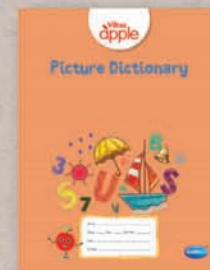
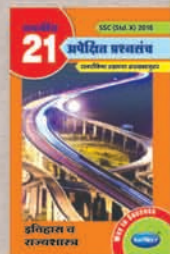
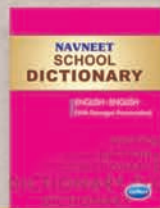
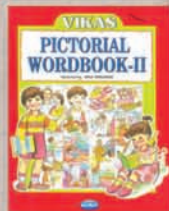
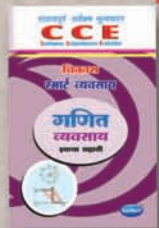


**Learning gives creativity,
creativity Leads to thinking,
thinking provides knowledge,
knowledge makes you great.**

-Dr. A.P.J. Abdul Kalam



Knowledge is wealth



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Board of Directors

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

Company Secretary

Amit D. Buch

Chief Financial Officer

Deepak L. Kaku

Auditors

GBCA & Associates
Chartered Accountants, Mumbai

Bankers

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

Standard Chartered Bank
Commonwealth Bank of Australia

Registered Office

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

Corporate Identity Number

L22200MH1984PLC034055

Ahmedabad Office

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

Works

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

e-mail

investors@navneet.com

Website

www.navneet.com



ON BEHALF OF THE BOARD OF DIRECTORS, I THANK YOU FOR YOUR INTEREST AND SUPPORT FOR NAVNEET EDUCATION LIMITED. I HAVE COMPLETED TWO YEARS AS NON-EXECUTIVE CHAIRMAN AND I FEEL PRIVILEGED TO HAVE THE OPPORTUNITY TO SERVE THE COMPANY IN THIS ROLE.

Dear Shareholders :

2015-16 was a year of unprecedented economic upheaval, which caused almost all business sectors to suffer, especially retail. The publishing industry was affected as well, posting declines which was never experienced in the past. As is now widely known, the Draught across the country in the 1st quarter of the year 2015-16, which, while lowering the bar in Q2, only made the ensuing declines more problematic.

Fortunately, for Navneet Education Limited, we could read early signs, and did begin to take measures well before the crisis became national news. Accordingly, we planned our activity and thereby reducing our operating expenses wherever possible and also we managed our fund flows in a way which lead to savings in our borrowing costs. As a result, we came out of one of the nation's deepest slowdowns in a reasonably good position, achieving ₹ 15,875 Lac in operating cash flow.

Even as comparable Revenue from operations declined by 2.9% for the year, our management team again executed our business plans flawlessly, managing the overheads in line with the diminished sales, while providing the best content and product. As well, continued improvement of our supply chain system enabled us to reduce the inventory turnover ratio while maintaining the levels in stock positions we have always achieved. Inventories turnover ratio improved during the year and markdowns actually decreased compared to the previous year.

The segment highlights are as under :

- Publication Revenue dropped by 3.0% to ₹ 51,595 Lac
- Stationery Revenue also dropped by 3.5% to ₹ 40,766 Lac

In my last year's letter to you, I had mentioned that the company "the company will strive to achieve higher numbers year on year". Regrettably, this has not happened in FY 2015-16. Apart from several factors contributing to de-growth, we would consider this year as a year of consolidation at company and its subsidiary levels.

Despite the bleak year, we did have a couple of bright spots on the horizon, notably the increase in the CBSE and Children & General Books and also Stationery Exports.

Considering the onset of the digital revolution; company's subsidiary, eSense Learning, which is into Digital learning business is fast emerging as a good established player in the business. Turnover achieved during the year was ₹ 1,976 Lac, though low in number but is higher in Content sales v/s Hardware sales comparatively. The company is continuously striving to grow the business and is focused on the same considering the enormous potential of the Digital content marketplace has. I am happy to share today that our platform "TOPScorer.com" is launched in the current year for Business to Consumers (students) and consumption of our content has already started on this platform. We are continuously evaluating the business as we see potential far beyond what was obvious to us before, and we believe compelling enough for investors to sit up and take notice.

Our Investments in K-12 Technologies through subsidiary, Navneet Learning LLP is now showing excellent results though we had several set backs in last few years. Now we have 12 CBSE schools under management with a brand "Orchid Internationals" with a student enrolment of more than 10000.

In closing, I want to thank the leadership team and also the staff at all levels for what we have accomplished during the year. I also want to thank our, Distributors, Supply Chain Team and also our Customers and Vendors for all the support provided to us.

I would like to thank all our shareholders for their continued trust and confidence shown towards the company's management.

Best regards,

Kamlesh S. Vikamsey

Dividend Policy:

As you know, the Company has always been rewarding its shareholders with minimum of 25% of its post tax profits. This year your Company declared Interim Dividend of 110% or ₹ 2.20 per share on the face value of ₹ 2/- which works out to 49.35% payout (including DDT) for FY 2015-16.

FY	Type	Dividend(%)	Net Profit (₹ In Lac)	% to NP (incl DDT)
2015-16	Interim	110	12,780	49.35
2014-15	Final	110	12,930	48.79
2013-14	Final	100	11,318	49.30
2012-13	Final	90	11,107	45.20

Section 124 of the Companies Act, 2013, mandates the companies to transfer dividend that has been unclaimed for a period of 7 years to the Investor Education and Protection Fund (IEPF). The Company sends periodic information to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividends. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the company.

Business Overview :

(A) Content Publishing Segment :

During the year there was hardly any change in syllabus in Maharashtra and Gujarat and to add to the problem was the draught across the country which dropped its Publishing Revenue by 3.0% in FY 2015-16. The Revenue dropped from ₹ 53,190 Lac to ₹ 51,595 Lac. The PBIT in the segment also dropped from 34.3% to 33.9%. It is expected that in the ensuing year there would be syllabi change and also there would be good rainfall which will in turn improve the economy in the rural areas and help boost the sales of the Company.

(B) Stationery Segment :

Stationery segment dropped by 3.5% over the previous year from ₹ 42,240 Lac to ₹ 40,766 Lac; again the major reason for downfall being the draught across the country. The Company shall continue to focus on the Exports Business and is expecting to have more relationships in the US markets which will further drive the growth in the segment. Your Company's

products have been appreciated in the retail chains in the US and it is expected that the strategic relationships will help the Company to step on to the next level.

(C) Net Profits:

Your Company's net profit for FY 2015-16 was ₹ 12,780 Lac as compared to last year of ₹ 12,930 Lac.

(D) Investment in School Management Company:

The Company continues to expand and diversify the direct education business through the minority stake which it owns in School Management Company known as "K12 Techno Services Private Limited". Under its realm, the Company manages "Orchids – the International School". The schools under the management has 12 Orchids International schools.

(E) e-Learning Segment:

Your Company's subsidiary eSense Learning Private Limited revenue stood at ₹ 1,976 Lac as compared to ₹ 2,013 Lac last year. Though there is drop in revenue due to business mix, over all your Company could sell more Digital content during the year. The Company aspires to grow faster from FY 2016-17 onwards considering the onset of digital revolution. The Company's products are now also available on 'TOPScorer.com' for online consumption and which will entail into a good revenue improvement model.

(F) Future Growth Drivers, Opportunities & Risks:

Growth Drivers:

Our focus on delivering business performance and driving progress in society is to create a future of Inclusive Growth. Our Strategic direction for inclusive growth takes cognizance of the fact that today we must move towards next level of what is required for Business and so we think the drivers for the next level will be:

- Moving on content publication of CBSE and CBSE pattern schools and establishing our presence outside Maharashtra and Gujarat more aggressively. We have already created the content for these schools for Grade I to Grade VII and are working towards the other grades which will be completed in the ensuing year.
- E-Learning is the future and so the focus will remain in building the growth model in this area of opportunity.

- Exports in stationery segments has huge potential and the growth model will be of deciding to develop relationships in the US and Europe and also providing them products at a faster pace by having offshore solutions.

Opportunities :

With the existing government emphasizing on Digital India and also on the state government stressing on reducing the weight of the school bags, there is robust opportunity for Navneet Group to grow both in print and e-learning business.

Risk Management :

- Navneet Education Limited (NEL) continues to deploy a well articulated risk management framework. This is based upon a three-tiered approach encompassing (i) enterprise risks, (ii) process risks, and (iii) compliance risks.
 - (i) Enterprise risk identification and mitigation initiatives are managed through an on-going action agenda between the corporate department and each of the businesses, as well as for the Company as a whole. The coverage extends to all key business exposures as well as to lost opportunities — both internal and external — that are identified in conjunction with the businesses. After getting a measure of each such enterprise risk, the corporate risk department tracks the mitigation actions.
 - (ii) Process risk management involves assurances by the Company's internal audit department regarding the effectiveness of business and financial controls and processes in all key activities across the various businesses.
 - (iii) Compliance risk management comprises a detailed mechanism of assurances with respect to adherence of all laws and regulations in every country, with a comprehensive reporting process that cascades upwards from the accountable business line executives to NEL's Audit Committee and then on to the Board of Directors.

The outcomes of business review meetings conducted by management and internal audit regarding processes and their compliance, as well as observations of the Audit Committee and the Board of Directors are continuously incorporated to capture new risks and update the existing

ones. All three dimensions of NEL's Risk Management framework are reviewed annually for their relevance and modifications, as required. The businesses and internal audit make regular presentations to the Audit Committee for detailed review. The risk management process, including its tracking and adherence, is substantially e-enabled for greater consistency and better reporting capabilities.

Foreign Exchange:

The Company uses foreign exchange forward and options contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forwards and options contracts reduce the risk or cost to the company and the company does not use these for trading or speculation purposes. Currently exports is 20% of the Company's total revenues and to mitigate the risk the company regularly hedges whenever the favorable rates are available.

(G) Corporate Social Responsibility:

The Company has constituted such committee and it has initiated and contributes in the area of Medical Aid, Education and Rehabilitation programs. During the FY 15-16, your Company has contributed ₹ 360.20 Lac towards CSR projects. The highlights of the activities are as under:

Education:

- Embarked on an ambitious pilot project which aims to strengthen language and math skills of young students.
- Main streamed 80% of academically backward students in 12 schools.
- 20 para-teachers worked throughout the year in 12 schools to help students learn in a play-way method.
- Distributed Navneet books to over 6,000 vulnerable students of Std X in drought-affected Marathwada region of Maharashtra.

Affordable Housing:

1008 houses are under construction at Navneet Nagar in Dombivali. The houses will be allotted to economically poor families at subsidized rates.

Healthcare:

- Navneet Heart Foundation helped 17 patients undertake heart surgeries
- Cancer hospital – Navneet Jankalyan Cancer Research Center in Mandvi, Kutch conducted 15 surgeries, 50 Biopsies, 90 Chemotherapies, and 10 Cancer awareness camps

- Medical Camps – Started free medical camps in 5 villages near Khanivade for tribal villagers. Over 100 patients visit the camp every week
- Financial support to over 350 patients

Animal welfare:

Supported over 350 animal shelters across Gujarat & Maharashtra

Internal Controls:

NEL believes that a strong internal controls framework is an essential pre-requisite of growing its businesses. To that end, it has effective and efficient internal control system to conduct the audit of various divisions, sales offices, corporate headquarters. The internal audit team focuses primarily on operational and systems audits that monitor compliance with defined authority delegation matrix of the Company. Annual internal audit plan covers key areas of operations. This is vetted by Board and the Audit Committee, which is updated every quarter — and occasionally between successive quarters — of the significant internal audit observations, compliance with statutes, risk management and control systems. The Audit Committee assesses the adequacy and effectiveness of inputs given by internal auditor and suggests improvement for strengthening internal controls from time to time. NEL's internal controls have been designed to provide a reasonable assurance with regard to maintaining of proper internal controls, monitoring of operations, protecting assets from unauthorised use or losses, compliances with regulations for ensuring reliability of financial reporting. The Company uses SAP as its key data and analytics tool — which has over the years considerably enhanced the internal control mechanism.

Industrial Relations:

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

Cautionary Statement:

The management of Navneet Education Limited has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, may include amounts based on informed judgements and estimates. The management **also accepts responsibility for the**

preparation of other financial information that is included in this report. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Management has **based these forward looking statements on its current expectations and projections about future events.** Such statements involve known and unknown risks significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.

(1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company places great emphasis to the adoption and adherence to good corporate governance practice. It firmly believes that good corporate governance practice shall ensure in achieving long term corporate goals. The adoption of good corporate governance shall ensure that all the concerned parties associated with the Company obtain requisite information which would help them to make informed decision. Such Corporate Governance Practices help enhancement of long term shareholders value and interest of other stakeholders.

(2) BOARD OF DIRECTORS**(a) Composition**

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

(b) 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 2015-2016		Salary (₹)	Other Benefits (₹)	Contri. To PF (₹)	* Sitting Fee (₹)	Total Remuneration (₹)	Last AGM attended
			Held	Attended						
1.	Shri G. D. Gala	ED	5	5	38,64,000	27,45,587	4,63,680	—	70,73,267	Yes
2.	Shri R. H. Gala	ED	5	5	38,64,000	27,45,587	4,63,680	—	70,73,267	No
3.	Shri B. A. Gala	ED	5	4	38,64,000	27,45,587	4,63,680	—	70,73,267	Yes
4.	Shri A. D. Gala	ED	5	5	38,64,000	27,45,587	4,63,680	—	70,73,267	Yes
5.	Shri S. J. Gala	ED	5	5	36,00,000	25,58,000	4,32,000	—	65,90,000	Yes
6.	Shri Atul J. Shethia	ED	5	4	17,28,000	19,58,100	2,07,360	—	38,93,460	Yes
7.	Shri K. S. Vikamsey	NID & NE	5	5	—	—	—	75,000	75,000	Yes
8.	Shri Nilesh S. Vikamsey	NID & NE	5	2	—	—	—	45,000	45,000	Yes
9.	Smt. Usha Laxman	ID	5	4	—	—	—	1,05,000	1,05,000	Yes
10.	Shri Tushar K. Jani	ID	5	3	—	—	—	90,000	90,000	Yes
11.	Shri Mohinder Pal Bansal	ID	5	5	—	—	—	1,50,000	1,50,000	Yes
12.	Dr. Vijay B. Joshi	ID	5	4	—	—	—	1,27,500	1,27,500	Yes

ED- Executive Director ID- Independent Director NID & NE Non-Independent & Non-Executive Director

* Includes Board and its Committee Meetings.

(c) Directorships in Other Public Limited Companies of the Directors as at 31st March 2016 :

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

* The Directorship held by directors as mentioned above includes private limited companies which are subsidiaries of the public limited company and do not include directorship in foreign companies, Section 8 companies and private limited companies.

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

(d) Number of Board Meetings and dates of Board meetings :

During the year 2015-16 Five(5) board meetings were held on 28th May, 2015, 28th July, 2015, 26th October, 2015, 4th February, 2016 and 5th March, 2016 and one meeting of Independent Directors on 30th March, 2016 inter alia to, discuss evaluation of Directors as required under the Companies Act, 2013.

(e) Relationship between directors inter-se :

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

(f) Shares held by Non Executive Directors in the Company as on 31st March, 2016.

Name of Director	No. of shares held	% of shareholding
Shri Kamlesh S. Vikamsey	-	-
Shri Nilesh S. Vikamsey	-	-
Shri Tushar K. Jani	-	-
Shri Mohinder Pal Bansal	4000	-
Dr. Vijay Joshi	450	-
Smt. Usha Laxman	-	-

(g) Details of familiarisation programme :

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

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

Board Evaluation

The Listing Regulations and the Companies Act, 2013 requires that the Board of Directors shall evaluate the effectiveness of the Board. The Company has laid down criteria for the performance of executive/ Independent/ Non executive and non independent Directors. One of the key functions of the Board is to monitor and review the Board evaluation framework. During the year, the performance evaluation was carried out internally