1,28,970**	**1,31,794**
Segment Liabilities	13,670	15,075	6,407	6,887	2	3	20,078	21,965
Unallocated Liabilities							22,571	30,697
Total Liabilities							**42,649**	**52,662**
Capital Expenditure	5,680	2,840	1,433	1,210	-	-	7,114	4,049
Unallocated Capital Expenditure							2,851	285

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Publication		Stationery		Others		Total	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Depreciation and amortisation on Segmental Assets	2,923	2,153	1,046	959	80	92	4,048	3,204
Unallocated Depreciation and amortisation expense							640	66
Non cash items- Allowances for bad and doubtful debts							1,204	676

Notes :

(i) 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.

(ii) 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 enterprise as a whole have been grouped as unallocable.

(iii) The business which have been grouped under "Others" segment comprises of revenue from generation of power by Windmill, Pre School and Trading items etc.

(iv) In publication segment, concentration of revenues from one customer of the Company were 15.15% and 12.10% of total publication revenue for the year ended 31st March, 2020 and 31st March, 2019 respectively and in stationery segment, concentration of revenues from one customer of the Company were 35.75% and 22.25% of total stationary revenue for the year ended 31st March, 2020 and 31st March, 2019 respectively.

[B] Geographical Segments

(₹ in Lakhs)

Particulars	Outside India				India	Total
	North & Central America	Africa	Europe	Others		
Segment Revenue from operations	33,743	1,031	10,125	1,652	1,04,655	1,51,205
	(29,388)	(2,107)	(5,105)	(1,426)	(1,06,475)	(1,44,501)
Non-current assets	-	-	-	-	39,672	39,672
	(-)	(-)	(-)	(-)	(34,128)	(34,128)

Note: As per IND AS 108, 'Operating Segment', non-current assets considered above are other than financial instruments, deferred tax assets, post-employment benefit assets etc. As subsidiary 'Navneet (HK) Limited' does not have any non-current asset. Also there are no sales in country Hong Kong. Considering the same, above table does not include column for Hong Kong.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

60 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.

(a) As at and for the year ended 31st March, 2020

(₹ in Lakhs)

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**								
	1. Navneet Education Limited	111.88%	96,572	111.21%	21,935	101.61%	(1,522)	112.00%	20,413
B	**Subsidiaries**								
	Indian								
	1. eSense Learning Private Limited	-1.56%	(1,347)	-3.47%	(684)	-0.33%	5	-3.73%	(679)
	2. Navneet Learning LLP	12.93%	11,160	0.00%	(#)	0.00%	-	0.00%	(#)
	3. Indiannica Learning Private Limited	4.66%	4,022	-9.41%	(1,856)	-0.86%	13	-10.11%	(1,843)
	Foreign								
	4. Navneet (HK) Limited	0.02%	20	-0.01%	(3)	0.05%	(1)	-0.02%	(3)
	Minority Interest in all subsidiaries	0.05%	42	0.00%	-	0.00%	-	0.00%	-
C	**Associates (Investment as per the equity method)**								
	Indian								
	1. K12 Techno Services Private Limited	0.00%	-	-0.03%	(6)	-0.43%	6	0.00%	#
D	Inter-company Elimination & Consolidation Adjustments	-27.97%	(24,147)	1.72%	339	0.00%	-	1.86%	339
		100%	**86,322**	**100%**	**19,725**	**100%**	**(1,499)**	**100%**	**18,226**

(b) As at and for the year ended 31st March, 2019

(₹ in Lakhs)

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**								
	1. Navneet Education Limited	110.19%	87,196	116.13%	17,747	93.49%	392	115.52%	18,139
B	**Subsidiaries**								
	Indian								

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

(₹ in Lakhs)

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
	1. eSense Learning Private Limited	-0.84%	(668)	-0.74%	(113)	5.28%	22	-0.58%	(91)
	2. Navneet Learning LLP	11.57%	9,157	-0.01%	(2)	0.00%	-	-0.01%	(2)
	3. Indiannica Learning Private Limited	1.22%	964	-18.75%	(2,865)	0.48%	2	-18.24%	(2,863)
	Foreign								
	4. Navneet (HK) Limited	0.02%	20	-0.03%	(4)	0.03%	#	-0.02%	(4)
	Minority Interest in all subsidiaries	0.05%	42	0.00%	-	0.00%	-	0.00%	-
C	**Associates (Investment as per the equity method)**								
	Indian								
	1. K12 Techno Services Private Limited	0.00%	-	3.67%	561	0.71%	3	3.59%	564
D	Inter-company Elimination & Consolidation Adjustments	-22.21%	(17,579)	-0.27%	(41)	0.00%	-	-0.26%	(41)
		100%	**79,132**	**100%**	**15,282**	**100%**	**419**	**100%**	**15,702**

61 Disclosures as required by Ind AS 103 for Goodwill:

a) Movement of Goodwill:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Balance at the beginning of the Year	4,567	4,567
Add: Goodwill on acquisition of a subsidiary	-	-
Less: Impairment of Goodwill (refer point (b) below)	-	-
Balance at end of the year	**4,567**	**4,567**

b) Goodwill was created in year 2016-17 on acquisition of a subsidiary 'Indiannica Learning Private Limited'. Impairment test 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 years:

The Group tests goodwill for impairment annually. During the year ended 31st March, 2020 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.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

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."

Management of the holding company has performed sensitivity analysis on the above key assumptions to determine value in use. Based on this assessment, there is substantial gap between carrying amount of goodwill and value in use amount.

62 Disclosures in accordance with Ind AS 112 'Disclosure of Interests in Other Entities'

Information of interest of the Company in its investees are given below:

a) Subsidiaries:

Name of the entity	Place of business / country of incorporation	Principal activities	As at 31st March, 2020	As at 31st March, 2019
i) Ownership interest held by the Group				
eSense Learning Private Limited	India	e-learning products & Services	100.00%	100.00%
Navneet Learning LLP	India	Special Purpose Vehicle (SPV)	93.00%	93.00%
Indiannica Learning Private Limited	India	CBSE Content Publication	100.00%	100.00%
Navneet (HK) Limited	Hong Kong	Stationery trading	70.00%	70.00%
ii) Ownership interest held by non-controlling interests				
Navneet Learning LLP	India	Special Purpose Vehicle (SPV)	7.00%	7.00%
Navneet (HK) Limited	Hong Kong	Stationery trading	30.00%	30.00%

b) Interest in associates:

K12 Techno Services Private Limited engaged in the business of providing various services to education institutions in India. K12 Techno Services Private Limited is not listed and hence quoted prices are not available.

Investment in entities in which significant influence exists 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 investment.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

The following table summarises the financial information of K12 Techno Services Private Limited as included in its financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in K12 Techno Services Private Limited.

(₹ in Lakhs)

Particulars	31st March, 2020	31st March, 2019 (Refer note 62.1 below)
Investment in associate (share in % - Equity shares including Compulsorily Convertible Preference Shares into equity)	33.45%	33.23%
Current assets	11,764	9,639
Non-current assets	17,125	9,804
Current liabilities	7,622	5,887
Non-current liabilities	2,561	19
Net Assets	**18,706**	**13,537**
Proportion of the Group's share of net assets	6,280	4,498
- In equity and preference shares (including securities premium)	11,159	9,159
- Share of profit / (loss) in retained earnings	(2,587)	(2,586)
Carrying amount	**8,572**	**6,573**
Total income	10,387	8,921
Profit or loss from continuing operations (after tax)	**29**	**1,539**
Other comprehensive income	(5)	22
Total comprehensive income	**24**	**1,561**

(₹ in Lakhs)

Particulars	Based on Unaudited	Based on Unaudited
Group share in profit / (loss):		
- Current year (based on unaudited)	10	526
- Previous year (based in audit during the year) (Refer note 62.1 below)	(16)	35
Group's share of profit / (loss)	**(6)**	**561**
Group's share of OCI (including impact for previous year)	6	3
Group's share of total comprehensive income	**#**	**564**

62.1 Above financial information for the year ended on 31st March, 2020 is unaudited management approved financial statements and for the year ended on 31st March, 2019 is audited, however in previous year associate is consolidated based on unaudited management approved financial statements, impact of difference between audited and unaudited figures is given in current year.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2020

63 Details of the sources of estimation uncertainty in related to significant accounting estimates and judgements:

i) Impairment testing for licenses under intangible assets, internally generated intangible assets and Goodwill on consolidation Refer note 2.3 (b) of significant accounting policies and note 7.2, 7.3 and 61 for significant accounting estimates and judgements used in performing impairment test on licenses under intangible assets, internally generated intangible assets and Goodwill on consolidation.

ii) Provision for employee benefits
Refer note 2.3 (e) of significant accounting policies and note 57(b) for significant accounting estimates and judgements used and it's financial impact of sensitivity of such assumptions.

64 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.

65 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 : 17th June, 2020

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 : 17th June, 2020

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

SHAREHOLDER INFORMATION

To,
Link Intime India Pvt. Ltd.
C - 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai–400 083,

Updation of Shareholder Information for Physical Holdings

I/We request you to record the following information against my/our Folio No.:

General Information:

Folio No.	
Name of the sole/first share-holder	
PAN*	
CIN/Registration* (applicable to corporate shareholders)	
Tel. No. with STD Code	
Mobile No.	
E-mail Id	

*Self-attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 Digit)	MICR: (9 Digit)
Bank A/c Type:	Bank A/c Type#:
Name of the Bank:	
Bank Branch Address:	

#A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We shall not hold the company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.....

Place:
Date:
Encl: Signature of Sole/first holder

Notes :
1) Scanned copy of the above form, duly completed, along with the necessary documents, can also be sent to us on the following e-mail IDs: rnt.helpdesk@linkintime.co.in
2) For Members holding shares in electronic form, any change in the above details must be intimated directly to their Depository Participant only and not to the Company or its Registrars and Share Transfer Agents.

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HQ

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Dadar (W), Mumbai – 400 028.
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