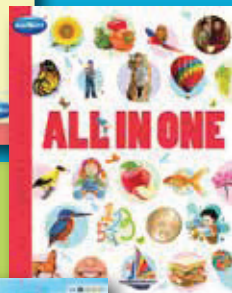
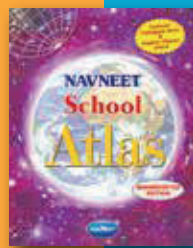
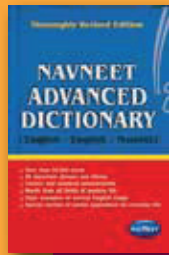


**The
secret
of Life
is not
enjoyment,
but
education
through
experience.**

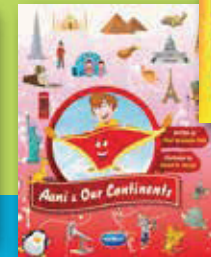
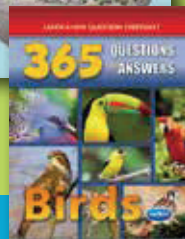
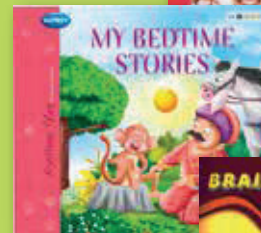
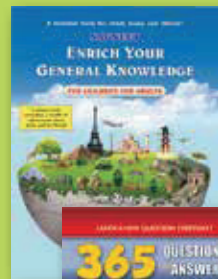
- Swami Vivekananda



Educational Books



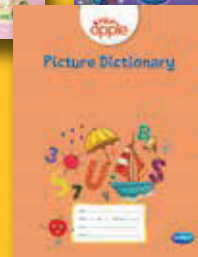
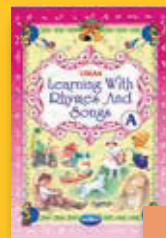
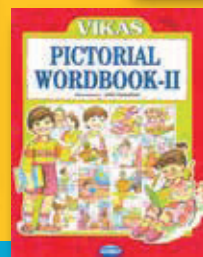
Children Books



e-learning



Pre-School & More



Corporate Information	2
Chairman's Communiqué	3
Management Discussion and Analysis	4
Corporate Governance Report	7
General Shareholders Information	12
Performance Indicators	20
Financial Highlights (Standalone)	21
Segment wise Income from Operations	22
Notice	23
Directors' Report	28
Independent Auditor's Report	58
Balance Sheet	64
Statement of Profit and Loss	65
Cash Flow Statement	66
Significant Accounting Policies	68
Statement of Changes in Equity (SOCIE)	77
Notes on Financial Statements	78
Consolidated Financial Statements	106

Corporate Information

Board of Directors

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

Company Secretary

Amit D. Buch

Chief Financial Officer

Deepak L. Kaku

Auditors

GBCA & Associates
Chartered Accountants, Mumbai

Internal Auditors

Mahajan & Aibara
Chartered Accountants, Mumbai

Bankers

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

Registered Office

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

Corporate Identity Number

L22200MH1984PLC034055

Ahmedabad Office

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

Works

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

e-mail

investors@navneet.com

Website

www.navneet.com



Dear Shareholders,

Financial Year 2016-17 was a pivotal year for Navneet Education Limited (NEL). NEL's Turnover for the first time in its history crossed ₹ 1000 crore.

Before I articulate on NEL's performance, with a heavy heart I write to inform that Shri Amarchandbhai, our Founder-Chairman and most revered patriarch of the entire 'Navneet Parivar' left for his heavenly abode on 5th February, 2017. Within just a few months, Shri Harakhchandbhai, another founder director of Navneet passed away on 1st June, 2017, after brief illness.

In one life time, without the benefits of formal education, they started out with nothing to their names except extraordinary vision, deep commitment and immense determination which helped the Company to successfully steer ahead from humble beginnings, through ups and downs, to achieve its present stature. The stories of their legendary achievements will enthrall generations.

Even while pursuing growth objectives of the Company, Late Shri Amarchandbhai and Late Shri Harakhchandbhai never lost sight of their responsibility towards the society and constantly taught us to give back to society.

We are committed to living by the principles, values and philosophies that they stood for, in placing trust in people and nurturing long-term relationships. Although they are physically not with us today, their principles and values shall always remain a beacon light for us.

On behalf of all the Directors and stakeholders, I pay tribute to these great souls and pray to God to give strength and courage to all Gala family members to bear this irreparable loss.

We had a good year amidst economic changes and some degree of global challenges. All this volatility and change, however, has a silver lining. Every such change also creates new opportunities along with the new risks. We entered the year with a backdrop of a tough environment, especially in the Stationery vertical but managed to do reasonably well during the year. With your unflinching support and faith in our abilities, we will continue to rise by accepting no limits, thinking alternatively and by driving positive change. In the backdrop of

the above, I am pleased to report that your Company reported revenue growth ahead of the industry growth rate this year. We ended FY 2016-17 with a total revenue of ₹ 111,453 lakh a growth of 16.9% and our total comprehensive income after tax grew 27.6% to ₹ 16,115 lakh.

The segment highlights are as under :

- Publication Revenue increased by 15.4% to ₹ 59,592 lakh
- Stationery Revenue increased by 20.2% to ₹ 49,332 lakh

We have also made encouraging progress on a number of our strategic objectives. During the year we have initiated more of sales and marketing activities as we look to strengthen direct relationships with our customers. Aiming for more predictable earnings, NEL continues to broaden its business. The acquisition of Indiannica Learning Pvt. Ltd. (earlier known as Encyclopaedia Britannica (India) Pvt. Ltd.) is an example. We continue to be open to diversify and expand that help us to deliver our strategy, in particular to taking attractive opportunities to increase top line. Revenue from operations of NEL's subsidiary eSense Learning Pvt. Ltd. increased by 12.8% to ₹ 2,213 lakh. We will continue to strive to improve the business model in the digital business in order to grow the business to next level.

At NEL, community development is integral to our sustainability strategy. We define CSR as conducting business in a way that provides social, environmental and economic benefits to communities. We recognize that inclusive growth can be achieved through responsible community participation, thereby contributing to social prosperity. Keeping these guiding principles in mind, we have delivered our CSR activities through various ways including through "Navneet Foundation".

There is a wealth of talent across the NEL. I would like to acknowledge again the immense contribution of everyone in NEL and, on behalf of the Board, to thank all staff for their hard work and dedication. The commitment to excellence, the entrepreneurialism and the imagination of our staff are critical to our progress and to our ambition to provide the best possible service. The overall strength of our NEL team enables us to face the challenges with confidence.

We look forward to an exciting and challenging year ahead with new milestones and achievements. As I conclude, I want to thank all of our customers, shareholders and employees for their continued faith and support in the Company.

Best Regards,

Kamlesh S. Vikamsey

Management Discussion and Analysis

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 has recommended Final Dividend of 125% or ₹ 2.50 per share on the face value of ₹ 2/- which works out to 43.61% payout (including DDT) for FY 2016-17.

FY	Dividend(%)	Total Comprehensive Income (₹ in Lakh)	% to Total Comprehensive Income (incl. DDT)
2016-17	125 (Recommended)	16,115	43.61
2015-16	110	12,626	49.95
2014-15	110	12,930	48.79
2013-14	100	11,318	49.30

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.

Business Overview :

(A) Content Publishing Segment :

During the year there was change in syllabus in Maharashtra and Gujarat which helped increase in Publishing Revenue by 15.4% in FY 2016-17. The Revenue increased from ₹ 51,604 lakh to ₹ 59,592 lakh. The PBIT in the segment also improved from 34.1% to 35.8%. The segment would continue to show good growth for next few years on account of Syllabi change.

(B) Stationery Segment:

Stationery segment surged by 20.2% over the previous year from ₹ 41,038 lakh to ₹ 49,332 lakh. The growth can be attributed to Exports Business. The Stationery Exports grew at the rate of 33.4% over the previous year from ₹ 17,349 lakh to ₹ 23,148 lakh. The Company shall strive to focus on the Exports Business and is expecting make strategic relationships which will help the Company to step on to the next level.

(C) Net Profits:

Your Company's Total Comprehensive Income for FY 2016-17 was ₹ 16,115 lakh as compared to last year of ₹ 12,626 lakh i.e. a growth of 27.6%.

(D) Investment in School Management Company:

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

(E) E-Learning Segment:

Your Company's subsidiary eSense Learning Pvt. Ltd. Revenue stood at ₹ 2,213 lakh as compared to ₹ 1,962 lakh last year which shows plateauing growth of 12.8%. The Company could manage to grow on account of the classroom model and is now poised that B2B model is the future of digital learning business growth.

(F) Acquisition of Indiannica Learning Pvt. Ltd. :

Your Company acquired Indiannica Learning Pvt. Ltd. (Formerly known as Encyclopaedia Britannica (India) Pvt. Ltd.) making it Company's wholly owned subsidiary Company. Indiannica Learning Pvt. Ltd. designs and develops educational products (Print and Digital) for the Indian schools and is used by nearly 5 million students across India and Indian schools abroad. This acquisition would help expand Navneet's range of curricular offerings in the Indian school market, nationally. The management is quite positive that this acquisition would further help enhance Navneet's footprint and access to newer markets and also significantly augment Navneet's intellectual property.

Future Growth Drivers, Opportunities & Risks:

Growth Drivers:

The respect and recall of the printed word, especially educational books, remains significant in India. The result is that even in a largely digital era, the printed books continue to see a steady flow of growth. Navneet's supplementary books continue to contribute a significant portion of the overall revenue. India has a huge children bulge and these young and aspiring citizens are driving our growth in Tier II and Tier III cities and towns of Maharashtra and Gujarat. This trend will continue to gather momentum.

driving our growth in Tier II and Tier III cities and towns of Maharashtra and Gujarat. This trend will continue to gather momentum.

Opportunities:

With the existing government emphasizing on Digital India and also GST being coming into force, there is an ample opportunity to redesign our products and prices in order to grow the business and at the same time not impacting the end customer.

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** : The Company continue to evaluate the risk and also ensures that the mitigation processes are in place.
 - (ii) **Process risk** management involves assurances by the Company's internal audit department regarding the effectiveness of business and financial controls and processes in all key activities across the various businesses.
 - (iii) **Compliance risk** management comprises a detailed mechanism of assurances with respect to adherence of all laws and regulations, with a comprehensive reporting process that cascades upwards from the accountable business line executives to NEL's Audit Committee and then on to the Board of Directors. The outcomes of business review meetings conducted by management and internal audit regarding processes and their compliance, as well as observations of the Audit Committee and the Board of Directors are continuously incorporated to capture new risks and update the existing ones. All three dimensions of NEL's Risk Management framework are reviewed annually for their relevance and modifications, as required. The businesses and internal audit make regular presentations to the Audit Committee for detailed review. The risk management process, including its tracking and adherence, is substantially e-enabled for greater consistency and better reporting capabilities.

Foreign Exchange:

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

Corporate Social Responsibility:

The Company has constituted CSR committee and contributes in the era of Healthcare, Education, Disaster Relief and Animal Welfare. During FY 2016-17, your Company has contributed ₹ 4.16 crore towards CSR projects.

Promotion of Healthcare

Hospitals & patient support

Healthcare in India is unaffordable to a large section of society. The situation is especially grim when the sole bread-winner of the family is hospitalized. This creates a huge burden on the entire family. The Company has taken up the responsibility of helping such patients by establishing hospitals in Maharashtra and Gujarat. Besides establishing hospitals, the Company has also been helping other hospitals of repute to upgrade their facilities. The Company provides financial support to scores of patients every month.

Tribal Medical Service, Khaniwade, Maharashtra

The Company has started the Tribal Medical Service in 5 villages of Khaniwade Panchayat. Khaniwade is geographically only 50 KMs from Mumbai but the tribal residents of villages of Khaniwade are still living an underprivileged life. Basic facilities like roads and medical services are either missing or not up to the mark.

Every day of the week, a doctor visits the villages and provides first aid and medicines free of cost to every patient who comes for consultation. A medical file capturing basic details like weight, height, medical condition is also made. Details of every visit and medical condition are maintained in the file.

Promotion of Education

Teacher Training

Teachers are the backbone of any education system. Teachers need to constantly update their skills to ensure that educational outcomes are achieved.

Management Discussion and Analysis

The Company decided to strengthen the efforts of Education Department and initiated Training Workshops for teachers. Close to 3500 teachers were trained during 2016-17 as a part of this initiative.

Remedial Education

The Company commissioned a pilot project to improve the learning outcomes of school students at government school in Waliv, Maharashtra. A large number of students of this school were not able to achieve educational outcomes expected of them. The Company started Remedial Education program during regular school hours. The program has impacted 180 students out of which 90 students were mainstreamed.

Bihar Floods

Last year, the state of Bihar bore the brunt of floods. As with every natural calamity in the past, your Company was on the forefront to provide relief to flood affected families of Bihar. Your Company also established Flood Relief Camps in three villages of Balua, Ara and Laxminiya in Bihar and provided essential supplies of food and clothing to 500 flood affected families.

Vocational Training

The Company has setup an ITI in Kutch, Gujarat which is imparting much needed, job oriented courses (short-term and long-term) to the rural youth. 180 youth are enrolled for long-term courses at the Kutch ITI.

Promotion of Sports

Preparing for Olympic Gold

The Company is grooming a promising Table Tennis player, Diya Chitale. She is the upcoming star of Indian table tennis. She is just 13 years old and is already creating waves in the sub junior under 15 circuits.

Animal Welfare

The Company recognizes the right of existence of every animal on this planet. The Company supports scores of animal shelters which provide food and water essential for survival of stray animals during droughts and summer months. These institutions are managed with all sincerity in the normal years as well as during drought years.

Care for Environment

The Company supports rainwater harvesting and watershed development. The Company is one of the leaders credited with bringing about green revolution in Kutch, Gujarat through its pioneering work in watershed development.

Internal Controls:

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

Industrial Relations:

Industrial relations were cordial at all locations. In challenging business conditions, the support from the workforce was positive throughout. The Company had 2572 employees as on 31st March, 2017.

Cautionary Statement:

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

(1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

NEL is committed to good corporate governance as it believes that good corporate governance is essential for achieving long term corporate goals. The Company places great emphasis to the adoption and adherence to good corporate governance practice. The Company respects and values the right of its stakeholders to seek information about the Company and its performance. The adoption of good corporate governance shall ensure that all the concerned parties associated with the Company obtain requisite information which would help them to make 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 and 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 paid for the year is given below:

Sr. No.	Name of Director	Category	Board Meetings during 2016-2017		Salary (₹)	Other Benefits (₹)	Contri. To PF (₹)	Sitting Fees (₹)	Total Remuneration (₹)	Last AGM Attended
			Held	Attended						
1.	Shri G. D. Gala	ED	7	6	46,20,000	48,99,767	5,54,400	-	1,00,74,167	Yes
2.	Shri R. H. Gala	ED	7	7	46,20,000	48,99,767	5,54,400	-	1,00,74,167	Yes
3.	Shri B. A. Gala	ED	7	7	46,20,000	48,99,767	5,54,400	-	1,00,74,167	Yes
4.	Shri A. D. Gala	ED	7	6	46,20,000	48,99,767	5,54,400	-	1,00,74,167	No
5.	Shri S. J. Gala	ED	7	7	42,84,000	45,43,420	5,14,080	-	93,41,500	Yes
6.	Shri Atul J. Shethia	ED	7	7	17,72,400	24,23,784	2,12,688	-	44,08,872	Yes
7.	Shri K. S. Vikamsey	NE & NID	7	6	-	-	-	90,000	90,000	Yes
8.	Shri Nilesh S. Vikamsey	NE & NID	7	4	-	-	-	75,000	75,000	Yes
9.	Smt. Usha Laxman	ID	7	3	-	-	-	90,000	90,000	Yes
10.	Shri Tushar K. Jani	ID	7	3	-	-	-	90,000	90,000	Yes
11.	Shri Mohinder Pal Bansal	ID	7	6	-	-	-	1,50,000	1,50,000	Yes
12.	Dr. Vijay B. Joshi	ID	7	6	-	-	-	1,80,000	1,80,000	No

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

Corporate Governance Report

(c) Directorships in Other Public Limited Companies of the Directors as at 31st March 2017:

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

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

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

(d) Number of Board Meetings and date of Board Meetings :

During the year 2016-17 seven (7) board meetings were held on 21st May, 2016, 8th August, 2016, 20th September, 2016, 25th October, 2016, 11th November, 2016, 31st January, 2017 and 23rd March, 2017 and one meeting of Independent Directors on 23rd March, 2017, *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, 2017 :

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	4895	-
Dr. Vijay B. Joshi	1050	-
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