



Knowledge is wealth

NEL/133/2025-26

Date: 18th November, 2025

**The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1,
'G' Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051**

**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 Q2FY26

This is further to our letter dated 5th November, 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 Tuesday, 11th November, 2025 to discuss the Operational and Financial performance of the Company for Q2FY26 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
Q2 FY '26 Earnings Conference Call”
November 11, 2025



**MANAGEMENT: MR. GNANESH SUNIL GALA – MANAGING DIRECTOR –
NAVNEET EDUCATION LIMITED
MR. KALPESH DEDHIA – CHIEF FINANCIAL OFFICER –
NAVNEET EDUCATION LIMITED
MR. ROOMY MISTRY – HEAD, INVESTOR RELATION –
NAVNEET EDUCATION LIMITED**



Moderator: Ladies and gentlemen, good day, and welcome to Navneet Education Limited Q2 FY '26 Earnings Conference Call. 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

Today, we have with us Mr. Gnanesh Sunil Gala, Managing Director. Thank you, and over to you, sir.

Gnanesh Sunil Gala: Good afternoon, and a very, very warm welcome to everyone present on the call today. Along with me, I have Kalpesh Dedhia, our CFO; and Mr. Roomy Mistry, our Head, Investor Relations. I'm sure you all have received our investor presentation. For those who have not, they can view it on the stock exchanges and the company website.

So to start on the numbers in the second quarter FY '26, Navneet reported a revenue of INR246 crores compared to INR271 crores in the same period last year. The publication segment grew 12% to INR91 crores that you might have seen, driven by minor curriculum change in lower grades, making the start of a new curriculum change cycle, which is expected to extend to higher grades in the coming quarters, rather coming years.

The domestic stationery business remained flat due to lower paper prices, which reduced realization of our finished products despite higher sales volume. Export stationery revenue dropped by 22%. You might all would have expected that. Basically, it is impacted by tariffs imposed by the U.S., though management expects improvement once trade conditions normalizes.

So the company is focusing on product diversification and innovation to mitigate such risks with an overall strategic emphasis on integrating technology with publishing and introducing new product categories in stationery to drive long-term growth and value creation for stakeholders.

Now let me talk about stand-alone performance highlights for the Q2 '26. So during this period, our revenue from operation, as I mentioned, stood at INR246 crores, which is reflecting a 9% year-on-year decline. The EBITDA dropped to INR12 crores from INR20 crores, so EBITDA margin is down by around 4.9%. It is to 4.9% from 7.5% in Q2 '25.

Overall, this is largely due to reduced export earnings. We will discuss in detail on the future of exports that we envisage. But despite these challenges, the company maintained a relatively stable working capital cycle of around 84 to 88 days, showing operational resilience in managing its finances efficiently during a difficult quarter.

So for the -- now for the first half, as you all know, ours is a seasonal business, and therefore, we always need to consider the period instead of just a quarter. So for the first half '26, Navneet's stand-alone performance remained steady with the revenue from operations INR 1,038 crores compared to INR 1,065 crores in H1 FY '25. EBITDA accordingly stood at INR 251 crores, which is a margin of 20%, while profit before tax was INR 208 crores compared to -- which is around 24% margin.

One thing we should clarify here that the prior year's performance, which included an exceptional gain of INR 584 crores arising from dilution of company's stake in K12 Techno Services. So excluding that item, the company's core operational performance remained consistent, indicating a stable profitability and cost control.

Now segment-wise, I would like to discuss further. So in terms of segment performance, the publication business registered growth with Q2 FY '26 revenue rising to INR 91 crores from INR 81 crores. In stationery segment export, however, we saw a decline to INR 155 crores from INR 188 crores, while domestic stationery revenue remained flat at INR 38 crores. The publication business continues to perform as a key growth driver in the current year, while the stationery segment faces temporary headwinds from the pricing pressure and external trade challenges.

On a consolidation basis, the performance for Q2 to start with, the company reported a total revenue of INR 247 crores for Q2, down from INR 272 crores a year ago. Accordingly, EBITDA also fell to INR 5 crores from INR 13 crores in the corresponding year period and EBITDA margin to 1.9% from 4.8%. And therefore, profit before tax also deepened to a loss of INR 17 crores compared to a loss of INR 6 crores in the previous year.

Whereas in a consolidated performance for H1, the overall revenue from operations stood at INR 1,041 crores, slightly lower than INR 1,070 crores in H1 FY '25. And similarly, EBITDA also stood at INR 240 crores with a margin of 18.8%, while profit before tax was INR 195 crores compared to INR 200 crores last year. I would say the -- it is more or less a stable margin, which indicates consistent core business performance despite a tougher macro environment.

I'm pleased to share that the anticipated reduction in tariffs, I'm specifically talking for exports now, now is expected to create more favorable business environment for our company. Even I will not be able to commit on the time lines as when will that happen. But as you all must be reading and knowing that it is likely to happen at least by December end.

This change will enhance our competitiveness, reduce costs and open new growth opportunities. And therefore, we are confident in our strong position for continued expansion and value creation. We remain committed to delivering sustainable growth and maximizing shareholders' value.

Of course, I will be -- we will be rather discussing on various queries or questions that you all may have. So before that, I take this opportunity to express my sincere gratitude for your continued trust and support. As we reflect our journey so far, I am pleased to inform you that the future of our company is bright and full of promise. So I take this opportunity to thank everyone for joining the call.

And now I request whoever has any queries or questions, please do so. I would like to answer them one by one. Thank you.

Moderator: The first question is from the line of Praneet, an Individual Investor.

Praneet: So I was wondering in terms of the capex plans, the company had bold capex plans outlined in assumption of export scaling up. So how is those plans changed right now? And what kind of investments are we foreseeing for the next 2 years?

Gnanesh Sunil Gala: Yes. So Praneet, basically, it is too early to conclude on our decision right now. So one of the capex plan that we had planned, which was for the molded plastic products, stationery products to be manufactured, which is already up, and we have already received permissions to start the operation, which we have more or less started. But simultaneously, the expected orders from the customers are very slow right now, but we are okay with that. We are very, very sure of favorable tariff situation going forward. And therefore, as planned, that plant will continue to operate in a much, much better efficiency.

With respect to more expansion, particularly for exports, we are deliberating several options on which items to be given the preference. So though we have a large plan of investments, which we will continue to do so, but how best can we really utilize the capacities that we create given these external challenges, that we are really deliberating internally at a higher level. And we would like to continue to do so. And the other reason of this expansion in stationery business is just not exports, but also considering opportunities within India. So our future expansion will continue for a good or a long period, majorly for the stationery business.

Praneet: Understood. So in terms of the plastic molded products, what type of utilization are we experiencing at this point of time because it's quite -- utilization or the plant utilization?

Gnanesh Sunil Gala: No, no, no. It is very new. Trial productions have just happened, and we are stabilizing on the quality. And simultaneously, whatever small orders that we have for domestic business and as well as for exports that we will be starting in 1 or 2 weeks itself, so that should start. But frankly, even customers -- export customers are still awaiting for the final decision before they release the orders. So it is a little premature or too early to mention about the utilization capacity.

Praneet: Understood. And one more. In terms of export markets, we are still heavily focused towards the U.S. side. Is there any possibility for other geographies to be any substantial portion for us going forward?



- Gnanesh Sunil Gala:** So there is a continuous effort to increase our exports to Middle East and European territories. But one has to be mindful that the consumptions that we always see in U.S., no other countries or geographies can really match up to. Therefore, our efforts are there. And in fact, we have been getting some responses. But the volume-wise, it will be very challenging to grow faster in the other markets compared to the U.S.
- Praneet:** I understand that. But in terms of proportions and contribution to overall exports and in terms of expanding the product range, do you think other geographies can play a part? Because I understand U.S. consumption is unlikely to match up to anyone else's. But in terms of diversifying our risk and maintain the utilization levels, won't these other geographies help?
- Gnanesh Sunil Gala:** I fully agree. And therefore, I said that we have been already trying. We have got some successes. But for us to achieve the higher volumes as we were getting in the U.S. is a little far off. And therefore, simultaneously, similar kind of products, we are already -- we have planned introducing them in India as well, where we are quite sure about the markets.
- The only thing it will be a branded product with heavy investments in marketing. So that's the difference between exports and domestic business. But that also is being discussed at length. And we are really not worried about the capacities that we are putting up because finally, at the end, even not exports, we will consume those capacities for our domestic market.
- Praneet:** Understood. So what kind of contributions will, let's say, Europe and Middle East be at this point of time?
- Gnanesh Sunil Gala:** At present, it is only 13%.
- Praneet:** Understood. And to understand the domestic push, so the Youva brand, I think we're planning on focusing on. So what are the initial, let's say, initial comments in terms of go-to-market strategy? How has been the response in domestic market? So could you elaborate on that particular aspect of it?
- Gnanesh Sunil Gala:** A couple of writing instruments we have already introduced in last quarter, and the response has been really better than expected. And we have continued to grow our catalogue as far as the writing instruments are concerned. So that is one. Additionally, whatever other stationery that the student consumes at a school level, those products also we have introduced like geometry boxes and all in very different designs. Those are also quite well received.
- So in a year's time, we will have a much wider portfolio to offer to Indian market. It is a little early. Now next year will be the real showcase of the performance because we introduced more or less when the back-to-school season was over. And now for the next academic year, we are preparing ourselves, including manufacturing and the performance will be seen substantially in the next year.
- Praneet:** Understood. And in terms of distribution channel, would it be similar to, let's say, our school publishing segment? Or can we leverage that particular thing? Or would it be completely different? Would it be the paper route that we already have?



Gnanesh Sunil Gala: No, it will be same as stationery business, not as a publication business because in publications, though we sell through the book trade, but our marketing efforts are always through the schools, whereas in stationery, our marketing -- sales and marketing happens at a book -- rather stationery store level. So we'll continue to use the same channel and which we have already established over the years.

Praneet: Understood. And in terms of, let's say, the brand run rate, what kind of run rate is the domestic brand experiencing at this point of time?

Gnanesh Sunil Gala: Brand run rate, you mean by the number?

Praneet: The Youva brand in terms of revenue numbers, yes.

Gnanesh Sunil Gala: So the total revenue number, the whole domestic stationery and the Youva brand. And Kalpesh, would you be able to give me the number for domestic stationery business for the quarter and for half year?

Kalpesh Dedhia: It's INR 38 crores for the quarter.

Gnanesh Sunil Gala: And for the half year?

Kalpesh Dedhia: For half year, it is INR 154 crores.

Gnanesh Sunil Gala: INR 154 crores.

Praneet: I was curious about the portfolio beyond the paper itself. So in the INR 38 crores, how much would be paper versus non-paper in the Youva brand?

Gnanesh Sunil Gala: Kalpesh, would you have those numbers with you as far as non-paper stationery is concerned?

Kalpesh Dedhia: It's about 8% to 9% of the revenue.

Praneet: 8% to 9% domestic revenue?

Kalpesh Dedhia: Correct.

Gnanesh Sunil Gala: For half year?

Kalpesh Dedhia: For half year, it is about 6%.

Gnanesh Sunil Gala: 6% of stationery revenue, okay.

Kalpesh Dedhia: Domestic stationery revenue.

Gnanesh Sunil Gala: Yes, domestic station revenue, yes.

- Praneet:** Understood. And one last question in regards to, let's say, the competitive environment in terms of exports. So what other countries could take the market share, let's say, U.S. I understand right now, the tariff discussions are more favorable for us. But what kind of -- where do you see the competition in terms of exports? Like which countries tend to have impact for our exports? And what kind of extras are they choosing?
- Gnanesh Sunil Gala:** So at present, we are in 3, 4 categories that we export. So for each of the category, competing country would be different. So if we talk about paper products, then Indonesia, Brazil are the main competitors. In terms of plastic stationery, then China is the biggest competitor.
- Praneet:** Understood. Do we expect them to take more share as a result of tariffs? Or would it just continue in the same proportion?
- Gnanesh Sunil Gala:** No. So we are very confident with the relations that we have with all the customers. If tariffs are normalized to other countries, then I'm sure we always would get preference as earlier.
- Praneet:** Understood. And one more question, in past commentary, you mentioned that whenever, let's say, temporary issues like dumping protection might happen, we tend to shift the manufacturing to a different country to enable us to surpass that particular tax or whatever it is. Which countries can we use in the process?
- Gnanesh Sunil Gala:** We have -- no, we have never produced any products from any other country for exports. And we are deliberating various options for the same. Here, we'll have to be mindful that it is just not the full manufacturing will have to be done in that country, not part by part. So we will not be able to export huge raw material from India and then manufacture somewhere. That is not possible. And we are evaluating that this really remains long, the uncertainty remains long, then what are the plans? So we have various plans in mind, and we are discussing internally. And in next 1 or 2 months, we are going to implement that as well.
- Moderator:** The next question is from the line of Rajan Shah, an Individual Investor.
- Rajan Shah:** Sunil bhai, since the curriculum has changed, can we expect about 15% growth in the publication business next year? And that was the first question. And the second question was on the stationery, both domestic and export. Can we expect about 12% to 14% kind of growth next year because you said that the efforts which we are putting in and with newer products and newer range of stationery items and all that, next year should be interesting because you sounded optimistic in the earlier answer to the question put by the earlier guy? So overall, can we expect about 14%, 15% kind of growth in both publication and stationery export and domestic put together next year?
- Gnanesh Sunil Gala:** So for publications, we are very sure of. As far as stationery is concerned, we have to be really mindful of the favorable decision -- expected favorable decision by U.S. government. If that happens, then again, in there also, we are very confident of achieving that percentage.

- Rajan Shah:** Okay. But Sunil bhai, favorable means what, like 25% instead of 50% currently levied or...
- Gnanesh Sunil Gala:** That's right. That's right. So most of the -- no, no, no. Most of the countries in the world have between 20% to 25%. So if we are in line with those countries, then every importer will give us a preference for the categories that we are supplying to them. And therefore, we are confident.
- Rajan Shah:** Okay. So 25% should not be a problem in health to achieve about 14%, 15% growth.
- Gnanesh Sunil Gala:** True.
- Moderator:** The next question is from the line of Arihant from Bowhead Investment Advisors.
- Arihant:** I wanted to know what is the current trend in paper prices? How much paper prices are gained for publication and stationery business for the GST rate consolidation?
- Gnanesh Sunil Gala:** So at present, paper prices per tonnage is around INR 65,000. Now as far as publication business is concerned, now INR 65,000, I'm talking about end September. And when it comes to publication paper purchase, now that percentage will go up by 6% due to GST change on paper for publishing business. So that will go up by 6%. And for stationery, there is some confusion among the paper mills. So more or less the whole stationery manufacturers are actually not buying the paper.
- As per government, they have to supply at 0% GST, whereas paper mills are not able to ascertain or have confidence that finally whoever buys that paper at 0% will use it for stationery. That clarification is also expected in the next GST Council. So we all are awaiting. But overall, if the paper is made at 0% for stationery products, for domestic stationery, then the cost may come down by 3%, 4%, taking base of INR 65,000.
- Arihant:** This INR 65,000, how does it compare to price mix in April '25?
- Gnanesh Sunil Gala:** No, it has been same for last almost 6, 7 months. And compared to last year, it would have come down by around 6% to 7%.
- Arihant:** Okay. If there is 6% price increase, how much will be able to pass on to the consumer in publication?
- Gnanesh Sunil Gala:** Total in publication business, whatever is the price hike, we will pass it on.
- Arihant:** Okay. And sir, have we started printing publication books for next cat book cycle? And how much percentage of paper inventory required we have bought for academy stationery right now?
- Gnanesh Sunil Gala:** So yes, to answer, yes, we have started for the next academic year. But for a few of the titles, there are a couple of grades which are changing that we are not printing right now. As and when the books are ready, we shall start. But further to your question, the purchases continues from October till April every year and this is our production cycle. So the purchase will be staggered from October to April. So that purchases, we are in discussion with most of the paper mills for entering into contract like every year. So that would happen. And this is our requirement, we will continue to buy paper every month.

- Arihant:** Okay, got it. And sir, please can you tell like what is the EBIT margin expected in publication segment in this year FY '26 and FY '27? And if you can guide for stationery also?
- Gnanesh Sunil Gala:** So FY '26, the EBIT margin should be around 25%, 26%, whereas next year, it will improve by around 2 percentages because of the volume growth that we are anticipating. And for stationery, I would not like to comment anything right now because of uncertainty on GST point for domestic stationery and uncertainty in exports because of the tariffs. So that I will not be able to give any view on margins for the current year as well as next year.
- But particularly for domestic stationery, we are very confident because lots of things are in our hand. So we will have EBIT margin of around 8%. In exports, particularly, I'm really not -- I'll not be able to comment right now on this.
- Arihant:** Okay. The last question from my side, sir, I wanted to know what was the sales return provision in 1Q '26 and what was the actual fees? And what was Indiannica revenue and tax for 2Q '26?
- Gnanesh Sunil Gala:** Kalpesh, you like to answer this?
- Kalpesh Dedhia:** So on Indiannica, we had a revenue of INR3.5 crores for the first half and about INR16 crores loss.
- Arihant:** On sales return?
- Kalpesh Dedhia:** So sales return was in the line. We have made a provision of about INR33 crores, and we got a sales return of about INR33.5 crores, only INR50 lakhs extra.
- Moderator:** The next question is from the line of Praneeth, an Individual Investor.
- Praneeth:** So I had one last question regarding the CBSE division. I understand that we started launching our own free courses in terms of Rise. How is the adoption for those at this point of time?
- Gnanesh Sunil Gala:** So adoption-wise, particularly Rise series has been very, very well accepted. Our major focus for Rise series is in the state of Maharashtra and Gujarat, where many SSC English medium schools are converting them to CBSE patent schools. So we are really seeing quite well acceptance in those schools.
- And Navneet definitely will have advantage of bringing in the CBSE textbooks. So I can confidently say that Rise will be the preferred book usage in the schools in Maharashtra and Gujarat. That confidence we have already got now. So it's not only the schools, but even the trade, which is also playing key role as far as CBSE book sales are concerned. They are also supporting us quite well.
- Praneeth:** So in terms of publishing revenue, what percentage would be from the CBSE Navneet-owned brand books?

- Gnanesh Sunil Gala:** No. So stand-alone numbers, if you ask me, the total CBSE revenue will be hardly 5% as on date. But that 5% is likely to grow substantially over the years to the total publication sales in future. Because still our dominance is in state publications for the year -- so many years. And therefore, that number is quite large compared to the opportunity which we have just started in the last 3 years or so. So at present of the total publication revenue, it would be around 5%.
- Praneeth:** So what could be the potential in terms of increasing the contribution from 5% to what can be a potential?
- Gnanesh Sunil Gala:** In 2 years, it will be minimum 10% to 11% to the total revenue.
- Praneeth:** And that would be mostly coming from Rise or will be coming from Indiannica?
- Gnanesh Sunil Gala:** No. I just spoke about Rise products, which are under Navneet umbrella. Navneet umbrella means parent company. On subsidiary Indiannica, I have not really spoken about. So I spoke about Rise being sold aggressively in Maharashtra and Gujarat. And there, it contributed 5% of our total revenue in Navneet stand-alone results, and that is likely to grow to 10%, 11% in the next 2 years because of the acceptance levels that we are seeing in the market today. With respect to Indiannica, of course, the sales are spread all across. There the total revenue last year was INR55 crores. And this year, as per our budgeted plan, it will be around INR 65 crores.
- Praneeth:** Understood. But do we have any plans of divesting Indiannica because CBSE is also gaining traction, Indiannica has not been profitable for the most part of its ownership of Navneet. So I was wondering what...
- Gnanesh Sunil Gala:** So divesting is not -- frankly, divesting is not a solution because future is CBSE. And therefore, whatever best titles that we have for these schools, we need to really plan alternate ways to promote that, which we are planning to do so. So divesting is not a solution when the market is likely to grow quite largely going forward.
- Praneeth:** Would it be a possibility that we can discontinue the Indiannica brand and to glide in the same distribution channel?
- Gnanesh Sunil Gala:** No, no, not required. The reason being that every publisher in CBSE segment have a couple of brands under their umbrella. And this is because at the school level, they want different, different brands every 3, 4 years. And therefore, it will be wise for us to have both brands running, Rise and Indiannica for a longer period of time so that schools have an option, even if they want to change brand, they can have books from Navneet.
- Praneeth:** Understood. And in terms of profitability, do you expect it to reach, is there any forecast of that particular subsidiary reaching breakeven anytime soon? Or how does the company project it?
- Gnanesh Sunil Gala:** Indiannica, you're asking for?



- Praneeth:** Yes, only Indiannica.
- Gnanesh Sunil Gala:** Yes. So Indiannica, if you see numbers, FY '24, we did turn positive. In FY '25, again, we could not achieve the profitability. But if we achieve this INR65 crores, we will be profitable.
- Praneeth:** Also breakeven...
- Gnanesh Sunil Gala:** Yes, INR65 crores.
- Praneeth:** Okay. Understood. And in terms of content licensing, if you see other CBSE players like S Chand have been licensing their content to other platforms to gain substantial revenues profitability. Is it in the book for us to do it? Or is it not really suitable for us?
- Gnanesh Sunil Gala:** We have actually not tried on that line. And we have -- I do not know whether management would agree to license the content to other usage. We have really not evaluated that.
- Moderator:** The next question is from the line of Arihant from Bowhead Investment Advisors.
- Arihant:** I wanted to know regarding are we planning to merge Indiannica with a stand-alone entity we had -- that wanted to know in fact it had any progress made?
- Gnanesh Sunil Gala:** So Board will take final decision in Q4. And finally, we may decide to merge it with the parent company. So we are presenting the benefits of merging and Board will decide in the last quarter.
- Arihant:** And regarding, sir, I wanted to know regarding the 6% increase in publication cost of paper reaper inventory that we will pass on to consumers or like will you be able to pass this whole 6% increase at once or like we will do it in parts?
- Gnanesh Sunil Gala:** No, no, in one go. So next year, publications will be priced accordingly.
- Moderator:** The next question is from the line of Maitri Gala, an Individual Investor.
- Maitri Gala:** I wanted to ask you for the digital platform. How is your vision? And how is it going to go about?
- Gnanesh Sunil Gala:** So Maitri, now the digital as a stand-alone business itself should not be seen. We will always have to see it with the print publication. So it is the blended offering that we are making to the school. It is just not digital that we are offering. So overall to remain in physical content, digital support is a must for every publisher. So digital arm is fully supporting that initiative and particularly for grade going from fifth standard onwards, every product of ours has some of the other digital component in it.
- So we are trying to add more and more digital features in most of our products, and that will make our product more and more attractive to the end consumers. So independently, if you ask me about digital, independently, it will be always difficult to sell digital product. In future, it will be part of cost to us as far as whatever spend that we do on digital, it will be part of cost to the total content business.



- Maitri Gala:** Okay. And sir, when compared to the U.S., they are right now saying that they are in the verge of having a conversation with India and so forth. So if this sales through well, so how much do you expect in the next quarter with an increase in the revenue and sales? Or how do you look forward for that?
- Gnanesh Sunil Gala:** We will be happy even if we retain the same numbers as last year. And let me tell you the reason that with these tariffs in place, and I'm taking base tariffs of 20%, 25% levied on each country, overall inflation at the U.S. has really gone very high, and the customers themselves are saying that their sales are down by 12% to 15%. It means the volumes also have reduced. With those reduced -- it means they will order lesser quantities.
- So with those lesser quantities, if we maintain the number that itself will be okay for us in the current year. And from next year rather not next year, every month, we are developing newer and newer products. So with those newer products and categories, the overall sales should increase. We may not see the increase in a particular category, but we will have more and more categories to offer to them. And that way, we will increase our revenue.
- Moderator:** The next question is from the line of Rajan Shah, an Individual Investor.
- Rajan Shah:** Sunil bhai, I just wanted to understand merging Indiannica with Navneet would result in, I mean, financial benefit because of the accumulated losses of Indiannica, right? And how much will that financial benefit be -- I mean any numbers on that, if you can get?
- Gnanesh Sunil Gala:** Kalpesh, would you be able to have some view basis our internal discussion?
- Kalpesh Dedhia:** So it's about INR80 crores of loss that we are looking at.
- Rajan Shah:** So tax benefit, financial benefit, what are we looking at?
- Kalpesh Dedhia:** About 25% of that, so around INR 20 crores.
- Rajan Shah:** INR 20 crores be the benefit of merging Indiannica business to Navneet.
- Kalpesh Dedhia:** Financially.
- Rajan Shah:** Okay. So, I also wanted your views on K12 Techno going public because there were some reports in the media that they are planning some IPO in next year or something like that. So in case they come out with IPO next year, what kind of valuation would that be like approximately? And I think we are holding 14% stake. So are we also planning to offload our shares at the time of IPO, if you can give some idea on that?
- Gnanesh Sunil Gala:** I have not really applied my mind on this. Being an individual shareholder, I would like to continue that forever. But since it is invested from the company, we may have to dilute in bits and pieces. I won't -- I would not advise my Board to sell everything in a single tranche. And I am very confident that whenever we sell any quantity, we will have better valuation always.
- Rajan Shah:** Okay. But what kind of valuation are we looking at currently? I mean, if there was any kind of fundraise or something, latest valuation, any guesses on that?



- Gnanesh Sunil Gala:** I believe if something happens now, value could be in upwards of INR 5,500 crores, the value of the company.
- Rajan Shah:** Okay. And we are holding 14% stake, right?
- Gnanesh Sunil Gala:** Yes, 14.3% to be precise.
- Rajan Shah:** Okay. So approximately INR 770 crores, okay. And Sunil bhai, one more question on that SFA, that INR75 crores, which we had invested in SFA, the sports company. So what is happening to that? If you can give some numbers.
- Gnanesh Sunil Gala:** The company is right now in financial problem. So they are not able to raise money. The opportunities across India, privately as well as with the government, it is quite large. But right now, it is still trying to raise money from external investors. So we are waiting and seeing -- it is wait and watch for us.
- Moderator:** The next question is from the line of Arihant from Bowhead Investment Advisors.
- Arihant:** Sir, please provide price and volume growth in domestic stationery and export stationery in 2Q '26? And what are the kind of volume growth we are expecting in domestic stationery for FY '22?
- Gnanesh Sunil Gala:** So Arihant, frankly, just understanding Q2 numbers is not for us to deliver and for you all to understand from that, it will not make any sense because this being seasonal business, at times, the June numbers overlaps with July numbers. So -- and therefore, it is not really appropriate for us to discuss about volume for the quarter, particularly for both businesses. But overall, because of -- sorry?
- Arihant:** For first half, for 1H '26, if you can...
- Gnanesh Sunil Gala:** Volumes you're asking?
- Arihant:** Yes, volume growth.
- Gnanesh Sunil Gala:** Yes. So volume growth for stationery, Kalpesh, is how much for domestic stationery and exports, of course, it is low.
- Kalpesh Dedhia:** Arihant, you are asking for the quarter or...
- Gnanesh Sunil Gala:** Half year.
- Arihant:** Sure, sir.
- Kalpesh Dedhia:** Once second, I need to look at it once again. So first half, it's about 4% degrowth.
- Arihant:** This is in domestic stationery?
- Kalpesh Dedhia:** Domestic only I'm talking about.



- Arihant:** Okay, for that volume will grow up. And in exports?
- Kalpesh Dedhia:** I need to dig out the data.
- Gnanesh Sunil Gala:** No, Arihant, we won't have any volume numbers for export. It is not a single item that we manufacture and sell. So it becomes difficult. And particularly for the quarter, it is impossible.
- Arihant:** Okay. And what is the volume growth we are expecting in FY '26 for domestic stationery?
- Gnanesh Sunil Gala:** So for paper business, it will be around 12% to 15% in domestic stationery, whereas non-paper stationery, which we are introducing, which is, of course, not a big number right now, but there we are expecting at least 100% increase in volume every year for next 3 years at least.
- Moderator:** As there are no further questions, I would now like to hand the conference over to Mr. Gnanesh Sunil Gala for closing comments.
- Gnanesh Sunil Gala:** Once again, I take this opportunity to thank everyone for joining the call. I hope we have been able to address your questions. And now for any further information, kindly get in touch with our Investor Relations department, that is Roomy Mistry. Thank you once again.
- Moderator:** Thank you very much. On behalf of Navneet Education Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.
