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Corporate Information

NAVNEET PUBLICATIONS (INDIA) LIMITED

Board of Directors

Shivji K. Vikamsey	Chairman
Amarchand R. Gala	Managing Director
Jaisinh K. Sampat	Joint Managing Director
Dungarshi R. Gala	Director – Educational Books Publishing
Shantilal R. Gala	Director – Educational Books Publishing
Harakhchand R. Gala	Director – Sales & Distribution
Jitendra L. Gala	Director – Marketing
Kamlesh S. Vikamsey	Director
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.
Citi Bank N.A.

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.
- Gokhiware, Chinchpada,
Vasai (East), Dist. Thane.
- 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,

At the outset, I take this opportunity to share with you the pride that we all feel at the remarkable haul of medals that our talented sportsmen have brought to our nation at the recently concluded London Olympics.

India stands at the threshold of knowledge transformation. Education is the one sector towards which the outlook is fast changing in our country. From being considered an expense, it is now seen as an investment for the future. Students now have a wider choice in selecting their future. Across the country literacy is fast improving year after year. With the perceptible growth in Indian economy, disposable household income and resultantly spending has been increasing. Parents/Students now prefer quality products in all product categories including those of your Company. Various initiatives of the Central Government on increasing the literacy as well as quality education have also contributed to increasing the awareness for quality educational products. The Government's expenditure on social services and rural development has gone up consistently over the years.

The last financial year 2011-2012 was a successful year for your Company in achieving many milestones, both in the physical as well as in the financial fronts.

Your Company has maintained a healthy double digit growth. For the year ended 31st March 2012, your Company has crossed the 600 cr. turnover mark led by publication segment. Under the syllabus changing scenario publication business grew by 18% and posted a turnover of ₹ 354 cr. while stationery segment recorded less than expected growth and stood at ₹ 249 cr. – a modest growth of 7% on account of severe competition in the domestic market and postponement of export orders.

On one hand, the management of your Company believes that being in the non-recessionary business line is the most powerful strength of your Company, on the other, global recession has nearly brought the world to a halt. Developed economies like USA & most of the countries in Europe witnessed virtual turmoil of their financial sector. The slowdown has severely impacted the business of your Company's subsidiary in Spain, Grafalco Ediciones S.L. As a result, during the current year the Management of your Company had decided to scale down substantially the activities of this subsidiary. It has paid off all its liabilities and made provision for diminution in the value of its investment in this subsidiary.

Your Company's other subsidiary, eSense Learning Pvt. Ltd., has completed digitized content for standards 1 to 10 in Science, Mathematics and Social Science. As of March, 2012, our e Learning products have been installed in 925 Institutions covering around 4,500 classrooms. Company is aggressively marketing its products across new schools and is sure of an impressive growth in FY13.

The 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. With our long cherished dream to expand business beyond Gujarat and Maharashtra to other States, we have made a foray in Andhra Pradesh recently. With this, we believe that there will be a robust growth in the publication segment during FY13. Even stationery segment is expected to perform better in FY13 due to confirmed export order book.

India, as an emerging economy, envisions a better tomorrow. Today, each strata of society considers education to be the ladder of future growth. The awareness towards quality education is increasing with the time. The ratio of enrollments in private schools is increasing in comparison to public school in rural areas as well. With highest student population in the world, business opportunities in education are increasing at all levels from pre-school to higher education. Government of India's expenditure on education as a proportion of total expenditure has moved up substantially in the recent times and it has undertaken several initiatives in recent years to promote primary and secondary education.

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.

Shivji K. Vikamsey

Dividend Policy :

The trend of your Company's policy of rewarding its investors with minimum 25% of its net profits as dividends continues this year as well. Your Company had declared and paid interim dividend of 30% or ₹ 0.60 ps per share in November 2011. Your Company has proposed a final dividend of 40% or ₹ 0.80 ps per share which works out to be above 48% payout (including DDT) for FY 12.

Wealth Creation for Shareholders :

Maximizing shareholder wealth is a single most important goal for any profit seeking organization and as such it becomes extremely crucial for it to achieve higher profit. Apart from the liberal policy, your Company has always believed in creating Shareholders' Wealth. Your Company's sound business policies and prudent investment decisions have enabled to enhance Shareholders' value. In just last 4 years, on standalone basis your Company's net worth has increased by a whopping 66% from ₹ 230 cr. on 31st March, 2008 to ₹ 381 cr. on 31st March, 2012.

Business Overview :

Publication Segment :

Syllabus change cycle has started in Maharashtra and Gujarat from FY 12. As a result, your Company has posted strong numbers. As expected, revenue from publication business grew from ₹ 299 cr. in FY-11 to ₹ 354 cr. in FY 12, a jump of 18% y-o-y. This segment shall see good double digit growth for the next few years. This segment has maintained its operating margin at 33% and expects to maintain in the current year as well.

Stationery Segment :

Stationery segment has underperformed during the current year due to severe competition from the new entrants in the domestic market. This segment achieved a growth of 7% from ₹ 232 cr. in FY 11 to ₹ 249 cr. in FY 12. With strong export orders in the pipeline for the current year, we anticipate that this segment will show a marked improvement in the top line in FY 13.

Net Profit :

Net profit after tax for FY12 (on standalone basis) stood at ₹ 80.26 cr. (13.2% of Total Revenue) as compared to ₹ 77.55 cr. (14.5 % of Total Revenue) for FY11. The marginal reduction in the profit percentage is on account of :

- a. Writing off / Diminution in the value of investment amounting to ₹ 3.26 cr. in its subsidiary viz. Grafalco Ediciones S.L.
- b. Higher finance cost and
- c. Pressure on the margins in the stationery segment on account of strong competition from new entrants in this segment

New Warehouse :

As informed in the last Annual Report, your Company has invested in a warehouse cum manufacturing facility to expand its storage facilities to meet the ever increasing demand and shift manufacturing from Vasai (Near Mumbai) location. Accordingly, the Company has so far invested ₹ 50 cr. in a warehouse near Virar, Mumbai. The work is being carried out in phases and the Management estimates an additional outlay of around ₹ 10 cr to complete the second phase. This investment in the new warehouse has already shown significant improvement in the operations of your Company.

Investment in Andhra Pradesh based School Management Company :

Your Company has been providing indirect education through supplementary books for over 5 decades. It has now ventured into direct education by investing in a School Management Company in Andhra Pradesh. This company runs and manages schools in AP under the brand "Gowtham Model School (GMS)". As of 31st March 2012, your Company has invested ₹ 30.5 cr. against the commitment of ₹ 45 cr. to acquire appx. 24% stake.

Spanish Subsidiary :

Global recession has brought the world on a halt. Developed economies like USA & Most of the countries in Europe witnessed virtual turmoil of their financial sector. The slowdown has severely impacted the business of your Company's subsidiary in Spain viz. Grafalco Ediciones S.L. As a result, the Management of your Company has decided during the current year to close down substantially the activities of this subsidiary. It has paid off all its liabilities and made provision for diminution in the value of its investment in this subsidiary.

eLearning Segment :

Navneet Publications (India) Ltd.'s another subsidiary company viz. eSense Learning Pvt. Ltd. has shown a promising performance in FY12. Not only the acceptance amongst the schools has picked up but also the

desire for its digital content is reflected amongst students and parents. As of March, 2012, our products have been installed in 925 Institutions covering around 4,500 classrooms. These numbers are still small compared to number of institutions and classrooms in the two States of Gujarat and Maharashtra but our continuous marketing efforts will enable your Company to accomplish decent numbers in the years to come.

Future Growth Drivers, Opportunities, Risks :

Syllabus changes in the State of Maharashtra and Gujarat which started in 2012 will continue for further 3 years.

The Government of India has undertaken several initiatives in recent years to promote primary and secondary education. Navneet has pulled out all stops to capitalize on these emerging opportunities for its publication and e-learning activities.

Further, it has also started publishing various publications to market in Northern India and in the State of AP.

Risk Factors :

Competition from Other Players :

The Education Business is one of the high growth and happening industry. The Company operates in highly competitive environment that is subject to innovations, changes and varying levels of resources available to each player in each segment of business. This may be a matter of concern if the Company does not adapt to the changing face of the industry. The Company has been keeping itself abreast of latest changes in the industry to implement the same in its operation to keep itself ahead of competition.

High Input Cost :

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

Regulatory Risk :

Government's recent pronouncement of removing the export subsidy came as big setback to Company's export operations. If there is also the pressure of exchange rate from the competitive countries, the Company might need to relook at its export model in future.

The 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 Company is, it may be subjected to defamation suits, which may have adverse effect on its business.

Regulatory enactments are monitored regularly and the 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 have requisite protection.

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. During FY12 the Company donated ₹ 2.33 cr. The management will continue to fulfill its social responsibility on an ongoing basis towards society in whatever best possible manner.

Internal Controls :

The 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 legislation. The Company has a well-defined system of management reporting and periodic review of business to ensure timely decisionmaking.

Industrial Relations :

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

Cautionary Statement :

The Management Discussion and Analysis describing the Company's outlook, projections, expectations and estimates regarding future performance are based on current economic scenario. The management believes this scenario to follow as per its expectation to the best of its knowledge at the time of preparation of this report. 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. The Company is committed to good corporate governance as it believes that good corporate governance is essential for achieving long term corporate goals and leads to long term shareholder value 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 atleast 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 2011-2012		Salary (₹)	Other Benefits (₹)	Contri. To PF (₹)	Sitting Fee* (₹)	Total Remuneration (₹)	Last AGM attended
			Held	Attended						
1.	Shri S. K. Vikamsey	ID	4	4	0	0	0	34,500	34,500	Yes
2.	Shri A. R. Gala	PD	4	2	24,84,000	17,65,020	2,98,080	0	45,47,100	Yes
3.	Shri J. K. Sampat	PD	4	4	24,84,000	17,65,020	2,98,080	0	45,47,100	Yes
4.	Shri D. R. Gala	PD	4	4	24,84,000	17,65,020	2,98,080	0	45,47,100	No
5.	Shri H. R. Gala	PD	4	4	24,84,000	17,65,020	2,98,080	0	45,47,100	No
6.	Shri S. R. Gala	PD	4	4	24,84,000	17,65,020	2,98,080	0	45,47,100	No
7.	Shri J. L. Gala	PD	4	4	24,84,000	17,65,020	2,98,080	0	45,47,100	Yes
8.	Shri K. S. Vikamsey	ID	4	4	0	0	0	# 47,000	# 47,000	Yes
9.	Shri L. D. Shah	ID	4	3	0	0	0	38,000	38,000	No
10.	Dr. R. Varadarajan	ID	4	0	0	0	0	0	0	No
11.	Shri Tushar K. Jani	ID	4	3	0	0	0	12,000	12,000	No
12.	Shri Vijay D. Rai**	ID	4	2	0	0	0	8,000	8,000	Yes
13.	Shri Mohinder Pal Bansal**	ID	4	2	0	0	0	13,000	13,000	Yes

ID – Independent Director PD – Promoter Director

* sitting fees of ₹ 4,000/- was paid for attending each meeting of Board of Directors and ₹ 2,500/- was paid for attending each meeting of Audit and Investors' Grievance Committee Meeting till November, 2011. Thereafter, sitting fees of ₹ 10,000/- is paid for attending each meeting of Board of Directors and ₹ 5,000/- is paid for attending each meeting of Audit Committee and Investors' Grievance Committee. # includes ₹ 2,500/- for 2010-2011. ** upto 4th October, 2011.

2.3 Directorships in Other Public Limited Companies of the Directors as at 31st March, 2012 :

Sr. No.	Name of Director	No. of Directorships	No. of Committee Positions Held *	No. of Committees Chaired *
1	Shri Shivji K. Vikamsey	2	-	-
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	10	7	3
9	Shri Liladhar D. Shah	-	-	-
10	Dr. R. Varadarajan	-	-	-
11	Shri Tushar K. Jani	-	-	-

* Committee includes Audit Committee and Investors' (shareholders') Grievance Committee.

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

There were four Board Meetings held during 2011-2012 and gap between two Board Meetings did not exceed four months. The dates of the Board Meetings are - 28th April, 2011, 28th July, 2011, 2nd November, 2011, 7th February, 2012.

2.5 A brief resume of Directors seeking re-appointment:

Shri Dungarshi R. Gala

Shri Dungarshi R. Gala aged 76 years has vast experience in the field of educational book publishing.

Shri Jitendra L. Gala

Shri Jitendra L. Gala, a commerce graduate has rich experience in marketing field.

2.6 Shri Dungarshi R. Gala, Shri Amarchand R. Gala, Shri Harakhchand R. Gala and Shri Shantilal R. Gala are related as brothers.

(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, 2012.

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 and 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

Four Audit Committee Meetings were held during the year on 28th April, 2011, 28th July, 2011, 2nd November, 2011 and 7th February, 2012.

The constitution of the Audit Committee was changed during the year as Shri Mohinder Pal Bansal ceased to be member of the Audit Committee upon his resignation as Director of the Company effective from 4th October, 2011. The composition of the Audit Committee, the number of meetings held and attended are as under :

Name of Director	No. of Meetings Held	No. of Meetings Attended
Shri Kamlesh S. Vikamsey	4	4
Shri Shivji K. Vikamsey	4	4
Shri Liladhar D. Shah	4	3
Shri Mohinder Pal Bansal*	4	2

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 15th September, 2011.

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

* upto 4th October, 2011.

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 raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations 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 assessing 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 holding Company in the immediately preceeding 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 holding Company.

(6) INVESTORS' GRIEVANCE COMMITTEE

6.1 Composition

The composition of Investors' Grievance Committee is as under:

- (a) Shri Liladhar D. Shah (Independent Director)
- (b) Shri Kamlesh S. Vikamsey (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 matters.

6.3 Four Investors' Grievance Committee meetings were held during the year on 28th April, 2011, 28th July, 2011, 2nd November, 2011 and 7th February, 2012.

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 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	98	98	0
Non-receipt of Share Certificate	1	1	0
Non-receipt of Dividend Warrant	45	45	0
General Correspondence / Complaints	180	180	0
Total	324	324	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 the 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
2010-11 Twenty Fifth	Thursday 15 th September, 2011	3:30 p.m.	Textile Committee Auditorium, Textile Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai – 400 025.
2009-10 Twenty Fourth	Monday 6 th September, 2010	3:30 p.m.	Textile Committee Auditorium, Textile Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai – 400 025.
2008-09 Twenty Third	Friday 31 st July, 2009	3:30 p.m.	Textile Committee Auditorium, Textile Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai – 400 025.

8.2 Special Resolutions passed at last three Annual General Meetings

- a) 25th AGM held on 15th September, 2011 : Nil
- b) 24th AGM held on 6th September, 2010
 - ❖ Re-appointment of Shri Amarchand R. Gala as Managing Director.
 - ❖ Re-appointment of Shri Dunganrshi R. Gala and Shri Harakhchand R. Gala as Wholetime Directors of the Company.
- c) 23rd AGM held on 31st July, 2009 : Nil

8.3 Passing of Resolutions by Postal Ballot

No Postal Ballot was conducted during the Financial Year 2011-12. However, resolution(s), if required, shall be passed by postal ballot during the year ending 31st March, 2013 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 has complied with various rules and regulations prescribed by Stock Exchange 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 financial Results and Press Releases are displayed 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 sent to the shareholders of the Company.

(11) GENERAL SHAREHOLDERS INFORMATION

11.1 26th Annual General Meeting :

Date : 27th September, 2012
 Time : 3:30 p.m.
 Venue : Textile Committee Auditorium,
 Textile Committee Building,
 P. Balu Road, Near Tata Press,
 Prabhadevi Chowk, Mumbai – 400 025.

11.2 Financial Year : 1st April, 2012 to 31st March, 2013

11.3 Financial Calendar :

Board Meetings to be held for approving Quarterly Results :

Particulars	Date
Quarterly Results for 1 st Quarter	Last Week of July/first week of August, 2012
Quarterly Results for 2 nd Quarter	Last Week of October/first week of November, 2012
Quarterly Results for 3 rd Quarter	Last Week of January/first week of February, 2013
Quarterly Results for 4 th Quarter	Last Week of April/first week of May, 2013

11.4 Date of Book Closures :

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22nd September, 2012 to Thursday, 27th September, 2012 (both days inclusive) for the purpose of payment of final dividend and Annual General Meeting.

11.5 Dividend paid during the year under review :

The Company declared and paid interim dividend of ₹ 0.60 ps per share during 2011-2012. The final dividend for the financial year 2011-12 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/ list of Beneficial Owners provided by National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL) as on 21st September, 2012.

11.6 Company's Shares are listed on :

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

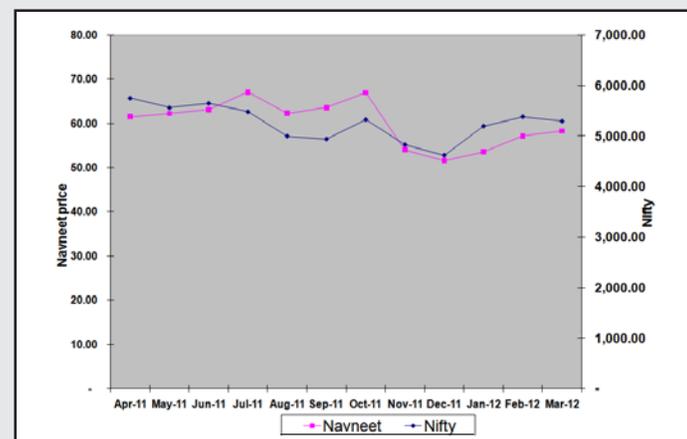
11.7 Stock Codes on Stock Exchanges :

BSE : 508989 NSE : NAVNETPUBL ISIN : INE 060A01024
 Listing Fees for FY2012-2013 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, 2011	10418908	13466145	70.00	55.40	68.30	55.05
May, 2011	3520321	6201242	66.60	59.25	66.45	59.25
June, 2011	3391136	4470504	66.80	59.10	69.50	59.00
July, 2011	5045778	8568056	69.60	62.50	69.00	62.10
August, 2011	1984877	2439474	67.90	58.70	68.00	58.60
September, 2011	2621228	4549557	70.00	62.00	70.00	61.75
October, 2011	1122177	3505073	68.50	62.75	68.00	62.35
November, 2011	1492033	2610331	71.00	53.20	68.50	53.05
December, 2011	496312	836754	56.20	50.60	56.90	50.60
January, 2012	560964	792772	63.10	51.90	57.35	51.50
February, 2012	1823949	2064243	59.80	53.55	59.70	53.30
March, 2012	1631131	14310850	60.10	53.55	60.50	53.15

Navneet Publications Vs Nifty for year ended 31.03.2012



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

BSE : 14.32% NSE : 26.79%

11.10 Distribution of Shareholding as on 31st March 2012 :

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
001-500	21121	70.85	3725319	1.56
501-1000	3081	10.34	2402079	1.00
1001-2000	1908	6.40	2778189	1.17
2001-3000	791	2.65	2012921	0.85
3001-4000	923	3.10	3380820	1.42
4001-5000	294	0.99	1393781	0.59
5001-10000	877	2.94	5967287	2.50
10001 & above	814	2.73	216554604	90.91
Total	29809	100	238215000	100

11.11 Category of Shareholders as on 31st March 2012 :

Category	% to Paid-up Share Capital
Promoters	61.80
FII's	5.68
NRIs, OCBs	0.54
Mutual Funds, Banks, Financial Institutions, Insurance Companies & Trust Bodies Corporate	6.10
Individual Shareholders	6.07
Other Clearing members	19.56
	0.25
Total	100

11.12 Registrar and Share Transfer Agents:

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,

L. B. S. Marg, Bhandup (West),

Mumbai – 400 078

Tel : (91-022) 2594 6970

Fax : (91-022) 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, 2012 is as under :

Particulars	No. of shares	% of total share capital
Held in dematerialised form in NSDL	211392858	88.74
Held in dematerialised form in CDSL	20269658	8.51
Physical form	6552484	2.75
Total	238215000	100

The Company's shares are regularly traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India 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 Agents 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 dispatched.

Investor's Contact Information :

Mr. Mahesh Masurkar

Email : rnt.helpdesk@linkintime.co.in

11.15 Outstanding GDRs / ADRs / Warrants:

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

11.16 Plant Locations:

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

- ❖ Village Dantali, Behind Kasturi Nagar, Dist. & Tal. Gandhinagar, Gujarat.
- ❖ Gokhiware, Chinchpada, Vasai, Dist. Thane.
- ❖ 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-400 028

Tel. : +91- 22-66626565

Fax : +91- 22-66626470

E-mail : investors@navneet.com

11.18 Compliance Officer :

Company Secretary and

Compliance Officer

: Mr. Amit D. Buch

E-mail

: amit.buch@navneet.com

12. Details Of Directors Seeking Re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)

Name of Director	Date Of Birth	Date of Appointment	Experience in specific functional areas	Qualification	Directorship held in other companies	Committee positions held in other companies	Equity Shares held
Shri Dunganrshi R. Gala	31/03/1936	30/04/1993	He has very rich and wide experience in the field of educational book publishing.	S.S.C.	NIL	NIL	56,800
Shri Jitendra L. Gala	14/01/1942	30/05/1992	He has wide experience in marketing field.	B.Com.	NIL	NIL	29,04,825

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, 2012 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 : 23rd August, 2012

For Navneet Publications (India) Limited
sd/- sd/-

Amarchand R. Gala
Managing Director

Gnanesh D. Gala
Chief Financial Officer

CERTIFICATE FROM 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, 2012 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.

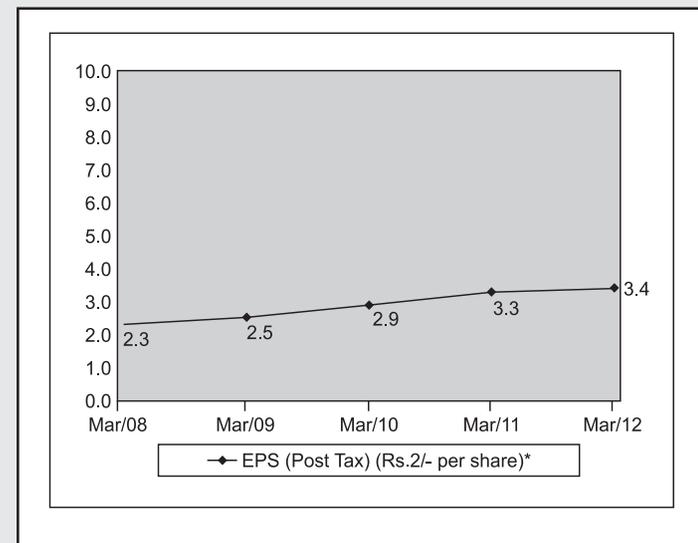
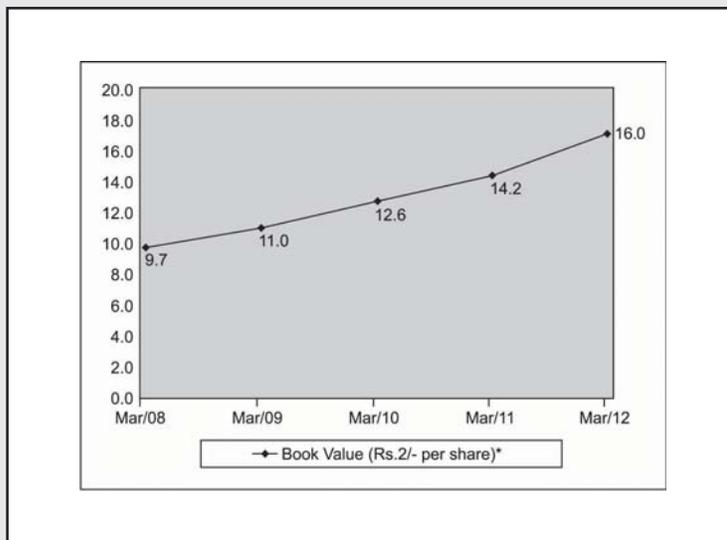
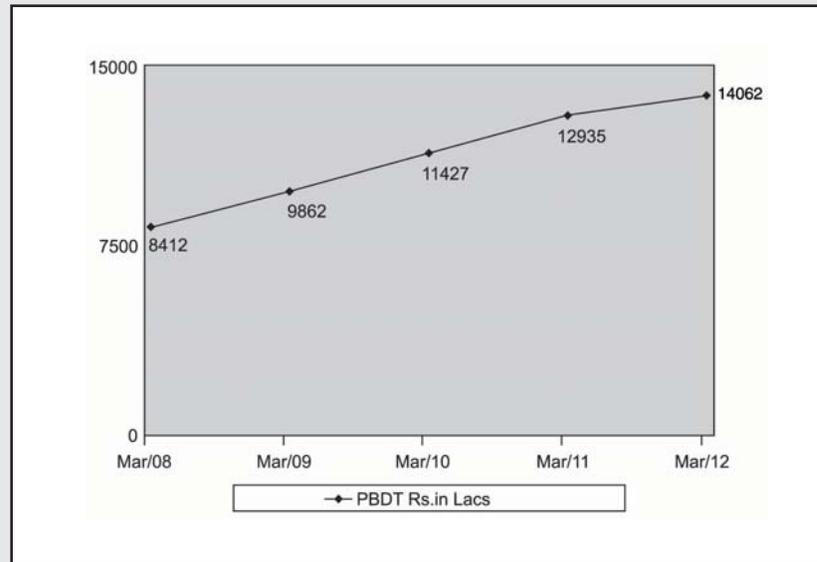
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai
Date : 23rd August, 2012

**For Ghalla & Bhansali
Chartered Accountants**
sd/-

Haresh K. Chheda
Partner

Membership No. 38262



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

Financial Highlights (Standalone)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue	40,043	50,490	52,221	53,624	60,965
PBDT	8,412	9,862	11,427	12,935	14,062
Depreciation	1,022	1,171	1,164	1,144	1,510
PBT	7,390	8,691	10,264	11,791	12,552
Tax	2,013	2,797	3,466	4,036	4,200
Net Profit (PAT)	5,377	5,894	6,798	7,755	8,026
Dividend	2,287	2,477	2,382	3,335	3,335
Dividend (%) (Face Value at ₹ 2/-)	120	130	50	70	70
Book Value (Face Value at ₹ 2/-)*	9.7	11.0	12.6	14.2	16.0
Equity Capital	1,906	1,906	4,764	4,764	4,764
Reserves & Surplus	21,148	24,188	25,296	29,178	33,315
Gross Block	17,408	18,506	19,338	23,188	28,957
Net Block	8,821	8,813	8,624	11,431	15,999
Return on Net Worth (%)	23.3	22.6	22.6	22.8	21.1
PBIT Margin %	21.7	20.3	22.2	24.7	23.9
PAT Margin %	13.4	11.7	13.0	14.5	13.2
Debt-Equity**	0.1	0.1	0.0	0.0	0.0
EPS (Post Tax) (₹ 2/- per share)*	2.3	2.5	2.9	3.3	3.4
EPS (Pre Tax) (₹ 2/- per share)*	3.1	3.6	4.3	4.9	5.3
CEPS (Post Tax) (₹ 2/- per share)*	2.7	3.0	3.3	3.7	4.0
CEPS (Pre Tax) (₹ 2/- per share)*	3.5	4.1	4.8	5.4	5.9
Dividend Payout% to Net Profits	49.8	49.2	41.0	50.1	48.3
MARKET CAP (₹ in Cr.)	916.0	474.0	1217.0	1313.8	1380.5

NOTES :

- 1) * The Figure are after considering the issue of Bonus Shares.
- 2) **Debts consist of Long term borrowings.
- 3) The figures are ₹ in Lacs except for EPS, CEPS, Book value and figure in %.

Segmentwise Income from Operations (₹ in Lacs)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	2009-10 (Mar-10)		2010-11 (Mar-11)		2011-12 (Mar-12)	
Sales						
Publishing Division						
Educational Books	25,168		27,350		32,662	
Children's and General Books	1,569		1,635		1,913	
Children's and General Books Export	<u>926</u>	27,663	<u>919</u>	29,904	<u>827</u>	35,402
Stationery Division						
Exports (including incentives)	6,966		5,379		5,424	
Paper Stationery (Domestic)	14,493		15,195		16,494	
Non Paper Stationery (Domestic)	<u>2,553</u>	24,012	<u>2,638</u>	23,212	<u>3,009</u>	24,927
Others		545		508		636
		<u>52,220</u>		<u>53,624</u>		<u>60,965</u>

Notice

NOTICE is hereby given that the Twenty-Sixth Annual General Meeting of Navneet Publications (India) Limited will be held on Thursday, 27th September, 2012 at 3:30 p.m. at Textile Committee Auditorium, Textile Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai - 400 025 to transact the following business:

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2012 and the Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
- 2) To declare final dividend for the financial year ended 31st March, 2012.
- 3) To appoint a Director in place of Shri Dunganrshi R. Gala, who retires by rotation, and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Jitendra L. Gala, 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 thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

“RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 and Rules framed thereunder (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 all other necessary approvals, if any, as may be required in this

regard from appropriate authorities or bodies, the existing Articles of Association of the Company be amended as under:

- i. The following Article be inserted after the existing Article 74 as Article 74A :

Participation through Electronic Mode

74A Notwithstanding anything contrary contained in the Articles of Association, the Company may provide Video Conference facility and / or other permissible electronic or virtual facilities for the communication to enable Shareholders of the Company to participate in General Meetings of the Company. Such participation by the Shareholders at General Meetings of the Company through Video Conference facility and / or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- ii. The following Article be inserted after the existing Article 128 as Article 128A :

Participation through Electronic Mode

128A Notwithstanding anything contrary contained in the Articles of Association, the Director(s) may participate in Meetings of Board and Committee thereof , through Video Conference facility and/or other permissible electronic or virtual facilities for the communication. Such participation by the Director(s) through Video Conference facility and / or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- iii. The following proviso be inserted after the existing Article 130:

Provided further that a Director participating in a Meeting through use of Video Conference or any other permissible

electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in the Articles of Association.

iv. The following Article be inserted after the existing Article 79 as Article 79 A :

79A Notwithstanding anything contrary contained in the Articles of Association, a document may be served by the Company on any member by any electronic mode of communication and in such manner as is /may be permitted by any law. Where a document is served by any such electronic mode, the service thereof shall be deemed to be effected in the manner as is/ may be provided by any law.

v. The following Article be inserted after the existing Article 9 as Article 9 A:

Buy Back of Shares

9A Notwithstanding anything contrary contained in the Articles of Association, the Company is hereby authorized to buy-back its own shares or securities as it may consider necessary, subject to such limits, upon such terms and conditions, and in accordance with the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956 or any Statutory Modification thereto and such other regulations and guidelines as applicable in this regard.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and give such directions, as may in its absolute discretion, be deemed necessary and to settle any question or difficulty that may arise in this regard.”

By Order of the Board of Directors

sd/-

Place : Mumbai

Date : 23rd August, 2012

Registered Office:

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

Amit D. Buch

Company Secretary

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 No. 6 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 representative(s) 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 22nd September, 2012 to 27th September, 2012 (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 21st September, 2012 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 electronic/demat mode; and (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/ Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Ltd. on or before 21st September, 2012.
- [F] The final dividend, if declared at the Annual General Meeting will be paid on 10th October, 2012.

Notice

NAVNEET PUBLICATIONS (INDIA) LIMITED

[G] **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.

[H] 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.

[I] Pursuant to 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 2003-04, first and second interim dividend for financial year 2004-05 to IEPF. Dividends declared by the Company thereafter, are 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 2005-06 is due for transfer to IEPF in November, 2012. Kindly note that no claim shall lie against the Company after the transfer of the said dividend amount to IEPF.

[J] 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 excluding Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

[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.

By Order of the Board of Directors

sd/-

Amit D. Buch

Company Secretary

Place : Mumbai

Date : 23rd August, 2012

Registered Office:

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

ANNEXURE TO NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of Special Business at Item No. 6 of the Notice.

Item No. 6

The Ministry of Corporate Affairs ("MCA"), Government of India, New Delhi vide General Circulars No. 27/2001 and 28/2001 dated 20th May, 2011 and Circular No. 35/2011 dated 6th June, 2011 has permitted companies to hold Board Meetings and Shareholders Meetings through Video Conference facility, as part of Green initiatives under Corporate Governance. Further, MCA vide Circular No.72/2011 dated 27th December, 2011 made Video Conference facility at the Shareholders Meetings optional to the listed companies.

Notice

Section 53 of the Companies Act, 1956 and Article 79 provides for modes of service of documents on a Member of the Company. The MCA has vide Circular No. 17/2011 dated 21st April, 2011 stated that a Company would have complied with Section 53 if the service of a document has been made through electronic mode, provided that the Company has obtained e-mail addresses of its Members for sending Notices/ Documents through e-mail addresses with the Company. Clause 32 of the Listing Agreement of the Stock Exchanges also permits a Company to send soft copies of full Annual Reports, Balance Sheet, Statement of Profit & Loss and Directors' report to all Members who have registered their e-mail addresses for the purpose.

Section 77A, 77AA and 77B of the Companies Act, 1956 stipulate provisions for purchase of own shares or securities by a Company. However, pursuant to clause (a) of sub-section (2) of Section 77A of the said Act, the Company is required to have necessary authorization in its Articles of Association for buy back of shares or securities.

It is proposed to carry out necessary amendments in the existing Articles of Association of the Company by inserting appropriate enabling provisions to give effect to the above Circulars of MCA and for buy back of shares or securities as set out in the Special Resolution under Item No. 6 of the Notice convening this Annual General Meeting.

In terms of Section 31 of the Companies Act, 1956 approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company. A copy of the existing Memorandum and Articles of Association of the Company along with the proposed draft amendments to the Articles of Association is available for inspection by any Member at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days excluding Saturdays upto the date of Annual General Meeting. Your Directors recommend for your approval passing of the Special Resolution at Item No. 6 of the Notice.

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

By Order of the Board of Directors

Place : Mumbai

Date : 23rd August, 2012

Registered Office:

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

sd/-
Amit D. Buch
Company Secretary

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 requested 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.

Directors' Report

NAVNEET PUBLICATIONS (INDIA) LIMITED

Dear Shareowners,

Your Directors have pleasure in presenting their Twenty-Sixth Annual Report along with the Audited Statement of Accounts of the Company for the year ended 31st March, 2012.

(1) FINANCIAL RESULTS:

	(₹ In Lac)	
Particulars	Current Year	Previous Year
(a) Profit before Interest, Depreciation and Tax	14596	13229
(b) Less : Interest	534	294
(c) Profit before Depreciation and Tax	14062	12935
(d) Less : Depreciation	1510	1144
(e) Profit Before Tax	12552	11791
(f) Less : (i) Provision for Tax	4076	3940
(ii) Provision for deferred Tax	124	100
(iii) (Add) / Less : Provision of Tax for earlier years	-	(4)
(g) Profit After Tax before Extra-ordinary item	8352	7755
(h) Less : Extra-ordinary item	326	-
(i) Profit After Tax	8026	7755
(j) Balance brought forward from last year	19152	16279
(k) Profit available for Appropriation	27178	24034
APPROPRIATIONS :		
(a) Interim Dividend	1429	1429
(b) Final Dividend	1906	1906
(c) Corporate Tax on Dividend	541	547
(d) General Reserve	1000	1000
(e) Balance Carried to Balance Sheet	22302	19152
	27178	24034

(2) DIVIDEND :

Your Directors are pleased to recommend a final dividend of ₹ 0.80 ps (40%) per share for the financial year ended 31st March, 2012. The Company had declared and paid interim dividend of ₹ 0.60 ps (30%) per share during the year under review. The interim dividend so paid along with final dividend, if declared, work out to above 48% (including dividend distribution tax) as against your Company's policy of distribution of minimum of 25% of its net profit.

(3) OPERATIONS :

- (i) During the year under review, the Company achieved a turnover of ₹ 60965 Lac as compared to ₹ 53624 Lac in FY 11.
- (ii) Profit before depreciation and income tax for the year under review stood at ₹ 14062 Lac as against ₹ 12935 Lac in the previous year.
- (iii) After providing ₹ 1510 Lac for depreciation, ₹ 4200 Lac for income tax, deferred tax and ₹ 326 Lac for diminution in the value of investment in its subsidiary, profit after tax for the period stood at ₹ 8026 Lac as against ₹ 7755 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 ₹ 35404 Lac (₹ 29904 Lac), thereby registering a growth of 18%. Your Directors are optimistic to achieve good double digit growth for the next few years also in publication segment. During the year under review, publication segment maintained its operating margin at 33% and is expected to maintain the similar operating margin growth in the current year as well.

Your Directors are pleased to inform that during the year under review, the acceptance of the products of one of the subsidiaries of your Company namely eSense Learning Pvt. Ltd. has not only been picked up amongst the schools but also the desire for the product is reflected amongst students and parents as well. Your Directors are pleased to further inform that as of March, 2012 the digital content have been installed in 925 Institutions covering around 4,500 classrooms. As this e-learning module is gaining acceptance from student and teacher community in the State of Maharashtra and Gujarat, your Company has accelerated its efforts on production and marketing. Your Directors are of the view that these efforts would enable your Company to accomplish decent numbers in the years to come.

Stationery Division

During the year under review, the revenues from stationery division grew at 7% on a y- o- y basis at ₹ 24927 Lac as against revenue of ₹ 23212 Lac in the previous year. This was mainly on account of severe competition from the new entrants in the domestic market. Your Directors are pleased to inform that during the current year, with strong export order in pipeline, your Company anticipates that this segment would show remarkable improvement in the revenue from export in FY13.

(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 31st March, 2012. 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 Standards) 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;
- (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 period;

- (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 :

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Shri Dungarshi R. Gala and Shri Jitendra L. Gala retire by rotation and being eligible, offer themselves for re-appointment. A brief profile of the Directors proposed to be re-appointed is given as part of Corporate Governance Report.

During the year under review, Shri Vijay D. Rai and Shri Mohinder Pal Bansal resigned from Directorship of the Company. The Board of Directors has placed on record its appreciation of the invaluable contribution made by them during their tenure with the Company.

(8) SCHEME OF AMALGAMATION :

The Board of Directors has approved the Scheme of Amalgamation of Lakheni Publications Pvt. Ltd. with the Company and their respective Shareholders. The said scheme is subject to such consent, approval, sanction of the High Court of Judicature of Bombay and all other regulatory approvals as may be necessary for its implementation.

(9) 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 alongwith the Auditor's Certificate on compliance with the Corporate Governance forms part of this Annual Report.

(10) MANAGEMENT DISCUSSION AND ANALYSIS :

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

(11) NETWORTH AND BORROWING :

Net worth of your Company increased to ₹ 38080 Lac against ₹ 33942 Lac in the previous year. Your Company borrowed in foreign

currency to fund its windmill power project of which ₹ 1324 Lac is outstanding as at balance sheet date which is classified as long term debt. Further, your Company utilises the credit facilities from the banks and other short term finances for its working capital requirements only.

(12) CRISIL RATING :

Your Company's short term debt programme continues to be rated by CRISIL as A1+ (pronounced as A one Plus). This rating indicates very strong degree of safety with regard to timely payment of interest and principal on instrument.

(13) CORPORATE SOCIAL RESPONSIBILITY :

Your Company continues to use eco friendly material 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 2012, your Company donated ₹ 233 Lac. The management will continue to fulfill its social responsibility on an ongoing basis towards society in whatever best possible manner.

(14) FIXED DEPOSITS :

Your Company has not accepted any fixed deposits 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 the 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 Employees under Section 217(2A) of the Companies Act, 1956. Any Member interested in obtaining a copy of said statement may write to 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 S. Bhavsar & Co., Cost Accountants have been duly appointed as Cost Auditors for the stationery division of the Company for current financial year ending 31st March, 2013. The Cost Audit Reports are 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, 2012 will be filed within the prescribed period.

(19) INDUSTRIAL RELATIONS :

During the year under review, cordial and harmonious relationship continued between the management and employees at all levels.

(20) ACKNOWLEDGEMENT :

Your Directors take this opportunity to thank all shareholders, valued customers, suppliers, bankers, government and statutory authorities and stock exchanges 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 : 23rd August, 2012

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

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, the 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, the Company has been able to achieve a higher production, accuracy and perfection in printing.

(3) In case of Imported Technology

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

(C) Foreign Exchange Earnings and Outgo

The Company's export turnover has been ₹ 5633 Lac.

Total Foreign Exchange earned and used:

- (i) Foreign Exchange earned : ₹ 5504 Lac
(ii) Foreign Exchange used : ₹ 1157 Lac

For and on behalf of the Board of Directors

sd/-

Place : Mumbai

Shivji K. Vikamsey

Date : 23rd August, 2012

Chairman

Section 212 Statement of Subsidiary Companies

NAVNEET PUBLICATIONS (INDIA) LIMITED

Statement pursuant to Section 212 of the Companies Act, 1956, relating to the Subsidiary Companies for the year ended 31st March 2012

Name of the subsidiary company	Grafalco Ediciones S.L.	eSense Learning Pvt. Ltd.
1. Financial Year of the subsidiary company	31st December, 2011*	31st March, 2012
2. No. of Equity shares in subsidiary company held by Navneet Publications (I) Ltd. at the above date	678,006 Equity Shares @ Euro 1 each	3,748,500 Equity shares ₹ 10/- each
% of holding (Equity)	100%	90.69%
% 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 (I) Ltd :		
(i) Dealt with in the Accounts of the Navneet Publications (I) Ltd. amounted to :		
a) for the subsidiary's financial year ended 31 st December, 2011 & 31 st March, 2012	NIL	NIL
b) for the previous financial years of the subsidiary since it became a subsidiary of Navneet Publications (I) Ltd.	NIL	NIL
(ii) Not dealt with in the Accounts of the Navneet Publications (I) Ltd. amounted to :		
a) for the subsidiary's financial year ended 31 st December, 2011 & 31 st March, 2012	(₹ 17,547,254)	(₹ 31,927,272)
b) for the previous financial years of the subsidiary since it became a subsidiary of Navneet Publications (I) Ltd.	(₹ 123,099,832)	(₹ 98,275,809)
4. Changes in the interest of the Navneet Publications (I) Ltd; between the end of the financial year of the subsidiary and 31 st March, 2012.		
a) Nos. of shares	30,000	NIL
b) Extent of holding	95.58%	NIL
5. Material changes between the end of the financial year of the subsidiary and 31 st March, 2012.		
a) Sale of IPR	98,265,000	NIL
b) Loan repayment by subsidiary	136,242,784	NIL
c) Investments realised	1,124,674	NIL

* For consolidation purpose accounts of Grafalco Ediciones S.L. are considered up to 31.03.2012.

For and on behalf of the Board

Place: Mumbai

Date: 23rd August, 2012

sd/-

Amit D. Buch

Company Secretary

sd/-

A. R. Gala

Managing Director

sd/-

S. K. Vikamsey

Chairman

AUDITORS' REPORT TO THE MEMBERS OF NAVNEET PUBLICATIONS (INDIA) LIMITED

We have audited the attached Balance Sheet of NAVNEET PUBLICATIONS (INDIA) LIMITED, at 31st March, 2012, the Statement of Profit and Loss and Cash Flow Statement of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our Responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Sub Section 4A of Section 227 of the Companies Act, 1956, we enclose in the annexure attached hereto, a statement on the matter specified in para 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in para (1) above, 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 purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the 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 dealt with by this report, is in compliance with the Accounting Standards specified by the Institute of Chartered Accountants of India, referred to in sub-section (3C) of section 211 of the Companies Act, 1956; to the extent applicable to the Company.
- e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - ii. In the case of Statement of Profit and Loss, of the profit for the period ended on that date; and
 - iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Ghalla & Bhansali**
Chartered Accountants
(Registration No. 103142W)

sd/-
Haresh K.Chheda
Partner
Membership No. 38262

Place : Mumbai
Date : 23rd August, 2012

(Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March, 2012 of NAVNEET PUBLICATIONS (INDIA) LIMITED)

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - 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 assumption.
2.
 - a) In our opinion, the inventory of the Company has been physically verified by the management at reasonable intervals. 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 explanation given to us, the Company has maintained proper records of its inventories and discrepancies noticed on such physical verification between stock and the book records were not material.
3.
 - a) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Consequently, the provisions of clause 4(iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
 - b) In our opinion and according to the information and explanation given to us, and as it appears from Register maintained under section 301 of the Companies Act, 1956 the company has not taken any loans secured or unsecured from companies, firms or other parties listed in the said register. Consequently, the provisions of clause 4(iii) (e), (f), and (g) of the Companies (Auditor's Report) Order, 2003 are not applicable.
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 from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 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, customs 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 the Statute	Nature of Dues	Amount (In Lacs) ₹	Forum where disputes is Pending
I.T. Act, 1961	Assmt. Dues A.Y. 00-01	26.08	Bombay Hight Court
I.T. Act, 1961	Assmt. Dues A.Y. 01-02	11.17	Bombay Hight Court
I.T. Act, 1961	Assmt. Dues A.Y. 02-03	45.13	Bombay Hight Court
I.T. Act, 1961	Assmt. Dues A.Y. 09-10	2.98	CIT(A)

10. The Company has neither accumulated losses as at March 31, 2012, 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. In our opinion and according to the information and explanations given to us, the terms and conditions of guarantee given by the Company for loans taken by subsidiary company from banks or financial institutions is not, prima facie, prejudicial to the interest of 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 loan obtained 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
(Registration No. 103142W)
sd/-
Haresh K.Chheda
Partner
Membership No. 38262

Place : Mumbai
Date : 23rd August, 2012

Balance Sheet

NAVNEET PUBLICATIONS (INDIA) LIMITED

Particulars	Note No.	As at	As at
		31st March, 2012	31st March, 2011
		₹ In Lacs	₹ In Lacs
EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	1	4,764	4,764
b) Reserves & Surplus	2	33,316	29,178
		<u>38,080</u>	<u>33,942</u>
2. Share Application Money Pending Allotment			
		-	-
3. Non-Current Liabilities			
a) Long-Term Borrowings	3	794	827
b) Deferred Tax Liabilities (Net)	4	452	328
c) Long-Term Provisions	5	359	226
		<u>1,605</u>	<u>1,381</u>
4. Current Liabilities			
a) Short-Term Borrowings	6	13,195	4,402
b) Trade Payables	7	1,498	706
c) Other Current Liabilities	8	3,026	2,143
d) Short-Term Provisions	9	2,225	2,306
		<u>19,944</u>	<u>9,557</u>
Total		<u>59,629</u>	<u>44,879</u>
ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	10	14,797	11,240
ii) Intangible Assets	10	1,202	191
iii) Capital work-in-progress	11	337	983
		<u>16,336</u>	<u>12,414</u>
b) Non-Current Investment	12	431	766
c) Long-Term Loans and Advances	13	6,315	2,813
d) Other Non-Current Assets	14	27	129
		<u>23,109</u>	<u>16,122</u>
2. Current Assets			
a) Inventories	15	21,715	17,660
b) Trade Receivables	16	11,175	8,068
c) Cash and Bank Balances	17	396	1,046
d) Short-Term Loans and Advances	18	2945	1,673
e) Other Current Assets	19	289	310
		<u>36,520</u>	<u>28,757</u>
Total		<u>59,629</u>	<u>44,879</u>
Significant Accounting Policies & Notes on Financial Statements	1 to 46		

As per our report of even date attached hereto

For and on behalf of the Board

For and on behalf of

Ghalla & Bhansali

Chartered Accountants (Registration No: 103142W)

sd/-

sd/-

sd/-

30

Haresh K. Chheda

Partner (Membership No. 38262)

Mumbai : 23rd August, 2012

Amit D. Buch

Company Secretary

A. R. Gala

Managing Director

S. K. Vikamsey

Chairman

Statement of Profit and Loss

For the year ended 31st March, 2012

NAVNEET PUBLICATIONS (INDIA) LIMITED

Particulars	Note No.	For the year ended	For the year ended
		31st March, 2012	31st March, 2011
		₹ In Lacs	₹ In Lacs
Income			
Revenue from operations	20	60,965	53,624
Other Income	21	859	827
Total Revenue		<u>61,825</u>	<u>54,450</u>
Expenses			
Cost of Material consumed	22	30,469	26,260
Purchase of Stock-in-Trade		146	101
Changes in Inventories of Finished Good, work-in-progress and Stock-in-Trade	23	(691)	(320)
Employee Benefits Expenses	24	5,408	4,771
Financial Costs	25	534	294
Depreciation and Amortization Expense	10	1,510	1,144
Other Expenses	26	11,897	10,409
		<u>49,273</u>	<u>42,659</u>
Profit before extraordinary items and tax		12,552	11,791
Extraordinary Items (Note No. 44)		(326)	-
Profit before tax		<u>12,226</u>	<u>11,791</u>
Tax Expense :			
Current Tax		4,076	3,940
Deferred Tax		124	100
Add/(Less) : (Excess)/Short Provision of Earlier Year W.back/off		-	(4)
Profit for the year		<u>4,200</u>	<u>4,036</u>
		<u>8,026</u>	<u>7,755</u>
Earning per equity share of ₹ 2/- each (₹ 2/- each)			
(1) Basic		3.37	3.26
(2) Diluted		3.37	3.26
Significant Accounting Policies and Notes on Financial Statements	1 to 46		

As per our report of even date attached hereto

For and on behalf of :

Ghalla & Bhansali

Chartered Accountants (Registration No : 103142W)

sd/-

sd/-

Haresh K. Chheda

Partner (Membership No. 38262)

Mumbai : 23rd August, 2012

Amit D. Buch
Company Secretary

sd/-

A. R. Gala
Managing Director

sd/-

S. K. Vikamsey
Chairman

For and on behalf of the Board

Cash Flow Statement for the year 2011-12

NAVNEET PUBLICATIONS (INDIA) LIMITED

	2011-2012	2010-2011
	₹ In Lacs	₹ In Lacs
Cash Flow from Operating Activities		
Net profit before tax	12,226	11,791
Adjustments for,		
Interest & Financial Income (non operational)	(354)	(411)
(Profit) / Loss on sale of fixed assets	(118)	(3)
(Profit) / Loss on sale of Investments	(24)	(117)
Interest and Financial Expense	534	294
Depreciation	1,510	1,144
Provision for Diminution in the Value of Investments	326	-
Changes in Current Assets and liabilities		
(Increase) / Decrease in Inventory	(4,054)	(444)
(Increase) / Decrease in Debtors	(3,107)	(504)
(Increase) / Decrease in Loans and advances	(4,527)	(2,272)
Increase / (Decrease) in current liabilities and provision	1,340	(24)
Income Taxes Paid	(4,110)	(3,959)
Net cash inflow / (outflow) from Operating Activities (A)	(358)	5,495
Cash flow from Investing Activities		
Purchase of Fixed Asset and change in capital WIP	(5,400)	(3,763)
Proceeds from disposal of fixed Asset	157	24
(Increase) / Decrease in Investment other than Subsidiaries	-	-
(Increase) / Decrease in Investment in Subsidiaries	10	-
Profit / (Loss) on sale of Investments	24	117
Interest & Financial Income	354	411
Net cash inflow / (outflow) from Investing Activities (B)	(4,855)	(3,212)
Cash flow from Financing Activities		
Increase / (Decrease) in Share Capital	-	-
Increase / (Decrease) in Loan Fund	8,960	(349)
Interest and Financial Expense	(534)	(294)
Dividend Paid (including Dividend Tax)	(3,863)	(1,679)
Net cash inflow / (outflow) from Financing Activities (C)	4,563	(2,323)
Net Increase / (Decrease) in Cash and Cash Equivalents	(650)	(39)
Cash and cash equivalent as at the commencement of the year	1,046	1,085
Cash and cash equivalent as at the end of the year	396	1,046
Net Increase / (Decrease) as mentioned above	(650)	(39)
Notes: (1) Closing Cash and cash equivalent includes cash, cheques in hand and remittance in transit	47	42
(2) Balance with banks (includes ₹ 93 Lacs P.Y. ₹ 80 Lacs) lying in designated account with the scheduled banks on account of unclaimed dividend which are not available for use by the Company.	349	1,004
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 and on behalf of the Board

For and on behalf of :

Ghalla & Bhansali

Chartered Accountants (Registration No :103142W)
sd/-

Haresh K. Chheda
Partner (Membership No. 38262)
Mumbai : 23rd August, 2012

sd/-

Amit D. Buch
Company Secretary

sd/-

A. R. Gala
Managing Director

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 Standards Rule, 2006) as amended and 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 Intangible 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 Profit and Loss Account in the year in which an 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 rate 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.

- a) Cost of Raw materials, packing materials, stores and spares are determined on weighted average basis.
- b) The 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) Contribution 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 Investment. 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 cost 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 Provision

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

Provisions are recognized 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.

Notes forming part of the Balance Sheet

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
1 SHARE CAPITAL		
Authorised :		
25,00,00,000 (25,00,00,000) Equity Shares of ₹ 2/- each (₹ 2/- each)	5,000	5,000
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
Total	4,764	4,764

1.1 Reconciliation of the number of Equity Shares outstanding

	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares	Amount	Number of shares	Amount
Number of Shares at the beginning of the year	2,382	4,764	2,382	4,764
Add : Shares Issued	-	-	-	-
Less : Shares Forfeited	-	-	-	-
Number of Shares at the end of the year	2,382	4,764	2,382	4,764

1.2 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*.

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

Equity shares allotted as fully paid bonus shares during last 5 years by capitalisation of Share Premium & General Reserve :
year ended 31.03.2010 : 142,929,000

1.4 Equity Shareholders holding more than 5% of the shares

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	% held	No. of shares	% held
Accord Holding Private Ltd.	40,993,721	17.21%	36,562,500	15.35%
Corsa Holding Private Ltd.	31,929,631	13.40%	28,125,000	11.81%
Qualis Holding Private Ltd.	23,577,132	9.90%	19,687,500	8.26%

The honourable Bombay High Court vide its order dated 29.06.2012 sanctioned the Composite Scheme of Amalgamation and Arrangement w.e.f. appointed date 21.03.2012 pursuant to which the above 3 companies have been Amalgamated with Lakheni Publications Pvt. Ltd. The said scheme was made effective on 13.08.2012.

Notes forming part of the Balance Sheet

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
2 RESERVES & SURPLUS		
a) Capital Reserve :		
Opening Balance	#	#
Add : Additions during the year	-	-
Closing Balance	<u>#</u>	<u>#</u>
b) General Reserve :		
Opening Balance	10,014	9,014
Add : Transferred from surplus balance in the Statement of Profit and Loss	1,000	1,000
Closing Balance	<u>11,014</u>	<u>10,014</u>
c) Foreign Currency Translation Reserve :		
Opening Balance	12	4
Add : Additions during the year	(12)	8
Closing Balance	<u>-</u>	<u>12</u>
d) Surplus in the Statement of Profit and Loss :		
Balance as per last Financial Statements	19,152	16,279
Add : Net Profit after tax	8,026	7,755
Balance available for Appropriation	<u>27,178</u>	<u>24,034</u>
Less : APPROPRIATION		
Dividend (First Interim) ₹ 0.60 Paise ₹ 2/- paid up (₹ 0.60 Paise Rs.2/- paid up)	1,429	1,429
Dividend Final ₹ 0.80 Paise Rs.2/- paid up (₹ 0.80 Paise ₹ 2/- paid up)	1,906	1,906
	<u>3,335</u>	<u>3,335</u>
Corporate Tax on Dividend	541	547
Transfer to General Reserve	1,000	1,000
	<u>4,876</u>	<u>4,882</u>
SURPLUS AFTER APPROPRIATION	22,302	19,152
TOTAL (a + b+ c + d)	<u>33,316</u>	<u>29,178</u>

Notes forming part of the Balance Sheet

NAVNEET PUBLICATIONS (INDIA) LIMITED

NON CURRENT LIABILITIES

₹ In Lacs

3 LONG TERM BORROWINGS :

A) Secured

i) Term Loan

- Foreign Currency Loans from Bank

Less : Amount payable within 12 months

	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2011
	1,324		1,158	
	530	794	331	827

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 instalments of 41980057 JPY starting from 17th Jan, 2009
The installments due within 12 months from the date of Balance Sheet have been grouped under Other Current Liabilities (Note No. 8)	

4 Deferred Tax Liabilities (Net)

Depreciation

Disallowances under section 43B of the Income Tax Act, 1961

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
	572	433
	(120)	(105)
	452	328

5 Long Term Provisions

Provision for Employee Benefits

Provision for Leave Encashment (Refer Note No. 42)

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
	359	226
	359	226

Notes forming part of the Balance Sheet

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
6 SHORT TERM BORROWINGS		
A) Secured		
i) Cash Credit from Bank	5,195	-
ii) Working Capital Rupee Loans repayable on demand from banks	3,000	-
iii) Foreign Currency Loan	-	902
All short term Rupee loans and foreign currency loans equivalent to ₹ 3000 Lacs (Previous year ₹ 902 Lacs) are secured against : Hypothecation & first charge over stock of raw materials, work-in-process, finished goods, stores and spares not relating to plant and machinery and book debts.		
	<u>8,195</u>	<u>902</u>
B) Unsecured		
Form Banks : Rupee Loan	5,000	3,500
	<u>5,000</u>	<u>3,500</u>
TOTAL	<u>13,195</u>	<u>4,402</u>

7 TRADE PAYABLES

- Due to Micro, Small and Medium Enterprises	80	56
- Due to Others	1,418	650
TOTAL	<u>1,498</u>	<u>706</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 2012 based on available information with the Company which are as under :

Particulars	2011-12	2010-11
Principal amount due and remaining unpaid	9	4
Interest due on above and the unpaid interest	1	#
Interest paid	-	-
Payment made beyond the appointed day during the year	47	53
Interest accrued and remaining unpaid	2	2
Amount of further interest remaining due and payable in succeeding years	-	-

Notes forming part of the Balance Sheet

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
8 OTHER CURRENT LIABILITIES		
Advances Received	356	245
Unpaid Dividend	93	80
Interest Accrued But Not Due	8	10
Income received in Advance	52	21
Creditors for capex	153	110
Current maturities of Foreign Currency Loans from Bank (Also see note no. 3)	530	331
Employee Benefits Payable	587	500
Deposits	22	27
Provisions for tax (net of advance tax)	76	140
Statutory Dues		
- Provident Fund / ESIC / Profession Tax	50	48
- Tax Deducted At Source	73	67
- Service tax / WCT / Excise payable	7	8
- Sales tax payable	154	105
Provision for Expenses	720	641
Other Payable / (Receivable)	145	(190)
TOTAL	<u>3,026</u>	<u>2,143</u>
9 SHORT TERM PROVISIONS		
Provision for Employee Benefits		
- Provision for Leave Encachment Benfits (Refer Note No. 42)	10	91
Other Provisions		
- Proposed Dividend	1,906	1,906
- Corporate Tax on Proposed Dividend	309	309
Total	<u>2,225</u>	<u>2,306</u>

Notes forming part of the Balance Sheet

NAVNEET PUBLICATIONS (INDIA) LIMITED

10 FIXED ASSETS

₹ In Lacs

Sr. No.	Description of Assets	Gross Block				Depreciation / Amortization				Net Block	
		Cost As on 01.04.2011	Additions during the year	Deductions / Adjustments	Cost As on 31.03.2012	Provided upto 01.04.2011	For the Year	Deductions / Adjustments	Total upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
	Tangible										
1	Land - Freehold	984	-	2	983	-	-	-	-	983	984
2	Land - Leasehold	84	-	-	84	45	6	-	52	32	39
3	Building	6,616	2,546	41	9,121	1,958	346	34	2,270	6,851	4,658
4	Plant & Machinery	12,285	1,906	213	13,979	7,675	768	196	8,247	5,732	4,610
5	Office Equipments	251	39	3	287	172	16	1	186	100	79
6	Furniture & Fixtures	1,189	152	2	1,339	881	63	2	942	396	308
7	Vehicles	1,193	334	88	1,439	631	181	76	736	703	562
	Intangible										
8	Trade Mark	59	-	-	59	34	6	-	40	19	24
9	Copy Right	-	983	-	983	-	8	-	8	974	-
10	SAP	247	-	-	247	247	-	-	247	0	0
11	Software	281	158	-	438	114	115	-	229	209	167
	Total	23,188	6,117	348	28,957	11,757	1,510	309	12,958	15,999	11,431
	Previous Year	19,338	3,972	121	23,188	10,714	1,144	101	11,757	11,431	-

As at 31st March, 2012 As at 31st March, 2011

₹ In Lacs

₹ In Lacs

11 CAPITAL WORK IN PROGRESS

Opening Balance

983

470

Add : Expenditure during the year

329

958

Less : Capitalisation / Adjustments during the year

(975)

(445)

Closing Balance

337

983

Notes forming part of the Balance Sheet

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
12 NON CURRENT INVESTMENTS		
1) Other Investment		
a) Unquoted		
In Equity Shares of Subsidiary Companies		
i) Grafalco Ediciones S.L.		
— 6,48,006 (6,78,006) Equity Shares of Euro 1/- each fully paid up	375	391
ii) eSense Learning Pvt. Ltd.		
— 37,48,500 (37,48,500) Equity Shares of ₹ 10/- each fully paid up	375	375
Investment in Limited Liability Partnership		
i) Navneet Learning LLP	7	-
Total non current investments	757	766
Less : Provision for diminution in value of Investments in Grafalco	(326)	-
Total Net Non current investments	431	766
Aggregate amount of unquoted investments	756	766
Aggregate provision for diminution in value of investments	326	-
13 LONG TERM LOANS AND ADVANCES		
Unsecured - Considered Good		
a) Capital Advance - Advances for Capital Expenditure	460	483
b) Corporate Deposits	75	75
c) Security Deposits	174	167
d) Advance Income Taxes (Net of Provisions)	554	582
e) Wealth Tax	4	5
f) Loans and advances to related parties		
i) Loans to Associates - Navneet Learning LLP	3,045	-
g) Loans to Employees	179	57
h) Loan to Vendors	12	6
i) Sales Tax receivable	40	27
j) Advance to Suppliers	5	10
k) Prepaid Expenses	6	2
l) Other Loans & Advances	1,761	1,397
	6,315	2,813

Notes forming part of the Balance Sheet

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
14 OTHER NON CURRENT ASSETS		
(Unsecured, considered good)		
Other Income Receivable	27	129
Total	<u>27</u>	<u>129</u>
15 INVENTORIES		
Stores, Spares & Consumables	526	378
Raw Materials	8,263	5,048
Finished Goods	11,685	11,355
Work In Process	1,236	875
Stock in Trade (in respect of Goods acquired for Trading)	5	5
Total	<u>21,715</u>	<u>17,660</u>
16 TRADE RECEIVABLES		
(Unsecured, considered good)		
Over six months	540	598
Other	10,635	7,470
Total	<u>11,175</u>	<u>8,068</u>
17 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on hand	47	42
Balance with Scheduled Banks		
- In Current Account	254	922
Sub Total A	<u>301</u>	<u>964</u>
Other Bank Balances		
Fixed Bank deposits with more than twelve months maturity	2	1
Fixed Bank deposits with less than twelve months maturity	-	1
Earmarked Balance with Banks		
In Dividend Account	93	80
Sub Total B	<u>95</u>	<u>82</u>
Sub Total A + B	<u>396</u>	<u>1,046</u>

Notes forming part of the Balance Sheet

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012 ₹ In Lacs	As at 31st March, 2011 ₹ In Lacs
18 SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Loans and advances to related parties		
i) Loans to Subsidiaries	2,217	957
b) Loans to Vendors	20	29
c) Loans to Employees	128	209
d) Corporate Deposits	23	35
e) Sales Tax receivable	4	2
f) CENVAT receivable	33	33
g) Service Tax Refund receivable	1	-
h) Prepaid Expenses	108	86
i) Advance to Suppliers	352	257
j) Advance to Employee for expenses	14	31
k) Other Loans & Advances	45	33
	<u>2,945</u>	<u>1,673</u>
19 OTHER CURRENT ASSETS		
a) Export incentive receivable	288	290
b) Other income receivable	1	20
	<u>289</u>	<u>310</u>

Notes forming part of the Profit & Loss

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012 ₹ In Lacs	As at 31st March, 2011 ₹ In Lacs
20 REVENUES FROM OPERATION		
Sale of products		
- Finished Goods (Refer Note below 20.1)	60,601	53,323
- Traded Goods	340	127
Sale of services	641	723
Other operating revenues	709	585
	<u>62,291</u>	<u>54,758</u>
Less : Sales Tax Collected	(1,053)	(932)
Less : Excise Duty	(273)	(203)
	<u>60,965</u>	<u>53,624</u>
20.1 SALES OF PRODUCTS - FINISHED GOODS		
Educational Books	32,064	26,835
Paper Stationery	22,672	21,186
Others	5,865	5,302
	<u>60,601</u>	<u>53,323</u>
21 OTHER INCOME		
Dividend on Mutual Funds	12	59
Profit / (Loss) on Sale of Investments	24	117
Other non-operating Income	196	114
Interest Income	627	353
Net gain on foreign currency translation and transaction	-	183
	<u>859</u>	<u>827</u>

Notes forming part of the Profit & Loss

NAVNEET PUBLICATIONS (INDIA) LIMITED

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	₹ In Lacs	₹ In Lacs
22 COST OF MATERIAL CONSUMED		
Raw Materials Consumed	30,469	26,260
	<u>30,469</u>	<u>26,260</u>
22.1 COST OF MATERIAL CONSUMED		
Paper	26,703	22,718
Others	3,766	3,542
	<u>30,469</u>	<u>26,260</u>
23 (INCREASE) / DECREASE IN STOCK OF FINISHED GOODS AND WIP		
Closing Stock		
Work in Process (Refer Note below 23.1)	1,236	875
Finished Goods	11,690	11,360
	<u>12,926</u>	<u>12,235</u>
Opening Stock		
Work in Process	875	764
Finished Goods	11,360	11,151
	<u>12,235</u>	<u>11,915</u>
	<u>(691)</u>	<u>(320)</u>
23.1 DETAILS OF CLOSING INVENTORY OF WORK IN PROCESS		
Forms	390	299
Printed Covers	577	470
Pasted Sheets	48	16
Ruled Sheets	221	90
	<u>1,236</u>	<u>875</u>
24 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	4,590	3,979
Contribution to Provident and Other Funds	462	457
Staff Welfare	356	336
	<u>5,408</u>	<u>4,771</u>

Notes forming part of the Profit & Loss

NAVNEET PUBLICATIONS (INDIA) LIMITED

For the year ended 31st March, 2012 For the year ended 31st March, 2011

25 FINANCE COST

	₹ In Lacs	₹ In Lacs
Interest on Debentures	-	17
Other Borrowing Costs	534	277
	<u>534</u>	<u>294</u>

26 OTHER EXPENSES

Printing Expenses	726	686
Binding Expenses	800	646
Other Manufacturing Expenses	810	715
Power & Fuel	304	245
Freight & Octroi	614	566
Stores & Spares Consumed	304	185
Repairs to Plant & Machinery	117	145
Rates & Taxes	98	73
Sales Tax Expenses	10	6
Rent	427	480
Royalty	1,208	1,015
Building Repairs & Maintenance	230	249
Other Repairs	159	186
Insurance	74	73
Transportation Expenses	1,063	901
Commission	27	92
Advertisement	226	288
Marketing Expenses	756	722
Sales Promotion Expenses	1,249	940
Discount & Rebate	323	311
Bad debts and other irrecoverable advance written off	13	17
Donation	233	274
Bank Charges	153	133
Prior Period items	7	10
Legal and Professional Fees	544	446
Net loss on foreign currency translation and transaction	285	-
Other Expenses	1,137	1,006
	<u>11,897</u>	<u>10,409</u>

Notes on Financial Statements

NAVNEET PUBLICATIONS (INDIA) LIMITED

For the year ended 31st March, 2012

27 Estimated amount of Capital Contracts (net of advance) remaining to be executed and not provided for ₹ NIL (Previous Year ₹ 354 Lacs)

28 Contingent Liabilities.

- (a) For disputed Income-tax matters ₹ 496 Lacs (Previous Year ₹ 559 Lacs) against which amount paid is ₹ 535 Lacs (Previous Year ₹ 563 Lacs)
- (b) Against Bond :
- (i) Import Duty liability of ₹ 381 Lacs (Previous Year ₹ 381 lacs) for import of machinery against licences granted under EPCG scheme.
- (ii) Duty liability amounting to ₹ 86 lacs (₹ 29 lacs) 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 guarantees given for subsidiary Company of Euro NIL (Previous Year Euro 2-mn) equivalent to ₹ NIL (Previous Year ₹ 1278 Lacs)

29 Financial & Derivative Instruments

- (a) The Company has sold USD 14.48 Mn equivalent ₹ 7234 Lacs and EUR 0.11 Mn equivalent ₹ 78 Lacs (Previous Year USD 9.61 Mn equivalent ₹ 4598 Lacs and Eur 0.87 Mn equivalent ₹ 543 Lacs) to cover our export receivables and purchase USD NIL equivalent ₹ NIL (Previous Year USD 2 Mn equivalent ₹ 941 Lacs) 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 181-Mn (Previous Year JPY 253-Mn) are open as on balance sheet date, maturing over a period of seven years ending on Jul 2014.

30. Auditors' Remuneration

	2011-12 ₹ In Lacs	2010-11 ₹ In Lacs
Audit Fees	9	6
Tax Audit Fees	2	2
Limited Review	1	1
Representation matters	2	1
Other Matters	10	4
	<u>24</u>	<u>14</u>

31. Value of Imports on C.I.F. Basis

(i) Capital Goods	394	350
(ii) Raw Material (Including Consumables)	26	36
(iii) Componets, Store & Spares & others	414	641
	<u>834</u>	<u>1,026</u>

Notes on Financial Statements

NAVNEET PUBLICATIONS (INDIA) LIMITED

For the year ended 31st March, 2012

	2011-2012	2010-2011
	₹ In Lacs	₹ In Lacs
32. Expenditure in Foreign Currency on Account of :		
(i) Royalty	2	5
(ii) Interest	46	59
(iii) Professional Fees	92	100
(iv) Other Matters	183	184
	<u>323</u>	<u>348</u>
33. Earning in Foreign Exchange		
Export of Goods on FOB basis	5,456	5,673
Interest Income	9	9
Other Matters	39	0
	<u>5,504</u>	<u>5,683</u>

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

	Raw Material		Stores & Machinery Spares, etc.	
	%	Value (₹ In Lacs)	%	Value (₹ In Lacs)
Imported	0.10	31	10.82	46
	(0.23)	(62)	(6.74)	(22)
Indigenous	99.90	30,438	89.18	376
	(99.77)	(26,198)	(93.26)	(308)
Total :	100	30,469	100	422
	(100)	(26,260)	(100)	(330)

35. Foreign currency translation of ₹ 223 Lacs (Previous Year credited ₹ 201 Lacs) 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, 2012

36. Related party transactions

(a) Party where control exists :

Grafalco Ediciones S.L. – Subsidiary Company 95.58% (P.Y. 100%) of whose equity share capital is held by the Company as at 31st March, 2012.

eSense Learning Pvt. Ltd. – Subsidiary Company 90.69% (P.Y. 90.69%) of whose equity share capital is held by the Company as at 31st March, 2012.

(b) Associates – Navneet Learning LLP

(c) Other related parties with whom transaction 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
Bigspace Realty Pvt. Ltd
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

Notes on Financial Statements

NAVNEET PUBLICATIONS (INDIA) LIMITED

For the year ended 31st March, 2012

Transaction with Related Parties :						(₹ In Lacs)
Items / Related Parties	Subsidiaries	Associates	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management Personnel	Total	
(i) Purchase,expense and other services from related parties	50 (22)	-- (--)	1,473 (1,344)	664 (664)	2,187 (2,030)	
(ii) Purchase of fixed assets	983 (--)	-- (--)	-- (--)	-- (--)	983 (--)	
(iii) Sales of goods and Services	21 (46)	-- (--)	-- (--)	-- (--)	21 (46)	
(iv) Loans given	1,530 (628)	3,045 (--)	-- (--)	-- (--)	4,575 (628)	
(v) Loan received back	270 (--)	-- (--)	-- (--)	-- (--)	270 (--)	
(vi) Investments	-- (--)	7 (--)	-- (--)	-- (--)	7 (--)	
(vii) Balance outstanding at year end Debtors	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	
Loans and advances given	2,217 (957)	3,045 (--)	-- (--)	-- (--)	5,262 (957)	

For the year ended 31st March, 2012

37. Earning Per Share :

	2011-2012 ₹ In Lacs	2010-2011 ₹ In Lacs
(a) Net Profit after tax but before extra ordinary items as per statement of profit and loss	8,352	7,755
Less : Extra Ordinary Items	326	-
Net profit available for Equity Shareholders	8,026	7,755
(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	3.51	3.26
(ii) After Extra Ordinary Items	3.37	3.26

38. Details of Loans and Advances 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	--	187
eSense Learning Pvt. Ltd.	(187)	(--)	(187)
	--	2,200	2,200
	(770)	(--)	(770)
(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 purview of the disclosure requirements.

39. 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, 2012

(a) The total amount of future minimum lease payments under non cancellable operating leases for each of the following period :	2011-12	2010-11
	₹ in Lac	₹ in Lac
(i) Not later than one year :	31	53
(ii) Later than one year and not later than five years :		31
(iii) Later than five years :	--	--
(b) Lease payments recognised in the statement of Profit and Loss for the period under review :	53	51

40. Details of provisions, utilised, written Back :

Particulars	As at 01.04.2011	Additions Utilised/Written Back	As at 31.03.2012
Provision for Leave Salary Encashment	318	52	369
	318	52	369

41. Segment Reporting

The Company's operations relates to publication of knowledge based information in educational and general books form and manufacturing of paper and other stationery items. It caters to the educational need of Indian as well as Global market. Accordingly "Publication" and "Stationery" comprise of the primary segments.

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

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

Notes on Financial Statements

NAVNEET PUBLICATIONS (INDIA) LIMITED

For the year ended 31st March, 2012

[A] Primary - Business Segments

	₹ In Lacs							
	Publication		Stationery		Others		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenue	35,402	29,904	24,927	23,212	636	508	60,965	53,624
Less : Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Revenue	35,402	29,904	24,927	23,212	636	508	60,965	53,624
Other Income	11	42	111	154	-	(95)	122	101
Segment Revenue	35,413	29,946	25,038	23,367	636	412	61,088	53,725
Segment Results	11,592	9,727	2,577	3,314	26	(84)	14,195	12,957
Add : Unallocated Other Income/(Expense)	-	-	-	-	-	-	737	725
Less : Financial Expenses	-	-	-	-	-	-	534	294
Less : Unallocable Expenditures	-	-	-	-	-	-	1,846	1,597
Profit Before Taxation	-	-	-	-	-	-	12,552	11,791
Provision for Taxation (Income tax, and deferred tax)	-	-	-	-	-	-	4,200	4,036
Profit after taxation	-	-	-	-	-	-	8,352	7,755
Extraordinary Item (net of tax expense)	-	-	-	-	-	-	326	-
Net Profit after extraordinary Items	-	-	-	-	-	-	8,026	7,755
Segment Assets	26,491	20,809	24,511	18,814	1,969	1,599	52,970	41,222
Unallocated Assets	-	-	-	-	-	-	6,659	3,708
Total Assets	-	-	-	-	-	-	59,629	44,930
Segment Liabilities	1,340	1,279	2,370	1,376	10	13	3,720	2,669
Unallocated Liabilities	-	-	-	-	-	-	17,829	8,319
Total Liabilities	-	-	-	-	-	-	21,549	10,988
Capital Expenditure	1,849	2,255	2,718	2,066	808	-	5,375	4,321
Unallocated Capital Expenditure	-	-	-	-	-	-	247	164
Depreciation on Segmental Assets	676	498	447	332	237	234	1,360	1,064
Unallocated Depreciation	-	-	-	-	-	-	150	80
Amortization	-	-	-	-	-	-	-	-

Notes on Financial Statements

NAVNEET PUBLICATIONS (INDIA) LIMITED

For the year ended 31st March, 2012

Notes :

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

[B] Secondary - Geographical Segments

₹ in Lacs

	North & Central America	Africa	Europe	Australia & Oceania	Rest of the world except India	India	Total
Segment Revenue	2,445 (2,439)	1,664 (1534)	539 (1,050)	28 (27)	894 (331)	55,395 (48,243)	60,965 (53,624)
Segment Assets	135 (69)	301 (264)	48 (92)	- (7)	369 (37)	58,776 (44,461)	59,629 (44,930)

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

- (a) The Company adopted Accounting Standard (AS) 15 (revised 2005) on "Employee Benefits" issued by ICAI. 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 amount as an expense and included in the Statement of Profit and Loss.

	₹ in Lacs	₹ in Lacs
	<u>2011-12</u>	<u>2010-11</u>
(i) Provident Fund	230	215
(ii) ESIC	54	51

- (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 :

Notes on Financial Statements

For the year ended 31st March, 2012

NAVNEET PUBLICATIONS (INDIA) LIMITED

	Gratuity (Funded)		Leave Encashment (Non-Funded)	
	31/03/12	31/03/11	31/03/12	31/03/11
Change in Obligation				
Opening Present Value of Accrued Gratuity	864	713	318	324
Service Cost including actuarial gain/(loss)	(61)	97	66	7
Interest Cost	69	57	25	23
Less : Benefits paid	3	4	39	37
Closing Present Value of Accrued Gratuity	869	864	369	318
Change in Plan Asset				
Opening Fund Balance	913	706	-	-
Return on the plan asset	87	67	-	-
Contribution paid	121	143	39	37
Less : Benefits paid	3	4	39	37
Closing Fund Balance	1,117	913	-	-
Reconciliation of present value of obligation and plan asset				
Closing Fund Balance	1,117	913	-	-
Closing present value of Accrued Gratuity	869	864	-	-
Net Liability	(248)	(49)	369	318
Liability recognized in balance sheet	-	-	369	318
Expense recognized in the statement of P & L				
Current Service Cost			88	64
Interest Cost			25	23
Expected Return on Plan Assets			-	-
Net Actuarial (Gain) / Loss recognized for the period			(22)	(57)
Expense recognized in the statement of P & L			91	30
Movement in the Liability recognized in Balance Sheet				
Opening Net Liability			318	324
Expenses as above			91	30
Contribution paid			(39)	(37)
Closing Net Liability			369	318
Assumptions				
Expected return on plan assets	8.00%	8.00%	0.00%	0.00%
Salary escalation rate	7.00%	7.00%	4.00%	4.00%
Discounting rate	8.50%	8.30%	8.30%	7.50%

Notes on Financial Statements

NAVNEET PUBLICATIONS (INDIA) LIMITED

For the year ended 31st March, 2012

43. During the year, in the line with the notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs, the Company opted for option given in the paragraph 46A of Accounting Standard - 11 The Effects of Changes in foreign exchange rates. Accordingly, the Company with effect from April 1, 2011, has capitalized the foreign exchange difference on translation of long term foreign currency monetary item 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. Consequently, differences arising due to change in exchange rate on foreign currency loan relating to acquisition of depreciable Capital Asset amounting to ₹ 670 lacs are added to cost of such Capital Assets. Consequent to the change, the depreciation for the year is higher by ₹ 36 lacs and profit for the year is higher by ₹ 634 lacs.
44. Extra ordinary item consist of provision for diminution in the value of long term investments in subsidiary namely Grafalco Ediciones S.L. amounting to ₹ 326 Lacs.
45. Figure of ₹ 50,000 or less have been denoted by #
46. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached hereto
For and on behalf of :

For and on behalf of the Board

Ghalla & Bhansali

Chartered Accountants (Registration No : 103142W)

sd/-

sd/-

sd/-

sd/-

Haresh K. Chheda

Partner (Membership No. 38262)
Mumbai : 23rd August, 2012

Amit D. Buch

Company Secretary

A. R. Gala

Managing Director

S. K. Vikamsey

Chairman

NAVNEET PUBLICATIONS (INDIA) LIMITED

Consolidated
Financial
Statements

for the year ended 31st March, 2012

Auditor's Report

NAVNEET PUBLICATIONS (INDIA) LIMITED

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

1. We have examined the attached Consolidated Balance Sheet of **NAVNEET PUBLICATIONS (INDIA) LIMITED (the Company)** and **GRAFALCO EDICIONES S.L. (subsidiary)** and **ESENSE LEARNING PRIVATE LIMITED (subsidiary)** collectively referred to as '**the Group**', as at 31st March 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the period ended on that date annexed thereto.

2. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared in all material respects, in accordance with the financial reporting framework generally accepted in India and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

3. We report that the consolidated financial statements ('CFS') have been prepared by the company in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of separate audited financial statements of the company and its subsidiaries included in the CFS.

4. Attention is invited to note no. a (iii) (3) in Significant Accounting Policies in connection with the consolidation of financial statements of subsidiary.

5. On the basis of information and explanations given to us, and on consideration of the separate audit reports on individual audited financial statements of the company and its subsidiary, in our opinion the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March 2012;
- b. in case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Group for the period ended on that date; and
- c. in case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the period ended on that date.

For Ghalla & Bhansali

Chartered Accountants
(Registration No. 103142W)

sd/-

Haresh K. Chheda

Partner

Membership No. 38262

Place: Mumbai

Date: 23rd August, 2012

Balance Sheet (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

Particulars	Note No.	As at	As at
		31st March, 2012	31st March, 2011
		₹ In Lacs	₹ In Lacs
EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	1	4,764	4,764
b) Reserve & Surplus	2	31,381	27,500
		<u>36,145</u>	<u>32,264</u>
2. Share Application Money Pending Allotment			
		-	-
3. Non-Current Liabilities			
a) Long-Term Borrowings	3	794	827
b) Deferred Tax Liabilities (Net)	4	454	330
c) Long-Term Provisions	5	382	236
		<u>1,630</u>	<u>1,393</u>
4. Current Liabilities			
a) Short-Term Borrowings	6	13,195	5,472
b) Trade Payables	7	1,522	808
c) Other Current Liabilities	8	3,292	2,228
d) Short-Term Provisions	9	2,225	2,306
		<u>20,234</u>	<u>10,815</u>
Minority Share of Interest		(61)	(30)
Total		<u>57,948</u>	<u>44,442</u>
ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	10	15,626	11,330
ii) Intangible Assets	10	481	561
iii) Capital work-in-progress	11	338	983
iv) Intangible Assets under Development	12	21	-
		<u>16,466</u>	<u>12,874</u>
b) Non-Current Investment	13	56	10
c) Long-Term Loans and Advances	14	6,432	2,868
d) Other Non-Current Assets	15	27	129
		<u>22,981</u>	<u>15,882</u>
2. Current Assets			
a) Inventories	16	21,763	17,709
b) Trade Receivables	17	11,640	8,680
c) Cash and Bank Balances	18	509	1,130
d) Short-Term Loans and Advances	19	761	731
e) Other Current Assets	20	294	310
		<u>34,967</u>	<u>28,560</u>
Total		<u>57,948</u>	<u>44,442</u>

Significant Accounting Policies & Notes on Financial Statements 1 to 40

As per our report of even date attached hereto

For and on behalf of : **Ghalla & Bhansali**

Chartered Accountants (Registration No: 103142W)

sd/-

Haresh K. Chheda Partner (Membership No. 38262)
Mumbai : 23rd August, 2012

sd/-

Amit D. Buch
Company Secretary

For and on behalf of the Board

sd/-

A. R. Gala
Managing Director

sd/-

S. K. Vikamsey
Chairman

Statement of Profit and Loss (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
		₹ In Lacs	₹ In Lacs
Income			
Revenue from operations	21	61,894	54,831
Other Income	22	1,122	818
Total Revenue		<u>63,016</u>	<u>55,648</u>
Expenses			
Cost of Material consumed	23	30,483	26,409
Purchase of Stock-in-Trade		249	126
Changes in Inventories of Finished Good, work-in-progress and Stock-in-Trade	24	(705)	335
Employee Benefits Expenses	25	6,109	5,403
Financial Costs	26	576	316
Depreciation and Amortization Expense	10	1,713	1,360
Other Expenses	27	12,624	11,020
		<u>51,049</u>	<u>44,970</u>
Profit before extraordinary items and tax		11,967	10,678
Extraordinary Items		-	-
Profit before tax		<u>11,967</u>	<u>10,678</u>
Tax Expense :			
Current Tax		4,076	3,940
Deferred Tax		124	100
Add/(Less) : (Excess)/Short Provision of Earlier Year W.back/off		#	(4)
Add/(Less) : Loss of Subsidiary attr. to minority		(31)	(34)
Profit for the year		<u>4,169</u>	<u>4,003</u>
		<u>7,798</u>	<u>6,676</u>
Earning per equity share of ₹ 2/- each (₹ 2/- each)			
(1) Basic		3.27	2.80
(2) Diluted		3.27	2.80
Significant Accounting Policies & Notes on Financial Statements	1 to 40		

As per our report of even date attached hereto
For and on behalf of : **Ghalla & Bhansali**
Chartered Accountants (Registration No: 103142W)
sd/-

Haresh K. Chheda Partner (Membership No. 38262)
Mumbai : 23rd August, 2012

sd/-

Amit D. Buch
Company Secretary

For and on behalf of the Board

sd/-

A. R. Gala
Managing Director

sd/-

S. K. Vikamsey
Chairman

Cash Flow Statement for the year 2011-12 (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	2011-2012	2010-2011
	₹ In Lacs	₹ In Lacs
Cash Flow from Operating Activities		
Net profit before tax	11,967	10,678
Adjustments for		
Interest & Financial Income (non operational)	(367)	(399)
(Profit) / Loss on sale of fixed assets	(124)	(26)
(Profit) / Loss on sale of Investments	(24)	(117)
Exchange Fluctuation on Consolidation	0	(3)
Interest and Financial Expense	576	316
Depreciation	1,713	1,360
FCTR	41	87
Changes in Current Assets and liabilities		
(Increase) / Decrease in Inventory	(4,053)	220
(Increase) / Decrease in Debtors	(2,960)	(386)
(Increase) / Decrease in Loans and advances	(3,067)	(1,680)
Increase / (Decrease) in current liabilities and provision	1,181	(80)
Income Taxes Paid	(4,111)	(3,959)
(Increase) / Decrease in Preliminary Expenses (Net)	-	-
Net cash inflow / (outflow) from Operating Activities (A)	772	6,013
Cash flow from Investing Activities		
Purchase of Fixed Asset and change in capital WIP	(5,177)	(4,122)
Proceeds from disposal of Fixed Asset	189	62
(Increase) / Decrease in Investment other than Subsidiaries	(56)	-
(Increase) / Decrease in Investment in Subsidiaries	10	7
Profit / (Loss) on sale of Investments	24	117
Interest & Financial Income	367	402
Net cash inflow / (outflow) from Investing Activities (B)	(4,643)	(3,534)
Cash flow from Financing Activities		
Increase / (Decrease) in Share Capital	-	-
Increase / (Decrease) in Loan Fund	7,690	(464)
Interest and Financial Expense	(576)	(316)
Dividend Paid (including Dividend Tax)	(3,863)	(1,679)
Net cash inflow / (outflow) from Financing Activities (C)	3,251	(2,458)
Net Increase / (Decrease) in Cash and Cash Equivalents	(620)	21
Cash and cash equivalent as at the commencement of the year	1,130	1,109
Cash and cash equivalent as at the end of the year	510	1,130
Net Increase / (Decrease) as mentioned above	(620)	21

Notes:

- (1) Closing Cash and cash Equivalent includes cash, cheques in hand and remittance in transit 50 43
- (2) Balance with banks (includes ₹93 Lacs P.Y. ₹80 Lacs) lying in designated account with the scheduled banks on account of unclaimed dividend which are not available for use by the Company. 460 1,087

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 and on behalf of the Board

For and on behalf of :

Ghalla & Bhansali

Chartered Accountants (Registration No. 103142W)

sd/-

sd/-

sd/-

Haresh K. Chheda

Partner (Membership No. 38262)

Mumbai : 23rd August, 2012

Amit D. Buch

Company Secretary

A. R. Gala

Managing Director

S. K. Vikamsey

Chairman

(a) **Principles of Consolidation :**

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

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

- (i) The financial statements of the company and its subsidiary companies 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.
- (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 NPIL. 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, 2012 is drawn for a period of 15 Months i.e. from 01/01/2011 to 31/03/2012.
 - (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, the same has not been aligned with for consolidation purpose.

- (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, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
1 SHARE CAPITAL		
Authorised :		
25,00,00,000 (25,00,00,000) Equity Shares of ₹ 2/- each (₹ 2/- each)	5,000	5,000
50,00,00,000 (50,00,00,000) Equity Shares of ₹ 10/- each (₹ 10/- each)	<u>500</u>	<u>500</u>
Issued, Subscribed & Paid Up :		
23,82,15,000 (23,82,15,000) Equity Shares of ₹ 2/- each (₹ 2/- each) fully paid up	<u>4,764</u>	<u>4,764</u>
Total	<u>4,764</u>	<u>4,764</u>

1.1 Reconciliation of the number of Equity Shares outstanding

	As at 31st March, 2012		As at 31st March, 2011	
	Number of share	Amount	Number of share	Amount
Number of Shares at the beginning of the year	2,382	4,764	2,382	4,764
Add : Shares Issued	-	-	-	-
Less : Shares Forfeited	-	-	-	-
Number of Shares at the end of the year	2,382	4,764	2,382	4,764

1.2 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*.

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

Equity shares allotted as fully paid bonus shares during last 5 years by capitalisation of Share Premium & General Reserve 142,929,000

1.4 Equity Shareholders holding more than 5% of the shares

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of share	% held	No. of share	% held
Accord Holding Private Ltd.	40,993,721	17.21%	36,562,500	15.35%
Corsa Holding Private Ltd.	31,929,631	13.40%	28,125,000	11.81%
Qualis Holding Private Ltd.	23,577,132	9.90%	19,687,500	8.26%

The honourable Bombay High Court wide its order dated 29.06.2012 sanctioned the Composite Scheme of Amalgamation and Arrangement w.e.f. appointed date 21.03.2012 pursuant to which the above 3 companies have been amalgamated with Lakheni Publication Pvt. Ltd. The said scheme was made effective on 13.08.2012.

Notes forming part of the Balance Sheet (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
2 RESERVES & SURPLUS		
a) Capital Reserve :		
Opening Balance	#	#
Add : Additions during the year	-	-
Closing Balance	<u>#</u>	<u>#</u>
b) General Reserve :		
Opening Balance	10,014	9,014
Add : Transferred from surplus balance in the Statement of Profit and Loss	1,000	1,000
Closing Balance	<u>11,014</u>	<u>10,014</u>
c) Foreign Currency Translation Reserve :		
Opening Balance	51	(21)
Add : Additions during the year	(41)	72
Closing Balance	<u>10</u>	<u>51</u>
d) Surplus in the Statement of Profit and Loss :		
Balance as per last Financial Statements	17,435	15,641
Add : Net Profit after tax	7,798	6,676
Balance available for Appropriation	<u>25,233</u>	<u>22,317</u>
Less : APPROPRIATION		
Dividend (First Interim) ₹ 0.60 Paise ₹ 2/- paid up (₹ 0.60 Paise ₹ 2/- paid up)	1,429	1,429
Dividend Final ₹ 0.80 Paise ₹ 2/- paid up (₹ 0.80 Paise ₹ 2/- paid up)	1,906	1,906
	<u>3,335</u>	<u>3,335</u>
Corporate Tax on Dividend	541	547
Transfer to General Reserve	1,000	1,000
	<u>4,876</u>	<u>4,882</u>
SURPLUS AFTER APPROPRIATION	<u>20,357</u>	<u>17,435</u>
TOTAL (a + b+ c + d)	<u>31,381</u>	<u>27,500</u>

NON CURRENT LIABILITIES :

₹ In Lacs

3 LONG TERM BORROWINGS**A) Secured**

i) Term Loan

- Foreign Currency Loan from Bank

Less : Amount payable within 12 months

	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2011
	1,324	794	1,158	827
	<u>530</u>		<u>331</u>	

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 instalments of 41980057 JPY starting from 17th Jan, 2009
The Installments due within 12 months from the date of Balance Sheet have been grouped under Other Current Liabilities (Note No. 8)	

4 Deferred Tax Liabilities (Net)

Depreciation

Disallowances under section 43B of the Income Tax Act, 1961

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
	574	435
	(120)	(105)
	<u>454</u>	<u>330</u>

5 Long Term Provisions

Provision for Employee Benefits

Provision for Leave Encashment (Refer Note No.37)

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
	382	236
	<u>382</u>	<u>236</u>

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
6 SHORT TERM BORROWINGS		
A) Secured		
i) Cash Credit from Bank	5,195	1,071
ii) Working Capital Rupee Loans repayable on demand from banks	3,000	-
iii) Foreign Currency Loan	-	902
All short term Rupee loans and foreign currency loans equivalent to ₹ 3000 Lacs (Previous year ₹ 902 Lacs) are secured against : hypothecation & first charge over stock of raw materials, work-in-process, finished goods, stores and spares not relating to plant and machinery and book debts.		
	<u>8,195</u>	<u>1,972</u>
B) Unsecured		
Form Banks : Rupee Loan	5,000	3,500
	<u>5,000</u>	<u>3,500</u>
Total	<u><u>13,195</u></u>	<u><u>5,472</u></u>

7 TRADE PAYABLES

- Due to Micro, Small and Medium Enterprises	80	56
- Due to Others	1,443	752
Total	<u><u>1,522</u></u>	<u><u>808</u></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 2012 based on available information with the Company which are as under :

Particulars	2011-12	2010-11
Principal amount due and remaining unpaid	9	4
Interest due on above and the unpaid interest	1	#
Interest paid	-	-
Payment made beyond the appointed day during the year	47	53
Interest accrued and remaining unpaid	2	2
Amount of further interest remaining due and payable in succeeding years	-	-

Notes forming part of the Balance Sheet (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
8 OTHER CURRENT LIABILITIES		
Advances Received	370	253
Unpaid Dividend	93	80
Interest Accrued But Not Due	8	10
Income received in Advance	129	47
Creditors for capex	256	115
Current maturities of Foreign Currency Loans from Bank (Also see note no. 3)	530	331
Employee Benefits Payable	606	507
Deposits	22	27
- Provisions for tax (net of advance tax)	76	140
Statutory Dues		
- Provident Fund / ESIC / Profession Tax	76	65
- Tax Deducted At Source	78	72
- Service tax / WCT / Excise payable	7	8
- Sales tax payable	157	106
Provision for Expenses	738	658
Other Payable/ (Receivable)	146	(190)
	<u>3,292</u>	<u>2,228</u>
9 SHORT TERM PROVISIONS		
Provision for Employee Benefits		
- Provision for Leave Encashment Benefits (Refer Note No. 37)	10	91
Other Provisions		
- Proposed Dividend	1,906	1,906
- Corporate Tax on Proposed Dividend	309	309
Total	<u>2,225</u>	<u>2,306</u>

Notes forming part of the Balance Sheet (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

10 FIXED ASSETS

₹ In Lacs

Sr. No.	Description of Assets	Gross Block				Depreciation / Amortization				Net Block	
		Cost As on 01.04.2011	Additions during the year	Deductions / Adjustments	Cost As on 31.03.2012	Provided upto 01.04.2011	For the Year	Deductions / Adjustments	Total upto 31.03.2012	As on 31.03.2012	As on 01.04.2011
	Tangible										
1	Land - Freehold	984	-	2	983	-	-	-	-	983	984
2	Land - Leasehold	84	-	-	84	45	6	-	52	32	39
3	Building	6,616	2,546	41	9,121	1,958	346	34	2,270	6,851	4,658
4	Plant & Machinery	12,476	2,743	238	14,981	7,798	839	201	8,437	6,545	4,678
5	Office Equipment	280	40	17	303	187	18	14	191	112	93
6	Furniture & Fixtures	1,205	152	12	1,349	888	66	8	949	400	317
7	Vehicles	1,193	334	88	1,439	632	181	76	737	703	562
	Intangible										
8	Intellectual Property	210	-	-	242	113	28	-	160	80	97
9	Trade Mark	441	-	-	441	228	81	-	309	132	213
10	SAP	247	-	-	247	247	-	-	247	0	0
11	Software	371	164	-	535	119	146	-	266	269	251
	Total	24,107	5,979	398	29,725	12,215	1,711	333	13,618	16,107	11,891
	Previous Year	19,864	4,397	155	24,106	10,973	1,360	118	12,215	11,891	-

As at 31st March, 2012 As at 31st March, 2011

₹ In Lacs

₹ In Lacs

11 CAPITAL WORK IN PROGRESS

Opening Balance

Add : Expenditure during the year

Less : Capitalisation / Adjustments during the year

Closing Balance

	983	470
	330	958
	(975)	(445)
	<u>338</u>	<u>983</u>

12 INTANGIBLE ASSETS UNDER DEVELOPMENT

Opening Balance

Add : Expenditure during the year

Closing Balance

	-	-
	21	-
	<u>21</u>	<u>-</u>

Notes forming part of the Balance Sheet (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
13 NON CURRENT INVESTMENTS		
1) Other Investment		
a) Unquoted		
Wings Intellect Pvt Ltd. 8333(NIL) Equity Shares of ₹ 600/- each	50	-
Investment in Limited Liability Partnership		
Navneet Learning LLP	6	-
b) Long Term Financial Investments	-	10
Total Non current investments	<u>56</u>	<u>10</u>
Aggregate amount of unquoted investments	56	10
14 LONG TERM LOANS AND ADVANCES		
Unsecured - Considered Good		
a) Capital Advance - Advances for Capital Expenditure	474	496
b) Corporate Deposits	75	75
c) Security Deposits	174	167
d) Advance Income Taxes (Net of Provisions)	555	583
e) Wealth Tax	4	5
f) Loans and advances to related parties		
i) Loans to Associates - Navneet Learning LLP	3,045	-
g) Loans to Employees	181	58
h) Loan to Vendors	12	6
i) Sales Tax receivable	47	27
j) Advance to Suppliers	5	10
k) Prepaid Expenses	25	2
l) Equity Shares application money	35	-
m) Deposit with Others	29	29
n) Other Loans & Advances	<u>1,771</u>	<u>1,409</u>
	<u>6,432</u>	<u>2,868</u>

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
15 OTHER NON CURRENT ASSETS		
(Unsecured, considered good)		
Other Income Receivable	27	129
	<u>27</u>	<u>129</u>
16 INVENTORIES		
Stores, Spares & Consumables	528	379
Raw Materials	8,265	5,065
Finished Goods	11,651	11,361
Work In Process	1,236	875
Stock in Trade (in respect of Goods acquired for Trading)	83	30
	<u>21,763</u>	<u>17,709</u>
17 TRADE RECEIVABLES		
(Unsecured, considered good)		
Over six months	807	775
Others	10,833	7,905
	<u>11,640</u>	<u>8,680</u>
18 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on hand	50	43
Balance with Scheduled Banks		
- In Current Account	364	996
	Sub Total A	<u>1,039</u>
Other Bank Balances		
Fixed Bank deposits with more than twelve months maturity	2	10
Fixed Bank deposits with less than twelve months maturity	#	1
Earmarked Balance with Banks		
In Dividend Account	93	80
	Sub Total B	<u>91</u>
	Sub Total A + B	<u>1,130</u>

Notes forming part of the Balance Sheet (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
19 SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Loans to vendors	20	29
b) Loans to Employees	131	211
c) Deposits		
- Security Deposits	2	-
- Corporate Deposits	23	35
d) Sales Tax receivable	10	4
e) CENVAT receivable	33	33
f) Service Tax Refund receivable	1	-
g) Prepaid Expenses	126	97
h) Advance to Suppliers	356	257
i) Advance to Employee for expenses	14	31
j) Other Loans & Advances	45	33
	<u>761</u>	<u>731</u>
20 OTHER CURRENT ASSETS		
a) Export incentive receivable	288	290
b) Other income receivable	6	20
	<u>294</u>	<u>310</u>

Notes forming part of Statement of P & L (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	As at 31st March, 2012	As at 31st March, 2011
	₹ In Lacs	₹ In Lacs
21 REVENUES FROM OPERATION		
Sale of products		
- Finished Goods (Refer Note below 21.1)	61,288	54,442
- Traded Goods	340	127
Sale of services	919	836
Other operating revenues	728	585
	<u>63,275</u>	<u>55,990</u>
Less : Sales Tax Collected	(1,108)	(956)
Less : Excise Duty	(273)	(203)
	<u>61,894</u>	<u>54,831</u>
21.1 SALES OF FINISHED GOODS PRODUCTS		
Educational Books	32,064	26,835
Paper Stationery	22,672	21,186
Others	6,552	6,421
	<u>61,288</u>	<u>54,442</u>
22 OTHER INCOME		
Dividend on Mutual Funds	12	59
Profit / (Loss) on Sale of Investments	24	117
Other non-operating Income	346	125
Profit / (Loss) on Sale of Asset	124	26
Exchange Fluctuation on Consolidation	(#)	3
Interest Income	616	305
Net gain on foreign currency translation and transaction	-	183
	<u>1,122</u>	<u>818</u>

Notes forming part of Statement of P & L (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	₹ In Lacs	₹ In Lacs
23 COST OF MATERIAL CONSUMED		
Raw Materials Consumed	30,483	26,409
	<u>30,483</u>	<u>26,409</u>
23.1 COST OF MATERIAL CONSUMED		
Paper	26,703	22,718
Others	3,780	3,691
	<u>30,483</u>	<u>26,409</u>
24 (INCREASE) / DECREASE IN STOCK OF FINISHED GOODS AND WIP		
Closing Stock		
Work in Process (Refer Note below 24.1)	1,236	875
Finished Goods	11,735	11,391
	<u>12,971</u>	<u>12,266</u>
Opening Stock		
Work in Process	875	764
Finished Goods	11,391	11,837
	<u>12,266</u>	<u>12,601</u>
	<u>(705)</u>	<u>335</u>
24.1 DETAILS OF CLOSING INVENTORY OF WORK IN PROCESS		
Forms	390	299
Printed Covers	577	470
Pasted Sheets	48	16
Ruled Sheets	221	90
	<u>1,236</u>	<u>875</u>
25 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	5,222	4,523
Contribution to Provident and Other Funds	496	474
Staff Welfare	391	406
	<u>6,109</u>	<u>5,403</u>

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	₹ In Lacs	₹ In Lacs
26 FINANCE COST		
Interest on Debentures	-	17
Other Borrowing Costs	576	299
	<u>576</u>	<u>316</u>
27 OTHER EXPENSES		
Printing Expenses	726	686
Binding Expenses	800	646
Other Manufacturing Expenses	1,067	980
Power & Fuel	304	245
Freight & Octroi	614	566
Stores & Spares Consumed	304	185
Repairs to Plant & Machinery	117	145
Rates & Taxes	100	75
Sales Tax Expenses	7	9
Rent	455	534
Royalty	1,208	1,015
Building Repairs & Maintenance	234	252
Other Repairs	186	198
Insurance	76	78
Transportation Expenses	1,079	953
Commission	31	102
Advertisement	232	297
Marketing Expenses	834	796
Sales Promotion Expenses	1,299	953
Discount & Rebate	326	311
Bad debts and other irrecoverable advance written off	102	20
Donation	234	274
Bank Charges	161	139
Prior Period items	5	4
Legal and Professional Fees	604	453
Net loss on foreign currency translation and transaction	281	-
Other Expenses	1,238	1,105
Total	<u>12,624</u>	<u>11,020</u>

For the year ended 31st March, 2012

28 Estimated amount of Capital Contracts (net of Advances) remaining to be executed and not provided for ₹ NIL (Previous Year ₹ 739 Lacs)

29 Contingent Liabilities.

- (a) For disputed Income-tax matters ₹ 496 Lacs (Previous Year ₹ 559 Lacs) against which amount paid is ₹ 535 Lacs (Previous Year ₹ 563 Lacs)
- (b) Against Bond :
 - (i) Import Duty liability of ₹ 381 Lacs (Previous Year ₹ 381 Lacs) for import of machinery against licences granted under EPCG scheme.
 - (ii) Duty liability amounting to ₹ 86 Lacs (₹ 29 Lacs) 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 guarantees given for subsidiary Company of Euro NIL (Previous Year Euro 2-mn) equivalent to ₹ NIL (Previous Year ₹ 1278 Lacs)

30 Financial & Derivative Instruments

- (a) The Company has sold USD 14.48 Mn equivalent ₹ 7234 Lacs and EUR 0.11 Mn equivalent ₹ 78 Lacs (Previous Year USD 9.61 Mn equivalent ₹ 4598 Lacs and Eur 0.87 Mn equivalent ₹ 543 Lacs) to cover our export receivables and purchase USD NIL equivalent ₹ NIL (Previous Year USD 2 Mn equivalent ₹ 941 Lacs) 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 181-Mn (Previous Year JPY 253-Mn) were open as on balance sheet date, maturing over a period of seven years on Jul 2014.

31. Foreign Currency Translation of ₹ 219 Lacs (Previous Year credited ₹ 202 Lacs) arising on account of the exchange difference on non integral foreign operations is debited to the Statement of Profit & Loss.

For the year ended 31st March, 2012

32. Related party transactions

- (a) Associates – Navneet Learning LLP
- (b) Other related parties with whom transaction 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
 - Bigspace Realty Pvt. Ltd
 - The Flagship Advertising Pvt. Ltd.

- (ii) Key Management Personnel & Relatives
 - (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
 - 18. Shri T. R. Shah
 - 19. Smt. H. T. Shah
 - 20. Shri H. A. Gala

Notes on Financial Statements (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

For the year ended 31st March, 2012

Transaction with Related Parties :

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,expense and other services from related parties	1,486 (1,344)	-- (--)	669 (669)	8 (5)	2,163 (2,018)
(ii) Sales of goods and Services	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
(iii) Loans given	-- (--)	3,045 (--)	-- (--)	-- (--)	3,045 (--)
(iv) Investments	-- (--)	7 (--)	-- (--)	-- (--)	7 (--)
(v) Balance outstanding at year end Loans and advances given	-- (--)	3,045 (--)	-- (--)	-- (--)	3,045 (--)

For the year ended 31st March, 2012

33. Earning Per Share :

	2011-2012 ₹ In Lacs	2010-2011 ₹ In Lacs
(a) Net Profit after tax but before extra ordinary item as per statement of profit and loss	7,798	6,676
Less : Extra Ordinary Items	-	-
Net profit available for Equity Shareholders	7,798	6,676
(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	3.27	2.80
(ii) After Extra Ordinary Items	3.27	2.80

34 Lease Transactions : Accounting Standard 19

As a lessor in an Operating Lease

Fixed Assets:

Plant & Machinery (Computer & Hardware) include assets costing ₹ 627 Lac (₹ 107 Lac), (Gross Block) on operating lease contract.

The details of the assets given on operating lease as on 31.03.2012 are

	Computers & Hardware 2011-2012 (₹ In Lacs)	Computers & Hardware 2010-2011 (₹ In Lacs)
Gross carrying amount	627	107
Accumulated Depreciation	135	77
Depreciation recognised in Profit & Loss account for year	82	67

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

Notes on Financial Statements (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

For the year ended 31st March, 2012

	2011-2012 (₹ In Lacs)	2010-2011 (₹ In Lacs)
Not Later than one year	213	26
Later than one year and not later than five years	403	34
Later than five years	-	-
Total	616	60

As a Lessee in an Operating Lease

	2011-2012 (₹ In Lacs)	2010-2011 (₹ In Lacs)
(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 :	172	193
(ii) Later than one year and not later than five years :	36	208
(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 :	119	250
(c) Lease payments recognised in the Statement of Profit and Loss for the period, with separate amounts for minimum lease payments and contingent rents :	182	156
(d) Sub-Lease payments received (or receivable) recognised in the Statement of Profit & Loss for the period :	108	92
(e) A general description of the lessee's significant leaseing 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 leaseing.		

For the year ended 31st March, 2012

35. Details of provisions, utilised, written Back :

Particulars	As at 01.04.2011	Additions	Utilised/ Written Back	As at 31.03.2012
Provision for Leave Salary Encashment	320	55	-	375
Provision for Gratuity	8	9	-	17
	<u>328</u>	<u>64</u>	<u>-</u>	<u>392</u>

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.

Notes on Financial Statements (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

For the year ended 31st March, 2012

[A] Primary - Business Segments

₹ In Lacs

	Publication		Stationery		Others		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenue	36,331	31,110	24,927	23,212	636	509	61,894	54,831
Less : Inter Segment Revenue	—	—	—	—	—	—	—	—
Net Revenue	36,331	31,110	24,927	23,212	636	509	61,894	54,831
Other Income	274	34	111	154	—	(95)	385	93
Segment Revenue	36,605	31,143	25,038	23,367	636	413	62,279	54,924
Segment Results	11,049	8,635	2,577	3,314	26	(84)	13,652	11,865
Add : Unallocated Other Income/(Expense)	—	—	—	—	—	—	737	725
Less : Financial Expenses	—	—	—	—	—	—	576	316
Less : Unallocable Expenditures	—	—	—	—	—	—	1,846	1,597
Profit Before Taxation	—	—	—	—	—	—	11,967	10,678
Provision for Taxation (Income tax, and deferred tax)	—	—	—	—	—	—	4,200	4,036
Minority Interest	—	—	—	—	—	—	(31)	(34)
Profit after taxation	—	—	—	—	—	—	7,798	6,676
Extraordinary Item (net of tax expense)	—	—	—	—	—	—	—	—
Net Profit after extraordinary Items	—	—	—	—	—	—	7,798	6,676
Segment Assets	24,810	20,372	24,511	18,814	1,969	1,599	51,290	40,785
Unallocated Assets	—	—	—	—	—	—	6,659	3,708
Total Assets	—	—	—	—	—	—	57,948	44,492
Segment Liabilities	1,595	2,519	2,370	1,376	10	13	3,975	3,909
Unallocated Liabilities	—	—	—	—	—	—	17,829	8,319
Total Liabilities	—	—	—	—	—	—	21,804	12,228
Capital Expenditure	2,694	2,680	2,718	2,066	670	—	6,082	4,746
Unallocated Capital Expenditure	—	—	—	—	—	—	247	164
Depreciation on Segmental Assets	880	715	447	332	237	234	1,564	1,281
Unallocated Depreciation	—	—	—	—	—	—	149	80
Amortization	—	—	—	—	—	—	—	—

Notes on Financial Statements (Consolidated)

NAVNEET PUBLICATIONS (INDIA) LIMITED

For the year ended 31st March, 2012

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.

[B] Secondary - Geographical Segments

₹ in Lacs

	North & Central America	Africa	Europe	Australia & Oceania	Rest of the world except India	India	Total
Segment Revenue	2,445 (2,439)	1,664 (1,534)	560 (2,136)	28 (27)	894 (331)	56,303 (48,364)	61,894 (54,831)
Segment Assets	135 (69)	301 (264)	117 (965)	- (7)	369 (37)	57,026 (43,150)	57,948 (44,492)

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

- (a) The Company adopted Accounting Standard (AS) 15 (revised 2005) on "Employee Benefits" issued by ICAI. 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 amount as an expense and included in the Statement of Profit and Loss.

	₹ in Lacs	₹ in Lacs
	2011-12	2010-11
(i) Provident Fund	244	223
(ii) ESIC	63	57

- (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 :

Notes on Financial Statements (Consolidated)

For the year ended 31st March, 2012

NAVNEET PUBLICATIONS (INDIA) LIMITED

	Gratuity (Funded)		Leave Encashment (Non-Funded)	
	31/03/12	31/03/11	31/03/12	31/03/11
Change in Obligation				
Accrued Gratuity	864	713	318	324
Actuarial gain/(loss)	(61)	97	71	10
Interest Cost	69	57	25	23
Less : Benefits paid	3	4	41	39
Accrued Gratuity	869	864	373	318
Change in Plan Asset				
Opening Fund Balance	913	706	-	-
Return on the plan asset	86	67	-	-
Contribution paid	121	143	41	39
Less : Benefits paid	3	4	41	39
Closing Fund Balance	1,117	913	-	-
Reconciliation of present value of obligation and the plan asset				
Closing Fund Balance	1,117	913	-	-
Accrued Gratuity	869	864	-	-
Net Liability	(248)	(49)	373	318
Balance sheet	-	-	373	318
Expense recognized in the statement of P & L				
Current Service Cost			90	66
Interest Cost			25	23
Expected Return on Plan Assets			-	-
Net Actuarial (Gain) / Loss recognized for the period			-	(56)
Expense recognized in the statement of P & L			115	33
Movement in the Liability recognized in Balance Sheet				
Opening Net Liability			318	324
Expenses as above			115	33
Contribution paid			(41)	(39)
Closing Net Liability			392	318
Assumptions				
Assets	8.00%	8.00%	0.00%	0.00%
Salary escalation rate	7.00%	7.00%	4.00%	4.00%
Discounting rate	8.00%	8.00%	7.30%	7.30%

For the year ended 31st March, 2012

38. The Loss of Subsidiary attributable to minority is agreed to be funded by them.

39. Figure of ₹ 50,000 or less have been denoted by #

40. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached hereto
For and on behalf of :

For and on behalf of the Board

Ghalla & Bhansali

Chartered Accountants (Registration No. 103142W)
sd/-

sd/-

sd/-

sd/-

Haresh K. Chheda
Partner (Membership No. 38262)
Mumbai : 23rd August, 2012

Amit D. Buch
Company Secretary

A. R. Gala
Managing Director

S. K. Vikamsey
Chairman

Particulars of subsidiaries as at 31st March, 2012 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 Companies Act, 1956.

₹ in Lacs

Sr. No.	Particulars	Name of the Subsidiaries	
		eSense Learning Pvt. Ltd. As at 31-03-12	Grafalco Ediciones S.L.* As at 31-03-12
a	Capital	413	469
b	Reserves	-	-
c	Total Assets		
	Fixed Assets	1,023	#
	Current Assets, Loans and advances	752	68
	Profit & Loss account - Debit Balance	1,084	438
d	Total Liabilities		
	Loans-Secured / Unsecured	2,200	17
	Deferred Tax Liability (Net)	-	2
	Current Liabilities and Provisions	295	18
e	Details of Investments	50	-
f	Turnover / Other Income	922	1236
g	Profit / (Loss) before taxation	(352)	704
h	Provision for taxation	-	#
i	Profit / (Loss) after taxation	(352)	704
j	Proposed Dividend	-	-

*Average exchange rate as on 31-03-2012, Euro 1 = ₹ 65.3977

Figure of ₹ 50,000 or less have been denoted by #

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NAVNEET PUBLICATIONS (INDIA) LIMITED

Registered Office : Navneet Bhavan, Bhavani Shankar Road, Dadar (West), Mumbai – 400028.

ATTENDANCE SLIP

Twenty-Sixth Annual General Meeting - Thursday, 27th September, 2012.

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

Master Folio No. _____ No. of Shares Held _____

DPID _____ Client ID _____

Mr. / Ms. / Mrs _____

Address _____

I / We hereby record my / our presence at the TWENTY -SIXTH ANNUAL GENERAL MEETING of the Company held on Thursday, 27th September, 2012 at 3 : 30 p.m. at Textile Committee Auditorium, Textile Committee Building , P. Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai – 400025.

(Proxy’s Name in Block Letters)

(Member’s / Proxy’s Signature #)

Strike out whichever is not applicable

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NAVNEET PUBLICATIONS (INDIA) LIMITED

Registered Office : Navneet Bhavan, Bhavani Shankar Road, Dadar (West), Mumbai – 400028.

PROXY FORM

Client ID _____

DPID _____

Master Folio No. _____

I/We _____ of _____ in the district of _____ being a member/members of Navneet Publications (India) Limited hereby appoint _____ of _____ in the district of _____ or failing him _____

of _____ in the district of _____ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 27th September, 2012 at 3 : 30 p.m. and at any adjournment(s) thereof.

Signed this..... day of 2012.

Signature



NOTE : The proxy form 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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NAVNEET PUBLICATIONS (INDIA) LIMITED