



Knowledge is wealth

NEL/101/2025-26

Date: 22nd May, 2025

The Secretary
National Stock Exchange of India Ltd.
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'G' Block, Bandra-Kurla Complex,
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Corporate Relationship Department
Bombay Stock Exchange Ltd.
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort, Mumbai – 400001.

Ref: Symbol– NAVNETEDUL

Ref: Scrip Code – 508989

Dear Sir/ Madam,

Subject: Disclosure of Transcript of Earning Call for Q4 FY 25

This is further to our letter dated 15th May, 2025, wherein we had given you an advance intimation of the earning call with the investors and analysts. Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the transcript of earning call held on 20th May, 2025 to discuss the Operational and Financial performance of the Company for Q4 FY 25 results is attached herewith and available on the website of the Company at www.navneet.com .

You are requested to take note of the above.

Thanking You,

Yours Faithfully,

FOR NAVNEET EDUCATION LIMITED

AMIT D. BUCH
COMPANY SECRETARY
MEMBERSHIP NO. A15239

Encl.: a/a

NAVNEET EDUCATION LIMITED

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Navneet Education Limited

Transcript of Q4 FY '25 Earnings Conference Call

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on website of the Company will prevail.

Navneet Education Limited Q4 and FY25 Earnings Conference Call

Hosted by PL Capital

– **Moderator:**

- Ladies and gentlemen, good day and welcome to the Navneet Education Limited Q4 and FY25 earnings conference call hosted by PL Capital. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Jinesh Joshi from PL Capital. Thank you and over to you, sir.

– Jinesh Joshi:

- Yeah, good afternoon, everyone. On behalf of PL Capital, I welcome you all to the Q4 and FY25 earnings call of Navneet Education Limited. We have with us the management represented by Mr. Sunil Gala, who is the MD, Mr. Kalpesh Dedhia, CFO and Mr. Roomy Mistry, Head IR. I would now like to hand over the call to the management for opening remarks. Over to you, Sunil bhai.

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

- Thank you, Jinesh and good afternoon to all of you. Thank you, Jinesh for also introducing all of us. Now, hope you all have received our Investor Presentation. For those who have not, they can view it on our stock exchanges and also on the company's website.
- So, today I am pleased to share with you our company's performance for the recent quarter and full year 25. Let me admit, while we have faced some challenges, I am confident that our strategic initiatives and market trends, position us for growth and success in future.
- In the year FY25, our revenue grew marginally by around 2.5%, in which Publication segment grew by just 3% and Stationery also grew very, very marginally. Let me straight go to each of these businesses.
- I will start with the Content business. And, within Content, I will talk about Publications. So, our Publication subdued experienced subdued performance, which of course, I have been addressing in my earlier conferences as well. And as you all may recall, it is majorly due to the lack of change in syllabus in both the states of Maharashtra and Gujarat, for now the seventh consecutive year. Additionally,

second-hand book market continued to prevail due to this, resulting in below average counter sales; it means at the retailer's counter, and new books which generally is the trend. Now, going forward, the company is confident of growing for the next couple of years on account of change in curriculum cycle announced from FY26.

- Now, moving forward, we remain focused on expanding our reach and strengthening our content portfolio, particularly on the CBSE side. And additionally, leveraging the digital platform to enhance distribution and accessibility. I am specifically referring to digital platforms, because in the Publishing side or on a Content side or on the usage side by the end users, the importance of digital is increasing day-by-day. Therefore, this strategic initiative will enable us to build our success and drive for a sustainable growth in Publication business.
- Coming back to Stationery business, first I will talk about domestic i.e. all India. Now, you all may have noticed that actually we de-grew by 13% in FY25. Let me explain why. First and foremost, drop in paper prices resulted in reduction of product pricing, and hence, lower realization by around 9%. And of course, there was a volume drop also by around 4%. The reason of volume growth of 4% was mainly on account of competition from unorganized sector. Now, as the paper prices have stabilized, the trade is convinced about no further reduction in paper price. And hence, we anticipate that the orders would be placed by them confidently, expecting no further drop in the final product prices. So, till March, that was the biggest concern in the trade, that whether paper prices will further go down, and there is that the prices of the end product, which is stabilized now.
- So, here also we are focused on strengthening our distribution network and exploring opportunities for product innovation to drive sustainable growth in the domestic stationery segment. Here, I should add that earlier, as you may know, that our major focus was on paper products. But recently, in last 6-8 months, we have started focusing on non-paper stationery products as well. A couple of them are already introduced in the market, and regularly every quarter we will be introducing various other products as well. So, our focus of strengthening our distribution network and exploring opportunities for product innovation, that will drive sustainable growth in the whole market.
- So, let me repeat, but while near-term challenges persist, we remain very optimistic about long-term growth prospects of the segment, backed by our strong brand positioning, extensive market reach, new product range and commitment to delivering high quality products.
- Post this, I'll talk about now Stationery business, overseas exports. No doubt, we were expecting around 15% growth in the export Stationery, but we could achieve 12%. This new introduction of newer territories helped Navneet to expand its top line, even though, now this is very important, even though new rates were negotiated with the clients after reduction in paper prices. So, like domestic, even in exports, because of the reduction in paper prices, we had to reduce the end product prices also. But even though then, we have grown by around 12%.

- The major topic that every one of you may have in your mind about the US tariff's effect on Navneet. Since our major exports are to the US, that concern or that question is but necessary. So, I should convey here that the final positive or negative impact of the US tariffs is unknown till the final tariffs are decided by the US for each of the countries. Thankfully, the company has not faced any cancellation of orders till now. But when it comes to new seasons or deciding the volumes for each of the product category that we are in, all our customers are saying to wait and watch. They are not ready to comment anything because all of them are waiting for the final tariffs.
- However, we are very positive on gaining the market share from our present and future product offerings in the US. Because when we talk to our customers, most of them want to favour more and more towards India. But then also, they are remaining non-committal today on a long-term basis, basis the decision on the tariffs. But here, apart from the tariffs, of course, it will be on all the products, but we plan to further expand our product portfolio to include both paper and non-paper stationery items.
- Overall, looking ahead, we are optimistic about the future prospects of our company. With the upcoming curriculum change that I mentioned, we expect to see an increase in demand of our publications, and therefore, it means volume growth. Additionally, our focus on exports and new product offering will continue to drive growth and increase our market share.
- In terms of our competitive landscape, we believe that our company is well-positioned to take advantage of the changing market trends. Our focus on quality innovation and customer satisfaction has allowed us to build a strong brand and reputation in the industry. I may remind you all, and which I have mentioned earlier, that particularly in exports, where there are huge opportunities, with most of our clients, Navneet is categorized as the preferred vendor. And therefore, we are very, very hopeful that if the tariffs are in favour of India, I am sure Navneet will benefit tremendously.
- So, in conclusion, while we face some challenges in the recent quarters, we are confident that our strategic initiatives and market trends position us for growth and success in the future. We will continue to focus on delivering high quality products and services to our customers.
- This is what I wanted to convey. I should thank all of you to have shown continued support and trust in our company. Now, I open the floor for questions and answers. Thank you.
- **Question & Answer Session:**
- **Moderator:**
- Thank you very much, sir. We will now begin the Question & Answer session. Anyone who wishes to ask a question may press * and 1 on their touchtone telephone. If you wish to withdraw from the question queue, you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will

wait for a moment while the question queue assembles. I may repeat, if you wish to ask a question, you may press * and 1.

- We have our first question from the line of Niraj Vijay from ProsperoTree. Please go ahead.
- **Mr. Niraj Vijay - ProsperoTree:**
- Thanks for the opportunity, sir. Sir, my question is related to the Indiannica. Sir, what is the revenue and profit from the Indiannica in the financial year 2025 versus FY24?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Can I request my CFO Kalpesh to answer that, please?
- **Mr. Niraj Vijay - ProsperoTree:**
- Please, please. Anyone, anyone can answer.
- **Mr. Kalpesh Dedhia - CFO, Navneet Education Ltd:**
- So, revenue from operations was about 55 crores compared to 59 crores in FY24.
- **Mr. Niraj Vijay - ProsperoTree:**
- Okay. And what is the profitability from the Indiannica?
- **Mr. Kalpesh Dedhia - CFO, Navneet Education Ltd:**
- So, at PAT level, there was a loss of 6 crore compared to 10 crore last year.
- **Mr. Niraj Vijay - ProsperoTree:**
- And at EBITDA level?
- **Mr. Kalpesh Dedhia - CFO, Navneet Education Ltd:**
- EBITDA level, it is 1.6 crore loss versus break-even last year.
- **Mr. Niraj Vijay - ProsperoTree:**
- Okay. Sir, if I am not making mistake and I am not forgetting, in the Q3 concall also, it was suggested that Indiannica may report the Rs. 60 to 65 crores of the top line and will achieve the break-even. See, at the console level, the Q4, the major contribution comes from the... at least in the publication division, the major contribution comes from the Indiannica, and Indiannica is not making positive contribution to the Navneet final at the console level. How long we will continue the Indiannica business, and what is our actual logic to continue and support the Indiannica business? I do not understand. Because this is the... I think 8 to 10 years has happened since acquisition, and still Indiannica is not positively contributing to Navneet. Can you explain something?

- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Yes, sure. And I fully agree with you that for several years, we have not been able to perform in an individual company level on the positiveness. I fully agree with you. Having said that, as a content provider for last several decades, and as you all know, that we were pioneer and we were successful in state-level extracurricular activity books i.e. guides, workbooks that we have been publishing. If you have ever read the recent trend of converting SSC schools to CBSE school, is rising at a very, very rapid pace.
- Now, here the challenge that we are facing, likewise maybe all the publishers are facing, is going to each and every school to recommend for a textbook. In Navneet, we were always selling supplementary books, major sale was coming from the trade. Whereas at Indiannica, it is the textbook for which we have to visit each and every school on regular basis and get them recommended. Here, unhealthy competition is frankly coming in our way. Now, I do not know whether it is a short-term issue or a very long-term issue. Books together with digital content providers are very, very few in the country, or the level of digital that we are providing. The major loss that we are still seeing is because continuously we have to invest in digital products also, together with the textbook.
- So, what I am saying is that, we are quite concerned ourselves about the financial numbers. But simultaneously, keeping CBSE focus away can be the biggest mistake for any publisher now. Therefore, we still continue this. Of course, we are learning on a regular basis on how to manage this unhealthy competition. So, I am sure... I do not want to commit now because I had myself said, but it has not come true. But I would say that we will have to improve upon as far as this individual business is concerned.
- **Mr. Niraj Vijay - ProsperoTree:**
- Thanks. Sir, but is it not advisable to merge the Indiannica business with the Navneet, so we can set off the loss incurred by Indiannica and we have a lower tax liability? Because otherwise, at the console level, we cannot set off what we pay tax at the standalone level and we are incurring the loss at the subsidiary level. So, is it not advisable to merge the Indiannica with Navneet, and with maintaining the Indiannica as a separate one. Not necessarily Navneet as a brand, but because the Indiannica is a 100% subsidiary of Navneet. So, is it not advisable?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- We are seriously considering that aspect. The reason of keeping it altogether different was the dynamics of selling products. The salaries of the sales team was very, very different than the state level curriculum sales business. That was the major reason of us keeping it separately. But now we are evaluating very seriously, and probably in some time we will decide on that as well.
- **Mr. Niraj Vijay - ProsperoTree:**
- Okay, thanks. That is from my side. Thank you, sir. Thank you very much and all the best, sir.

- **Moderator:**
- Thank you. We have our next question from line of Himanshu Upadhyay from BugleRock PMS. Please go ahead.
- **Mr. Himanshu Upadhyay - BugleRock PMS:**
- Hi, good afternoon. Continuing on this question about Indiannica. Can you give an idea of how many schools we approached this year versus FY24? And how many titles were subscribed per book, per school where we approached? And what has been the trend in last three years? And why the dip? Because it felt that we have increased our sales force and the number of schools we had approached this year was much larger than the previous year. So, some thoughts on that would be helpful to understand the challenges we are facing in the business.
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- So, of course, we do not keep count of the number of schools that we visit. But basis this question, I can roughly say based on the projections that I recall, that in the earlier year we would have approached around 8,500 schools of which around 5,000 schools would have been converted for one title to 3-4 titles. Versus this year, we may have approached nearly 10,000 odd but we could not increase the conversion. And the reason I already mentioned to the previous person, Mr. Niraj, that the unhealthy competition everywhere is coming in the way. But thankfully, in the state of Maharashtra and Gujarat where schools are getting converted from SSC to CBSE, there we are more or less quite successful. The success ratio is more than 80% there, to have this recommended. So, even for us to retain Maharashtra-Gujarat intact, this is necessary. And therefore, we still continue to do so.
- But now, as far as per school, how many titles, to that level, we really cannot share as well. But overall, the reason of de-growth as well as the losses which I mentioned to the earlier person, remains the same.
- **Mr. Himanshu Upadhyay - BugleRock PMS:**
- And how is the Grafalco brand doing? And does it really make sense that Grafalco and Indiannica having two separate brands when they are trying to have this niche market?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Yeah, this is typical trend in CBSE schools. So, the trend is that no school continues for the same title for more than 3-4 years; they need a different title, different style of product. And therefore, most of the large publishers in the country, they have their minimum two to maximum five brands coming from the same company. So, even if school wants to change from one brand to another, they can do so. But simultaneously, it benefits to the same company. And that is the reason we have kept Grafalco.
- The other reason Grafalco that we have kept here is, Grafalco focuses only on pre-primary and up to Grade 5. It does not publish beyond Grade 5. And these products,

apart from selling it into the CBSE schools, we do sell them in SSC English medium schools as well. And for that, if we merge Indiannica brand with Grafalco, also may create some confusion internally, frankly. And therefore, we have kept this separate.

– **Mr. Himanshu Upadhyay - BugleRock PMS:**

– Okay. Okay. And one thing, we had that digital solution, TopClass and TopScorer and all those, which got merged. But we wanted to continue with our digital journey. What progress has been made in this FY25? And is it really working, or we are not working on that phase?

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– If we were not continuing our digital journey, it would have really dampened our physical sales of books across. So, I am just not talking about CBSE, but for SSC as well. And therefore, we have to consider that as a cost of production now. Of course, we have an individual product called TopClass and TopScorer. That of course, we have that as an offering to the school. But now, every book that we come up with, has some or the other digital component in it. So, I would say that of course, our cost has increased there, and we have not been able to or we are purposefully not trying to pass on that to the end customer and are consuming ourselves. And therefore, you saw that our EBITDA margin has come down if we compare it with five years ahead. So, we are okay with that to continue for next couple of years. And of course, finally, we will try and pass on the same to the end customer. But till we successfully get this implemented, the user base increases for this, we would like to consume ourselves the cost and offer to the student community.

– **Mr. Himanshu Upadhyay - BugleRock PMS:**

– Okay. And in next FY26, what measures are you thinking about our CBSE business? What can we improve and change and target that business? So, any thoughts here will be helpful.

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– So, here now the target given to our sales team is, instead of focusing more on number of schools, they should focus more titles in the same school. And therefore, we are trying to concentrate on major cities and not trying to grow exponentially in the other cities or smaller cities. That way, there will be reduction in expenses and our focus to increase more titles in the same school would benefit with better volumes from each of the schools. So, this is the action plan that we have designed after the performance of FY25.

– **Mr. Himanshu Upadhyay - BugleRock PMS:**

– Okay. Thanks...

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– And of course, I should also mention to all of you that as far as technology is concerned, you might have read some social media advertisements also, we have come up with a great AI solution for the teacher community, which we are not

charging for the current year and are giving it for free. And we have decided to give to around 1,000 schools. And this is not restricted to CBSE schools, but as well it is offered to SSC schools also.

- The way we are seeing the usage of that tool in the schools, we are very encouraged that this type of facility to the teacher, really saves huge time effort of the teacher on their day-to-day activities, and that will really make us glued in the school for a very long period. So, this is one major initiative that we have taken and have introduced. And I think as we know, we are the only publisher in the country offering this solution for the teachers.

– **Mr. Himanshu Upadhyay - BugleRock PMS:**

- Okay. Thank you from my side. I will join back in the queue for further questions.

– **Moderator:**

- Thank you. We have our next question from line of Viraj from SiMPL. Please go ahead.

– **Mr. Viraj Kacharia – SiMPL:**

- Yeah, just couple of questions. First on the CBSE business segment. Can you give some colour what is the sales profitability of Navneet RISE in 2025? And just going a little deeper into the competitive aspect in CBSE, which you alluded now, if you see post NEP, the thinking was that, given the kind of digital capability one would require with the content change, one would see a consolidation and competition intensity would be much lesser in CBSE. But your comments say otherwise. So, can you kind of give a deeper perspective on what is running on the competitive aspect?

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

- Now, of course, there are more than 600-800 publishers, who may not be publishing all the titles in their company, but with whatever that they come up with, they try to see that their titles get sales. Now, unfortunately, they have very limited sales expenditure or advertisement expenditure. Sales expenditure is one of the biggest in CBSE book business. And therefore, they are able to offer higher discounts. Now that higher discounts *per se* attract schools to recommend those titles. So, that is one of our biggest concerns that we are facing.

- I do not recall having talked about consolidation in the industry. But I did recall having said this for our domestic stationery. If paper prices were to further go up, then there was huge possibility of consolidation. So, in this, we are not seeing consolidation. What we have now decided, that instead of fighting on the discounts with each and every school, we are trying to see what else can we provide to them, what additional features can we provide to them, and that should attract them to buy our product without looking at the discounts only. So, that is the way to succeed in this business on a long term basis. That we have started implementing, rather introducing this, particularly what I mentioned about AI. So, with that, the clearness to continue using our products should increase, and more and more new customers

should get attracted. So, that is the endeavour that we are focusing on. And that should bring us a better volume going forward.

– **Mr. Viraj Kacharia – SiMPL:**

– And on Navneet RISE, can you just give some perspective?

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– So, Navneet RISE, our focus has been always Maharashtra and Gujarat, majorly. So, our 80-85% of the revenue comes from these two states only. Whichever schools have got themselves converted to CBSE, we are offering them RISE series. So, for FY25, of the total publication sales, standalone publication sales, the RISE would have contributed around 35 crores. And we are sure that as and when other schools get converted to CBSE or they grow in number of standards, because each converted CBSE may not have all the 10 grades with them. And therefore with all this, we should... at least we want to retain our two core states with us, and whatever is required by those schools, we would like to offer it to them. So, as far as number is concerned, I did mention. And the reason of RISE and a special product focus on Maharashtra, Gujarat also I mentioned.

– **Mr. Viraj Kacharia – SiMPL:**

– Second question is on the export piece. Can you give some perspectives in terms of contribution of new categories of products, say in FY25? How much those would have contributed? Categories of products introduced in last 2-3 years? And in terms of the tariff part, if you can just also give some perspective, how does the contracts are arrived at with our customers in US? So, typically here the tariff, whatever is applicable currently, who bears the tariff impact?

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– I will answer first your last question on the way contracts are designed. So, most of our customers, we enter into a yearly contract. Yearly contract, meaning starting from January till August. I am talking about US customers and where our major businesses. So, there the contract is fixing on a price of a product and tentative volumes that they are expecting. So, with these two, we arrive at our production planning. And for every month, they go on releasing the quantities to us for their requirements. This is the way it is designed.

– So, for one calendar year practically, you can say, the price is fixed and the volumes are more or less estimated. Based on this, we start planning ourselves. So, now when we go for the next year season, it will all depend on the final outcome of the tariffs, and based on that, we will come to know what kind of volumes are possible from them.

– And your first question was on? New category contribution. So, in last not 3 but 4 years, we have focused more on file folders made of plastic or couple of metal products. So, happy to say that file folder itself is contributing nearly 17 to 18% of our total revenue of exports. Metal is still a very small. It is hardly, I should say, 1% or so. Now that they have experienced our product and quality, I am sure now they will

start increasing volume for the products that we are sending, as well as new items in the same material that they will start giving us. So, it is a journey that we have to be with them and satisfy them, which we are feeling we are very confident and happy that we have fulfilled all their requirements till now.

– **Mr. Viraj Kacharia – SiMPL:**

– So, just two questions on this, and then I will come back in queue. One is, you did say that it takes somewhere between 2-3 years for the trial evaluation and the ramp up to happen. So, among the categories which you have introduced, are there categories which you think they are now at a mature stage and should see faster scale up? And second parallel question is on the Capex. What is the Capex you are looking to spend for next two years?

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– Yes. So, categories are many that are under pipeline, under discussion with the end customers, rather our customers. And this includes more and more ranges on canvas, which is the cotton as a raw material. So, canvas products and some wooden products, which are used as a stationery product. So, these are two categories that I can mention. I will not be able to discuss more about other categories that we are evaluating.

– And secondly, the Capex that you asked, so of course, there was some capex made already, but it's still shown in working capital because we have not operationalized yet. So, that number will be around 50 crores, which the production facility will start by July. And further, we have decided to invest at least 100 crores every year in Stationery business, which will include buying of a land also, construction and machinery. So, all put together, sometime it may go to 100, 50 or 150, but it will be on an average 100 crores will be spent in next three years.

– **Mr. Viraj Kacharia – SiMPL:**

– Okay. I will come back in the queue. Thank you.

– **Moderator:**

– Thank you. We have our next question from the line of Arihant from Bowhead. Please go ahead.

– **Mr. Arihant Baid – Bowhead India Fund:**

– Hi, sir. Please can you tell regarding Gujarat state specifically, which subjects or grade the curriculum is changing this year, and what are the expectations for next year?

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– One minute. Roomy, by any chance, do you recall which all subjects are changing in Gujarat?

- **Mr. Roomy Mistry - Head Investor Relations, Navneet Education Ltd:**
- So, yeah. Just a minute. So, in Gujarat, there are a couple of changes of limited subjects in Grade 6 and 7.
- **Mr. Arihant Baid – Bowhead India Fund:**
- Okay. Any expectation for next year? Like in Maharashtra state, changes happening grade wise. So, in Gujarat also, like for next year, will it happen... curriculum change will happen grade wise only or will it happen subject wise only?
- **Mr. Roomy Mistry - Head Investor Relations, Navneet Education Ltd:**
- Yeah. So, it is grade wise. And in the grades also, there are specific subjects that are going to change.
- **Mr. Arihant Baid – Bowhead India Fund:**
- Okay. And sir, my other question was on paper prices. Like since the start of this year, has the price increased or decreased and what is your outlook for the future for paper prices?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- No. Since last February, the prices are stabilized. It has not increased, neither decreased. So, at least for next six months, we are not forcing any paper price increase.
- **Mr. Arihant Baid – Bowhead India Fund:**
- Okay. And I wanted to know, have we introduced the new product paper and non-paper in domestic stationery market? When did we introduce that and how has the response been so far? And what is the growth we are expecting in Stationery domestic segment this year?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Your voice is little subdued. But what I understand, the growth prospects in non-paper stationery products, right?
- **Mr. Arihant Baid – Bowhead India Fund:**
- Growth in overall Stationery, domestic stationery. What we are expecting? And the products which we have introduced, paper and non-paper, how has the response been from the market for those products?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- So, we have introduced most of the new products in the month of March only. And as we are in May, the response has been quite positive. The appreciation on quality aspect is seen. The real test for us is the month of June, when the actual users go into the retail trade and buy the products. That will be the real test for us. And we will see then that what is the repeat of each of these items. But as far as trade is

concerned, they are very happy with the new quality, new designs that we have come up with.

– **Mr. Arihant Baid – Bowhead India Fund:**

– Okay, sir. And sir, my last question would be regarding exports. In FY25, what would be the price decline which we have taken? Can you provide price and volume growth data for export stationery?

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– You are saying price growth and volume growth?

– **Mr. Arihant Baid – Bowhead India Fund:**

– Yeah, in FY25.

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– What was the price? Oh, price, I mentioned in my speech, particularly paper products, we had to reduce the prices because of the reduction in paper prices. So, price reduction would be to the extent of around 8 to 9%. That would be the reduction in paper products. Whereas other category, that 20-odd percent that I mentioned, there we did not have to reduce the prices.

– **Mr. Arihant Baid – Bowhead India Fund:**

– Okay. Thank you, sir. I will join the queue.

– **Moderator:**

– Thank you. We have our next question from the line of Ranjan Shah, an individual investor. Please go ahead.

– **Mr. Ranjan Shah – Individual Investor:**

– Yeah, Sunil bhai, good afternoon. How are you?

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– Very fine, Ranjan bhai.

– **Mr. Ranjan Shah – Individual Investor:**

– Sunil bhai, I have very straight question actually, a couple of them. One is that, I think this year you reported a turnover of about 1,786 crores on a console level.

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– Yeah.

- **Mr. Ranjan Shah – Individual Investor:**
- And the profit was at about 174 crores, down by about 5% compared to 183 crores, normalized.
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Kalpesh, can you comment on that, please?
- **Mr. Kalpesh Dedhia - CFO, Navneet Education Ltd:**
- Ranjan bhai, can you repeat, please?
- **Mr. Ranjan Shah – Individual Investor:**
- See, can you hear me?
- **Mr. Kalpesh Dedhia - CFO, Navneet Education Ltd:**
- Yeah.
- **Mr. Ranjan Shah – Individual Investor:**
- No, no. I actually basically wanted to ask Sunil bhai one question that this year you reported 1,786 crores top line and 174 crores of bottom line. Now, similarly on a consolidated basis, normalized operations, what are your projections for FY26 and FY27, internal projections? If you can share those with us, it could be really helpful.
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Hello? Kalpesh, are you answering?
- **Mr. Kalpesh Dedhia - CFO, Navneet Education Ltd:**
- Yeah. So, Ranjan bhai, you are asking for the projection of normalized profits for...
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- No, no. Kalpesh, first talk about FY25 numbers that he is asking.
- **Mr. Kalpesh Dedhia - CFO, Navneet Education Ltd:**
- Yeah, he is correct. He is reading from our Investor Presentation.
- **Mr. Ranjan Shah – Individual Investor:**
- Yeah. Investor presentation shows that you reported 1, 786 crores of top line and 174 crores of bottom line for FY25. Now, my question to you is that, what are your similar projections for FY26 and FY27? If you can share, it would be really helpful to us. Because understanding exports, Stationery, domestic stationery, Publication, syllabus change, all these things put together, what are your projections, internal projections for FY26 and FY27? Basically, how much kind of revenue growth are we foreseeing in FY26 and FY27? And similarly, what kind of profit growth are we projecting for FY26 and FY27?

- And also, the last question, what is the current net cash on the books of the company? And what is the total debt?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- So, I will answer that. So, as far as debt is concerned, as we speak, we have hardly few around 30 odd crores debt on our books. And as far as projections are concerned, Ranjan bhai, this all depends on how much can we really grow volumes. Because if we stick to the same volumes without increasing the pricing, the bottom line but obviously will be down. So, as far as volume growth is concerned at a company level, we are foreseeing that on an average 10 to 11% volume growth, we will see. If I talk about Publication around 6-7%, exports around 20-odd percent, and domestic around 5-6% again. So, on an average console basis, we will see a volume growth of 12%. And with that, the bottom line also should grow by around 10%. So, this is the expectation for FY26.
- FY27, I would like to not like to comment today because it is too early for me to comment on FY27.
- **Mr. Ranjan Shah – Individual Investor:**
- Fine. So, basically, approximately 200 crores of net profit on a console basis, we can expect for the next... for the current year FY26, approximately 200 crores of net profit.
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Yes, yes, yes.
- **Mr. Ranjan Shah – Individual Investor:**
- Okay. And sir, what is the total net cash on the books of the company right now, as we speak?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Kalpesh.
- **Mr. Kalpesh Dedhia - CFO, Navneet Education Ltd:**
- So, as Sunil bhai just mentioned, we are in debt at present. So, as on now, as on today, we have only debt of 20 crores. So, there are no cash on the balance sheet.
- **Mr. Ranjan Shah – Individual Investor:**
- Okay, there is no cash on the balance sheet.
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- This is not a time where we would have a cash. We will have maximum cash in the month of September.

- **Mr. Ranjan Shah – Individual Investor:**
- Right, right. Okay. Fine, fine. Thank you so much.
- **Moderator:**
- Thank you. We have our next question from line on. Niraj Vijay from ProsperoTree, please go ahead.
- **Mr. Niraj Vijay - ProsperoTree:**
- Thanks for the one for an opportunity again. Am I audible, sir?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Yes, please.
- **Mr. Niraj Vijay - ProsperoTree:**
- Yeah, yeah. My question to Sunil Bhai only. Sir, I would like to know the what are the major likely positives for the company for the next two years? Is it the syllabus change or higher export of stationery or turnaround of the Indiannica? What are the bright spots for the company currently? What do you are thinking that these are the bright spots on which the company can encash it?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- You yourself answered, frankly, all of them, which is the curriculum change cycle for next four continuous years we are very sure of. That will help Publication growth as well as profitability. Exports of Stationery growth is quite, quite sure. Just one caveat, that if some very, very adverse tariff comes on the country, then we may not hold ourselves right. So, that is the only risk factor that we see. And thirdly, in domestic market also, instead of just focusing on paper-based stationery products, introducing various non-paper stationery products in the market, these are the three areas where we believe, rather all the three businesses we should be better off than FY25. And I am talking about long term.
- **Mr. Niraj Vijay - ProsperoTree:**
- Okay. Sir, in a reply to one question, you mentioned that the prospective export buyer or buyers, have they postponed the decision to place new order, or the pipeline is weaker because there is a possibility that higher tariff will be imposed by the USA. Is that a case or is it the normal business as the last year?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Till date, it is normal. Whatever orders that we were expecting for the year based on the contracts that we have entered into, have come in. So, more or less, the final dispatches would be around 15th of June for the US territory, and that would be over. So, their back-to-school season, which starts from August every year, for that, whatever that they had committed, have bought. Now, we are talking about going

forward, next subsequent year. For that, I think we all will have to wait till the final decision on tariffs.

– **Mr. Niraj Vijay - ProsperoTree:**

– By the end of this quarter, we may come to know that whether there be any new fresh order or will the tariffs stop us?

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– So, when we, when we have our concall, we would be clear because, I believe those 90 days gets over on 9th of July. So, by then we should be clear.

– **Mr. Niraj Vijay - ProsperoTree:**

– But the current orders are in progress, as per time schedule.

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– Yeah, yeah, yeah. Not a single order cancelled.

– **Mr. Niraj Vijay - ProsperoTree:**

– Okay, okay. Thank you, sir. Thank you, sir.

– **Moderator:**

– Thank you. We have our next question from the line of Amit Khetan from Laburnum Capital. Please go ahead.

– **Mr. Amit Khetan - Laburnum Capital:**

– Hi, sir. Thank you for taking my question. So, in the Publication segment, can you just give a breakdown of the split between Gujarat and Maharashtra and provide some commentary on the dynamics of both markets? Are they different? Are you facing challenges in any of these states? And do you expect similar growth rates in these two states?

– **Mr. Sunil Gala - MD, Navneet Education Ltd:**

– So, the split between Gujarat and Maharashtra this year has been 64% Maharashtra and 36% around Gujarat, if we just take total of these two states. I am saying this because we have some sales beyond Maharashtra, Gujarat also, majorly in CBSE titles that we publish from Navneet. Therefore, I am saying this is the split between the two states.

– And growth, I am sure it will be the same percentage which I mentioned, 6-7%, because here one standard, all the titles are changing, whereas there, it is though couple of subjects, but the higher standard is changing. And therefore, we are sure that the growth will be the same in both the states.

– **Mr. Amit Khetan - Laburnum Capital:**

– Got it. And you mentioned a growth of 6-7%, that is in volume terms, right?

- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Only volume terms, yeah.
- **Mr. Amit Khetan - Laburnum Capital:**
- Are you planning to increase the price?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- No, we are not planning to increase the end-product prices. There is no reason.
- **Mr. Amit Khetan - Laburnum Capital:**
- Okay, got it. Thank you.
- **Moderator:**
- Thank you. We have a follow-up question from the line of Arihant from Bowhead. Please go ahead.
- **Mr. Arihant Baid – Bowhead India Fund:**
- Yeah. Hi, sir. Can you guide on margin terms for Publication and Stationery like for this year FY26, how much higher or lower in percentage terms will they be compared to last year? Because this year we have advantage of low-cost inventory as well. So, any rough guidance on how much the margin will be higher this year compared to last year?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Going forward, you are asking me?
- **Mr. Arihant Baid – Bowhead India Fund:**
- Yeah, going forward, in FY26. Yeah.
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- So, if we achieve volumes that I just mentioned, then margins should definitely improve by nearly 150 to 200 basis points in Publishing business. In Stationery, frankly, we do not have that benefit of passing on, because as and when the paper prices are changing, we have to change the end product prices also.
- **Mr. Arihant Baid – Bowhead India Fund:**
- Okay. Thank you, sir.
- **Moderator:**
- Thank you. We have our next question from line of Shubham Sehgal from SiMPL. Please go ahead.

- **Mr. Shubham Sehgal - SiMPL:**
- Hello. Am I audible?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Yes, Shubham.
- **Mr. Shubham Sehgal - SiMPL:**
- I just had one question on our Stationery export business. So, like the current product portfolio which we have and the newer products which we are introducing, do we have any products which come under the exemption list from the tariffs? And are we planning to trade products from that list?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- As far as our knowledge is concerned, all stationery exports from India to the US, all carry same tariff as of now. So, I do not know any exemption list within Stationery. So, if you are aware, please let us know which particular stationery product is exempted. We are not aware about it.
- **Mr. Shubham Sehgal - SiMPL:**
- Okay. Anyway, on the domestic stationery, as we mentioned that we saw around 3-4% volume drop. So, going forward, let us say for the next 2-3 years, what is our plan for domestic stationery? How do we grow marginally in domestic market?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- By only introducing new and new category of products. We want to then grow our business on top line basis also and little bit improve our bottom line also. But getting into our non-paper stationery products. Paper stationery as a category to improve margin is becoming bit difficult now.
- **Mr. Shubham Sehgal - SiMPL:**
- So, currently what will be the mix of paper and non-paper stationery products in domestic? Is non-paper right now negligible or...?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Yes, our non-paper contribution is hardly 3%... one minute. Around 8% FY25. But meanwhile, these products, we were selling for many years. Of late, we had redesigned, repackaged these products, have brought more variety of products in there, which we have recently introduced from the month of March. As a percentage to total Stationery business in the country, non-paper percentage should rise faster.
- **Mr. Shubham Sehgal - SiMPL:**
- Okay, got it. So, apart from product introductions, are we also looking to maybe acquire players in the domestic stationery, because other competitors have been doing the same?

- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- At present, we do not have such plans.
- **Mr. Shubham Sehgal - SiMPL:**
- Okay, got it. Thank you.
- **Moderator:**
- Thank you. We have our next question from line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.
- **Mr. Madhur Rathi - Counter Cyclical Investments:**
- Sir, thank you for the opportunity. Sir, I wanted to understand regarding our Stationery business margin. So, if I look at our overall domestic plus exports, you said that it is difficult to improve margins in our paper segments. So, what is the steady state margin can we expect going forward from FY26 in the segment overall?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- One minute. So, steady state, you can consider 12% to 13% EBITDA margin.
- **Mr. Madhur Rathi - Counter Cyclical Investments:**
- Sir, this was much higher when we... I think, last two to two, three quarters back, we were considering more than 15% in the EBIT margin for our export business and 12-13 for our domestic business. But combined 12-13. So, has anything changed particularly for us to have such a conservative number?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- So, in the domestic business, it has further gone little down. Export, it has been 15-16%. So, therefore, if we combine both the revenues of both the businesses, I mentioned 12-13%. And we have been showing the same or we have been achieving the same for last couple of years. Sometimes, because of this sudden change in the raw material prices, we see variation one of 1%, 1.5% here and there, but these are all time-bound decisions that we have to take.
- **Mr. Madhur Rathi - Counter Cyclical Investments:**
- Got it. Sir, what is the tariff for export of India versus any other... I mean, China or any other competitors that would have? And currently tariffs, are we currently paying it for our customers and getting it back, or how is the accounting done for that?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- So, we are not concerned about tariffs levied on to our customers. So, it is their responsibility to pay those tariffs. So, we have nothing to do with tariff today. And as far as comparing tariffs between the two countries, I think major exports are from China, where the tariffs, general tariffs are 30%, versus from India, it is 10%.

- **Mr. Madhur Rathi - Counter Cyclical Investments:**
- Okay, got it. So, thank you so much and all the best. Sir, just one more question, sir. We mentioned that paper prices will be flat for the next six months. So, majority of our business will happen in the next six months. So, is it fair to assume that the volume growth of 10-11% should translate to value growth for FY26?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Yeah, if it is volume growth, the same percentage you should consider for value growth also.
- **Mr. Madhur Rathi - Counter Cyclical Investments:**
- Okay, sir. So, no impact of rising paper prices or nothing like that, right?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- No, no, no, no.
- **Mr. Madhur Rathi - Counter Cyclical Investments:**
- Okay, sir. Sir, thank you so much and all the best.
- **Moderator:**
- Thank you. We have our next question from the line of Himanshu Upadhyay from BugleRock PMS. Please go ahead.
- **Mr. Himanshu Upadhyay - BugleRock PMS:**
- Yeah, hi. My question was, we have some of those investments like SFA Play, where we were very optimistic on. So, what happened in FY25, and how has that business progressed? And also, if you can tell about other investments which we have had historically, like beGalileo or Tinkerly?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- So, I think both the small investments, even though one of the companies is closed, which we have already written off... which one was that? Not beGalileo. Tinkerley. That was have already written off. On beGalileo also, we are writing off every year some or the other amounts. The company is still in operation, but we have no more hopes from that company.
- As far as SFA is concerned, the good news is that the demand for such companies is rising very, very fast. The problem is people spending more on these businesses for their company's awareness creation. Since they're not able to get good advertisers or sponsors for the events, the company is still making losses. Simultaneously, various State and Central Governments are continuously offering them for the opportunity of managing the sports or every event.
- So as far as numbers are concerned, they just did around 80 odd crores revenue last year, with a loss of around 25 crores last year.

- **Mr. Himanshu Upadhyay - BugleRock PMS:**
- And, the number of events, how has that scaled up?
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- So, in nine states they conducted the event. And major loss is on account of the SFT Championship that they conduct in these nine states, where the major losses are incurred, where as I said, they're not able to attract yet, advertisers or sponsors. But number of schools participating or the number of children participating in it, is increasing.
- **Mr. Himanshu Upadhyay - BugleRock PMS:**
- Okay. Thank you from my side.
- **Moderator:**
- Thank you. Ladies and gentlemen, this will be the last question for today. I now hand the conference over to the management for closing comments.
- **Mr. Sunil Gala - MD, Navneet Education Ltd:**
- Thank you. I take this opportunity to thank everyone for joining the call. I hope we have been able to address most of your queries. If you still are left with any queries, kindly get in touch with our Investor Relations department. I also thank Jinesh of Prabhudas Lilladher to have helped us conduct this concall. And once again, thank you all.
- **Moderator:**
- Thank you, sir. On behalf of PL Capital, that concludes this conference. Thank you for joining us. you may not disconnect your lines.

- ***END OF TRANSCRIPT***