

Time is Money



Knowledge is wealth

Corporate Information	2
Chairman’s Communiqué	3
Management Discussion and Analysis	4
Corporate Governance Report	6
General Shareholders Information	10
Performance Indicators	16
Financial Highlights	17
Notice	19
Directors’ Report	32
Section 212 statement of Subsidiary Companies	36
Independent Auditors’ Report	37
Balance Sheet	40
Statement of Profit and Loss	41
Cash Flow Statement	42
Significant Accounting Policies	43
Notes on Financial Statements	45
Consolidated Financial Statements	67

Board of Directors

Shivji K. Vikamsey	Chairman (upto 31/05/2013)
Amarchand R. Gala	Managing Director (upto 31/05/2013)
Jaisinh K. Sampat	Joint Managing Director (upto 31/05/2013)
Dungarshi R. Gala	Director – Educational Books Publishing (upto 31/05/2013)
Shantilal R. Gala	Director – Educational Books Publishing (upto 31/05/2013)
Harakhchand R. Gala	Director – Sales & Distribution (upto 31/05/2013)
Jitendra L. Gala	Director – Marketing (upto 31/05/2013)
Kamlesh S. Vikamsey	Chairman (w.e.f. 01/06/2013)
Gnanesh D. Gala	Managing Director (w.e.f. 01/06/2013)
Raju H. Gala	Joint Managing Director (w.e.f. 01/06/2013)
Bipin A. Gala	Wholetime Director (w.e.f. 01/06/2013)
Anil D. Gala	Wholetime Director (w.e.f. 01/06/2013)
Shailendra J. Gala	Wholetime Director (w.e.f. 01/06/2013)
Atul J. Shethia	Wholetime Director (w.e.f. 01/06/2013)
Mohinder Pal Bansal	Director (w.e.f. 01/06/2013)
Nilesh S. Vikamsey	Director (w.e.f. 01/06/2013)
Liladhar D. Shah	Director
Dr. R. Varadarajan	Director
Tushar K. Jani	Director

Company Secretary

Amit D. Buch

Auditors

Ghalla & Bhansali
Chartered Accountants,
Mumbai

Bankers

ICICI Bank Ltd.
The Hongkong and Shanghai Banking Corporation Ltd.
DBS Bank Ltd.
Kotak Mahindra Bank Ltd.
HDFC Bank Ltd.
Deutsche Bank AG

The Bank of Nova Scotia
Standard Chartered Bank
ING Vysya Bank Ltd.

Registered Office

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

Ahmedabad Office

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

Works

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

e-mail

investors@navneet.com

Website

www.navneet.com

Dear Shareowners,

Your Company consolidated and substantially improved its position in the Financial Year 2012-13. Your Company's strategy of providing solutions to educational needs of its valued customers has delivered tangible results and has reflected in the strong, well rounded performance for FY13. On a standalone basis, your Company achieved revenue of ₹ 791 cr., a growth of 30% over the previous year. I am also happy to report that your Company maintained its profitability and posted a net profit of ₹ 111 cr., a growth of 39% over the previous year. The earnings per share of the Company increased to ₹ 4.66 in FY13 from ₹ 3.37 in FY12.

We continue to reward our shareholders with dividend every year. This year the recommended dividend is ₹ 1.80 per share.

Your Company's ability to deliver growth and sustain business momentum is attributable to its ability to adapt quickly and make available the required books in a syllabus change scenario. Despite uncertain market and macro economic conditions in FY13, your Company was able to drive growth in all segments in which it operates, growing at 30% during the year.

Your Company experienced growth in both the states of Maharashtra and Gujarat and posted strong numbers, one of the best your Company has ever accomplished. Publication business showed a handsome growth of 29% y-o-y and stood at ₹ 457 cr. as compared to ₹ 354 cr. in FY12. We shall continue to see good growth for the next few years as your Company does not depend only on syllabus change cycles, but has ventured into new product categories, new markets and also caters to new customers. This segment has maintained its operating margin at 33% and the Management expects it to continue in the following years as well.

Stationery segment also grew by 31% to ₹ 326 cr. in FY13 from ₹ 249 cr. in FY12.

With the continuous syllabus change scenario, new customers and new markets in Publication segment, growing exports in Stationery segment and addition of more institutions and new products in eSense Learning Pvt. Ltd., your Company is confident and looks forward to achieve ₹ 1,000 cr. milestone by FY15, as communicated in our Annual Reports of 2009-10 and 2010-11.

A quick review of the latest Annual Status of Education Report (ASER) 2012, highlights the widening gap between children who attend government-run schools and those attending private schools. The report indicates that learning levels in government schools are declining and the private school enrolment figures are rising by almost 10% every year. The ASER projects that in this manner, by 2014, 41% of all India's primary age children will be attending private schools and that by 2019, the private schools will emerge as the 'clear major formal education provider' in India. The Report also speaks about decline in standards of education in the country.

Providing students with qualitative content in a simple language holds the key for the students' understanding and knowledge and it is here that your Company plays a vital role in making available quality content that it has been doing since decades. Your Company's outlook for the coming years looks very promising as the syllabus change scenario in the states of Maharashtra and Gujarat is expected to continue for a couple of years.

All these speak for the excellent opportunities that your Company is ready to seize and to grow at a rapid pace in the years to come.

APPRECIATION

The Board of Directors has been reconstituted by appointing new Directors and has also elected Shri Kamlesh Vikamsey, Director of the Company since 1992, as the Chairman. I am sure that you would continue to support all the new Directors on the Board and the newly elected Chairman as you have been doing hitherto.

I am grateful to my colleagues on the Board for their support and camaraderie extended to me during my tenure as the Chairman of the Company.

I am immensely pleased with the efforts put in by our employees at all levels. Your Company's continued success is due to the dedication and performance of committed & energetic employees, who remain its biggest asset.

I take this opportunity to express my gratitude to all our shareholders for reposing their trust in us and in extending their constant support.

Shivji K. Vikamsey

Dividend Policy :

The trend in your Company's policy of rewarding its investors with minimum 25% of its net profits as dividends, continues this year as well. Your Company has proposed a Final Dividend of 90% or ₹ 1.80 per share which works out to 45% payout (including DDT) for FY13.

Wealth Creation for Shareholders :

All Companies are obliged to create and maximize Shareholder's Wealth which means maximizing the Net Worth of the Company. Over the years, Navneet's main objective has been creation of Shareholder's Wealth.

Result-oriented Management and prudent investment decisions have enabled enhancement of the Net Worth of your Company from ₹ 381 cr. in FY12 to ₹ 443 cr. in FY13. Earnings Per Share is an indication of Wealth creation for a shareholder. EPS has gone up from ₹ 3.37 in FY12 to ₹ 4.66 in FY13, a rise of 38% y-o-y, on a face value of ₹ 2/- per share.

Business Overview :

Publication Segment :

Syllabus change cycle continued in Maharashtra and Gujarat in FY13. As a result, your Company has posted strong numbers. Revenue from Publication business showed a handsome growth of 29% y-o-y and stood at ₹ 457 cr. as compared to ₹ 354 cr. in FY12. This segment would continue to see good growth for the next few years. Operating margin is maintained at 33% and is expected to continue in the current year as well.

Stationery Segment :

Stationery segment has showed substantial growth during the current year, led by strong exports particularly to the US market. This segment achieved a growth of 31% and grew up to ₹ 326 cr. in FY13 from ₹ 249 cr. in FY12. Your Company expects double digit growth in this segment in FY14.

Net Profit :

Your Company has, for the first time, crossed ₹ 100 cr. mark (1 Billion Rupees) in its Net Profit after Tax. For FY13, your Company's Net Profit after tax stood at ₹ 111.06 cr. as compared to ₹ 80.26 cr. for FY12. Net Profit as a percentage to revenue has gone up by 100 basis points from 13% in FY12 to 14% in FY13.

New Logistics Centre :

Your Company has so far invested ₹ 60 cr. in the logistic centre near Virar, Mumbai. The logistic centre is fully functional and operational. To cater to the increased demand, the Management is considering an additional outlay of around ₹ 15 cr. to add a production line in its second phase.

Investment in Andhra Pradesh-based School Management Company :

Your Company ventured into direct education by investing in a School Management Company owning the brands "Gowtham Model School (GMS)" and "Orchids International" in Andhra Pradesh in FY12. The total investment to acquire appx. 24% equity of the Company would be ₹ 41 cr. of which ₹ 31.88 cr. has already been invested as of 31st March, 2013.

Two new schools have also been opened out of AP for Academic year 2013-14.

eLearning segment :

Your Company's subsidiary, eSense Learning Pvt. Ltd., has been able to spread its presence in more institutions and as on 31 March, 2013, its B2B product "TOPClass" was installed in 1,645 institutions in Maharashtra and Gujarat compared to 925 in FY12, a jump of 78% y-o-y. We expect a substantial rise in this number in FY14 as well.

eSense's new B2C product "UTOP", a tablet for students, was soft launched and received a good response from parents and students. Your Company has intensified marketing of this product and expects better numbers this year going forward.

Future Growth Drivers, Opportunities, Risks :

Syllabus changes in the states of Maharashtra and Gujarat which started in FY12 will continue for another few years.

The trend of using private publisher's text books by various English Medium Schools across India is increasing year after year. Your Company has started publishing and marketing text books for pre-primary and primary grades for private schools across India. Your Company is confident of reasonable growth for such books.

Risk Factors :

1. Keeping pace with the Technology and changing reading habits :

To keep pace with the changing environment in reading habits amongst people is a challenge for any publisher in today's times. Big and old names in the publishing industry are getting into digital business as the younger generation is more tech savvy. The same concept may be applicable to the reading habits amongst students and your Company has been keeping itself abreast of latest changes in the industry to keep itself ahead of competition.

2. High Input Cost :

The persisting inflationary pressure could certainly increase your Company's input costs. With your Company's policy to keep the prices of its products within affordable range of the masses, this could adversely affect your Company's profits. However, the Management is keenly monitoring the cost at each level and shall take appropriate steps to keep its cost to the minimum.

3. Foreign Exchange :

Your Company has done exceedingly well in exports of its stationery products. Appreciation of rupee may adversely affect your Company's profitability and further orders. Your Company is closely monitoring the exchange rates and mitigates this risk by regularly hedging whenever favorable rates are available.

4. Regulatory Risk:

Your Company relies on Intellectual Property Rights and Proprietary rights which may not be adequately protected under current laws. Further, in view of the kind of business in which your Company is, it may be subjected to defamation suits, which may have adverse effect on its business.

Regulatory enactments are monitored regularly and your Company shall be de-risking its Education business model from time to time. Further, all necessary legal vetting is done by the Management to ensure that Intellectual Property Rights relating to contents/rights have requisite protection.

Compliance matters are becoming increasingly extensive and intensive. Apart from the monetary penalties involved, non-compliance also has an adverse affect on an organization's reputation. Your Company monitors its compliance mechanism so as to ensure that instances of non-compliance do not occur or are kept to the minimum.

Corporate Social Responsibility :

Your Company continues to use eco-friendly materials for most of its products. It also continues with its corporate social responsibility initiative and donates mainly in areas of medical aid, education and rehabilitation program. During FY13, your Company donated ₹ 5.31 cr. The Management will continue to fulfill its social responsibility towards society on an ongoing basis in the best possible manner.

Internal Controls :

Your Company has in place, adequate internal control systems, commensurate with its size and nature of operations so as to ensure smoothness of operations and compliance with applicable regulations and legislation. Your Company has a well-defined system of management reporting and periodic review of business to ensure timely decision-making.

Industrial Relations :

Industrial Relations were cordial at all locations. In challenging business conditions, the support from the workforce was positive throughout.

Cautionary Statement :

The Management Discussion and Analysis describing your Company's outlook, projections, expectations and estimates regarding future performance, are based on current economic scenario. The Management believes, to the best of its knowledge and at the time of preparation of this report that this scenario would be as per its expectation. However, these economic conditions are subject to uncertainties, which could cause actual results to differ materially from those which may be indicated in the above analysis.

(1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is about commitment to values and ethical business conduct. Your Company is committed to the adoption and adherence to Corporate Governance Practices, which shall ensure that all the concerned parties associated with the Company obtain requisite information which would help them to make informed decision. The Board fully appreciates the need of increased awareness for responsibility, transparency and professionalism and focus for effective control and management of the Organisation. Such Corporate Governance practice helps in achieving long term corporate goals and enhance interests of all stakeholders. The Company respects and values the rights of its stakeholders to secure information about the Company and its performance. The Corporate Governance policies followed by the Company are intended to ensure transparency in all its dealings.

(2) BOARD OF DIRECTORS
2.1 Composition

The Board of Directors comprises of eleven 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.

2.2 Attendance/Remuneration of Directors

The details of attendance of Directors at the meeting of the Board of Directors of the Company, last Annual General Meeting attended and remuneration for the year is given below:

Sr. No.	Name of Director	Category	Board Meetings during 2012-2013		Salary (₹)	Other Benefits (₹)	Contri to PF (₹)	Sitting Fee (₹)	Total Remuneration (₹)	Last AGM attended
			Held	Attended						
1.	Shri.S. K. Vikamsey	ID	5	4	0	0	0	60,000	60,000	No
2.	Shri. A. R. Gala	PD	5	5	30,84,000	21,91,353	3,70,080	0	56,45,433	Yes
3.	Shri. J. K. Sampat	PD	5	5	30,84,000	21,91,353	3,70,080	0	56,45,433	Yes
4.	Shri. D. R. Gala	PD	5	4	30,84,000	21,91,353	3,70,080	0	56,45,433	No
5.	Shri. H. R. Gala	PD	5	4	30,84,000	21,91,353	3,70,080	0	56,45,433	No
6.	Shri. S. R. Gala	PD	5	4	30,84,000	21,91,353	3,70,080	0	56,45,433	No
7.	Shri. J. L. Gala	PD	5	4	30,84,000	21,91,353	3,70,080	0	56,45,433	Yes
8.	Shri. K. S. Vikamsey	ID	5	4	0	0	0	75,000	75,000	Yes
9.	Shri. L. D. Shah	ID	5	5	0	0	0	95,000	95,000	Yes
10.	Dr. R. Varadarajan	ID	5	0	0	0	0	0	0	No
11.	Shri Tushar K. Jani	ID	5	3	0	0	0	30,000	30,000	Yes

ID - Independent Director, PD - Promoter Director

2.3 Directorships in Other Public Limited Companies of the Directors as at 31st March, 2013:

Sr. No.	Name of the Director	No. of Directorships	No. of Committee Positions Held*	No. of Committees Chaired*
1	Shri Shivji K. Vikamsey	-	-	-
2	Shri Amarchand R. Gala	-	-	-
3	Shri Jaisinh K. Sampat	-	-	-
4	Shri Dungarshi R. Gala	-	-	-
5	Shri Shantilal R. Gala	-	-	-
6	Shri Harakhchand R. Gala	-	-	-
7	Shri Jitendra L. Gala	-	-	-
8	Shri Kamlesh S. Vikamsey	6	9	3
9	Shri Liladhar D. Shah	-	-	-
10	Dr. R. Varadarajan	-	-	-
11	Shri Tushar K. Jani	1	-	-

*Committee of Directors includes Audit Committee & Investor’s (shareholder’s) Grievance Committee.

2.4 Number of Board Meetings held and dates on which held:

There were five Board Meetings held during 2012-2013 and gap between two Board Meetings did not exceed four months. The date of the Board Meeting are as under:

- (1) 10th May, 2012 (3) 23rd August, 2012 (5) 23rd January, 2013
- (2) 8th August, 2012 (4) 31st October, 2012

(3) CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT PERSONNEL

The Board of Directors have 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. A declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with Code of Conduct is given below :

In accordance with Clause 49I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Members of the Board and Senior Management Personnel of the Company have affirmed compliance with

the Code of Conduct guideline as applicable to them for the Financial Year ended 31st March, 2013.

Amarchand R. Gala
Managing Director

(4) AUDIT COMMITTEE

4.1 Composition

The Audit Committee presently comprises of three Independent Directors namely, Shri Kamlesh S. Vikamsey, Shri Shivji K. Vikamsey, Shri Liladhar D. Shah. The Chairman of the Audit Committee is an Independent Director namely Shri Kamlesh S. Vikamsey.

4.2 Shri Amit D. Buch, Company Secretary is Secretary to the Audit Committee.

4.3 Attendance

Five Audit Committee Meetings were held during the year on 10th May, 2012, 8th August, 2012, 23rd August, 2012, 31st October, 2012 and 23rd January, 2013.

The present composition of the Audit Committee, the number of meetings held and attendance are as under:

Name of Director	No. of Meetings Held	No. of Meetings Attended
Shri Kamlesh S. Vikamsey	5	4
Shri Shivji K. Vikamsey	5	4
Shri Liladhar D. Shah	5	5

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 27th September, 2012.

The Minutes of the Audit Committee are noted at the meeting of the Board of Directors of the Company.

4.4 Powers of Audit Committee

- (1) To investigate any activity within its terms of reference.
- (2) To seek information from any employee.
- (3) To obtain outside legal or other professional advice.
- (4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

4.5 Broad Terms of References of the Audit Committee

- (1) To review with the management the Management discussion and analysis of financial condition and results of operations.
- (2) To review Statement of significant related party transactions (as defined by the Audit Committee) submitted by management.

- (3) To review Management letters/letters of internal control weaknesses issued by the statutory auditors.
- (4) To review Internal Audit Reports relating to internal control weaknesses.
- (5) To review appointment, removal and terms of remuneration of the Chief internal auditor.
- (6) To review with the management, the statement of uses/application of funds raise through an issue (public issue, right issue, preferential issue etc.) the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation proceeds of a public or right issue, and making appropriate recommendation to the Board to take up steps in this matter.
- (7) To overview the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (8) To recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (9) To approve payment to statutory auditors for any other services rendered by the statutory auditors.
- (10) To review with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgement by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft Audit Report.
- (11) To review with the management, the quarterly financial statements before submission to the board for approval.
- (12) To review with the management, performance of statutory, internal auditors, and adequacy of the internal control system.
- (13) To review the adequacy of internal audit function, if any, including

the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- (14) Approval of appointment of CFO after discussing the qualifications, experience & background, etc. of the candidate.
- (15) To discuss with internal auditors any significant findings and follow up there on.
- (16) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (17) To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (18) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- (19) To carry out any other function as may be added by the Board of Directors in the terms of reference of the Audit Committee, by the Board from time to time.

(5) SUBSIDIARY COMPANIES

The Company does not have a material non-listed Indian subsidiary Company whose turnover or networth exceeds 20% of the consolidated turnover or networth respectively of the Indian holding Company in the immediately preceding accounting year.

The Board of Directors periodically review the investments and transaction of its subsidiary Companies. Copies of the minutes of the meeting of Board of Directors of the subsidiary Companies are placed at the subsequent Board meeting of the Company.

(6) INVESTORS' GRIEVANCE COMMITTEE

6.1 Composition

During 2012-2013, Shri Kamlesh S. Vikamsey resigned as a member of Investors' Grievance Committee. Accordingly, the Investors' Grievance Committee was reconstituted. The present constitution of Investors' Grievance Committee is as under :

- (a) Shri Liladhar D. Shah (Independent Director)
- (b) Shri Tushar K. Jani (Independent Director)
- (c) Shri Jaisinh K. Sampat (Executive Director)

The Chairman of Investors' Grievance Committee is an Independent Director namely Shri Liladhar D. Shah.

6.2 Terms of Reference

Investors’ Grievance Committee meets periodically for the redressal of Investors’ Grievance related to share transfers, transmissions, transpositions, re-materialisation, split and issue of duplicate share certificates, non-receipt of Annual Report, non-receipt of declared dividends and such other related issues.

6.3 Four Investors’ Grievance Committee meetings were held during the year on 10th May, 2012, 8th August, 2012, 31st October, 2012 and 23rd January, 2013.

The number of Investors’ Grievance Committee Meetings held and attended are as under:

Name of Director	No. of Meetings Held	No. of Meetings Attended
Shri Liladhar D. Shah	4	3
*Shri Kamlesh S. Vikamsey	4	4
Shri Jaisinh K. Sampat	4	4
#Shri Tushar K. Jani	4	-

* upto 23rd January, 2013.

w.e.f. 23rd January, 2013.

Shri Amit D. Buch, Company Secretary is the Compliance Officer. The Minutes of Investors’ Grievance Committee Meetings are noted by the Board of Directors of the Company.

6.4 Number and nature of complaints received during the year under review are as follows :

Description	Received	Resolved	Pending
Transfer/Demat	81	81	0
Non-receipt of Share Certificate	5	5	0
Non-receipt of Dividend Warrant	41	41	0
General Correspondence/Complaints	180	180	0
Total	307	307	0

(7) REMUNERATION COMMITTEE

7.1 Composition

The Remuneration Committee of the Company was constituted on 27th April, 2004 comprising of the following Members:

- Shri Shivji K. Vikamsey (Chairman)
- Shri Kamlesh S. Vikamsey
- Shri Liladhar D. Shah

Shri Amit D. Buch, Company Secretary is the Secretary of the Remuneration Committee.

7.2 Broad Terms of Reference

The broad Terms of Reference of the 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.

7.3 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.

(8) GENERAL MEETINGS

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

Financial Year & Meeting No.	Day & Date	Time	Venue
2011-12 Twenty-Sixth	Thursday, 27th September, 2012	3:30 p.m.	Textile Committee Auditorium, Textile Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai – 400025.
2010-11 Twenty-Fifth	Thursday, 15th September, 2011	3:30 p.m.	Textile Committee Auditorium, Textile Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai – 400025.
2009-10 Twenty-Fourth	Monday, 6th September, 2010	3:30 p.m.	Textile Committee Auditorium, Textile Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai – 400025.

8.2 Special Resolutions passed at last three Annual General Meetings.

- a) 26th AGM held on 27th September, 2012 :
 - ❖ Special Resolution was passed for altering Articles of Association.
- b) 25th AGM held on 15th September, 2011 : Nil
- c) 24th AGM held on 6th September, 2010 :
 - ❖ Re-appointment of Shri Amarchand R. Gala as Managing Director.
 - ❖ Re-appointment of Shri Dungarshi R. Gala and Shri Harakhchand R. Gala as Wholetime Directors.

8.3 Passing of Resolutions by Postal Ballot

No Postal Ballot was conducted during the Financial Year 2012-13. However, resolution(s), if required, shall be passed by postal ballot during the year ending 31st March, 2014 as per prescribed procedure.

(9) DISCLOSURES

9.1 There were no transactions of material nature between the Company and its promoters, directors or the management, other subsidiaries or relatives that may have the potential conflict with the interest of the Company. The Register of contracts containing the transactions in which the directors are interested was placed before the Board regularly for its approval and concurrence.

9.2 There were no materially significant related party transactions which have potential conflict with the interest of the Company at large.

9.3 The Company complied with various rules and regulations prescribed by the Stock Exchanges and SEBI, relating to the capital markets during the last three years.

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

9.5 The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure ID to Clause 49 of the listing agreement with the Stock Exchanges:

9.6 The Company has set up a Remuneration Committee. Please see the Para on Remuneration Committee for the details.

(10) MEANS OF COMMUNICATIONS

10.1 The Un-audited Financial Results and Press Releases were put up on the Website of the Company at www.navneet.com, after its submission to Stock Exchanges.

10.2 The Company publishes its unaudited/audited quarterly results and audited financial results for the entire financial year in 'The Economic Times' and 'Maharashtra Times' newspapers in Mumbai,

10.3 Management Discussion and Analysis forms part of the Annual Report, which is being mailed to the shareholders of the Company.

(11) GENERAL SHAREHOLDER INFORMATION

11.1 27th Annual General Meeting :

- Date : 6th August, 2013
- Time : 3:30 p.m.
- Venue : P. L. Deshpande Maharashtra Kala Academy,
Mini Theatre – 3rd Floor,
Ravindra Natya Mandir, Near Siddhivinayak Temple,
Sayani Road, Prabhadevi, Mumbai - 400 025

11.2 Financial Year : 1st April, 2013 to 31st March, 2014

11.3 Financial Calendar :

Board Meetings to be held for approving Quarterly Results :

Particulars	Date
Quarterly Results for 1st Quarter	Last Week of July/first week of August, 2013
Quarterly Results for 2nd Quarter	Last Week of October/first week of November, 2013
Quarterly Results for 3rd Quarter	Last Week of January/first week of February, 2014
Annual Audited Financial Results	Last Week of May, 2014

11.4 Date of Book Closures :

The Register of Members and Share Transfer Books will remain closed from 31st July, 2013 to 6th August, 2013 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.

11.5 Dividend payment during the year under review :

The final dividend for the FY 2012-13 recommended by Directors, on approval by the shareholders at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear in Company's Register of Members as on 30th July, 2013.

11.6 Company's Shares are listed on :

Shares of the Company are listed on National Stock Exchange of India Limited and Bombay Stock Exchange Ltd.

11.7 Stock Codes on Stock Exchanges :

BSE : 508989

NSE : NAVNETPUBL

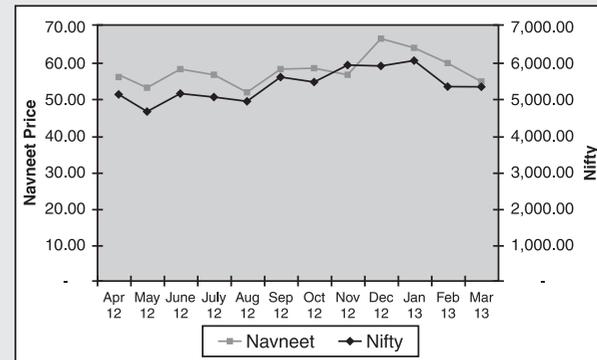
ISIN : INE 060A01024

Listing Fees for FY 2013-14 have been paid to both the Stock Exchanges where the shares of the Company are listed.

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

Month	BSE No. of Shares	NSE No. of Shares	BSE (High) (₹)	BSE (Low) (₹)	NSE (High) (₹)	NSE (Low) (₹)
April, 2012	1362056	2182654	61.30	54.25	61.05	54.25
May, 2012	370793	535173	56.60	51.95	55.75	50.40
June, 2012	506444	1579223	59.45	52.90	64.70	53.25
July, 2012	278499	881412	58.75	55.25	58.50	55.05
August, 2012	1337245	1141611	65.90	52.55	64.00	52.50
September, 2012	2066503	2998171	58.25	52.70	58.90	52.55
October, 2012	1624986	3085203	62.40	57.05	62.45	53.15
November, 2012	633662	1049966	59.60	55.10	59.45	55.05
December, 2012	5935862	9778769	70.70	55.85	70.90	56.15
January, 2013	1862535	3735228	70.00	62.55	70.00	62.15
February, 2013	405812	2051186	65.45	61.10	65.95	61.20
March, 2013	981821	1302503	63.20	56.10	63.45	55.00

Navneet Publications Vs. Nifty for the year ended 31st March, 2013



11.9 Volume of Shares traded during the year under review as a percentage of the number of Shares outstanding:

BSE : 7.29%

NSE : 12.73%

11.10 Distribution of Shareholding as on 31st March, 2013 :

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
001-500	19532	68.29	3193096	1.34
501-1000	3403	11.90	2587806	1.09
1001-2000	1965	6.87	2885499	1.21
2001-3000	776	2.71	1972601	0.83
3001-4000	934	3.27	3420586	1.43
4001-5000	291	1.02	1381834	0.58
5001-10000	863	3.02	5878956	2.47
10001 & above	837	2.92	216894622	91.05
Total	28601	100	238215000	100

11.11 Category of Shareholders as on 31st March, 2013 :

Category	% to Paid-up Share Capital
Promoters	61.80
FII's	6.36
NRI's, OCB's	0.59
Mutual Funds, Banks, Financial Institutions, Insurance Companies & Trust	9.81
Bodies Corporate	2.99
Individuals	18.37
Other clearing members	0.08
Total	100

11.12 Registrar & Share Transfer Agent:

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400078

Tel. : 022-2594 6970

Fax : 022-2594 6969

e-mail : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

11.13 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, 2013 is as under:

Particulars	No. of Shares	% of total share capital
Held in dematerialised form in NSDL	214022115	89.85
Held in dematerialised form in CDSL	17944221	7.53
Physical form	6248664	2.62
Total	23,82,15,000	100

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

11.14 Share Transfer in Physical Form

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

Investors' Contact Information :

Ms. Chaitali Jadhav

e-mail Address : chaitali.jadhav@linkintime.co.in

11.15 Outstanding GDRs/ADRs/Warrants:

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

11.16 Plant Locations:

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

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

11.17 Registered Office :

Navneet Bhavan, Bhavani Shankar Road,
Dadar (West), Mumbai - 400028

Tel. : 022-6662 6565

Fax : 022-6662 6470

e-mail : investors@navneet.com

11.18 Compliance Officer

Company Secretary and Compliance Officer : Shri Amit D. Buch

e-mail : amit.buch@navneet.com

12. Details of Directors seeking appointment and re-appointment at the ensuing Annual General Meeting (as per Clause 49 of the Listing Agreement)

Name of the Director	Dr. R. Varadarajan	Shri Tushar K. Jani	Shri Gnanesh D. Gala
Date of Birth and Age	30/4/1939 (74 years)	29/04/1953 (60 years)	02/01/1963 (50 years)
Effective date of Appointment	28/01/2002	24/06/2010	01/06/2013
Qualification	Ph.D.	B. Sc.	B. Com.
Experience and expertise in specific functional area	He has vast experience in education field. He holds doctorate in education service from Dynora University - Italy. He has established schools and colleges. He is principal of schools and president of colleges.	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 heads key areas of finance, taxation and legal of the Company and has over three decades of experience in the corporate world during which period he forged the strengths of the Company.
Directorship held in Other (excluding foreign) companies	NIL	(1) Ritu Freight And Transport Services Pvt. Ltd. (2) Blue Sea Shipping Agency Pvt. Ltd. (3) Blue Dart Aviation Ltd. (4) Nijoy Freight Systems Pvt. Ltd. (5) Transmart (India) Pvt. Ltd. (6) Scmooth (India) Pvt. Ltd. (7) Cargo Service Center India Pvt. Ltd. (8) Span Design and Solution Service Pvt. Ltd. (9) Ishan Freight and Transport Services Pvt. Ltd. (10) Delhi Cargo Service Center Pvt. Ltd.	(1) PRI Holdings Pvt. Ltd. (2) eSense Learning Pvt. Ltd. (3) Kutchi Angel Network Pvt. Ltd. (4) Shemaroo Entertainment Ltd. (5) K12 Techno Services Pvt. Ltd. (6) Wings Intellect Pvt. Ltd. (7) Alpha Business Consultants Pvt. Ltd. (8) Deltecs Infotech Pvt. Ltd.
Memberships/Chairmanships of Committee across public companies	NIL	NIL	(1) Shemaroo Entertainment Ltd. - Chairman-Audit Committee.
Equity Shares Held	NIL	NIL	3219903

Name of the Director	Shri Raju H. Gala	Shri Bipin A. Gala	Shri Anil D. Gala
Date of Birth and Age	01/07/1963 (49 years)	22/12/1950 (62 years)	03/04/1957 (56 years)
Effective date of Appointment	01/06/2013	01/06/2013	01/06/2013
Qualification	Diploma in Printing Technology	Diploma in Printing Technology	B. Com.
Experience and expertise in specific functional area	He has over three decades of experience in purchase and marketing and heads the marketing department for the Company's Gujarat operations.	He oversees all matters pertaining to maintenance of old, and setting up of new estates and plants of the Company.	He has over three decades of experience and has mastered the fine art of publishing, its myriad processes from content creation to printing, marketing, sales and distribution. He has been instrumental in creating over 500 titles published by the Company.
Directorship held in Other (excluding foreign) companies	(1) eSense Learning Pvt. Ltd. (2) Gala Infrastructure Pvt. Ltd.	(1) Bimexma Technologies (India) Pvt. Ltd. (2) Gala Infrastructure Pvt. Ltd.	(1) eSense Learning Pvt. Ltd.
Memberships/Chairmanships of Committee across public companies	NIL	NIL	NIL
Equity Shares Held	1156637	1360064	3347886

Name of the Director	Shri Shailendra J. Gala	Shri Atul J. Shethia	Shri Nilesh S. Vikamsey	Shri Mohinder Pal Bansal
Date of Birth and Age	21/01/1969 (44 years)	03/07/1967 (45 years)	16/08/1964 (48 years)	08/05/1957 (56 years)
Effective date of Appointment	01/06/2013	01/06/2013	01/06/2013	01/06/2013
Qualification	B. Com.	B. Com., AICWA	B. Com., CA	B. Com., CA
Experience and expertise in specific functional area	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.	He has rich experience of over two decades in the field of production-planning and operations of the stationery manufacturing units of the Company.	A senior partner in one of the reputed Chartered Accountant firm, he is an elected member of the Central Council, the Apex decision making body of the Institute of Chartered Accountants of India (ICAI). He has over two decades of experience in the field of audit, management consultancy, due diligence, corporate restructuring, valuation, strategic planning, mergers and acquisition, etc.	He has over 25 years of experience in M&A, strategic advisory, capital markets, portfolio company integration as well as post-acquisition performance management in India, Asia and Europe. He has significant hands-on operational experience in conducting due diligence, structuring and negotiating transactions.
Directorship held in Other (excluding foreign) companies	(1) Wings Intellect Pvt. Ltd.	NIL	(1) HLB Offices and Services Pvt. Ltd. (2) India Infoline Ltd. (3) India Infoline Finance Ltd. (4) BarKat Properties Pvt. Ltd. (5) TruNil Properties Pvt. Ltd. (6) ICAI Accounting Research Foundation (Section 25 Company) (7) Rodium Realty Ltd. (8) The Federal Bank Ltd. (9) SBI Life Insurance Company Ltd. (10) IIFL Wealth Management Ltd.	(1) Amfin Securities Pvt. Ltd. (2) Trinity Engineers Pvt. Ltd. (3) ECU International (Asia) Pvt. Ltd. (4) Girik Wealth Advisors Pvt. Ltd. (5) Allcargo Logistics Ltd. (6) Transindia Logistic Park Pvt. Ltd. (7) K12 Techno Services Pvt. Ltd.
Memberships/Chairmanships of Committee across public companies	NIL	NIL	India Infoline Ltd. - Chairman - Audit Committee, India Infoline Finance Ltd., - Chairman - Audit Committee, SBI Life Insurance Company Ltd. - Member - Audit Committee, The Federal Bank Ltd. - Member - Audit Committee	Allcargo Logistics Ltd. - Member-Audit Committee, Member-Investors Grievances Committee.
Equity Shares Held	1331904	NIL	NIL	5000

Except Shri Gnanesh D. Gala and Shri Anil D. Gala, no Directors seeking appointment and re-appointment at the ensuing Annual General Meeting are related to each other. Shri Gnanesh D. Gala and Shri Anil D. Gala are related as brothers.

CEO AND CFO CERTIFICATE

To
The Board of Directors
We hereby certify that -

- a) we have reviewed financial statements and the cash flow statements for the year ended 31st March, 2013 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 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 systems of the 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 significant changes in the accounting policies during the year; and
 - iii) there have been no instances of significant fraud of 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 : 30th May, 2013

For Navneet Publications (India) Limited
sd/- sd/-
Amarchand R. Gala Gnanesh D. Gala
Managing Director Chief Financial Officer

**CERTIFICATE FROM INDEPENDENT AUDITORS REGARDING
COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE****To the members of Navneet Publications (India) Ltd.**

We have examined the compliance of Corporate Governance by Navneet Publications (India) Limited, for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

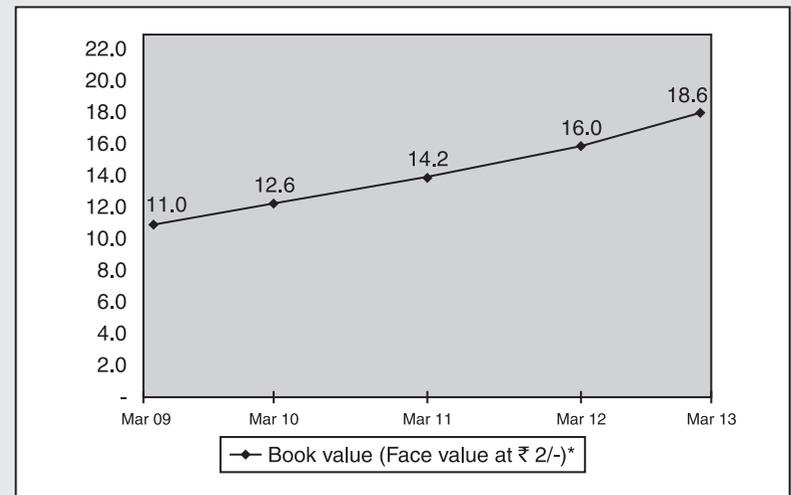
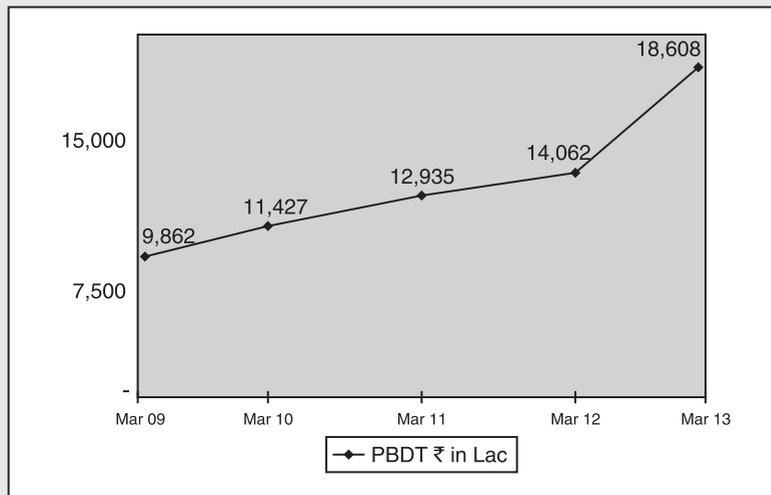
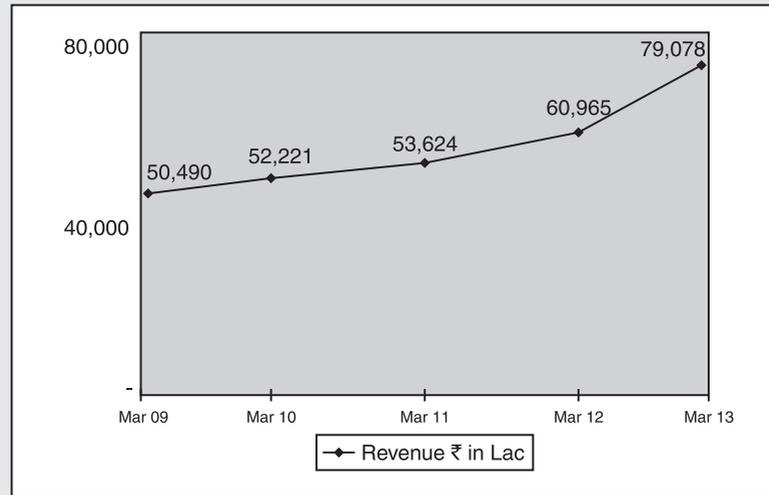
In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that generally no investor grievance is pending for a period exceeding one month against these Company as per the records maintained by the Registrar and Share Transfer Agent of the Company and reviewed by the Investors' Grievance Committee.

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.

Place : Mumbai
Date : 30th May, 2013

For **Ghalla & Bhansali**
Chartered Accountants
(Firm Registration Number 103142W)
sd/-
Haresh K. Chheda
Partner
Membership Number 38262



* The figures are after considering the issue of Bonus Shares.

Financial Highlights (Standalone)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue	50,490	52,221	53,624	60,965	79,078
PBDT	9,862	11,427	12,935	14,062	18,608
Depreciation	1,171	1,164	1,144	1,510	2,000
PBT	8,691	10,264	11,791	12,552	16,608
Tax	2,797	3,466	4,036	4,200	5,501
Net Profit (PAT)	5,894	6,798	7,755	8,026	11,107
Dividend	2,477	2,382	3,335	3,335	4,288
Dividend (%) - (Face Value at ₹ 2/-)	130	50	70	70	90
Book Value (Face Value at ₹ 2/-) *	11.0	12.6	14.2	16.0	18.6
Equity Capital	1,906	4,764	4,764	4,764	4,764
Reserves & Surplus	24,188	25,296	29,178	33,315	39,487
Gross Block	18,506	19,338	23,188	28,957	31,723
Net Block	8,813	8,624	11,431	15,999	16,954
Return on Net Worth (%)	22.6	22.6	22.8	21.1	25.1
PBDIT Margin %	20.3	22.2	24.7	23.9	24.5
Pat Margin %	11.7	13.0	14.5	13.2	14.0
Debt-Equity **	0.1	0.0	0.0	0.0	0.0
EPS (Post Tax) (₹ 2/- per share)	2.5	2.9	3.3	3.4	4.7
EPS (Pre Tax) (₹ 2/- per share)	3.6	4.3	4.9	5.3	7.0
CEPS (Post Tax) (₹ 2/- per share)	3.0	3.3	3.7	4.0	5.5
CEPS (Pre Tax) (₹ 2/- per share)	4.1	4.8	5.4	5.9	7.8
Dividend Payout % to Net profits	49.2	41.0	50.1	48.3	45.2
MARKET CAP (₹ in Cr.)	474.0	1217.0	1313.8	1380.5	1384.0

Notes:

- 1) * The figures are after considering the issue of Bonus Shares.
- 2) ** Debt consist of Long term borrowings.
- 3) The figures are ₹ in Lac except for EPS, CEPS, Book Value & figures in %

Segmentwise Income from Operations (₹ in Lac)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	2010-11 (Mar 11)		2011-12 (Mar 12)		2012-13 (Mar 13)	
Sales						
Publishing Division						
Educational Books	27,350		32,662		41,904	
Children's and General Books	1,635		1,913		2,455	
Children's and General Books Export	<u>919</u>	29,904	<u>827</u>	35,402	<u>1,356</u>	45,715
Stationery Division						
Exports (including incentives)	5,379		5,423		11,461	
Paper Stationery (Domestic)	15,195		16,495		18,125	
Non Paper Stationery (Domestic)	<u>2,638</u>	23,212	<u>3,009</u>	24,927	<u>3,010</u>	32,596
Others		508		636		767
		<u>53,624</u>		<u>60,965</u>		<u>79,078</u>

NOTICE is hereby given that the twenty-seventh Annual General Meeting of Navneet Publications (India) Limited will be held on Tuesday, 6th August, 2013 at 3:30 p.m. at P.L. Deshpande Maharashtra Kala Academy, Mini Theatre – 3rd Floor, Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400 025 to transact the following business:

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with the reports of Directors and Auditors thereon.
- 2) To declare a dividend for the financial year ended 31st March, 2013.
- 3) To appoint a Director in place of Dr. R. Varadarajan, who retires by rotation, and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Tushar K. Jani, who retires by rotation, and being eligible, offers himself for re-appointment.
- 5) To appoint M/s. Ghalla & Bhansali, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS :

- 6) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT Shri Gnanesh D. Gala in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
- 7) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT Shri Raju H. Gala in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
- 8) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT Shri Bipin A. Gala in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of

Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

- 9) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT Shri Anil D. Gala in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
- 10) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT Shri Shailendra J. Gala in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
- 11) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT Shri Atul J. Shethia in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
- 12) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT Shri Mohinder Pal Bansal in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
- 13) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT Shri Nilesh S. Vikamsey in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

- 14) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to provisions of Sections 198,269,309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (“the Act”), the Company hereby approves the appointment and terms of remuneration of Shri Gnanesh D. Gala as Managing Director of the Company for a period of five years with effect from 1st June, 2013 upon the terms and conditions set out in the draft agreement to be entered into by the Company with him and submitted to this meeting, duly initialled by the Chairman for the purpose of identification, which Agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement so as not to exceed the limits specified in Schedule XIII of the Act and as may be agreed between the Board of Directors and Shri Gnanesh D. Gala.
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
- 15) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to provisions of Sections 198,269,309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (“the Act”), the Company hereby approves the appointment and terms of remuneration of Shri Raju H. Gala as Joint Managing Director of the Company for a period of five years with effect from upon the terms and conditions set out in the draft agreement to be entered into by the Company with him and submitted to this meeting, duly initialled by the Chairman for the purpose of identification, which Agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement so as not to exceed the limits specified in Schedule XIII of the Act and as may be agreed between the Board of Directors and Shri Raju H. Gala.
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
- 16) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to provisions of Sections 198,269,309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (“the Act”), the Company hereby approves the appointment and terms of remuneration of Shri Bipin A. Gala as Wholetime Director of the Company, for a period of five years with effect from 1st June, 2013 upon the terms and conditions set out in the draft agreement to be entered into by the Company with him and submitted to this meeting, duly initialled by the Chairman for the purpose of identification, which Agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement so as not to exceed the limits specified in Schedule XIII of the Act and as may be agreed between the Board of Directors and Shri Bipin A. Gala.
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
- 17) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to provisions of Sections 198,269,309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (“the Act”), the Company hereby approves the appointment and terms of remuneration of Shri Anil D. Gala as Wholetime Director of the Company for a period of five years with effect from 1st June, 2013 upon the terms and conditions set out in the draft agreement to be entered into by the Company with him and submitted to this meeting, duly initialled by the Chairman for the purpose of identification, which Agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement so as not to exceed the limits specified in Schedule XIII of the Act and as may be agreed between the Board of Directors and Shri Anil D. Gala.
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
- 18) To consider and if though fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to provisions of Sections 198,269,309 and all other applicable provisions, if any, read with Schedule XIII of the

Companies Act, 1956 (“the Act”), the Company hereby approves the appointment and terms of remuneration of Shri Shailendra J. Gala as Wholetime Director of the Company for a period of five years with effect from 1st June, 2013 upon the terms and conditions set out in the draft agreement to be entered into by the Company with him and submitted to this meeting, duly initialled by the Chairman for the purpose of identification, which Agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement so as not to exceed the limits specified in Schedule XIII of the Act and as may be agreed between the Board of Directors and Shri Shailendra J. Gala.

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

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

“**RESOLVED THAT** pursuant to provisions of Sections 198,269,309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (“the Act”), the Company hereby approves the appointment and terms of remuneration of Shri Atul J. Shethia as Wholetime Director of the Company for a period of five years with effect from 1st June, 2013 upon the terms and conditions set out in the draft agreement to be entered into by the Company with him and submitted to this meeting, duly initialled by the Chairman for the purpose of identification, which Agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement so as not to exceed the limits specified in Schedule XIII of the Act and as may be agreed between the Board of Directors and Shri Atul J. Shethia.

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

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

“**RESOLVED THAT** pursuant to Section 21 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) or any law for the time being in force and subject to the approval of the Central Government and all other necessary approvals, if any,

as may be required in this regard from appropriate authorities or bodies, consent of the Company be and is hereby given for change of name of the Company from ‘NAVNEET PUBLICATIONS (INDIA) LIMITED’ to ‘NAVNEET EDUCATION LIMITED’, and accordingly the name ‘NAVNEET EDUCATION LIMITED’ be substituted in place of NAVNEET PUBLICATIONS (INDIA) LIMITED in the Memorandum of Association and Articles of Association of the Company and in all other relevant documents, papers and places wherever it appears.

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

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

“**RESOLVED THAT** pursuant to Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals as may be necessary, consent of the Company be and is hereby accorded to Shri Kalpesh H. Gala, Vice President who is a relative of Shri Raju H. Gala, Joint Managing Director of the Company, to hold and continue to hold the office or place of profit under the Company as Vice President or with such other higher designation as the Board/Committee of Directors of the Company, may from time to time decide at a basic salary of ₹ 2.25 Lac per month plus other perquisites/allowances, which shall not be more than 100% of his basic salary per month, with an authority to the Board/Committee of Directors to give to Shri Kalpesh H. Gala, one or more increment in any year so as to increase basic salary upto ₹ 10 Lac per month plus other perquisites/allowances, which shall not be more than 100% of his basic salary per month.

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

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

“**RESOLVED THAT** pursuant to Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals as may be necessary, consent of the Company be and is hereby accorded to Shri Ketan B. Gala, Vice President-Marketing who is a relative of Shri Bipin A. Gala, Wholetime Director of the Company, to hold and

continue to hold the office or place of profit under the Company as Vice President-Marketing or with such other higher designation as the Board/Committee of Directors of the Company, may from time to time decide at a basic salary of ₹ 2.25 Lac per month plus other perquisites/allowances, which shall not be more than 100% of his basic salary per month, with an authority to the Board/Committee of Directors to give to Shri Ketan B. Gala, one or more increment in any year so as to increase basic salary upto ₹ 10 Lac per month plus other perquisites/allowances, which shall not be more than 100% of his basic salary per month.

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

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

“**RESOLVED THAT** pursuant to Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals as may be necessary, consent of the Company be and is hereby accorded to Shri Sanjeev J. Gala, Vice President-Marketing who is a relative of Shri Shailendra J. Gala, Wholetime Director of the Company, to hold and continue to hold the office or place of profit under the Company as Vice President-Marketing or with such other higher designation as the Board/Committee of Directors of the Company, may from time to time decide at a basic salary of ₹ 2.25 Lac per month plus other perquisites/allowances, which shall not be more than 100% of his basic salary per month, with an authority to the Board/Committee of Directors to give to Shri Sanjeev J. Gala, one or more increment in any year so as to increase basic salary upto ₹ 10 Lac per month plus other perquisites/allowances, which shall not be more than 100% of his basic salary per month.

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

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

“**RESOLVED THAT** in supersession of the earlier resolution passed at the Annual General Meeting held on 31st July, 2008 and pursuant to Section 293(1)(d) and all other applicable provisions, if any, of the

Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors (“the Board”) of the Company for borrowing from time to time any sum or sum of money on such security and on such terms and conditions as the Board may deem fit for the purpose of business of the Company notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from Company’s bankers in the ordinary course of business) may exceed, at any time the aggregate of the paid-up share capital and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, that the total amount so borrowed in excess of aggregate of paid up share capital of the Company and its free reserves shall not at any time exceed ₹ 1000 crore (Rupees One Thousand Crore only).”

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

“**RESOLVED THAT** in supersession of the earlier resolution passed at the Annual General Meeting held on 31st July, 2008 and pursuant to Section 293(1) (a) and all other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded under Section 293 (1) (a) of the Companies Act, 1956 to the Board of Directors (“the Board”) to mortgage and/or charge in addition to the mortgage(s)/charge(s) created by the Company, in such form and manner and at such time and on such terms as the Board may determine or think fit the whole or substantially the whole or any one or more of the undertakings or all its undertakings, including all or any part of the movable and/or immovable properties wherever situated both present and future in favour of Company’s bankers/financial institutions/lenders within the overall ceiling limits prescribed by the members of the Company in terms of section 293 (1) (d) of the Companies Act, 1956.”

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

“**RESOLVED THAT** in supersession of the earlier resolution passed at the Annual General Meeting held on 31st July, 2008 and pursuant to Section 293 (1)(e) and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company to contribute to any national, charitable benevolent, public or other such funds, association or institutions not directly relating to the business of the Company or

the welfare of its employees upto an amount of ₹ 25 crore (Rupees Twenty Five Crore only) in any financial year notwithstanding that the said amount in any financial year may exceed five percent of the average net profits of the Company as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 during the immediate preceeding three financial years .”

Registered Office : **By Order of the Board of Directors**
Navneet Bhavan, sd/-
Bhavani Shankar Road, **Amit D. Buch**
Dadar (West), **Company Secretary**
Mumbai - 400028
Mumbai, 24th June, 2013

NOTES:

- [A] A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON POLL) INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY, IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED, STAMPED, SIGNED AND DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.
- [B] The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business at Item Nos. 6 to 26 is annexed hereto and forms part of the Notice.
- [C] Corporate members are requested to send a certified true copy of the Board resolution authorising their representatives to attend and vote at the Annual General Meeting.
- [D] The Register of Members and the Share Transfer Books of the Company will remain closed from 31st July, 2013 to 6th August, 2013 (both days inclusive).
- [E] The final dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those persons:
- (a) whose names appear as Beneficial Owners as at the end of business hours on 30th July, 2013 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in electronic/demat mode; and
 - (b) whose names appears as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Ltd. on or before 30th July, 2013.
- [F] 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, 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.
- [G] 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.
- [H] As per the provisions of Section 205A and 205C of the Companies Act, 1956, 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 second interim dividend for the financial year 2005-06 to 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 first Interim dividend for financial year 2006-07 is due for transfer to IEPF in October, 2013. Kindly note that no claim shall lie against the Company after the transfer of the said dividend amount to IEPF.
- [I] All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the

Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

[J] Disclosure as required under Clause 49 of the Listing Agreement with respect to respective Directors seeking appointment and re-appointment at the ensuing Annual General Meeting is given in the Corporate Governance Report.

[K] Members desiring any information, as regards the Annual Accounts are requested to write to the Company at least ten days before the date of Annual General Meeting to enable the Management to keep the information ready.

Registered Office :

Navneet Bhavan,
Bhavani Shankar Road,
Dadar (West),
Mumbai - 400028
Mumbai, 24th June, 2013

By Order of the Board of Directors

sd/-
Amit D. Buch
Company Secretary

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item Nos. 6 to 13

In accordance with Section 260 of the Companies Act, 1956 and Article 110(a) of the Articles of Association of the Company, Shri Gnanesh D. Gala, Shri Raju H. Gala, Shri Bipin A. Gala, Shri Anil D. Gala, Shri Shailendra J. Gala, Shri Atul J. Shethia, Shri Mohinder Pal Bansal and Shri Nilesh S. Vikamsey were appointed as Additional Directors of the Company with effect from 1st June, 2013 by the Board of Directors of the Company at its meeting held on 30th May, 2013, and as such they hold office upto the date of ensuing Annual General Meeting.

The Board of Directors is of the view that their knowledge and experience in their respective fields will be of immense benefit and value to the Company. Your Directors recommend resolutions at Item Nos. 6 to 13 of the Notice for your approval. As required under Section 257 of the Companies Act, 1956, the Company has received notices alongwith requisite deposit, from some members proposing their candidatures as Directors of the Company.

Shri Gnanesh D. Gala, Shri Raju H. Gala, Shri Bipin A. Gala, Shri Anil D. Gala, Shri Shailendra J. Gala, Shri Atul J. Shethia, Shri Mohinder Pal Bansal and Shri Nilesh S. Vikamsey are interested in the respective resolutions at

Item Nos. 6 to 13 pertaining to confirmation of their own appointments as Directors of the Company.

As Shri Gnanesh D. Gala and Shri Anil D. Gala being related to each other, they are interested in the resolution at Item No. 6 and 9 respectively pertaining to each other's confirmation of appointments as Directors of the Company.

Shri Kamlesh S. Vikamsey is interested in the resolution at Item No. 13 as he is related to Shri Nilesh S. Vikamsey.

None of the other Directors of the Company is, in any way, concerned or interested in the said resolutions.

Item No. 14

Based on the recommendation of Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has appointed Shri Gnanesh D. Gala as Managing Director of the Company w.e.f. 1st June, 2013, for a period of five years, subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him. The said Agreement would, inter-alia, contain the following material terms and conditions:

1. Period of Agreement: 1st June, 2013 to 31st May, 2018
2. Remuneration:
 - a) Basic Salary :

Basic Salary of ₹ 2.41 Lac per month with a power to the Board of Directors to give one or more annual increment subject to maximum Basic Salary of ₹ 10 Lac per month.
 - b) Perquisites/Allowances :

In addition to salary, Managing Director shall be entitled to the following perquisites/allowances:
Dearness allowance, gas, electricity, house rent allowance, conveyance allowance, leave travel allowance, bonus, reimbursement of medical expenses (whether in India or abroad) and medical insurance premium for self and family, fees of clubs subject to maximum of two clubs which will include admission fees but will not include life membership fees, use of car with driver, telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board of Directors from time to time.
 - c) Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

- i) Contribution to the Provident Fund, Contribution to Gratuity Fund. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable at the rate not exceeding half a month's salary for every completed year of service;
- iii) Encashment of leave.

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

- d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 198,309 read with Schedule XIII of the Companies Act, 1956 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.
3. Where in any financial year during the currency of the tenure of Managing Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/allowances as aforesaid.
 4. Managing Director shall be entitled to annual leave for a period of thirty five days and shall be entitled to accumulate such leave.
 5. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.
 6. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 90 days notice in writing in that behalf without the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and the Managing Director shall cease to be Managing Director of the Company. Provided that the aforesaid notice may be waived mutually.
 7. The terms and conditions of the said appointment herein and/or Agreement may be altered and varied by the Board from time to time at their discretion as they may deem fit so as not to exceed the limits specified in the Schedule XIII to the Companies Act, 1956, or any other amendments made hereafter in that regard.
 8. The other terms and conditions of the Agreement are such as are customarily contained in agreement of similar nature.
 9. The said appointment/Agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions

as may be necessary and shall be given effect to as per the modification, if any, made/approved as aforesaid.

The above may be treated as abstract under Section 302 of the Companies Act, 1956.

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

Your Directors recommend the resolution at Item No. 14 of the Notice for your approval.

Shri Gnanesh D. Gala is interested in the said resolution. Shri Anil D. Gala is interested in the said resolution as he is related to Shri Gnanesh D. Gala. None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 15

Based on the recommendation of Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has appointed Shri Raju H. Gala as Joint Managing Director of the Company w.e.f. 1st June, 2013, for a period of five years, subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him. The said Agreement would, inter-alia, contain the following material terms and conditions:

1. Period of Agreement: 1st June, 2013 to 31st May, 2018
2. Remuneration:
 - a) Basic Salary :
Basic Salary of ₹ 2.41 Lac per month with a power to the Board of Directors to give one or more annual increment subject to maximum Basic Salary of ₹ 10 Lac per month.
 - b) Perquisites/Allowances :
In addition to salary, Joint Managing Director shall be entitled to the following perquisites/allowances:
Dearness allowance, gas, electricity, house rent allowance, conveyance allowance, leave travel allowance, bonus, reimbursement of medical expenses (whether in India or abroad) and medical insurance premium for self and family, fees of clubs subject to maximum of two clubs which will include admission fees but will not include life membership fees, use of car with driver, telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and

other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board of Directors from time to time.

- c) Joint Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:
- i) Contribution to the Provident Fund, Contribution to Gratuity Fund. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - ii) Gratuity payable at the rate not exceeding half a month's salary for every completed year of service;
 - iii) Encashment of leave.

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

- d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 198,309 read with Schedule XIII of the Companies Act, 1956 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.
3. Where in any financial year during the currency of the tenure of Joint Managing Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/allowances as aforesaid.
 4. Joint Managing Director shall be entitled to annual leave for a period of thirty five days and shall be entitled to accumulate such leave.
 5. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.
 6. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 90 days notice in writing in that behalf without the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and Joint Managing Director shall cease to be Joint Managing Director of the Company. Provided that the aforesaid notice may be waived mutually.
 7. The terms and conditions of the said appointment herein and/or Agreement may be altered and varied by the Board from time to time

at their discretion as they may deem fit so as not to exceed the limits specified in the Schedule XIII to the Companies Act, 1956, or any other amendments made hereafter in that regard.

8. The other terms and conditions of the Agreement are such as are customarily contained in agreement of similar nature.
9. The said appointment/Agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/approved as aforesaid.

The above may be treated as abstract under Section 302 of the Companies Act, 1956.

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

Your Directors recommend the resolution at Item No. 15 of the Notice for your approval.

Shri Raju H. Gala is interested in the said resolution. None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 16

Based on the recommendation of Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has appointed Shri Bipin A. Gala as Wholetime Director of the Company w.e.f. 1st June, 2013, for a period of five years, subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him. The said Agreement would, inter-alia, contain the following material terms and conditions:

1. Period of Agreement: 1st June, 2013 to 31st May, 2018
2. Remuneration:
 - a) Basic Salary :
Basic Salary of ₹ 2.41 Lac per month with a power to the Board of Directors to give one or more annual increment subject to maximum Basic Salary of ₹ 10 Lac per month.
 - b) Perquisites/Allowances :
In addition to salary, Wholetime Director shall be entitled to the following perquisites/allowances:
Dearness allowance, gas, electricity, house rent allowance, conveyance allowance, leave travel allowance, bonus,

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

- c) Wholetime Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:
- i) Contribution to the Provident Fund, Contribution to Gratuity Fund. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - ii) Gratuity payable at the rate not exceeding half a month's salary for every completed year of service;
 - iii) Encashment of leave.

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

- d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 198,309 read with Schedule XIII of the Companies Act, 1956 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.
3. Where in any financial year during the currency of the tenure of Wholetime Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/allowances as aforesaid.
 4. Wholetime Director shall be entitled to annual leave for a period of thirty five days and shall be entitled to accumulate such leave.
 5. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.
 6. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 90 days notice in writing in that behalf without

the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and Wholetime Director shall cease to be Wholetime Director of the Company. Provided that the aforesaid notice may be waived mutually.

7. The terms and conditions of the said appointment herein and/or Agreement may be altered and varied by the Board from time to time at their discretion as they may deem fit so as not to exceed the limits specified in the Schedule XIII to the Companies Act, 1956, or any other amendments made hereafter in that regard.
8. The other terms and conditions of the Agreement are such as are customarily contained in agreement of similar nature.
9. The said appointment/Agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/approved as aforesaid.

The above may be treated as abstract under Section 302 of the Companies Act, 1956.

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

Your Directors recommend the resolution at Item No. 16 of the Notice for your approval.

Shri Bipin A. Gala is interested in the said resolution. None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 17

Based on the recommendation of Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has appointed Shri Anil D. Gala as Wholetime Director of the Company w.e.f. 1st June, 2013, for a period of five years, subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him. The said Agreement would, inter-alia, contain the following material terms and conditions:

1. Period of Agreement: 1st June, 2013 to 31st May, 2018
2. Remuneration:
 - a) Basic Salary :
Basic Salary of ₹ 2.41 Lac per month with a power to the Board of Directors to give one or more annual increment subject to maximum Basic Salary of ₹ 10 Lac per month.

b) Perquisites/Allowances :

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

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

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

- i) Contribution to the Provident Fund, Contribution Gratuity Fund. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable at the rate not exceeding half a month's salary for every completed year of service;
- iii) Encashment of leave.

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

d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 198,309 read with Schedule XIII of the Companies Act, 1956 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

- 3. Where in any financial year during the currency of the tenure of Wholetime Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/allowances as aforesaid.
- 4. Wholetime Director shall be entitled to annual leave for a period of thirty five days and shall be entitled to accumulate such leave.

- 5. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.
- 6. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 90 days notice in writing in that behalf without the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and Wholetime Director shall cease to be Wholetime Director of the Company. Provided that the aforesaid notice may be waived mutually.
- 7. The terms and conditions of the said appointment herein and/or Agreement may be altered and varied by the Board from time to time at their discretion as they may deem fit so as not to exceed the limits specified in the Schedule XIII to the Companies Act, 1956, or any other amendments made hereafter in that regard.
- 8. The other terms and conditions of the Agreement are such as are customarily contained in agreement of similar nature.
- 9. The said appointment/Agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/approved as aforesaid.

The above may be treated as abstract under Section 302 of the Companies Act, 1956.

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

Your Directors recommend the resolution at Item No. 17 of the Notice for your approval.

Shri Anil D. Gala is interested in the said resolution. Shri Gnanesh D. Gala is interested the said resolution as he is related to Shri Anil D. Gala. None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 18

Based on the recommendation of Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has appointed Shri Shailendra J. Gala as Wholetime Director of the Company w.e.f. 1st June, 2013, for a period of five years, subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him. The said Agreement would, inter-alia, contain the following material terms and conditions:

1. Period of Agreement: 1st June, 2013 to 31st May, 2018
2. Remuneration:
 - a) Basic Salary :
Basic Salary of ₹ 2.25 Lac per month with a power to the Board of Director to give one or more annual increment subject to maximum Basic Salary of ₹ 10 Lac per month.
 - b) Perquisites/Allowances :
In addition to salary, Wholetime Director shall be entitled to the following perquisites/allowances:
Dearness allowance, gas, electricity, house rent allowance, conveyance allowance, leave travel allowance, bonus, reimbursement of medical expenses (whether in India or abroad) and medical insurance premium for self and family, fees of clubs subject to maximum of two clubs which will include admission fees but will not include life membership fees, use of car with driver, telephone and internet facilities at residence and mobile phone facility, personal accident insurance, assignment of key man and other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board of Directors from time to time.
 - c) Wholetime Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:
 - i) Contribution to the Provident Fund, Contribution to Gratuity Fund.
These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - ii) Gratuity payable at the rate not exceeding half a month's salary for every completed year of service;
 - iii) Encashment of leave.
 - d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 198,309 read with Schedule XIII of the Companies Act, 1956 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

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

3. Where in any financial year during the currency of the tenure of Wholetime Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/allowances as aforesaid.
4. Wholetime Director shall be entitled to annual leave for a period of thirty five days and shall be entitled to accumulate such leave.
5. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.
6. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 90 days notice in writing in that behalf without the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and Wholetime Director shall cease to be Wholetime Director of the Company. Provided that the aforesaid notice may be waived mutually.
7. The terms and conditions of the said appointment herein and/or Agreement may be altered and varied by the Board from time to time at their discretion as they may deem fit so as not to exceed the limits specified in the Schedule XIII to the Companies Act, 1956, or any other amendments made hereafter in that regard.
8. The other terms and conditions of the Agreement are such as are customarily contained in agreement of similar nature.
9. The said appointment/Agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/approved as aforesaid.
The above may be treated as abstract under Section 302 of the Companies Act, 1956.
The draft Agreement to be entered into between the Company and Shri Shailendra J. Gala is open for inspection at the Registered Office of the Company on any working days except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.
Your Directors recommend the resolution at Item No. 18 of the Notice for your approval.
Shri Shailendra J. Gala is interested in the said resolution. None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 19

Based on the recommendation of Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has

appointed Shri Atul J. Shethia as Wholetime Director of the Company w.e.f. 1st June, 2013, for a period of five years, subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him. The said Agreement would, inter-alia, contain the following material terms and conditions:

1. Period of Agreement: 1st June, 2013 to 31st May, 2018
2. Remuneration:
 - a) Basic Salary :
Basic Salary of ₹ 1.10 Lac per month with a power to the Board of Directors to give one or more annual increment subject to maximum Basic Salary of ₹ 5 Lac per month.
 - b) Perquisites/Allowances :
In addition to salary, Wholetime Director shall be entitled to the following perquisites/allowances:
House rent allowance, conveyance allowance, leave travel allowance, bonus, use of car with driver, telephone and internet facility and mobile phone facility, assignment of key man and other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board of Directors from time to time.
 - c) Wholetime Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:
 - i) Contribution to the Provident Fund, Contribution to Gratuity Fund.
These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - ii) Gratuity payable at the rate not exceeding half a month's salary for every completed year of service;
 - iii) Encashment of leave.
 - d) Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 198,309 read with Schedule XIII of the Companies Act, 1956 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.
3. Where in any financial year during the currency of the tenure of Wholetime Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites/allowances as aforesaid.

4. Wholetime Director shall be entitled to annual leave for a period of thirty days and shall be entitled to accumulate such leave.
5. No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.
6. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 90 days notice in writing in that behalf without the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and Wholetime Director shall cease to be Wholetime Director of the Company. Provided that the aforesaid notice may be waived mutually.
7. The terms and conditions of the said appointment herein and/or Agreement may be altered and varied by the Board from time to time at their discretion as they may deem fit so as not to exceed the limits specified in the Schedule XIII to the Companies Act, 1956, or any other amendments made hereafter in that regard.
8. The other terms and conditions of the Agreement are such as are customarily contained in agreement of similar nature.
9. The said appointment/Agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/approved as aforesaid.
The above may be treated as abstract under Section 302 of the Companies Act, 1956.
The draft Agreement to be entered into between the Company and Shri Atul J. Shethia is open for inspection at the Registered Office of the Company on any working days except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.
Your Directors recommend the resolution at Item No. 19 of the Notice for your approval.
Shri Atul J. Shethia is interested in the said resolution. None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 20

As the members may be aware that since 1959, Navneet has been a major force in the dissemination of knowledge. Over the decades, Navneet has emerged as a leading manufacturer of Educational Products and provider of Educational Services in India. The Company has built a strong brand over the years in the field of Educational, children and General Publications and Scholastic Paper Stationery and Non-Paper Stationery products. Further,

foreseeing the need and demand in digital space, the Company has also ventured into Digital Learning. Most of these products of Navneet relate to educational field and are mainly used by school and college going students. In view of the above and with a view to appropriately reflect the business in which the Company is primarily engaged into, it is proposed that the name of the Company be changed from NAVNEET PUBLICATIONS (INDIA) LIMITED to 'NAVNEET EDUCATION LIMITED' thereby retaining the brand word 'NAVNEET' in its proposed name. The Company has received a letter from the Office of Registrar of Companies confirming the said name as available.

Your Directors recommend the resolution at Item No. 20 of the Notice for your approval. None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

Item Nos. 21 to 23

Shri Kalpesh H. Gala, Shri Ketan B. Gala and Shri Sanjeev J. Gala are respectively relatives of Shri Raju H. Gala, Shri Bipin A. Gala and Shri Shailendra J. Gala, Directors of the Company. These relatives are proposed to be paid monthly remuneration as mentioned in the resolutions at Item Nos. 21 to 23 of the accompanying notice. As per the provisions of Section 314(1B) of the Companies Act, 1956 the payment of total monthly remuneration of not less than ₹ 2.50 Lac to any relative of a Director require prior approval of the members and approval of the Central Government.

Your Directors recommend the resolutions at Item Nos. 21 to 23 of the Notice for your approval. Shri Raju H. Gala, Shri Bipin A. Gala and Shri Shailendra J. Gala are deemed to be interested in the resolutions at Item Nos. 21 to 23 of the Notice. None of the other Directors of the Company is, in any way, concerned or interested in the said resolutions.

Item Nos. 24 and 25

As per the provisions of Section 293(1) (d) of the Companies Act,1956, the Board of Directors is empowered to borrow money upto an aggregate limit of paid up capital and free reserve, that is to say, reserves not set apart for any specific purpose without obtaining the consent of the members. At an Annual General Meeting of the Company held on 31st July, 2008, the members had given their consent to the Board of Directors to borrow upto ₹ 400 crore over and above the then aggregate paid up capital and free reserves of the Company under Section 293(1)(d) of the Companies Act, 1956 and also to create mortgage/charge on all or any of the movable or immovable properties/undertakings of the Company under Section 293(1)(a) of the Companies Act, 1956.

Taking into consideration the Company's financial requirements, it would be appropriate to increase the borrowing limits under Section 293(1) (d)

of the Companies Act,1956 from ₹ 400 crore to ₹ 1000 crore. Further, the Company may be required to secure some of the borrowings by mortgage/charge on all or any of the movable or immovable properties of the Company in such manner and at such time as may be decided by the Board of Directors. The resolutions are enabling resolutions to revise the borrowing powers of the Board of Directors of the Company and to create charge/mortgage on Company's properties/undertakings as mentioned in the resolutions at Item Nos. 24 and 25 of the Notice.

Your Directors recommend the resolutions at Item Nos. 24 and 25 of the Notice for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolutions.

Item No. 26

At an Annual General Meeting of the Company held on 31st July, 2008, the members had given their consent to the Board of Directors to contribute towards charitable and other funds not directly relating to the business of the Company or the welfare of its employees upto ₹ 10 crore in any financial year. The Company envisages higher contribution for any financial year to any charitable or other funds not directly relating to the business of the Company or the welfare of its employees as a Corporate Social Responsibility.

In view of the above, it is proposed to increase the existing permitted limit of contribution to charitable and other funds from ₹ 10 crore to ₹ 25 crore.

As per Section 293(1)(e) of the Companies Act, 1956, the maximum limit upto which contribution can be made in any financial year to any charitable or other funds not directly relating to the business of the Company or the welfare of its employees is ₹ 50,000/- or 5% of the Company's average net profits as determined in accordance with the provisions of Section 349 and 350 of the Companies Act,1956 during the immediate preceeding three financial years, whichever is higher.

Section 293(1) (e) of the Companies Act, 1956 permits contribution in excess of these limits with the consent of the members.

Your Directors, therefore, recommend the resolution as set out in Item No. 26 of the Notice for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Registered Office :

Navneet Bhavan,
Bhavani Shankar Road,
Dadar (West),
Mumbai - 400028
Mumbai, 24th June, 2013

By Order of the Board of Directors

sd/-
Amit D. Buch
Company Secretary

Dear Shareowners,

Your Directors have pleasure in presenting their twenty - seventh Annual Report along with the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

(1) FINANCIAL RESULTS : (₹ in Lac)

Particulars	Current Year	Previous Year
(a) Profit before Interest, Depreciation and Tax	19393	14596
(b) Less : Interest	786	534
(c) Profit before Depreciation and Tax	18607	14062
(d) Less: Depreciation	2000	1510
(e) Profit Before Tax	16607	12552
(f) Less : (i) Provision for Tax	5471	4076
(ii) Provision for Deferred Tax	30	124
(g) Profit After Tax before Extra-ordinary item	11106	8352
(h) Less: Extra-ordinary item	Nil	326
(i) Profit After Tax	11106	8026
(j) Balance brought forward from last year	22302	19152
(k) Profit available for Appropriation	33408	27178
APPROPRIATIONS :		
(a) Interim Dividend	-	1429
(b) Final Dividend	4288	1906
(c) Dividend on 6% Redeemable Non Cumulative Preference Shares	#	-
(d) Corporate Tax on Dividend	729	541
(e) General Reserve	1111	1000
(f) Balance Carried to Balance Sheet	27280	22302
	33408	27178

#denotes less than ₹ 50,000/-

(2) DIVIDEND :

Your Directors are pleased to recommend a dividend of ₹ 1.80 (90%) per share for the financial year 2012-13. The dividend, if declared, work out to about 45% (including dividend distribution tax) as against your Company's policy of distribution of minimum of 25% of its net profit.

(3) OPERATIONS :

- During the year under review, the Company achieved a turnover of ₹ 79078 Lac as compared to ₹ 60965 Lac in FY 12.
- Profit before depreciation and income tax for the year under review stood at ₹ 18607 Lac as against ₹ 14062 Lac in the previous year.
- After providing ₹ 2000 Lac for depreciation, ₹ 5501 Lac for income tax, deferred tax, profit after tax for the year stood at ₹ 11106 Lac as against ₹ 8026 Lac achieved in the previous year on standalone basis.

(4) PERFORMANCE OF DIVISIONS :

Content Division

During the year under review, your Company achieved revenue of ₹ 45715 Lac from its publication business as against ₹ 35404 Lac in the previous year. This growth of 29% on y-o-y basis was achieved as a result of syllabus change cycle continuing in the states of Maharashtra and Gujarat. Your Directors are optimistic that the revenue from publication business would continue to see good growth for the next few years.

Your Directors are happy to inform that Company's Subsidiary, namely eSense Learning Pvt. Ltd., has been able to spread its presence in more institutions and as on 31st March, 2013, its B2B product "TOP Class" was installed in 1,645 institutions in Maharashtra and Gujarat compared to 925 in FY 12, a jump of 78% y-o-y. eSense's new B2C product "UTOP", a tablet for students, was soft launched and received a good response from parents and students. Your Company has intensified marketing of this product and expects better numbers this year going forward.

Stationery Division

Your Directors are pleased to inform that as a result of strong exports, particularly to the US market, stationery segment showed substantial growth during the current year. The revenue from stationery division increased from ₹ 24927 Lac in FY 12 to ₹ 32596 Lac, a growth of over 30%. Your Directors expect double digit growth in revenue of stationery division in FY 14.

(5) SUBSIDIARY COMPANIES :

The Ministry of Corporate Affairs (MCA), Government of India has vide its General Circular No. 2/11 dated 8th February, 2011, issued directions under Section 212(8) of the Companies Act, 1956, granting general exemption to companies from attaching to their Balance Sheets, the Accounts and other documents of their subsidiaries, subject to fulfilment of specified conditions. In view of this general exemption, the Board of Directors of the Company has given its consent for not attaching the Accounts and other documents of its subsidiary companies with the Annual Accounts of the Company, in relation to the financial year ended on 31st March, 2013. Further, a statement containing the relevant particulars prescribed under the general exemption for subsidiary companies is enclosed in this Annual Report. The Consolidated Accounts have been prepared in accordance with Accounting Standard (AS-21), on Consolidated Financial Statements notified under the Companies (Accounting Standard) Rules, 2006. The Audited Consolidated Accounts and Cash Flow Statement comprising of the Company and its subsidiary companies forms part of this Annual Report. The Company will make available the Annual Accounts of its subsidiary companies and related information to any Member of the Company who make a written request to the Company Secretary at the Registered Office of the Company.

(6) DIRECTORS' RESPONSIBILITY STATEMENT :

As required under Section 217(2AA) of the Companies Act, 1956, we hereby state :

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors have prepared the annual accounts on a going concern basis.

(7) DIRECTORS :

At Board meeting held on 30th May, for succession of Management, S/Shri Amarchand R. Gala, Dunganishi R. Gala, Harakhchand R. Gala, Shantilal R. Gala, Jitendra L. Gala and Jaisinh K. Sampat have relinquished the office as Directors of the Company with effect from 1st June, 2013.

The Board of Directors and entire 'Navneet Parivar' salute the outgoing founder-Directors for their deep commitment and immense dedication in building the organization brick by brick, and in laying a strong foundation of ethics and innovation. Under their leadership, the Company has emerged as a market leader and a unique entity in India.

The Board also acknowledges their visionary and founding contribution in building a dynamic and committed team, which helped the Company to successfully steer ahead from humble beginnings, through all ups and downs, to achieve its present stature.

The Board would like to highlight that while pursuing growth objectives of the Company, the founder-Directors never lost sight of their social responsibility.

Undoubtedly, the outgoing Directors shall continue to provide honorary services to the Company wherever their experience is required.

The Board of Directors also acknowledge the impressive contribution of outgoing Chairman, Shri Shivji K. Vikamsey, whose focus and eye for details gave direction to the discussions.

Towards accomplishing the succession of Management, S/Shri Gnanesh D. Gala, Raju H. Gala, Bipin A. Gala, Anil D. Gala & Shailendra J. Gala are appointed Directors of the Company.

The Board of Directors feel energised with the appointment of Shri Kamlesh S. Vikamsey as Chairman. Shri Kamlesh S. Vikamsey has been a member of the Board since 1992. His elevation as Chairman of the Board is a logical sequence to his enormous contribution to the deliberations of the Board.

The Board of Directors has appointed S/Shri Mohinder Pal Bansal, Nilesh S. Vikamsey and Atul J. Shethia as Directors of the Company.

The domain expertise and core competencies of the new Directors would provide the Board the bandwidth and thrust to consolidate the Company's position and stimulate further growth.

The Board of Directors welcome the newly appointed Directors.

Dr. R. Varadarajan and Shri Tushar K. Jani, Directors of the Company, retire by rotation and being eligible, offer themselves for reappointment.

(8) SCHEME OF AMALGAMATION :

The Directors are pleased to inform that Hon'ble High Court of Bombay has vide its Order dated 8th February, 2013, approved the Scheme of Amalgamation between Lakheni Publications Private Limited and your Company and their respective shareholders (the Scheme). The said Order has been filed by the Company with the Office of Registrar of Companies on 12th March, 2013 thereby making the Scheme effective from that date.

(9) SHARE CAPITAL :

During the year under review, the existing Authorised Share Capital of the Company of ₹ 50 crore consisting of 25 crore equity shares of ₹ 2/- each was altered, reclassified and accordingly divided into 24,82,9,500 equity shares of ₹ 2/- each and 3,40,500 6% Redeemable Non Cumulative Preference Shares of ₹ 10/- each.

Your Directors inform that the Scheme became effective on 12th March, 2013 upon filing of the order with the Office of Registrar of Companies, Mumbai. In terms of the said Scheme, 9,65,00,484 equity shares of ₹ 2/- each held by Lakheni Publications Private Limited (LPPL) in your Company stood cancelled and your Company has issued an equivalent number of equity shares to all classes of equity shareholders of LPPL in proportion to the number of equity shares held by them in LPPL. Also, 3,40,500 fully paid up 6% Redeemable Non Cumulative Preference Shares of ₹ 10/- each has been issued to the preference shareholders of LPPL in proportion to the number of preference shares held by them in LPPL.

(10) CORPORATE GOVERNANCE :

Your Company has complied with Clause 49 of the Listing Agreement entered with the Stock Exchanges. A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement, along with Auditor's Certificate on compliance of Corporate Governance, forms part of this Annual Report.

(11) MANAGEMENT DISCUSSION AND ANALYSIS :

As per Clause 49 of the Listing Agreement, Management Discussion and Analysis forms part of this Annual Report.

(12) NETWORTH AND BORROWING :

Net worth of the Company increased to ₹ 44285 Lac against ₹ 38080 Lac in the previous year. Your Company borrowed in foreign currency to fund

its windmill power project of which ₹ 726 Lac is outstanding as at balance sheet date which is classified as long term debt. Apart from this, your Company utilises the credit facilities from the banks for its working capital requirements only.

(13) CORPORATE SOCIAL RESPONSIBILITY :

Your Company continues to use eco-friendly materials for most of its major products catering to environmental needs and also continues with its corporate social responsibility initiative and donates mainly in areas of medical aid, education and rehabilitation programmes. For the Financial Year 2013, your Company donated ₹ 531 Lac. The management will continue to fulfill its social responsibility towards society on an ongoing basis in whatever best possible manner.

(14) FIXED DEPOSITS :

Your Company has not accepted any fixed deposit during the year under review.

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

The information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 is given in Annexure 'A' forming part of this Report.

(16) PARTICULARS OF EMPLOYEES :

The information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Report and Accounts are being sent to all members of the Company excluding the Statement of Particulars of Employee under Section 217(2A) of the Companies Act, 1956. Any Member interested in obtaining a copy of the said statement, may write to the Company Secretary at the Registered Office of the Company.

(17) AUDITORS :

M/s. Ghalla & Bhansali, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from them to the effect

that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

(18) COST AUDITORS :

M/s. Ashish Bhavsar & Associates, Cost Accountants have been duly appointed as Cost Auditor for the stationery division of the Company. The Cost Audit Report is required to be filed within 180 days from the end of the financial year. The Cost Audit Report for the financial year ended 31st March, 2013 will be filed within the prescribed period.

(19) ACKNOWLEDGEMENT :

Your Directors take this opportunity to thank all shareholders, valued customers, suppliers, bankers, government and statutory authorities and stock exchange for their continued support to the Company. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees.

For and on behalf of the Board of Directors
sd/-

Place : Mumbai

Shivji K. Vikamsey

Date : 30th May, 2013

Chairman

Annexure 'A' to Directors' Report

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) Conservation of Energy :

Your 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

FORM - B

Form of Disclosure of Particulars with respect to Technology Absorption

Research & Development

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

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

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

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

(3) In case of Imported Technology

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

(C) Foreign Exchange Earnings and Outgo :

Your Company's export turnover has been ₹ 11728 Lac.

Total Foreign Exchange earned and used :

- (i) Foreign Exchange earned : ₹ 11455 Lac
- (ii) Foreign Exchange used : ₹ 1744 Lac

For and on behalf of the Board of Directors
sd/-

Place : Mumbai

Shivji K. Vikamsey

Date : 30th May, 2013

Chairman

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular stating that service of notice/document including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are required to register their e-mail addresses, in respect of electronic/demat holding with their Depository Participant (DP) and those holding physical shares with the Company or its Registrar and Share Transfer Agents.

Statement Pursuant to Section 212 of the Companies Act, 1956, relating to the Subsidiary Companies for the year ended 31st March, 2013

Name of the Subsidiary Company	Grafalco Ediciones S.L.	eSense Learning Pvt. Ltd.
1. Financial Year of the Subsidiary Company	31st December, 2012*	31st March, 2013
2. No. of Shares held in Subsidiary Company as on the above date	648006 Equity Shares @ Euro 1 each	4125500 Equity Shares ₹ 10/- each
% of holding (Equity)	95.58%	99.81%
% of holding (Preference)	NIL	NIL
3. The net aggregate of Profits/(Losses) of the Subsidiary Company so far as it concerns the Members of Navneet Publications (India) Ltd.		
(i) Dealt with in the Accounts of the Navneet Publications (India) Ltd. amounted to :		
a) for the subsidiary's financial year ended 31st December, 2012 & 31st March, 2013	NIL	NIL
b) for the previous financial years of the subsidiary since it became a subsidiary of Navneet Publications (India) Ltd.	NIL	NIL
(ii) Not Dealt with in the Accounts of the Navneet Publications (India) Ltd. amounted to :		
a) for the subsidiary's financial year ended 31st December, 2012 & 31st March, 2013	₹ 87699924	(₹ 34711742)
b) for the previous financial years of the subsidiary since it became a subsidiary of Navneet Publications (India) Ltd.	(₹ 44452241)	(₹ 142870398)
4. Changes in the interest of the Navneet Publications (India) Ltd. between the end of the financial year of the Subsidiary and 31st March, 2013.		
a) Nos. of shares	NIL	377,000
b) Extent of holding	NIL	99.81%
5. Material changes between the end of the Financial Year of the Subsidiary and 31st March, 2013.	NIL	NIL

* For consolidation purpose accounts of Grafalco Ediciones S.L. are considered up to 31.03.2013

	sd/-	sd/-	For & On behalf of the Board
Place : Mumbai			sd/-
Date : 30 th May, 2013	Amit D. Buch Company Secretary	A. R. Gala Managing Director	S. K. Vikamsey Chairman

TO THE MEMBERS OF NAVNEET PUBLICATIONS (INDIA) LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of **NAVNEET PUBLICATIONS (INDIA) LIMITED ("the Company")**, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information

required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of Affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal & Regulatory Requirements:

1. As required by The Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by the section 227 (3) of the Act, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **Ghalla & Bhansali**

Chartered Accountants

(Firm Registration Number 103142W)

sd/-

Haresh K. Chheda

Partner

Membership Number 38262

Place : Mumbai

Date : 30th May, 2013

(Referred to in paragraph 1 under the heading of "Report on Other Legal & Regulatory Requirements" of our report of even date)

1. (a) As per the information and explanations given to us, the Fixed Assets register showing full particulars including quantitative details and situation of Fixed Assets is compiled by the Company.
(b) All the assets have not been verified by the management during the year but, according to the information and explanations given to us, and in our opinion the intervals for verification are reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) In our opinion, fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
2. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them.
(b) In our opinion and according to the information and explanation given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on verification between the physical stocks and the book records were stated to not be material.
3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly clause 4(iii) (b) to (d) of the order is not applicable to the Company.
(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from Companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clause 4(iii) (e), (f) and (g) of the order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods

and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of continuing failure to correct major weaknesses in internal control.

5. (a) In our opinion and to the best of our knowledge and belief, and according to information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register maintained under section 301 of the Companies Act, 1956.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of ₹ 5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits during the year from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
7. In our opinion, the Company has adequate internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records have been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanation given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, investors education and protection fund, employees state insurance, income tax, VAT, wealth tax, service tax, custom duty, excise duty, cess and other as applicable have been regularly deposited by the Company during the year with appropriate authorities.
(b) According to the information and explanation given to us, there are

no dues outstanding of VAT, income tax, custom duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute, except for the following:

Name of Statute	Forum where the matter is pending	Financial Year	Amount ₹ in Lac	Nature of Dues
I.T. Act, 1961	Bombay High Court	1999-00	26.08	Assmt. Dues A.Y. 00-01
I.T. Act, 1961	Bombay High Court	2000-01	11.17	Assmt. Dues A.Y. 01-02

10. The Company has neither accumulated losses as at 31st March, 2013 nor has it incurred any cash loss during the financial year ended on that date and the immediately preceding financial year.
11. According to information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders during the year.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit or a nidhi/mutual benefit fund/society, therefore, the clause 4(xiii) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. Hence clause 4(xiv) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
15. The Company has not given any guarantee of loans taken by others therefore the clause 4(xv) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
16. The Company has obtained term loan during the year, and in our opinion and according to the information and explanations given to us, the term loans outstanding at the beginning of the year and the term loan obtained during the year are applied for the purpose for which the loans are obtained.
17. According to the information and explanation given to us and on an overall examination of the balance sheet and cash flow of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made preferential allotment of shares to parties

and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

19. The Company has not issued any debentures during the year. Hence clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
20. The Company has not raised any money by public issue during the year. Hence clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
21. According to the information and explanations given to us, during the year, no fraud by or on the Company has been noticed or reported during the course of our audit.

For **Ghalla & Bhansali**
Chartered Accountants
(Firm Registration Number 103142W)
sd/-

Haresh K. Chheda
Partner
Membership Number 38262

Place : Mumbai
Date : 30th May, 2013

Balance Sheet

NAVNEET PUBLICATIONS (INDIA) LIMITED

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
		₹ in Lac	₹ in Lac
EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share Capital	1	4,798	4,764
b) Reserve and Surplus	2	39,487	33,315
		<u>44,285</u>	<u>38,080</u>
2. Share Application Money Pending Allotment			
		-	-
3. Non-Current Liabilities			
a) Long-Term Borrowings	3	242	794
b) Deferred Tax Liabilities (Net)	4	482	452
c) Long-Term Provisions	5	360	359
		<u>1,084</u>	<u>1,605</u>
4. Current Liabilities			
a) Short-Term Borrowings	6	16,144	13,195
b) Trade Payables	7	2,526	1,497
c) Other Current Liabilities	8	3,680	2,805
d) Short-Term Provisions	9	5,385	2,301
		<u>27,735</u>	<u>19,798</u>
TOTAL		<u><u>73,104</u></u>	<u><u>59,483</u></u>
ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	10	15,818	14,797
ii) Intangible Assets	10	1,135	1,202
iii) Capital work-in-progress	11	570	337
		<u>17,523</u>	<u>16,337</u>
b) Non-Current Investments	12	565	430
c) Long-Term Loans and Advances	13	7,691	6,315
d) Other Non-Current Assets	14	25	28
		<u>25,804</u>	<u>23,111</u>
2. Current Assets			
a) Inventories	15	27,492	21,715
b) Trade Receivables	16	15,938	11,175
c) Cash and Bank Balances	17	343	394
d) Short-Term Loans and Advances	18	2,821	2,946
e) Other Current Assets	19	706	143
		<u>47,300</u>	<u>36,373</u>
TOTAL		<u><u>73,104</u></u>	<u><u>59,483</u></u>
Significant Accounting Policies And Notes on Financial Statements	1 to 45		

As per our report of even date attached hereto

For & On behalf of the Board

For **Ghalla & Bhansali**

Chartered Accountants

(Firm Registration Number 103142W)

sd/-

sd/-

sd/-

sd/-

Haresh K. Chheda

Partner

Membership Number 38262

Mumbai, 30th May, 2013

Amit D. Buch
Company Secretary

A. R. Gala
Managing Director

S. K. Vikamsey
Chairman

Statement of Profit and Loss

NAVNEET PUBLICATIONS (INDIA) LIMITED

For the year ended 31st March, 2013

Particulars	Note No.	For the Year Ended	For the Year Ended
		31st March, 2013	31st March, 2012
		₹ in Lac	₹ in Lac
Income :			
Revenue from operations	20	79,078	60,965
Other Income	21	337	859
Total Revenue		<u>79,415</u>	<u>61,825</u>
Expenses :			
Cost of Material consumed	22	42,431	30,469
Purchase of Stock-in-Trade		370	146
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(4,253)	(691)
Employee Benefits Expense	24	6,263	5,408
Financial Costs	25	786	534
Depreciation and Amortization Expense	10	2,000	1,510
Other Expenses	26	15,211	11,897
		<u>62,808</u>	<u>49,273</u>
Profit before extraordinary items and tax		16,607	12,552
Extraordinary Items (Refer Note No.43)		-	(326)
Profit before tax		<u>16,607</u>	<u>12,226</u>
Tax Expense :			
Current Tax		5,471	4,076
Deferred Tax		30	124
		<u>5,501</u>	<u>4,200</u>
Profit for the year		<u>11,106</u>	<u>8,026</u>
Earnings per equity share of ₹ 2/- each (₹ 2/- each)			
(1) Basic		4.66	3.37
(2) Diluted		4.66	3.37
Significant Accounting Policies And Notes on Financial Statements	1 to 45		

As per our report of even date attached hereto

For & On behalf of the Board

For **Ghalla & Bhansali**

Chartered Accountants

(Firm Registration Number 103142W)

sd/-

sd/-

sd/-

sd/-

Haresh K. Chheda

Partner

Membership Number 38262

Mumbai, 30th May, 2013

Amit D. Buch
Company Secretary

A. R. Gala
Managing Director

S. K. Vikamsey
Chairman

Cash Flow Statement for the year 2012-13

NAVNEET PUBLICATIONS (INDIA) LIMITED

	2012-13 ₹ in Lac	2011-12 ₹ in Lac
Cash Flow from Operating Activities		
Net profit before tax	16,608	12,226
Adjustments for		
Interest & Financial Income (non operational)	(364)	(354)
(Profit)/Loss on sale of fixed assets	1	(118)
(Profit)/Loss on sale of Investments	(20)	(24)
Interest and Financial Expense	786	534
Depreciation	2,000	1,510
Diminution in the value of investments	-	326
Changes in Current Assets and Liabilities		
(Increase)/Decrease in Inventory	(5,778)	(4,054)
(Increase)/Decrease in Trade and Other Receivables	(8,499)	(2,953)
Increase/(Decrease) in Trade and Other Payables	1,785	1,332
Income Taxes Paid	(5,274)	(4,110)
Net cash inflow/(outflow) from Operating Activities (A)	1,247	4,313
Cash flow from Investing Activities		
Purchase of Fixed Asset and change in capital WIP	(2,957)	(5,400)
Proceeds from disposal of Fixed Asset	52	157
(Increase)/Decrease in Investment in Subsidiary	(135)	10
(Increase)/Decrease in Loan and Advances	1,832	(4,681)
Profit/(Loss) on sale of Investments	20	24
Interest & Financial Income	364	354
Net cash inflow/(outflow) from Investing Activities (B)	(825)	(9,536)
Cash flow from Financing Activities		
Increase/(Decrease) in Preference Share Capital + Capital Res	116	-
Increase/(Decrease) in Loan Fund	2,397	8,960
Interest and Financial Expense	(773)	(526)
Dividend Paid (including Dividend Tax)	(2,214)	(3,863)
Net cash inflow/(outflow) from Financing Activities (C)	(473)	4,571
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	(51)	(652)
Cash and cash equivalent as at the commencement of the year	394	1,046
Cash and cash equivalent as at the end of the year	343	394
Net Increase/(Decrease) as mentioned above	(51)	(652)

Notes : (1) Closing Cash and Cash equivalent includes ₹ 94 Lac (P.Y. ₹ 93 Lac) lying in designated account with the scheduled banks on account of unclaimed dividend which are not available for use by the Company.
(2) P.Y. figures have been regrouped/rearranged to confirm to the current year's presentation wherever necessary.

As per our report of even date attached hereto

For **Ghalla & Bhansali**

Chartered Accountants

(Firm Registration Number 103142W)

sd/-

Haresh K. Chheda

Partner

Membership Number 38262

Mumbai, 30th May, 2013

sd/-

Amit D. Buch
Company Secretary

sd/-

A. R. Gala
Managing Director

For & On behalf of the Board

sd/-

S. K. Vikamsey
Chairman

(A) Accounting Convention

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the applicable accounting standards notified by the Company (Accounting Standard Rule 2006) as amended & relevant provisions of the Companies Act.

(B) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

(C) Revenue Recognition

Sales are recognised on transfer of significant risks and rewards in connection with the ownership at the time of dispatch of goods. Sales are recorded net of trade discounts. Dividend Income is recognised when right to receive is established.

(D) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment loss if any. Cost comprises of the purchase price and all other attributable costs for bringing the asset to its working condition for its intended use.

(E) Depreciation

- (i) Depreciation on Fixed Assets other than intangible assets is provided on Written Down Value Method in accordance with the rates, prescribed in Schedule XIV to the Companies Act, 1956. Individual assets acquired for less than ₹ 5000/- are entirely depreciated in the year of acquisition.
- (ii) Depreciation on fixed assets added/disposed off during the year has been provided on pro-rata basis.
- (iii) Lease Premium and related costs are amortised over the lease period.
- (iv) Cost of registration of Trade Marks and for acquiring Copy Rights are amortised over a period of 10 years in equal installments.
- (v) Cost of Intangibles assets are amortised over a period of 36 months.

(F) Impairment of Assets

Assets are treated as impaired when the carrying cost of assets exceeds their recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which the assets are identified as

impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(G) Expenditure during construction period

Expenditure during construction period are included under capital work-in-progress and the same are allocated to the respective fixed assets on the completion of construction.

(H) Foreign Currency Transactions & Financial Instruments

- (i) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year, are restated at the closing rate as applicable.
- (ii) The differences in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss.
- (iii) In respect of forward foreign exchange contract, represented by monetary assets/liabilities and are meant for hedging purposes, the premium or discount arising at the inception of such forwards contract is amortised as expense or income over the life of contract. Exchange differences on such a contract is recognized in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.
- (iv) Non-monetary items are carried in terms of historical cost denominated in a foreign currency using the exchange rate at the date of the transactions.
- (v) Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.
- (vi) The Foreign exchange difference on translation of long term foreign currency monetary items at rates different from those at which they were reported in previous financial statements, in so far as it relates to acquisition of depreciable assets are capitalised.

(I) Inventories

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

- i) Cost of Raw materials, packing materials, stores and spares are determined on weighted average basis.
- ii) Cost of Finished goods and Work-In-Process includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(J) Retirement Benefits

- (i) Contributions to the provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss in the period in which the liability is incurred.
- (ii) Provision for gratuity, which is a defined benefit plan, is made on the basis of an actuarial valuation carried out by an independent actuary at the balance sheet date and funded through scheme administered by the Life Insurance Corporation of India ('LIC').
The actuarial valuation is done using the 'Project Unit Credit Method'.
- (iii) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date based on an actuarial valuation carried out by an independent actuary.

(K) Investments

Long-term Investments are stated at cost after deducting provision, if any, for other than temporary diminution in the value of investments. Current Investments are stated at lower of cost and market/fair value.

(L) Borrowing Costs

The Company capitalises the borrowing costs which are directly attributable to the acquisition or construction of qualifying assets till the said asset is put to use or ready to be put to use. All other borrowing costs are expensed in the period they incurred.

(M) Leased Assets

Operating Lease : Rentals are expensed with reference to lease terms and other considerations.

(N) Provision for Tax

Tax expense comprises of current, and deferred tax.
Provision for current tax is determined on the basis of taxable income for the period as per the provisions of Income Tax Act, 1961.
Deferred tax is recognized, subject to consideration of prudence, on timing differences between book profits and tax profits using the tax

rates and laws that have been enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only when there is a reasonable certainty that the assets will be realized in future.

(O) Contingent Liabilities and Provisions

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognised when there is a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date.

	As at 31st March, 2013	As at 31st March, 2012
	₹ in Lac	₹ in Lac
1 SHARE CAPITAL		
Authorised :		
24,82,97,500 (25,00,00,000) Equity Shares of ₹ 2/- each (₹ 2/- each)	4,966	5,000
3,40,500 (NIL) 6% Redeemable Non Cumulative Preference Shares of ₹ 10/- each (NIL)	34	-
TOTAL	<u>5,000</u>	<u>5,000</u>
Issued, Subscribed & Paid Up :		
23,82,15,000 (23,82,15,000) Equity Shares of ₹ 2/- each (₹ 2/- each) fully paid up	4,764	4,764
3,40,500 (NIL) 6% Redeemable Non Cumulative Preference Shares of ₹ 10/- each (NIL) fully paid up	34	-
	<u>4,798</u>	<u>4,764</u>

1.1 Reconciliation of the number of Equity Shares outstanding

	As at 31st March, 2013		As at 31st March, 2012	
	Number of Shares	₹ in Lac	Number of Shares	₹ in Lac
Number of Shares at the beginning of the year	238,215,000	4764	238,215,000	4764
Less: Shares cancelled on amalgamation	(96,500,484)	(1930)	-	-
Add: Shares allotted on amalgamation	96,500,484	1930	-	-
Number of Shares at the end of the year	238,215,000	4764	238,215,000	4764

1.2 Reconciliation of the number of 6% Redeemable Non cumulative Preference Shares outstanding

	As at 31st March, 2013		As at 31st March, 2012	
	Number of Shares	₹ in Lac	Number of Shares	₹ in Lac
Number of Shares at the beginning of the year	-	-	-	-
Add: Shares allotted on amalgamation	340,500	34	-	-
Number of Shares at the end of the year	340,500	34	-	-

1.3 (a) Terms/Rights Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share and all rank *pari passu*.

(b) Terms/Rights Attached to Preference Shares

- (i) Redemption - To be redeemed at par at the end of 18 months from the date of allotment.
- (ii) Coupon Rate - 6% per annum non cumulative.

- (iii) Call Option - The Company has an option to redeem the Preference Shares at any time after the end of 1 year from the date of allotment. If the Company exercises its call option, it will pay the amount of the face value of the Preference Shares along with dividend declared, if any, up to the date on which it exercise the call option.
In case the Company exercises the call option, its liability to the Preference Shareholders shall stand extinguished from the date of dispatch of the cheques/pay order for the redemption amount, along with dividend, if any.
- (iv) Each holder of 6% RNCPS is entitled to one vote per RNCPS only on resolution placed before the Company which directly affect the rights attached to RNCPS.
- (v) In the event of winding up of the company, before redemption of RNCPS, the holders of RNCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

1.4 Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date

14,29,29,000 (14,29,29,000) Equity shares allotted as fully paid bonus shares in the last 5 years by capitalisation of Share Premium & General Reserve

1.5 Aggregate number and class of shares allotted as fully paid up pursuant to contract 's' without payment being received in Cash.

9,65,00,484 (NIL) Equity shares and 3,40,500 (NIL) Preference Shares were allotted in last 5 years pursuant to the scheme of Amalgamation without payment being received in Cash.

1.6 Equity Shareholders holding more than 5% of the shares

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Accord Holdings Private Ltd.	NIL	NIL	40,993,721	17.21
Corsa Holdings Private Ltd.	NIL	NIL	31,929,631	13.40
Qualis Holdings Private Ltd.	NIL	NIL	23,577,132	9.90
Amarchand Ramji Gala, Dunganarshi Ramji Gala, Gnanesh Dunganarshi Gala - Trustees of Navneet Trust	94,570,474	39.70	NIL	NIL

1.7 6% Redeemable Non cumulative Preference Shareholders holding more than 5% of the shares

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Amarchand Ramji Gala	25,783	7.57	NIL	NIL
Dunganarshi Ramji Gala	20,457	6.01	NIL	NIL
Vimlaben Shantilal Gala	17,580	5.16	NIL	NIL

2 RESERVES & SURPLUS**a) Capital Reserve:**

Opening Balance

Add: On amalgamation of Lakheni Publication Pvt. Ltd. with the Company as per Bombay High Court order dated 8/2/2013

Closing Balance

#

82

82

#

-

#

b) General Reserve:

Opening Balance

Add: Transferred from surplus balance in the Statement of Profit and Loss

Closing Balance

11,014

1,111

12,125

10,014

1,000

11,014

c) Foreign Currency Translation Reserve

Opening Balance

Add: Additions during the year

Closing Balance

-

-

-

12

(12)

-

d) Surplus in the Statement of Profit and Loss

Balance as per last Financial Statements

Add: Net Profit after tax

Balance available for Appropriation

LESS : APPROPRIATION

Dividend (First Interim) ₹ NIL (₹ 0.60 paise ₹ 2/- paid up)

Dividend Final ₹ 1.80 paise ₹ 2/- paid up (₹ 0.80 paise ₹ 2/- paid up)

Dividend 6 % for Preference Share Capital

Corporate Tax on Dividend

Transfer to General Reserve

22,302

11,106

33,408

-

4,288

#

4,288

729

1,111

6,128

27,280

39,487

19,152

8,026

27,178

1,429

1,906

-

3,335

541

1,000

4,876

22,302

33,315

SURPLUS AFTER APPROPRIATION**TOTAL** (a + b + c + d)

NON CURRENT LIABILITIES

₹ in Lac

3 LONG TERM BORROWINGS:

A) Secured

i) Term Loan

- Foreign Currency Loans from Bank

Less: Amount payable within 12 months

	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2012
	726		1,324	
	484	242	530	794

Nature of Security and Terms of Repayments for Secured Borrowings:

Nature of Security	Terms of Repayments
Long term foreign currency loan are exclusively secured by Hypothecation of windmills.	Foreign Currency Loans from Bank carries interest @ Libor+0.5%. The loan is repayable in 12 half yearly installments of 41980057 JPY starting from 17th Jan, 2009
The instalments due within 12 months from the date of Balance Sheet have been grouped under Other Current Liabilities (Note No. 8)	

	As at 31st March, 2013 ₹ in Lac	As at 31st March, 2012 ₹ in Lac
4 Deferred Tax Liabilities (Net)		
Depreciation	638	572
Disallowances under section 43B of the Income Tax Act, 1961	(156)	(120)
	<u>482</u>	<u>452</u>
5 Long Term Provisions		
Provision for Employee Benefit		
Provision for Leave Encashment (Refer Note No. 40)	360	359
	<u>360</u>	<u>359</u>

	As at 31st March, 2013 ₹ in Lac	As at 31st March, 2012 ₹ in Lac
6 SHORT TERM BORROWINGS:		
A) Secured		
i) Cash Credit from Bank	-	5,195
ii) Working Capital Rupee Loans repayable on demand from banks	10,300	3,000
iii) Foreign Currency Loan from Bank	2,172	-
All short term rupee loans and foreign currency loans equivalent to ₹ 12472/- Lac (Previous Year ₹ 3000/- Lac) are secured against :		
- Hypothecation & first charge over stock of raw materials, work-in-process, finished goods, stores & spares not relating to plant and machinery & book debts.	12,472	8,195
B) Unsecured		
From Banks:		
(i) Rupee Loan	1,500	5,000
(ii) Foreign Currency Loan	2,172	-
TOTAL	16,144	13,195
7 TRADE PAYABLES:		
- Due to Micro, Small and Medium Enterprises	76	80
- Due to Others	2,449	1,418
TOTAL	2,526	1,497
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, 2013 based on available information with the Company which are as under:		
Particulars	2012-13 ₹ in Lac	2011-12 ₹ in Lac
Principal amount due and remaining unpaid	14	9
Interest due on above and the unpaid interest	1	1
Interest paid	-	-
Payment made beyond the appointed day during the year	73	47
Interest accrued and remaining unpaid	3	2
Amount of further interest remaining due and payable in succeeding years	-	-

	As at 31st March, 2013	As at 31st March, 2012
	₹ in Lac	₹ in Lac
8 OTHER CURRENT LIABILITIES:		
Advances Received	122	356
Unpaid Dividend	94	93
Interest Accrued But Not Due	13	8
Income received in advance	71	52
Creditors for capex	269	153
Current maturities of Foreign Currency Loans from Bank (Also see note no. 3)	484	530
Employee Benefits Payable	682	587
Deposits	48	22
Statutory Dues		
- Provident Fund/ESIC/Profession Tax	58	50
- Tax Deducted At Source	92	73
- Service tax/WCT/Excise payable	8	7
- Sales tax payable	220	154
Provision for Expenses	1,121	720
Stamp Duty Payable on Amalgamation (see note no. 42)	395	-
	<u>3,680</u>	<u>2,805</u>
9 SHORT TERM PROVISIONS:		
Provision for Employee Benefits		
- Provision for Leave Encashment Benefits (Refer Note No. 40)	122	10
Other Provision		
Provisions for tax(net of advance tax)	246	76
- Proposed Dividend	4,288	1,906
- Corporate Tax on Proposed Dividend (see note no. 2d)	729	309
	<u>5,385</u>	<u>2,301</u>

10 FIXED ASSETS

₹ in Lac

Sr. No.	Description of Assets	Gross Block			Deprecation/Amortization				Net Block		
		Cost As on 01.04.2012	Additions during the year	Deduction/ Adjustments	Cost as on 31.03.2013	Provided upto 01.04.2012	For the Year	Deductions on Sales/ Transfer	Total upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
	Tangible										
1	Land - Freehold	983	-	-	983	-	-	-	-	983	983
2	Land - Leasehold	84	-	-	84	52	6	-	58	26	32
3	Building	9,121	1,313	-	10,434	2,270	557	-	2,827	7,607	6,851
4	Plant & Machinery	13,979	1,207	185	15,001	8,247	923	153	9,016	5,985	5,732
5	Office Equipments	287	17	3	301	186	18	2	202	99	100
6	Furniture & Fixtures	1,339	139	-	1,478	942	81	-	1,024	454	396
7	Vehicles	1,439	177	47	1,568	736	194	26	904	664	703
	Intangible										
8	Trade Mark	59	-	-	59	40	6	-	46	13	19
9	Copy Right	983	13	-	995	8	99	-	107	888	974
10	SAP	247	-	-	247	247	-	-	247	-	-
11	Software	438	142	7	573	229	117	7	339	234	209
	Total	28,957	3,008	242	31,723	12,958	2,000	188	14,770	16,954	15,999
	Previous Year	23,188	6,117	348	28,957	11,757	1,510	309	12,958	15,999	-

As at
31st March, 2013 As at
31st March, 2012

₹ in Lac

₹ in Lac

11 CAPITAL WORK IN PROGRESS

Opening Balance
Add: Expenditure during the year
Less: Capitalisation/ Adjustments during the year
Closing Balance

	337	983
	553	329
	(320)	(975)
	570	337

	As at 31st March, 2013 ₹ in Lac	As at 31st March, 2012 ₹ in Lac
12 NON CURRENT INVESTMENTS		
Other Investment		
Unquoted In Equity Shares of Subsidiary Companies		
i. Grafalco Ediciones S.L. 6,48,006 (6,48,006) Equity Shares of Euro 1/- each fully paid up	375	375
ii. Esense Learning Pvt. Ltd. 41,25,500 (37,48,500) Equity Shares of ₹ 10/- each fully paid up	505	375
Investment in Limited Liability Partnership		
i. Navneet Learning LLP	12	7
Total non current investments	891	757
Less: Provision for diminution in value of investments in Grafalco	(326)	(326)
Total Net non current investments	565	430
Aggregate amount of unquoted investments	891	756
Aggregate provision for diminution in value of investments	326	326
13 LONG TERM LOANS AND ADVANCES		
Unsecured - Considered Good		
a) Capital Advance - Advances for Capital Expenditure	247	460
b) Corporate Deposits	157	75
c) Security Deposits	193	174
d) Advance Income Taxes (Net of Provisions)	524	554
e) Wealth Tax	7	4
f) Loans and advances to related parties		
i) Loans to Associates	-	3,045
ii) Loans to Subsidiary	6,178	-
g) Loans to Employees	177	179
h) Loan to Vendors	11	12
i) Sales Tax receivable	35	40
j) Advance to Suppliers	4	5
k) Prepaid Expenses	12	6
l) Impress to Employees	-	-
m) Other Loans & Advances	146	1,761
	7,691	6,315

	As at 31st March, 2013 ₹ in Lac	As at 31st March, 2012 ₹ in Lac
14 OTHER NON CURRENT ASSETS		
(Unsecured, considered good)		
a) Other income receivable	20	27
b) Other Bank Balances	6	2
	<u>25</u>	<u>28</u>
15 INVENTORIES		
Stores, Spares & Consumables	568	526
Raw Materials	8,549	8,263
Raw Materials in transit	1,196	-
Finished Goods	15,961	11,685
Work In Process	1,214	1,236
Stock in Trade (in respect of Goods acquired for Trading)	4	5
	<u>27,492</u>	<u>21,715</u>
16 TRADE RECEIVABLES		
(Unsecured, considered good)		
Over six months	482	540
Others	15,455	10,635
	<u>15,938</u>	<u>11,175</u>
17 CASH & BANK BALANCES		
Cash And Cash Equivalents		
Cash on hand	34	47
Balance with Scheduled Banks		
- In Current Account	215	254
	<u>249</u>	<u>301</u>
Sub Total A		
Earmarked balances with banks		
In Dividend Account	94	93
	<u>94</u>	<u>93</u>
Sub Total B		
Sub Total A + B	<u>343</u>	<u>394</u>

	As at 31st March, 2013 ₹ in Lac	As at 31st March, 2012 ₹ in Lac
18 SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Loans and advances to related parties		
(i) Loans to Subsidiaries	17	2,217
b) Loans to vendors	22	20
c) Loans to Employees	155	128
d) Corporate Deposits	100	23
e) Sales Tax receivable	-	4
f) Cenvat receivable	81	33
g) Service Tax Refund receivable	5	1
h) Prepaid Expenses	139	108
i) Advance to Suppliers	474	352
j) Advance to Employee for expenses	65	14
k) Other Loans & Advances	1,763	45
	<u>2,821</u>	<u>2,946</u>
19 OTHER CURRENT ASSETS		
a) Export incentive receivable	531	288
b) Other income receivable	29	1
c) Other Receivable/(Payable)	146	(145)
	<u>706</u>	<u>143</u>

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
	₹ in Lac	₹ in Lac
20 Revenues from Operation:		
Sale of products		
- Finished Goods	78,334	60,601
- Traded Goods	875	340
Sale of services	502	641
Other operating revenues	915	709
	<u>80,626</u>	<u>62,291</u>
Less: VAT Collected	(1,175)	(1,053)
Less: Excise Duty	(373)	(273)
	<u><u>79,078</u></u>	<u><u>60,965</u></u>
20.1 Sales of Products-Finished Goods		
Educational Books	41,234	32,064
Paper Stationery	30,456	22,672
Others	6,644	5,865
	<u>78,334</u>	<u>60,601</u>
21 OTHER INCOME		
Dividend on Mutual Funds	3	12
Profit/(Loss) on Sale of Investments	20	24
Other non-operating income	55	196
Interest Income	260	627
	<u>337</u>	<u>859</u>
22 COST OF MATERIAL CONSUMED		
Raw Materials Consumed	42,431	30,469
	<u>42,431</u>	<u>30,469</u>
22.1 Cost of Material Consumed		
Paper	37,046	26,703
Others	5,385	3,766
	<u>42,431</u>	<u>30,469</u>

For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
--	--

₹ in Lac

₹ in Lac

23 (INCREASE)/DECREASE IN STOCK OF FINISHED GOODS AND WIP**Closing Stock**

Work In Process (Refer Note below 23.1)

Finished Goods

1,214

1,236

15,964

11,690

17,17912,926**Opening Stock**

Work In Process

Finished Goods

1,236

875

11,690

11,360

12,92612,235(4,253)(691)**23.1 Details of Closing inventory of Work in Process**

Forms

Printed covers

Pasted Sheets

Ruled Sheets

363

390

629

577

9

48

213

221

12141,236**24 EMPLOYEE BENEFITS EXPENSES**

Salaries, Wages & Bonus

Contribution to Provident and Other Funds

Staff Welfare

5,314

4,590

558

462

391

356

6,2635,408**25 FINANCE COST**

Interest Expenses

Other Borrowing Costs

784

532

2

2

786534

For the Year Ended
31st March, 2013

For the Year Ended
31st March, 2012

	₹ in Lac	₹ in Lac
26 OTHER EXPENSES		
Printing Expenses	1,243	726
Binding Expenses	1,238	800
Other Manufacturing Expenses	1,505	810
Power & Fuel	173	304
Freight & Octroi	762	614
Stores & Spares Consumed	465	304
Repairs to Plant & Machinery	181	117
Rates & Taxes	129	98
Sales Tax Expenses	1	10
Rent	430	427
Royalty	1,531	1,208
Building Repairs & Maintenance	351	230
Other Repairs	203	159
Insurance	106	74
Transportation Expenses	1,416	1,063
Commission	113	27
Advertisement	257	226
Marketing Expenses	808	756
Sales Promotion Expenses	1,186	1,249
Discount & Rebate	370	323
Bad debts and other irrecoverable advance written off	193	13
Donation	531	233
Bank Charges	191	153
Prior Period items	8	7
Legal and Professional Fees	510	544
Exchange Difference (Net)	(101)	285
Other Expenses	1,411	1,137
	<u>15,211</u>	<u>11,897</u>

For the year ended 31st March, 2013

27. Contingent Liabilities

- (a) For disputed Income-tax matters ₹ 410 Lac (Previous Year ₹ 496 Lac) against which amount paid is ₹ 507 Lac (Previous Year ₹ 535 Lac)
- (b) Against Bond
- (i) Import Duty liability of ₹ NIL (Previous Year ₹ 381 Lac) for import of machinery against licences granted under EPCG scheme.
- (ii) Duty liability amounting to ₹ 115 Lac (Previous Year ₹ 86 Lac) for the purchase of excisable inputs without payment of duty under the bonds executed if the export obligation is not fulfilled.
- (c) In respect of Bank Guarantee given for tender of ₹ 50 Lac (Previous Year ₹ NIL).

28. Financial & Derivative instruments

- (a) The Company has sold USD 17.38 Mn equivalent ₹ 9862 Lac and EUR NIL equivalent ₹ NIL (Previous Year USD 14.48 Mn equivalent ₹ 7234 Lac and Eur 0.11 Mn equivalent ₹ 78 Lac) to cover export receivables and purchased USD 12 Mn equivalent ₹ 6773 Lac (Previous Year USD NIL equivalent ₹ NIL) to cover loan repayment.

The Company has entered into USD-JPY derivative option contracts hedging its exposure on ECB availed in JPY for wind power generation project. Option contracts worth of JPY 109-Mn (Previous Year JPY 181-Mn) are open as on balance sheet date, maturing over a period of seven years ending on July 2014.

29. Auditors Remuneration

	2012-13 ₹ in Lac	2011-12 ₹ in Lac
Audit Fees	9	9
Tax Audit Fees	2	2
Limited Review	1	1
Representation matters	1	1
Other Matters	6	10
	<u>19</u>	<u>24</u>

30. Value of Imports on C.I.F. Basis :

Capital Goods	618	394
Raw Material (Including Consumables)	56	26
Components, Stores & Spares & others	607	414
	<u>1,281</u>	<u>834</u>

For the year ended 31st March, 2013

	2012-13	2011-12
	₹ in Lac	₹ in Lac
31. Expenditure in Foreign Currency on Account of :		
Royalty	4	2
Interest	56	46
Professional Fees	154	92
Other Matters	249	182
	<u>463</u>	<u>323</u>
32. Earning in Foreign Exchange		
Export of Goods on FOB basis	11,443	5,456
Interest Income	1	9
Others	12	39
	<u>11,455</u>	<u>5,504</u>

33. Percentage and Value of Imported and Indigenous Raw Material and Stores & Machinery Spares Consumed.

	Raw Material		Stores & Machinery Spares etc.	
	%	Value (₹ in Lac)	%	Value (₹ in Lac)
Imported	0.15	62	11.69	76
	(0.10)	(31)	(10.82)	(46)
Indigeneous	99.85	42,370	88.31	571
	(99.90)	(30,438)	(89.18)	(376)
Total	100	42,431	100	646
	(100)	(30,469)	(100)	(422)

34. Foreign currency translation of ₹ 211 Lac (Previous Year debited ₹ 223 Lac) arising on account of the exchange difference on non integral foreign operations is credited to the Statement of Profit & Loss.

For the year ended 31st March, 2013

35. Related party transactions

(a) Party where control exists :

Grafalco Ediciones S.L	Subsidiary Company 95.58% (P.Y. 95.58%) of whose equity share capital is held by the Company as at 31st March, 2013
eSense Learning Pvt. Ltd.	Subsidiary Company 99.81% (P.Y. 90.69%) of whose equity share capital is held by the Company as at 31st March, 2013
Navneet Learning LLP	Subsidiary 95% (P.Y. 95%) of share of profit of the Company as at 31st March, 2013

(b) Other Related Parties with whom transactions have taken place during the year :

(i) Enterprises owned or significantly influenced by key management personnel or their relatives	Navneet Prakashan Kendra Vikas Prakashan Gala Publishers Sandeep Agency Gala Comp The Flagship Advertising Pvt. Ltd.
--	---

(ii) Key Management Personnel & Relatives	1. Shri A.R. Gala 2. Shri D.R. Gala 3. Shri H.R. Gala 4. Shri S.R. Gala 5. Shri J.L. Gala 6. Shri J.K. Sampat 7. Shri N.N. Shah 8. Shri B.A. Gala 9. Shri A.D. Gala 10. Shri G.D. Gala 11. Shri R.H. Gala 12. Shri D.C. Sampat 13. Shri S.J. Gala 14. Shri S.J. Gala 15. Shri K.H. Gala 16. Shri S.S. Gala 17. Shri K.B. Gala
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For the year ended 31st March, 2013

Transaction with Related Parties :

Items/Related Parties	₹ in Lac				
	Subsidiaries	Associates	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel	Total
(i) Purchase, expenses and other services from related parties	-- (50)	-- (--)	1,797 (1,473)	805 (664)	2,602 (2,187)
(ii) Purchase of fixed assets	3 (983)	-- (--)	-- (--)	-- (--)	3 (983)
(iii) Sales of goods and services	14 (21)	-- (--)	-- (--)	-- (--)	14 (21)
(iv) Loan given	1,070 (1,530)	-- (3,045)	-- (--)	-- (--)	1,070 (4,575)
(v) Loan received back	138 (270)	-- (--)	-- (--)	-- (--)	138 (270)
(vi) Investments	136 (--)	-- (7)	-- (--)	-- (--)	136 (7)
(vii) Balance Outstanding at year end					
Loans and advances given	6,195 (2,217)	-- (3,045)	50 (--)	-- (--)	6,245 (5,262)
Investments	566 (423)	-- (7)	-- (--)	-- (--)	566 (430)

For the year ended 31st March, 2013

	2012-13	2011-12
	₹ in Lac	₹ in Lac
36. Earning Per Share :		
(a) Net Profit after tax but before extra ordinary items as per statement of profit and loss	11,106	8,352
Less : Extra Ordinary Items	-	326
Net Profit available for Equity Shareholders	11,106	8,026
(b) Weighted average number of equity shares for basic and diluted EPS (in No.)	2,382	2,382
(c) Basic and Diluted Earning per share of ₹ 2/- each		
(i) before Extra Ordinary Items	4.66	3.51
(ii) after Extra Ordinary Items	4.66	3.37

37. Details of Loans and Advance and Investments as at the year end and maximum balance thereof as per clause 32 of Listing Agreement with Stock Exchange in compliance with SEBI Circular No. SMD/Policy/Cir/2/2003 dt. 10.1.2003

	Loan having Interest Rate lower than Section 372A of Co. Act	Interest Free Loan and Advances	Maximum Balance at any time during the year
(a) Loans & Advances in the nature of Loans :			
(i) Subsidiaries			
Grafalco Ediciones S.L.	17	--	17
	(17)	(--)	(17)
Esense Learning Pvt. Ltd.	--	2,990	2,990
	(--)	(2,200)	(2,200)
Navneet Learning LLP	--	3,188	3,188
	(--)	(--)	(--)
(ii) Associates			
Navneet Learning LLP	--	--	--
	(--)	(3,045)	(3,045)

Note : Loans to employees under various schemes of the Company have been considered to be outside the preview of the disclosure requirements.

38. Lease Transactions : Accounting Standard 19

As a Lessor in an Operating Lease

The existing operating lease agreements permit the lessee to cancel the arrangement before expiry of the normal tenure of the lease. As such, no disclosures are required to be made.

As a Lessee in an Operating Lease

(i) Cancellable Operating Leases

The Company has taken various commercial premises under cancellable operating leases. These are normally renewable on expiry.

(ii) Non-Cancellable Operating Leases

The Company has taken various commercial premises under non - cancellable operating leases, the future lease payments in respect of which are:

For the year ended 31st March, 2013

	2012-13	2011-12
	₹ in Lac	₹ in Lac
(a) The total amount of future minimum lease payments under non cancellable operating leases for each of the following period:		
(i) not later than one year :	-	31
(ii) later than one year and not later than five years:	-	-
(iii) later than five years:	-	-
(b) Lease payments recognised in the Statement of Profit and Loss for the period under review.	31	53

39. DETAILS OF PROVISIONS, UTILISED, WRITTEN BACK :

Particulars	As at 01.04.2012	Additions	Utilised/Written Back	₹ in Lac
				As at 31.03.2013
Provision for Leave Salary Encashment	369	113	0	482
	<u>369</u>	<u>113</u>	<u>0</u>	<u>482</u>

40. Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee benefits' -

- (a) The actuarial valuations of the various employee benefits were carried out by using the Projected Unit Credit Method.
- (b) The Company has recognised the following amounts towards defined contribution plans as an expense and included in the Statement of Profit and Loss.

	2012-13	2011-12
	₹ in Lac	₹ in Lac
i) Provident Fund	260	230
ii) ESIC	53	54
(c) Defined benefit plan and long term employment benefits		

General description**1. Gratuity (Defined benefit plan)**

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 lumpsum 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.

2. Accrual for leave encashment benefit is made on the basis of a year-end actuarial valuation in pursuance of the Company's leave rules.

The following table sets out for the status of gratuity/leave encashment plan

₹ in Lac

	Gratuity (Funded)		Leave Encashment (Non Funded)	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Change in Obligation				
Opening Present Value of Accrued Gratuity	869	864	369	318
Service Cost including actuarial gain/(loss)	330	(61)	116	66
Interest Cost	70	69	30	25
Less :Benefits paid	5	3	(33)	(39)
Closing Present Value of Accrued Gratuity	1,263	869	482	369
Change in Plan Asset				
Opening Fund Balance	1,117	913	-	-
Return on the plan asset	108	87	-	-
Contribution paid	187	121	33	39
Less :Benefits paid	5	3	(33)	(39)
Closing Fund Balance	1,406	1,117	-	-
Reconciliation of present value of obligation and the plan asset				
Closing Fund Balance	1,406	1,117	-	-
Closing present value of Accrued Gratuity	1,263	869	-	-
Net Liability	(143)	(248)	482	369
Liability recognized in balance sheet			482	369
Expenses recognized in the Statement of P & L				
Current Service Cost			109	88
Interest Cost			30	25
Expected Return on Plan Assets			-	-
Net Actual (Gain)/Loss recognized for the period			7	(22)
Expenses recognized in the Statement of P & L			146	91
Movement in the Liability recognized in Balance Sheet				
Opening Net Liability			369	318
Expenses as above			146	91
Contribution paid			(33)	(39)
Closing Net Liability			482	369
Assumptions				
Expected return on plan assets	8.00%	8.00%	0.00%	0.00%
Salary escalation rate	8.33%	7.00%	4.00%	4.00%
Discounting rate	8.00%	8.50%	8.05%	8.30%

41. SEGMENT REPORTING

As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

42. The Hon'ble High Court of Bombay vide its Order (the Order) dated 8th February, 2013 has approved the Scheme of Amalgamation (the Scheme) between Lakheni Publications Pvt. Ltd. (LPPL/Amalgamating Company) and the Company and their respective shareholders. LPPL/Amalgamating Company was engaged in the business of printing and publication. The said Scheme has become effective on 12th March, 2013 upon filing of the order with the Registrar of Companies, Mumbai. In terms of the Scheme, 9,65,00,484 equity shares of ₹ 2/- each held by LPPL in the Company stood cancelled and an equivalent number of shares have been issued to all classes of equity shareholders of LPPL. Further, 3,40,500 fully paid up 6% Redeemable Non Cumulative Preference Shares of ₹ 10/- each of the Company are issued to Preference Shareholders of LPPL in terms of the Scheme. The accounts of the Company for the Financial Year 2012-13 have been prepared after giving effect to the aforesaid Scheme. Accordingly, the Company has accounted all the assets and liabilities of LPPL outstanding as on November 1, 2012 i.e. Appointed Date of the Scheme following purchase method at their respective book values and the difference, after adjusting the value of shares issued as a consideration, is credited to Capital Reserve Account.
43. Extra ordinary item consist of provision for diminution in the value of long term investments in subsidiary namely Grafalco Ediciones S.L. amounting to ₹ NIL (Previous Year ₹ 326 Lac)
44. Figures of ₹ 50000 or less have been denoted by #
45. Previous Year Figures have been regrouped/rearranged wherever necessary.

As per our report of even date attached hereto

For & On behalf of the Board

For **Ghalla & Bhansali**

Chartered Accountants

(Firm Registration Number 103142W)

sd/-

sd/-

sd/-

sd/-

Haresh K. Chheda

Partner

Membership Number 38262

Mumbai, 30th May, 2013

Amit D. Buch

Company Secretary

A. R. Gala

Managing Director

S. K. Vikamsey

Chairman

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NAVNEET PUBLICATIONS (INDIA) LIMITED

Consolidated Financial Statements

for the year ended 31st March, 2013

TO THE BOARD OF DIRECTORS OF NAVNEET PUBLICATIONS (INDIA) LIMITED

Report on the Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of **NAVNEET PUBLICATIONS (INDIA) LIMITED ("the Company")** and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter Paragraph:

We draw attention to Note A (iii) (3) of Significant Accounting Policies to the consolidated financial statements in connection with the consolidation of financial statements of subsidiaries.

Our opinion is not qualified in respect of this matter.

Other Matters:

1. In respect of investments in associates valued at ₹ 9 Lac in the Financial Statements of the Subsidiaries no adjustments have been made in the Consolidated Financial Statements as at 31st March, 2013 as the financial statements from these associates were not available.
2. In respect of investments in associate valued at ₹ 50 Lac in the Financial Statements of the Subsidiaries, adjustments have been made in the Consolidated Financial Statements as at 31st March, 2013 based on the financial statements as at 31st March, 2012, since the financial statements as at 31st March, 2013 were not available.

Our opinion is not qualified in respect of above stated other matters.

For **Ghalla & Bhansali**
Chartered Accountants
(Firm Registration Number 103142W)
sd/

Haresh K. Chheda
Partner
Membership Number 38262

Place : Mumbai
Date : 30th May, 2013

Balance Sheet (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

Particulars	Note No.	As at	As at
		31st March, 2013	31st March, 2012
		₹ in Lac	₹ in Lac
EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share Capital	1	4,798	4,764
b) Reserve and Surplus	2	37,119	31,380
		<u>41,918</u>	<u>36,144</u>
2. Share Application Money Pending Allotment		-	-
3. Non-Current Liabilities			
a) Long-Term Borrowings	3	242	794
b) Deferred Tax Liabilities (Net)	4	484	454
c) Long-Term Provisions	5	388	382
		<u>1,114</u>	<u>1,630</u>
4. Current Liabilities			
a) Short-Term Borrowings	6	16,144	13,195
b) Trade Payables	7	2,549	1,522
c) Other Current Liabilities	8	3,933	3,070
d) Short-Term Provisions	9	5,386	2,301
		<u>28,011</u>	<u>20,089</u>
Minority Share of Interest		7	(61)
TOTAL		<u>71,050</u>	<u>57,803</u>
ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	10	17,009	15,626
ii) Intangible Assets	10	406	481
iii) Capital work-in-progress	11	570	338
iv) Intangible Assets under Development	12	3	21
		<u>17,988</u>	<u>16,466</u>
b) Non-Current Investments	13	3,100	56
c) Long-Term Loans and Advances	14	1,870	6,432
d) Other Non-Current Assets	15	29	29
		<u>22,987</u>	<u>22,983</u>
2. Current Assets			
a) Inventories	16	27,515	21,763
b) Trade Receivables	17	16,593	11,640
c) Cash and Bank Balances	18	352	508
d) Short-Term Loans and Advances	19	2,897	762
e) Other Current Assets	20	706	148
		<u>48,062</u>	<u>34,820</u>
TOTAL		<u>71,050</u>	<u>57,803</u>
Significant Accounting Policies And Notes on Financial Statements	1 to 39		

As per our report of even date attached hereto

For & On behalf of the Board

For **Ghalla & Bhansali**

Chartered Accountants

(Firm Registration Number 103142W)

sd/-

sd/-

sd/-

Haresh K. Chheda

Partner

Membership Number 38262

Mumbai, 30th May, 2013

Amit D. Buch
Company Secretary

A. R. Gala
Managing Director

S. K. Vikamsey
Chairman

Statement of Profit and Loss (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

Particulars	Note No.	For the Year Ended	For the Year Ended
		31st March, 2013	31st March, 2012
		₹ in Lac	₹ in Lac
Income :			
Revenue from operations	21	80,566	61,894
Other Income	22	365	1,122
Total Revenue		<u>80,930</u>	<u>63,016</u>
Expenses :			
Cost of Material consumed	23	42,434	30,483
Purchase of Stock-in-Trade		497	249
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(4,230)	(705)
Employee Benefits Expense	25	6,869	6,109
Financial Costs	26	787	576
Depreciation and Amortization Expense	10	2,345	1,713
Other Expenses	27	15,865	12,624
		<u>64,567</u>	<u>51,049</u>
Profit before extraordinary items and tax		16,364	11,967
Extraordinary Items		-	-
Profit before tax		16,364	11,967
Tax Expense :			
Current Tax		5,471	4,076
Deferred Tax		30	124
Add/(Less) : (Excess)/Short Provision of Earlier Year W. back/off		-	#
Profit after Tax		<u>10,862</u>	<u>7,767</u>
Add: Share in Profit of Associates		#	-
(Add)/Less : Minority Interest		63	(31)
Less : Goodwill on consolidation w/off		131	-
		<u>193</u>	<u>(31)</u>
Profit for the year		<u>10,669</u>	<u>7,798</u>
Earnings per equity share of ₹ 2/- each (₹ 2/- each)			
(1) Basic		4.48	3.27
(2) Diluted		4.48	3.27
Significant Accounting Policies And Notes on Financial Statements	1 to 39		

As per our report of even date attached hereto

For & On behalf of the Board

For **Ghalla & Bhansali**

Chartered Accountants

(Firm Registration Number 103142W)

sd/-

sd/-

sd/-

sd/-

Haresh K. Chheda

Partner

Membership Number 38262

Mumbai, 30th May, 2013

Amit D. Buch
Company Secretary

A. R. Gala
Managing Director

S. K. Vikamsey
Chairman

Cash Flow Statement for the year 2012-13 (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	2012-13 ₹ in Lac	2011-12 ₹ in Lac
Cash Flow from Operating Activities		
Net profit before tax	16,364	11,967
Adjustments for		
Interest & Financial Income (non operational)	(363)	(367)
(Profit)/Loss on sale of fixed assets	(18)	(124)
(Profit)/Loss on sale of Investments	(20)	(24)
Exchange Fluctuation on Consolidation	(0)	0
Interest and Financial Expense	800	576
Depreciation	2,345	1,713
FCTR	(5)	41
Changes in Current Assets and Liabilities		
(Increase)/Decrease in Inventory	(5,752)	(4,053)
(Increase)/Decrease in Trade and Other Receivables	(2,730)	(2,611)
Increase/(Decrease) in Trade and Other Payables	1,902	1,173
Income Taxes Paid	(5,203)	(4,111)
Net cash inflow/(outflow) from Operating Activities (A)	7,321	4,180
Cash flow from Investing Activities		
Purchase of Fixed Asset and change in capital WIP	(3,865)	(5,177)
Proceeds from disposal of Fixed Asset	234	189
(Increase)/Decrease in Investment	(3170)	(46)
(Increase)/Decrease in Loan and Advances	(471)	(3,418)
Investment as Share Application	(100)	-
Profit/(Loss) on sale of Investments	20	24
Interest & Financial Income	363	367
Net cash inflow/(outflow) from Investing Activities (B)	(6,990)	(8,061)
Cash flow from Financing Activities		
Increase/(Decrease) in Preference Share Capital + Capital Reserve	116	-
Increase/(Decrease) in Loan Fund	2,397	7,690
Interest and Financial Expense	(787)	(568)
Dividend Paid (including Dividend Tax)	(2,214)	(3,863)
Net cash inflow/(outflow) from Financing Activities (C)	(487)	3,258
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	(155)	(622)
Cash and cash equivalent as at the commencement of the year	507	1,130
Cash and cash equivalent as at the end of the year	352	507
Net Increase/(Decrease) as mentioned above	(155)	(622)

Notes :

- (1) Closing Cash and Cash equivalent includes ₹ 94 Lac (P.Y. ₹ 93 Lac) lying in designated account with the scheduled banks on account of unclaimed dividend which are not available for use by the Company.
- (2) P.Y. figures have been regrouped/rearranged to confirm to the current year's presentation wherever necessary.

As per our report of even date attached hereto

For **Ghalla & Bhansali**

Chartered Accountants

(Firm Registration Number 103142W)

sd/-

Haresh K. Chheda

Partner

Membership Number 38262

Mumbai, 30th May, 2013

sd/-

Amit D. Buch
Company Secretary

sd/-

A. R. Gala
Managing Director

sd/-

S. K. Vikamsey
Chairman

For & On behalf of the Board

(A) Principles of Consolidation:

Consolidated financial Statements relate to Navneet Publications (India) Ltd. and its subsidiaries Grafalco Ediciones S.L., eSense Learning Pvt. Ltd. and Navneet Learning LLP.

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

- (i) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI) and notified pursuant to the Companies (Accounting Standards) Rules, 2006
- (ii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- (iii) Grafalco Ediciones S.L.
 - (1) Grafalco Ediciones S.L. accounts are drawn considering depreciation at straight line method as against W.D.V. method adopted by Navneet Publications (India) Limited. The same is not aligned with for consolidation purpose considering the negligible impact of the same.
 - (2) During the year, Grafalco Ediciones S.L. Balance Sheet as at 31st March, 2013, is drawn for a period of 12 months i.e. from 01/04/2012 to 31/03/2013
 - (3) As per the law governing the subsidiary, statutory audit is obligatory only if

a) The turnover is above Euro 47,47,996 and

b) Total employees are more than 50

Since the subsidiary has not met any of the above conditions, accounts of the subsidiary are not subject to audit for the year. Accordingly consolidated financial statements are compiled on the basis of such unaudited accounts.

(iv) eSense Learning Pvt. Ltd.

- (1) eSense Learning Pvt. Ltd. accounts are drawn considering depreciation on Computer and hardware, energy saving devices and individual assets acquired for less than ₹ 5000/- over a period of 5 years on Straightline basis as against W.D.V. method adopted by NPIL. Taking into account commercial consideration and business model it is not practical to use uniform accounting policies for the above mentioned assets hence the same has not been aligned with for consolidation purpose .

(v) Associated Companies

Investments in associated Companies are accounted for in the consolidated financial statements by the equity method of accounting. Associated Companies are Companies in which the Group exercises significant influence, but which it does not control. Significant influence is the power to participate in the financial and operating policy decisions of the associated Companies but not the power to exercise control over those policies

(vi) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition of subsidiary acquired over the Group's share of the fair values of their identifiable net assets at the date of acquisition. Goodwill arising on consolidation is written off to reserves in the year of acquisition.

(B) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard 13 on Accounting for Investments

(C) Other Significant accounting Policies

These are set out under "Significant Accounting Policies" as given in separate financial statements of Parent and subsidiary.

	As at 31st March, 2013	As at 31st March, 2012
	₹ in Lac	₹ in Lac
1 SHARE CAPITAL		
Authorised :		
24,82,97,500 (25,00,00,000) Equity Shares of ₹ 2/- each (₹ 2/- each)	4,966	5,000
3,40,500 (NIL) 6% Redeemable Non Cumulative Preference Shares of ₹ 10/- each (NIL)	34	-
	<u>5000</u>	<u>5000</u>
Issued, Subscribed & Paid Up :		
23,82,15,000 (23,82,15,000) Equity Shares of ₹ 2/- each (₹ 2/- each) fully paid up	4,764	4,764
3,40,500 (NIL) 6% Redeemable Non Cumulative Preference Shares of ₹ 10/- each (NIL) fully paid up	34	-
	<u>4,798</u>	<u>4,764</u>

1.1 Reconciliation of the number of Equity Shares outstanding

	As at 31st March, 2013		As at 31st March, 2012	
	Number of Shares	₹ in Lac	Number of Shares	₹ in Lac
Number of Shares at the beginning of the year	238,215,000	4764	238,215,000	4,764
Less: Shares cancelled on amalgamation	(96,500,484)	(1930)	-	-
Add: Shares allotted on amalgamation	96,500,484	1930	-	-
Number of Shares at the end of the year	238,215,000	4764	238,215,000	4,764

1.2 Reconciliation of the number of 6% Redeemable Non cumulative Preference Shares outstanding

	As at 31st March, 2013		As at 31st March, 2012	
	Number of Shares	₹ in Lac	Number of Shares	₹ in Lac
Number of Shares at the beginning of the year	-	-	-	-
Add: Shares allotted on amalgamation	340,500	34	-	-
Number of Shares at the end of the year	340,500	34	-	-

1.3 (a) Terms/Rights Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share and all rank *pari passu*.

(b) Terms/Rights Attached to Preference Shares

- (i) Redemption - To be redeemed at par at the end of 18 months from the date of allotment.
- (ii) Coupon Rate - 6% per annum non cumulative.

- (iii) Call Option - The Company has an option to redeem the Preference Shares at any time after the end of 1 year from the date of allotment. If the Company exercises its call option, it will pay the amount of the face value of the Preference Shares along with dividend declared, if any, up to the date on which it exercise the call option.
In case the Company exercises the call option, its liability to the Preference Shareholders shall stand extinguished from the date of dispatch of the cheques/pay order for the redemption amount, along with dividend, if any.
- (iv) Each holder of 6% RNCPS is entitled to one vote per RNCPS only on resolution placed before the Company which directly affect the rights attached to RNCPS.
- (v) In the event of winding up of the company, before redemption of RNCPS, the holders of RNCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

1.4 Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date

14,29,29,000 (14,29,29,000) Equity shares allotted as fully paid bonus shares in the last 5 years by capitalisation of Share Premium & General Reserve

1.5 Aggregate number and class of shares allotted as fully paid up pursuant to contract 's' without payment being received in Cash.

9,65,00,484 (NIL) Equity Shares and 3,40,500 (NIL) Preference Shares were allotted in last 5 years pursuant to the scheme of Amalgamation without payment being received in Cash.

1.6 Equity Shareholders holding more than 5% of the shares

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number of Shares	% held	Number of Shares	% held
Accord Holdings Private Ltd	NIL	NIL	40,993,721	17.21
Corsa Holdings Private Ltd	NIL	NIL	31,929,631	13.40
Qualis Holdings Private Ltd	NIL	NIL	23,577,132	9.90
Amarchand Ramji Gala, Dungarshi Ramji Gala, Gnanesh Dungarshi Gala - Trustees of Navneet Trust	94,570,474	39.70	NIL	NIL

1.7 6% Redeemable Non cumulative Preference Shareholders holding more than 5% of the shares

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number of Shares	% held	Number of Shares	% held
Amarchand Ramji Gala	25,783	7.57	NIL	NIL
Dungarshi Ramji Gala	20,457	6.01	NIL	NIL
Vimlaben Shantilal Gala	17,580	5.16	NIL	NIL

2 RESERVES & SURPLUS**a) Capital Reserve:**

Opening Balance	#	#
Add: On amalgamation of Lakheni Publication Pvt. Ltd. with the Company as per Bombay High Court order dated 8/2/2013	82	-
Closing Balance	<u>82</u>	<u>#</u>

b) General Reserve:

Opening Balance	11,014	10,014
Add: Transferred from surplus balance in the Statement of Profit and Loss	1,111	1,000
Closing Balance	<u>12,125</u>	<u>11,014</u>

c) Foreign Currency Translation Reserve

Opening Balance	10	51
Add: Additions during the year	5	(41)
Closing Balance	<u>14</u>	<u>10</u>

d) Surplus in the Statement of Profit and Loss

Balance as per last Financial Statements	20,357	17,435
Add: Net Profit after tax	10,669	7,798
Balance available for Appropriation	<u>31,026</u>	<u>25,233</u>
LESS : APPROPRIATION		
Dividend (First Interim) ₹ NIL (₹ 0.60 paise ₹ 2/- paid up)	-	1,429
Dividend Final ₹ 1.80 paise ₹ 2/- paid up (₹ 0.80 paise ₹ 2/- paid up)	4,288	1,906
Dividend 6 % for Preference Share Capital	#	-
	<u>4,288</u>	<u>3,335</u>
Corporate Tax on Dividend	729	541
Transfer to General Reserve	1,111	1,000
	<u>6,128</u>	<u>4,876</u>

SURPLUS AFTER APPROPRIATION**TOTAL (a + b + c + d)**

24,898	20,357
<u><u>37,119</u></u>	<u><u>31,380</u></u>

NON CURRENT LIABILITIES

₹ in Lac

3 LONG TERM BORROWINGS:

	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2012
A) Secured				
i) Term Loan				
- Foreign Currency Loans from Bank	726		1,324	
Less: Amount payable within 12 months	484	242	530	794

Nature of Security and Terms of Repayments for Secured Borrowings:

Nature of Security	Terms of Repayments
Long term foreign currency loan are exclusively secured by Hypothecation of windmills.	Foreign Currency Loans from Bank carries interest @ Libor+0.5%. The loan is repayable in 12 half yearly installments of 41980057 JPY starting from 17th Jan, 2009
The instalments due within 12 months from the date of Balance Sheet have been grouped under Other Current Liabilities (Note No. 8)	

	As at 31st March, 2013	As at 31st March, 2012
	₹ in Lac	₹ in Lac
4 Deferred Tax Liabilities (Net)		
Depreciation	640	574
Disallowances under section 43B of the Income Tax Act, 1961	(156)	(120)
	<u>484</u>	<u>454</u>
5 Long Term Provisions		
Provision for Employee Benefit		
Provision for Leave Encashment (Refer Note No. 35)	379	365
Gratuity	9	17
	<u>388</u>	<u>382</u>

	As at 31st March, 2013 ₹ in Lac	As at 31st March, 2012 ₹ in Lac
6 SHORT TERM BORROWINGS:		
A) Secured		
i) Cash Credit from Bank	-	5,195
ii) Working Capital Rupee Loans repayable on demand from banks	10,300	3,000
iii) Foreign Currency Loan from Bank	2,172	-
All short term rupee loans and foreign currency loans equivalent to ₹ 12472/- Lac (Previous Year ₹ 3000/- Lac) are secured against :		
- Hypothecation & first charge over stock of raw materials, work-in-process, finished goods, stores & spares not relating to plant and machinery & book debts.	12,472	8,195
B) Unsecured		
From Banks:		
i) Rupee Loan	1,500	5,000
ii) Foreign Currency Loan	2,172	-
TOTAL	<u>16,144</u>	<u>13,195</u>

7 TRADE PAYABLES:

- Due to Micro, Small and Medium Enterprises
- Due to Others

TOTAL

76	80
<u>2,472</u>	<u>1,443</u>
<u>2,549</u>	<u>1,522</u>

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, 2013 based on available information with the Company which are as under:

Particulars	2012-13 ₹ in Lac	2011-12 ₹ in Lac
Principal amount due and remaining unpaid	14	9
Interest due on above and the unpaid interest	1	1
Interest paid	-	-
Payment made beyond the appointed day during the year	73	47
Interest accrued and remaining unpaid	3	2
Amount of further interest remaining due and payable in succeeding years	-	-

	As at 31st March, 2013 ₹ in Lac	As at 31st March, 2012 ₹ in Lac
8 OTHER CURRENT LIABILITIES:		
Advances Received	246	370
Unpaid Dividend	94	93
Interest Accrued But Not Due	13	8
Income received in advance	71	129
Creditors for capex	317	256
Current maturities of Foreign Currency Loans from Bank (Also see note no. 3)	484	530
Employee Benefits Payable	682	606
Deposits	58	22
Statutory Dues		
- Provident Fund/ESIC/Profession Tax	62	76
- Tax Deducted At Source	96	78
- Service tax/WCT/Excise payable	8	7
- Sales tax payable	226	157
Provision for Expenses	1,160	738
Book Overdraft	18	-
Stamp Duty Payable on Amalgamation	395	-
TOTAL	<u>3,933</u>	<u>3,070</u>
9 SHORT TERM PROVISIONS:		
Provision for Employee Benefits		
- Provision for Leave Encashment Benefits (Refer Note No. 35)	123	10
Other Provision		
Provisions for tax(net of advance tax)	246	76
- Proposed Dividend	4,288	1,906
- Corporate Tax on Proposed Dividend (see note no. 2d)	729	309
TOTAL	<u>5,386</u>	<u>2,301</u>

10 FIXED ASSETS

₹ in Lac

Sr. No.	Description of Assets	Gross Block				Deprecation / Amortization				Net Block	
		Cost As on 01.04.2012	Additions during the year	Deduction / Adjustments	Cost as on 31.03.2013	Provided upto 01.04.2012	For the Year	Deductions / Adjustments	Total upto 31.03.2013	As on 31.03.2013	As on 01.04.2012
	Tangible										
1	Land - Freehold	983	-	-	983	-	-	-	-	983	983
2	Land - Leasehold	84	-	-	84	52	6	-	58	26	32
3	Building	9,121	1,313	-	10,434	2,270	557	-	2,827	7,607	6,851
4	Plant & Machinery	14,981	2,040	377	16,644	8,437	1,227	183	9,481	7,163	6,545
5	Office Equipments	303	18	3	318	191	19	2	208	110	112
6	Furniture & Fixtures	1,349	139	-	1,488	949	82	-	1,031	457	400
7	Vehicles	1,439	177	47	1,569	737	194	26	905	664	703
	Intangible										
8	Intellectual Property	242	-	-	243	160	24	-	182	61	80
9	Trade Mark	441	-	-	441	309	81	-	390	51	132
10	SAP	247	-	-	247	247	-	-	247	-	-
11	Software	535	166	7	694	266	153	7	411	283	269
	Total	29,725	3,865	434	33,157	13,618	2,345	217	15,741	17,415	16,107
	Previous Year	24,107	5,979	398	29,725	12,215	1,711	333	13,618	16,107	-

	As at 31st March, 2013	As at 31st March, 2012
	₹ in Lac	₹ in Lac

11 CAPITAL WORK IN PROGRESS

Opening Balance	338	983
Add: Expenditure during the year	553	330
Less: Capitalisation / Adjustments during the year	(321)	(975)
Closing Balance	<u>570</u>	<u>338</u>

12 INTANGIBLE ASSETS UNDER DEVELOPMENT

Opening Balance	21	-
Add: Expenditure during the year	3	21
Less: Capitalisation / Adjustments during the year	(21)	-
Closing Balance	<u>3</u>	<u>21</u>

	As at 31st March, 2013 ₹ in Lac	As at 31st March, 2012 ₹ in Lac
13 NON CURRENT INVESTMENTS		
Other Investment		
a) Unquoted		
Investments in Associates		
Wings Intellect Pvt. Ltd.		
8333 (8333) Equity Shares of ₹ 10/- each		
Share in Net Assets	25	
Goodwill/(Capital Reserve)	25	
Equity Investments in Associates - At Cost	50	
Share in Profit of Associates	#	
	50	50
Investments in Equity of Other Companies		
K12 Techno Services Pvt. Ltd.		
30 (NIL) Equity Shares of ₹ 10/- each	9	-
Mumbai K12 Techno Services Pvt. Ltd.		
29 (NIL) Equity Shares of ₹ 10/- each	#	-
Preference Shares		
K12 Techno Services Pvt. Ltd.		
10414 (NIL) Class A Compulsorily Convertible Preference Shares of ₹ 10/- each	3,041	-
Investment in Limited Liability Partnership		
b) Navneet Learning LLP	-	6
Total non current investments	3,100	56
Aggregate amount of unquoted investments	3,100	56
14 LONG TERM LOANS AND ADVANCES		
Unsecured - Considered Good		
a) Capital Advance - Advances for Capital Expenditure	247	474
b) Corporate Deposits	157	75
c) Security Deposits	193	174
d) Advance Income Taxes (Net of Provisions)	531	555
e) Wealth Tax	7	4
f) Loans and advances to related parties		
i) Loans to Associates-Navneet Learning LLP	-	3,045
g) Loans to Mumbai K-12 Techno Services Pvt. Ltd.	50	-
h) Loans to Employees	179	181
i) Loan to Vendors	11	12
j) Sales Tax receivable	43	47
k) Advance to Suppliers	4	5
l) Prepaid Expenses	21	25
m) Equity Shares application money	175	35
n) Preference Shares application money	100	-
o) Deposit with Others	-	29
p) Other Loans & Advances	154	1,771
	1,870	6,432

	As at 31st March, 2013 ₹ in Lac	As at 31st March, 2012 ₹ in Lac
15 OTHER NON CURRENT ASSETS		
(Unsecured, considered good)		
a) Other income receivable	20	27
b) Other Bank Balances	9	2
	<u>29</u>	<u>29</u>
16 INVENTORIES		
Stores, Spares & Consumables	569	528
Raw Materials	8,549	8,265
Raw Materials in transit	1,196	-
Finished Goods	15,981	11,651
Work In Process	1,214	1,236
Stock in Trade (in respect of Goods acquired for Trading)	6	83
	<u>27,515</u>	<u>21,763</u>
17 TRADE RECEIVABLES		
(Unsecured, considered good)		
Over six months	838	807
Others	15,755	10,833
	<u>16,593</u>	<u>11,640</u>
18 CASH & BANK BALANCES		
Cash And Cash Equivalents		
Cash on hand	36	50
Balance with Scheduled Banks		
- In Current Account	222	364
	<u>258</u>	<u>414</u>
Sub Total A		
Other Bank Balances		
Fixed Bank deposits with less than twelve months maturity	#	#
Earmarked balances with banks		
In Dividend Account	94	93
	<u>94</u>	<u>93</u>
Sub Total B		
	<u>352</u>	<u>508</u>
Sub Total A + B		

	As at 31st March, 2013 ₹ in Lac	As at 31st March, 2012 ₹ in Lac
19 SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Loans to vendors	22	20
b) Loans to Employees	155	131
c) Deposits		
- Security Deposits	2	2
- Corporate Deposits	100	23
d) Sales Tax receivable	-	10
e) Cenvat receivable	81	33
f) Service Tax Refund receivable	5	1
g) Prepaid Expenses	154	126
h) Advance to Suppliers	504	356
i) Advance to Employee for expenses	68	14
j) Other Loans & Advances	1,807	45
	<u>2,897</u>	<u>762</u>
20 OTHER CURRENT ASSETS		
a) Export incentive receivable	531	288
b) Other income receivable	29	6
c) Other Receivable/(Payable)	146	(145)
	<u>706</u>	<u>148</u>

	As at 31st March, 2013 ₹ in Lac	As at 31st March, 2012 ₹ in Lac
21 REVENUES FROM OPERATION:		
Sale of products		
- Finished Goods	79,514	61,288
- Traded Goods	875	340
Sale of services	902	919
Other operating revenues	915	728
	<u>82,207</u>	<u>63,275</u>
Less: VAT Collected	(1,268)	(1,108)
Less: Excise Duty	(373)	(273)
	<u><u>80,566</u></u>	<u><u>61,894</u></u>
21.1 SALES OF FINISHED GOODS PRODUCTS		
Educational Books	41,234	32,064
Paper Stationery	30,456	22,672
Others	7,825	6,552
	<u>79,514</u>	<u>61,288</u>
22 OTHER INCOME		
Dividend on Mutual Funds	3	12
Profit/(Loss) on Sale of Investments	20	24
Other non-operating income	66	346
Profit/(Loss) on Sale of Asset	18	124
Exchange Fluctuation on Consolidation - Profit/(Loss)	#	#
Interest Income	259	616
	<u>365</u>	<u>1,122</u>

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
	₹ in Lac	₹ in Lac
23 COST OF MATERIAL CONSUMED		
Raw Materials Consumed	42,434	30,483
	<u>42,434</u>	<u>30,483</u>
23.1 COST OF MATERIAL CONSUMED		
Paper	37,046	26,703
Others	5,388	3,780
	<u>42,434</u>	<u>30,483</u>
24 (INCREASE)/DECREASE IN STOCK OF FINISHED GOODS AND WIP		
Closing Stock		
Work In Process (Refer Note below 24.1)	1,214	1,236
Finished Goods	15,987	11,735
	<u>17,201</u>	<u>12,971</u>
Opening Stock		
Work In Process	1,236	875
Finished Goods	11,735	11,391
	<u>12,971</u>	<u>12,266</u>
	<u>(4,230)</u>	<u>(705)</u>
24.1 DETAILS OF CLOSING INVENTORY OF WORK IN PROCESS		
Forms	363	390
Printed covers	629	577
Pasted Sheets	9	48
Ruled Sheets	213	221
	<u>1,214</u>	<u>1,236</u>
25 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages & Bonus	5,875	5,222
Contribution to Provident and Other Funds	585	496
Staff Welfare	409	391
	<u>6,869</u>	<u>6,109</u>

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
	₹ in Lac	₹ in Lac
26 FINANCE COST		
Interest Expenses	784	575
Other Borrowing Costs	3	1
	<u>787</u>	<u>576</u>
27 OTHER EXPENSES		
Printing Expenses	1,243	726
Binding Expenses	1,238	800
Other Manufacturing Expenses	1,622	1,067
Power & Fuel	173	304
Freight & Octroi	762	614
Stores & Spares Consumed	465	304
Repairs to Plant & Machinery	181	117
Rates & Taxes	131	100
Sales Tax Expenses	1	7
Rent	575	455
Royalty	1,531	1,208
Building Repairs & Maintenance	358	234
Other Repairs	225	186
Insurance	106	76
Transportation Expenses	1,444	1,079
Commission	118	31
Advertisement	272	232
Marketing Expenses	886	834
Sales Promotion Expenses	1,263	1,299
Discount & Rebate	375	326
Bad debts and other irrecoverable advance written off	246	102
Donation	531	234
Bank Charges	191	161
Prior Period items	8	5
Legal and Professional Fees	531	604
Exchange Difference (Net)	(101)	281
Other Expenses	1,491	1,238
TOTAL	<u>15,865</u>	<u>12,624</u>

For the year ended 31st March, 2013

28. Contingent Liabilities

- (a) For disputed Income-tax matters ₹ 410 Lac (Previous Year ₹ 496 Lac) against which amount paid is ₹ 507 Lac (Previous Year ₹ 535 Lac)
- (b) Against Bond
 - (i) Import Duty liability of ₹ NIL (Previous Year ₹ 381 Lac) for import of machinery against licences granted under EPCG scheme.
 - (ii) Duty liability amounting to ₹ 115 Lac (Previous Year ₹ 86 Lac) for the purchase of excisable inputs without payment of duty under the bonds executed if the export obligation is not fulfilled.
- (c) In respect of Bank Guarantee given for tender of ₹ 50 Lac (Previous Year ₹ NIL).

29. Financial & Derivative instruments

- (a) The Company has sold USD 17.38 Mn equivalent ₹ 9862 Lac and EUR NIL equivalent ₹ NIL (Previous Year USD 14.48 Mn equivalent ₹ 7234 Lac and Eur 0.11 Mn equivalent ₹ 78 Lac) to cover export receivables and purchased USD 12 Mn equivalent ₹ 6773 Lac (Previous Year USD NIL equivalent ₹ NIL) to cover loan repayment.

The Company has entered into USD-JPY derivative option contracts hedging its exposure on ECB availed in JPY for wind power generation project. Option contracts worth of JPY 109-Mn (Previous Year JPY 181-Mn) are open as on balance sheet date, maturing over a period of seven years ending on July 2014.

- 30. Foreign currency translation of ₹ 211 Lac (Previous Year debited ₹ 219 Lac) arising on account of the exchange difference on non interagal foreign operations is debited to the Statement of Profit & Loss.

For the year ended 31st March, 2013

31. Related party transactions

- (a) Associates Wings Intellect Pvt. Ltd.
 K-12 Techno Services Pvt. Ltd.
- (b) Other Related Parties with whom transactions have taken place during the year :
- (i) Enterprises Navneet Prakashan Kendra
 owned or Vikas Prakashan
 significantly Gala Publishers
 influenced by Sandeep Agency
 key management Bigspace Realty Pvt. Ltd.
 personnel or The Flagship Advertising Pvt. Ltd.
 their relatives
- (ii) Key Management 1. Shri A.R. Gala
 Personnel & 2. Shri D.R. Gala
 Relatives 3. Shri H.R. Gala
 4. Shri S.R. Gala
 5. Shri J.L. Gala
 6. Shri J.K. Sampat
 7. Shri N.N. Shah
 8. Shri B.A. Gala
 9. Shri A.D. Gala
 10. Shri G.D. Gala
 11. Shri R.H. Gala
 12. Shri D.C. Sampat
 13. Shri S.J. Gala
 14. Shri S.J. Gala
 15. Shri K.H. Gala
 16. Shri S.S. Gala
 17. Shri K.B. Gala
 18. Shri T.R. Shah
 19. Smt. H.T. Shah
 20. Shri H.A. Gala

For the year ended 31st March, 2013

Transaction with Related Parties :

₹ in Lac

Items/Related Parties	Enterprises owned or significantly influenced by key management personnel or their relatives	Associates	Key Management Personnel	Relative of Key Management Personnel	Total
(i) Purchase, expenses and other services from related parties	1,797 (1,486)	-- (--)	806 (669)	9 (8)	2,612 (2,163)
(ii) Sales of goods and services	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
(iii) Loan given	-- (--)	-- (3,045)	-- (--)	-- (--)	-- (3,045)
(iv) Investments	-- (--)	3,290 (42)	-- (--)	-- (--)	3,290 (42)
(v) Balance Outstanding at year end					
Loans and advances given	50 (--)	-- (3,045)	-- (--)	-- (--)	50 (3,045)
Investments	-- (--)	3,325 (42)	-- (--)	-- (--)	3,325 (42)

For the year ended 31st March, 2013

32. Earning Per Share :

	2012-13 ₹ in Lac	2011-12 ₹ in Lac
(a) Net Profit after tax as per statement of profit and loss	10,669	7,798
Less : Extra Ordinary Items	-	-
Net Profit available for Equity Shareholders	10,669	7,798
(b) Weighted average number of equity shares for basic and diluted EPS (in No.)	2,382	2,382
(c) Basic and Diluted Earning per share of ₹ 2/- each		
(i) Before Extra Ordinary Items	4.48	3.27
(ii) After Extra Ordinary Items	4.48	3.27

33. Lease Transactions : Accounting Standard 19**As a Lessor in an Operating Lease****Fixed Assets:**

Plant & Machinery (Computer & Hardware) include assets costing ₹ 1305 Lac (₹ 627 Lac) (Gross Block) on operating lease contract.

The details of the assets given on operating lease as on 31.03.2013 are

	Computers & Hardware 2012-2013 (₹ in Lac)	Computers & Hardware 2011-2012 (₹ in Lac)
Gross carrying amount	13,005	627
Accumulated Depreciation	346	135
Depreciation recognised in Statement of Profit & Loss for the year	220	82

Maturity Pattern of the Gross/Present Value of MLP receivables.

	2012-2013 (₹ in Lac)	2011-2012 (₹ in Lac)
Not later than one year	364	213
Later than one year and not later than five years	577	403
Later than five years	-	-
TOTAL	941	616

For the year ended 31st March, 2013
As a Lessee in an Operating Lease

	2012-2013 (₹ in Lac)	2011-2012 (₹ in Lac)
(a) The total amount of future minimum lease payments under non cancellable operating leases for each of the following period:		
(i) not later than one year :	36	172
(ii) later than one year and not later than five years:	-	36
(iii) later than five years:	-	-
(b) The total of future minimum sublease payments expected to be received under non cancellable sublease at the Balance Sheet date:	22	119
(c) Lease payments recognised in the Statement of Profit and Loss for the period, with separate amounts for minimum lease payments and contingent rents:	160	182
(d) Sub-Lease payments received (or receivable) recognised in the Statement of Profit & Loss for the period:	89	108
(e) A general description of the lessee's significant leasing arrangements including, but not limited to the following :		
(i) The basis on which contingent rent payments are determined :	-	-
(ii) The existence and terms of renewal or purchase options and escalation clauses; and	-	-
(iii) Restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.		

34. DETAILS OF PROVISIONS, UTILISED, WRITTEN BACK :

Particulars	As at 01.04.2012	Additions	₹ in Lac	
			Utilised/ Written Back	As at 31.03.2013
Provision for Leave Salary Encashment	375	126	-	501
Provision for Gratuity	17	-	7	10
	<u>392</u>	<u>126</u>	<u>7</u>	<u>511</u>

For the year ended 31st March, 2013

35. Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee benefits' -

- (a) The actuarial valuations of the various employee benefits were carried out by using the Projected Unit Credit Method.
- (b) The Company has recognised the following amounts towards defined contribution plans as an expense and included in the Statement of Profit and Loss.

	<u>2012-2013 (₹ in Lac)</u>	<u>2011-2012 (₹ in Lac)</u>
i) Provident Fund	277	244
ii) ESIC	61	63

- (c) Defined benefit plan and long term employment benefits

General description

1. Gratuity (Defined benefit plan)

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 lumpsum 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.

2. Accrual for leave encashment benefit is made on the basis of a year-end actuarial valuation in pursuance of the Company's leave rules.

The following table sets out for the status of gratuity/leave encashment plan

₹ in Lac

	Gratuity (Funded)		Leave Encashment (Non Funded)	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Change in Obligation				
Accrued Gratuity	869	864	373	318
Actuarial gain/(loss)	339	(61)	130	71
Interest Cost	70	69	30	25
Less :Benefits paid	5	3	(34)	(41)
Accrued Gratuity	1,272	869	499	373
Change in Plan Asset				
Opening Fund Balance	1,117	913	-	-
Return on the plan asset	108	87	-	-
Contribution paid	187	121	34	41
Less :Benefits paid	5	3	(34)	(41)
Closing Fund Balance	1,406	1,117	-	-

₹ in Lac

	Gratuity (Funded)		Leave Encashment (Non Funded)	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Reconciliation of present value of obligation and the plan asset				
Closing Fund Balance	1,406	1,117	-	-
Accrued Gratuity	1,272	869	-	-
Net Liability	(134)	(248)	499	373
Liability recognized in balance sheet	-	-	499	373
Expenses recognized in the Statement of P & L				
Current Service Cost			118	90
Interest Cost			30	25
Expected Return on Plan Assets			5	-
Net Actual (Gain)/Loss recognized for the period			7	(22)
Expenses recognized in the Statement of P & L			160	94
Movement in the Liability recognized in Balance Sheet				
Opening Net Liability			373	318
Expenses as above			160	94
Contribution paid			(34)	(41)
Closing Net Liability			499	370
Assumptions				
Assets	8.00%	8.00%	0.00%	0.00%
Salary escalation rate	8.33%	7.00%	4.00%	4.00%
Discounting rate	8.00%	8.00%	8.05%	7.30%

36. SEGMENT REPORTING

The Company's operations relates to publication of knowledge based information in educational and general books form as well as in electronic media and manufacturing of paper and other stationery items. It caters to the educational need of Indian as well as Global market.

Accordingly "Publication" and "Stationery" comprise of the primary segments.

Secondary segmental reporting is performed on the basis of the geographical location of customers.

The accounting principles and policies used in the preparation of the Financial Statements, as set out in the note on significant accounting policies, are also consistently applied to record revenue and expenditure, in individual segments.

For the year ended 31st March, 2013

[A] Primary - Business Segments

₹ in Lac

	Publication		Stationery		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenue	47,203	36,331	32,596	24,927	767	636	80,566	61,894
Less : Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Revenue	47,203	36,331	32,596	24,927	767	636	80,566	61,894
Other Income	40	274	21	111	-	-	61	385
Segment Revenue	47,243	36,605	32,617	25,038	767	636	80,627	62,279
Segment Results	14,845	11,049	4,406	2,577	71	26	19,323	13,652
Add:Unallocated Other Income/(Expense)	-	-	-	-	-	-	303	737
Less:Financial Expenses	-	-	-	-	-	-	787	576
Less:Unallocable Expenditures	-	-	-	-	-	-	2,476	1,846
Profit Before Taxation	-	-	-	-	-	-	16,364	11,967
Provision for Taxation (Income tax and Deferred tax)	-	-	-	-	-	-	5,501	4,200
Minority Interest and goodwill	-	-	-	-	-	-	193	(31)
Profit after taxation	-	-	-	-	-	-	10,669	7,798
Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-	-
Profit after extraordinary items	-	-	-	-	-	-	10,669	7,798
Segment Assets	30,632	24,810	31,821	24,511	1,674	1,969	64,127	51,290
Unallocated Assets	-	-	-	-	-	-	6,922	6,659
Total Assets	-	-	-	-	-	-	71,050	57,948
Segment Liabilities	2,618	1,595	3,225	2,370	(18)	10	5,824	3,975
Unallocated Liabilities	-	-	-	-	-	-	23,308	17,829
Total Liabilities	-	-	-	-	-	-	29,132	21,804
Capital Expenditure	1,938	2,694	2,542	2,718	142	670	4,621	6,082
Unallocated Capital Expenditure	-	-	-	-	-	-	218	247
Depreciation on Segmental Assets	1,303	880	621	447	269	237	2,193	1,564
Unallocated Depreciation	-	-	-	-	-	-	152	149
Amortization	-	-	-	-	-	-	-	-

Notes :

1. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the respective segment, however, revenue and expenses which can not be identified or allocated reasonably to a segment being related to the enterprise as a whole have been grouped as unallocable.
2. Segment assets and segment liabilities represent assets and liabilities of respective segments, however the assets and liabilities not identifiable or allocable on reasonable basis being related to enterprise as a whole have been grouped as unallocable.
3. The business which have been grouped under "Others" segment comprises of revenue from generation of power by Windmill, Pre School and Trading items etc.

For the year ended 31st March, 2013
[B] Secondary - Geographical Segments

							₹ in Lac
	India	North & Central America	Africa	Europe	Australia & Oceania	Rest of the world	Total
Segment Revenue	68,948 (56,303)	6,836 (2,445)	2,763 (1,664)	698 (560)	59 (28)	1,261 (894)	80,566 (61,894)
Segment Assets	69,942 (57,026)	570 (135)	260 (301)	215 (117)	12 -	50 (369)	71,050 (57,948)

37. The losses of subsidiary attributable to minority are agreed to be funded by them.

38. Figures of ₹ 50,000 or less have been denoted by #

39. Previous year figures have been regrouped/rearranged wherever necessary.

As per our report of even date attached hereto

For & On behalf of the Board

For **Ghalla & Bhansali**

Chartered Accountants

(Firm Registration Number 103142W)

sd/-

sd/-

sd/-

sd/-

Haresh K. Chheda

Partner

Membership Number 38262

Mumbai, 30th May, 2013

Amit D. Buch
Company Secretary

A. R. Gala
Managing Director

S. K. Vikamsey
Chairman

Particulars of subsidiaries as at 31st March, 2013 in terms of Circular No. 5/12/2007-CL-III dt. February 8th 2011, General Circular 2/2011 issued by Government of India, Ministry of Corporate Affairs under section 212 (8) of the Companies Act, 1956.

₹ in Lac

Sr. No.	Particulars	Name of the Subsidiaries	
		eSense Learning Pvt. Ltd.	Grafalco Ediciones S.L. *
		As at 31-03-13	As at 31-03-13
a	Capital	413	472
b	Reserves	(1,431)	(452)
c	Total Assets	2,218	49
d	Total Liabilities	3,286	29
e	Details of Investments	50	-
f	Turnover/Other Income	1,516	1
g	Profit/(Loss) before taxation	(348)	(11)
h	Provision for taxation	-	-
i	Profit/(Loss) after taxation	(348)	(11)
j	Proposed Dividend	-	-

* Average exchange rate as on 31-03-2013, Euro 1 = ₹ 69.9412

NAVNEET PUBLICATIONS (INDIA) LIMITED

Registered Office : Navneet Bhavan, Bhavani Shankar Road, Dadar (West), Mumbai - 400 028.

ATTENDANCE SLIP

Twenty-Seventh Annual General Meeting - Tuesday, 6th August, 2013

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional Attendance Slip on request.

DPID Client ID

Master Folio No. No. of Shares held

Mr./Mrs./Ms.

Address

I/We hereby record my/our presence at the TWENTY-SEVENTH ANNUAL GENERAL MEETING of the Company held on Tuesday, 6th August 2013 at 3:30 p.m. at P. L. Deshpande Maharashtra Kala Academy, Mini Theatre – 3rd Floor, Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai - 400 025.

(Proxy's Name in Block Letters)

(Member's/Proxy's Signature)

Strike out whichever is not applicable

✂ TEAR HERE

NAVNEET PUBLICATIONS (INDIA) LIMITED

Registered Office : Navneet Bhavan, Bhavani Shankar Road, Dadar (West), Mumbai - 400 028.

FORM OF PROXY

DPID Client ID

Master Folio No. No. of Shares held

I/We of in the district of

..... being a member/members of Navneet Publications (India) Limited hereby appoint

..... of in the district

of failing him/her of in the district of

..... as my/our proxy to act for me /us and on my/our behalf at the Annual General Meeting

of the Company to be held on Tuesday, 6th August, 2013 at 3:30 p.m. and at any adjournment(s) thereof.

Signed this day of 2013.

Signature



NOTE : The form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.



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