



Knowledge is wealth

NEL/155/2023

Date: 13th February, 2023

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.

Dear Sir/Madam,

Ref: Symbol– NAVNETEDUL

Ref: Scrip Code – 508989

Disclosure of transcript of Earning Call for quarter ended 31st December, 2023 held on 10th February, 2023

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the transcript of earning call held 10th February, 2023 to discuss the financial Results for the quarter and nine months ended 31st December, 2022 is 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

NAVNEET EDUCATION LIMITED
CIN: L22200MH1984PLC034055

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NAVNEET EDUCATION LIMITED Q3 FY23 EARNINGS CALL
10th February'23

– **Moderator:**

- Ladies and gentlemen, good day and welcome to Navneet Education's Q3 FY-23 earnings conference call hosted by Prabhudas Lilladher Pvt. Ltd. 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 this conference call, please signal the operator by pressing star, then 0 in your touchpad phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Jinesh Joshi from Prabhudas Lilladher. Thank you and over to you Mr. Joshi.

– **Mr. Jinesh Joshi – Research Analyst, Prabhudas Lilladher Pvt. Ltd.:**

- Ya, thanks Nirav. On behalf of Prabhudas Lilladher, I welcome you all to the Q3 FY23 earnings call of Navneet Education Limited. We have with us the management and is being presented by Mr. Sunil Gala who is CMD and Mr. Kalpesh Dedhia, who is the CFO, Mr. Rumi Mistry, Head IR and Mr. Sanjeev Shah, who is the joint MD of Navneet Future Tech. I would now like to hand over the call to Sunil bhai for opening remarks and then maybe we can open the floor for Q&A. Thank you and over to you Sunil bhai.

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

- Thanks and good morning all of you. First of all thanks Prabhudas Lilladher for arranging this call. So looking at last 3 quarters, we believe that even reaching medium schools has stabilized. I am just repeating again that and as mentioned in my last call that ground reality in 3 tier and 4 tier cities is much different than what we see in metros. But looking at the stabilization in 3 tier and 4 tier cities, now we are confident on full-fledged running of schools with good admission numbers from next year. There is still uncertainty on paper prices which is our biggest raw material. In Q3, certain variety of paper prices did soften but again, paper mills are talking about revision going forward. We believe it is very very temporary because of the demand supply situation in the country. Fortunately the company has built good inventory of paper for ensuing season for its publishing and domestic paper businesses. At EBITA level for the year to date, we achieved 302 crore on standalone basis, little lower than pre-pandemic level but we are sure of catching up in last quarter. No doubt, EBITA as a percentage is also lower compared to pandemic year and which is mainly on account of increase in various expenditure, expenses in last 2yrs. without increase in revenue.

- Now let me give you my view on each of the businesses in brief. First, I will talk about traditional businesses. As you all know that bulk of our business we site as a standalone entity and consists of publication and stationary business and we also have subsidiary Indiannica which caters to CBSE textbook market. Considering impact of covid and traditional seasonality of the business which got shifted in covid years temporarily, it is best to compare our performance with 19-20 numbers. The performance of this business is given in our presentation on slide pages 17 to 19. Let me again talk about, first our publication business that you all know, we largely cater to regional private schools of Maharashtra and Gujarat. What I mean by regional is, SSC schools of Maharashtra and Gujarat where we have more than 2/3rd market share and cater to regional languages as well. Largely cater to work books, guides and question banks for students.

- Quarter 1 is the dominant portion of our revenue for this business. This business got impacted in 23, that means in the current year as compared to 2020, which you can see from 9 months performance. Certain percentage of students have shifted from regional to government schools where our workbooks and guides are not used. These students couldn't return by the time 2023 session started as the financials of the family were impacted and benefits of recovery from covid was still to set in. For obvious reasons, many of the students who stayed away chose not to come back in mid-session even as economy recovered while some did come back. Further inventory of 2022 piled up at dealer's end and we witnessed increase in sales returns in 23 compared to 2020. Thus, while you see company level sales, their post netting of sales return but in reality, retail level sales actually had increased but because of sales return, the numbers compared to 2020 is a little lower. I am sure, all of you know that education for most Indians in urban India is no.1 priority after food and clothing. As economy and employment has picked up, we are quite hopeful of good growth in this part of business in 2024 based on our interaction with the schools. Further beyond 2024, we should be a key beneficiary of NEP, National Education Policy for many years. NEP will make second hand books which is a key competitor of our business, irrelevant in the years of course change. We also would need to come out with additional books and at the actually pages to the existing books to cater to a more complacent curriculum under NEP which will increase our revenues. This is on core publishing business of Navneet.

- Now on stationary business, I would first divide it into 2 parts which is domestic stationary and exports. We are the 2nd biggest player in domestic stationary market in India in the organized sector. Domestic sector revenue grew much better than our expectation this quarter due to impact of paper prices and covid on smaller paper players. Market seems to have consolidated which is good for company like us for our long term margins and revenue though margins have fallen temporarily due to steep hike in paper prices and we feel business cycle for paper prices have peaked. Though I did mention that they are talking of increase in paper prices but we believe that it is a question of a month or so where they would speak for higher and as history says that by the month of April, paper prices start coming down.

- Then in exports of stationary as you all know, that we are the largest player from Indian market and cater largely to the US market to customers like Walmart, who is our biggest client. They are really very very bullish on this business for many years due to benefits of China one on our businesses and the progress we are making in introducing new products to our client. What I mean by new product is other than paper products in stationary. No doubt, there is margin pressure, good margin pressure I should say on this business as well due to higher raw material pricing but as I heard, it is temporary. In exports, let me once again remind you that we book orders for back to school season. So these orders are decided from December to February every year which we have to supply to them at an agreed price and now over the years, we have control on the paper prices but these years in particular which again I am repeating, it is a temporary phenomenon that we couldn't pass on the incremental pricing in our exports business.

- So overall, I should say that all 3 standalone businesses, that is publishing, exports of stationary and domestic stationary, we are on a real safe spot for the next couple of years. The other traditional part of our business caters to CBSE market under the subsidiary Indiannica. There we publish textbooks for the CSBE schools. Now bulk of the sales happen in March and other quarters are loss making due to pricing of overheads which we make good in March quarter. Therefore one should not read too much into 9 months numbers and wait for March quarter to analyze the number. We are very very sure that by year end, the company will be cash positive for Indiannica. Now we have 2 large investments, larger investment is in K12 where we now post dilution own around 22pc, there Sequoia is the largest shareholder. We had cumulatively invested about 118 cr. in the last 7-8yrs. K12 based further money from 2 of our present investors being Sequoia and Sofina in Q3 of 22. Based on the last transaction value, last transaction value, we are sitting on a large unrealized gain. Hen is also part of our presentation on page 21. Just like you are investors in our company, we are also non-strategic investors and have no say in the running of the business. It is largely Sequoia and professional team hired by them. We have not participated in the last couple of rounds of investments into the company but we are very very confident of realizing substantial gain on our investment in the next couple of years. You would have seen in...we have reached at some numbers in the last 2 quarters as well as last year. It was due to change in accounting policy by the management of K12 and therefore profits, we had to restate for earlier period. However, cash flows have remained the same. So these are just accounting entries that were restated.

- Regarding SFA, that is Sports For All, we invested 75cr. into tranches with cumulative investments. We are delighted by our investment as business is doing exceedingly well and much much better than expectation. We are likely to be sitting on nice unrealized gains and we have a better sense of valuation in the next round. Other than these two investments, we have no further plans of any investments. Now the major focus which is the Navneet Future Tech is our tech business.

- At present, we are currently majorly focusing on 2 verticals, both being B2B – one is school business and other is tutoring platform with content. Both these businesses are based on pan India basis and not just Maharashtra and Gujarat. No doubt, our initial all trials would be focused to Maharashtra and Gujarat where we have very very strong relationships with the schools and the tutors. As far as B2B school business is concerned which is CBSE school business, is already launched in Q3 and as we speak, we are booking orders from the schools. And as far as tutoring platform is concerned, we will launching it in Q1 of 2024. We will frankly have an idea about progress, post Q1 numbers and at this stage, due to competitive reasons, we will not be able to discuss more details on its strategy and execution plan. However business will be loss making in the initial years. I suggest to all investors here, you should view our future investments in tech in a way that while we are in our golden years for traditional businesses for next many years, these investments in tech are required to be made now to sustain growth beyond these years. This is one time golden opportunity to go pan India and if Navneet doesn't capture this, someone else will. At the same time, we are a conservative management and we don't plan to go overboard in funding the losses of the business and therefore we will explore raising external money. Depending on the traction of business, we will explore fund raising in 2nd half of 24 or in 25.
- In a nutshell I should say that we are quite hopeful of our tech journey and hopefully we will create a huge value for our investors just like we did in other investments. Of course, I am pre-empting a few concerns also from some of you and therefore should say that in worst case scenario, even if we are not successful in executing the business well, we will seriously look at this business and take appropriate action very soon. It means that the day we see that we are not able to do well, we will take appropriate action very fast. Of course, every one of you know that one can look at these investments in tech for the next 2-3yrs. will be much lower than the gains that we are likely to receive from other 2 investments that we have made. So this is basically a brief on all businesses. Now I request all of you to ask questions on core business first and then we can discuss on our tech business. Sanjeev Shah, who is on the call, joint MD at Navneet Future Tech will address your questions on Future Tech also, Navneet Future Tech. So I would like to open the floor for questions now. Thank you.
- **Moderator:**
- Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question, may press * (star) and 1 on your touch telephone. If you wish to remove yourself from the question queue, press star and 2. Others are requested to use handsets who are asking the questions. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Participants, you can press star and 1 to ask the questions. First question is from Amit Khetan from Laburnum Capital. Please go ahead.

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

- Hi, good morning and thank you for the opportunity. My 1st question is you know, we have seen a sharp contraction on the stationary margin. Now you explained in the last quarter as well that there was a big contract on the export side but we have seen a lot of growth in the domestic stationary. Does the RM entirely explain the margin contraction and how should we think about the seenable margins both on the domestic and export fronts on the stationary side?

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

- Very right. Margins have really contracted in stationary – domestic as well as export. Now the reason we feel is the same that I had explained in the last quarter and today also. We believe that the acceptance level of our product is so high that our customers, be it international or domestic, they will not shy away from buying an alternate but because we are not able to change pricing in exports in particular, we have to take the additional expenses of our raw material and as I explained, see in the seasonal business, it takes little time to set the prices based on the raw material prices where it is not that easily possible in the stationary business and therefore we saw reduction in margins but on the long term basis, immediately I should say in Q1 itself, we should be much back to our margins.

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

- Got it and on the export side you mentioned that the contract is for the new season taken from December. So this takes care of our next year's margin. Is that understanding correct?

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

- Partly correct but at present we have another challenge that internationally paper prices have not really hardened as what has happened in India. So we are getting little roadblocks in getting orders fast from our customers. So we are negotiating and also trying to change the composition of our product so that we can retain the same margins and achieve the same volumes as earlier. So little, it is everyday process as of now. So little in advance but I strongly feel that we should bet with the same margins going forward with change in composition of products.

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

- Secondly, you moved about 97cr. to the tech subsidiary this quarter. My guess is this is for the future expenses. How should we think about investments here, both in terms of

OPEX as well as CAPEX, that we might require either on a quarterly or on an annual basis?

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– Of 97cr., partly were already given....

– **Moderator:**

– Sir, sorry for interrupting.

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– Ya.

– **Moderator:**

– Amit, may I request you to mute your mike from your end please.

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

– Ya, sure.

– **Moderator:**

– Sir, you may go ahead.

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– Ya. Amit, part of 97crores actually were already given by way of loan little earlier and which then we invested as an equity and took back the loan. But overall, I should say, one of the reasons was the investment in SFA, the last tranche that we had to invest. Now going forward, it will be purely requirement for our organic business that is mainly the 2 businesses that I explained and for that, around 20-25 cr. would be required every quarter.

– **Moderator:**

– Sir, the line for the participant dropped. We will move on to the next participant. Ladies and gentlemen, you can press * and 1 to ask the question. Next question is from the line of Nitin Dharmawat from Aurum Capital. Please go ahead.

- **Mr. Nitin Dharmawat – Aurum Capital:**
- Ya, thank you for this opportunity. Sir, this is regarding the edtech business that we are having. You mentioned that you have put in close to 200cr into businesses. What is the additional investment that you would be putting into these businesses? You said that you won't be exploring additional new businesses but within these businesses, will there be any cash burns from our side?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Sanjeev, would you like to answer this?
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- Ya, we actually business plan for the next year and at the time, we believe that we will need close to 20-25cr. per quarter as Sunil put it. That is the expectation....
- **Mr. Nitin Dharmawat – Aurum Capital:**
- Your voice was cracking initially. Can you please repeat it? Sorry about that.
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- Ya, as Sunil explained, we are expecting close to 20-25cr. of funding in the edtech business per quarter for the next 4 quarters.
- **Mr. Nitin Dharmawat – Aurum Capital:**
- Ok, so for how many quarters? 4 quarters you said?
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- That's right. That's right.
- **Mr. Nitin Dharmawat – Aurum Capital:**
- So additional 100crores you are saying.
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- That's right.
- **Mr. Nitin Dharmawat – Aurum Capital:**

- Ok, got it. Regarding the books learning, I just wanted to take some sense about how they are doing right now considering 1.5 months have already gone and new academic year is going to start. So wanted to see the traction in that and have we taken the price hike over there?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Yes. So in books, whatever additional input cost that would have come in the last 1 quarter also, we have already taken price hike on our final products. As far as readiness is concerned for the next academic year, we are in full swing or we are at a time where the huge printing is taking place so we are building inventory for the next academic year and we have lots of clarity as to what type of demand would come and accordingly we are preparing ourselves to cater to the market.
- **Mr. Nitin Dharmawat – Aurum Capital:**
- Got it. So how much percentage hike have we taken across the board in general?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- In general, considering last quarter price hike, around 16-17pc price hike we have taken.
- **Mr. Nitin Dharmawat – Aurum Capital:**
- Ok. Thank you so much and all the best.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Thank you.
- **Moderator:**
- Thank you. Participants, you can press * and 1 to ask the question. Next question is from the line of Amit Doshi from Care PMS. Please go ahead.
- **Mr. Amit Doshi – Care PMS:**
- Ya, thank you. Sir, you mentioned that students shifted from regional schools to government schools and government schools don't use our workbooks etc.. I believe that government school market is a significantly big and a strong market and am sure that the ticket size and value would be low. But any plans to then use that as a 2 tier market because anyways that market is in 2 state – state board or regional board, is anyways not significantly growing. So any thoughts around that?

- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- So government school first of all, they are not allowed to buy any private publisher's product. Whatever books that they get, free of cost from the state government and therefore I said that when more students are studying in government schools, we have no opportunity to sell unless we go to government and request them to prescribe our books but as a principle, we always would like to do business with the private schools. Therefore what I said is, whether had shifted in the last 2yrs in government schools, finally have shifted back to the private schools, be it regional medium or English medium and therefore we are now confident that going forward, business from the private school itself will increase and will come back to normal as earlier years.
- **Mr. Amit Doshi – Care PMS:**
- Ok, ok. You mentioned that there is a strong demand in the upcoming years, in the upcoming academic years and you have also raised the prices by 15pc or so. You believe the growth would be higher than 10-15pc which you carried earlier?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Ya, ya, in value terms, 100pc it will be higher than that.
- **Mr. Amit Doshi – Care PMS:**
- Ok, ok. 2nd one on the stationary business, on one side you mentioned that acceptance of our product is extremely high but then the paper prices and the raw materials is causing an issue at an international level. If I remember prior calls, you mentioned domestic margin, domestic business, stationary business is not lucrative and therefore we would want to focus more only on the export side. But this growth in the domestic is a very strong growth. All these 3 points, I am not able to connect the dots. If you could slightly highlight.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Ya, you are very right. Earlier, I had said that domestic market is too competitive to cater to. But because of these 2 pandemic years, somehow small players, we see have vanished or have stopped production or have reduced production and that opportunity received by organized players like us and therefore we saw tremendous growth but obvious when we receive orders, we cannot say that we don't want to grow and therefore we cater to those markets. But looking at the scenario today, there seems to be a good opportunity in the domestic market as well. And therefore now I am saying that domestic market, we will not focus....it's not that we will not focus, we will have to focus because overall production has reduced in the unorganized sector and therefore it is an opportunity to us.

- **Mr. Amit Doshi – Care PMS:**
- Ok, will it not comeback now that things are streamlining? Is it like temporary or.....?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Unorganized players, they were playing on very very thin margins and with these paper prices and 2 years of pandemic, they suffered huge financial set back and therefore for them to comeback, of course few of them will come back but not all and therefore there is an opportunity for the organized sector like us.
- **Mr. Amit Doshi – Care PMS:**
- In view of this, your earlier guidance of having a margin, EBITA margin of 20pc or so would continue or would reduce because of this stationary business primarily? I mean increased focus on domestic and slight pressure at the international level?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Ya, of course, you would look at the margin at company level but the way we look at it internally, that we would like to maintain margins for our publication business which is quite high so that business will help to throw up good numbers for sure. As far as stationary business is concerned as I said in my call, we believe that the pressure on margin is temporary and is not going to be the same going forward. So it is a transition period I should say that we had to live with where we are not able to pass on every incremental pricing to the end customer but it is a temporary phase.
- **Mr. Amit Doshi – Care PMS:**
- Ok, ok. For this tech business, should I ask the question now?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Ya, please ask. Sanjeev will answer that.
- **Mr. Amit Doshi – Care PMS:**
- Ok. So you mentioned that you are extremely happy about the Sports For All investment which you have done and same thing in terms of numbers, you can say, what kind of revenues you had in mind and what kind of revenues they have started generating or whatever you know, it could be lower than whatever you are expecting? Anything that you can...?

- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Before Sanjeev says, I should say here that now SFA and K12 are actually not managed by us and therefore we feel that at the year end, if we give the audited numbers of theirs to all of you, would be a better way instead of us talking every quarter. So that is my general statement but Sanjeev, you can answer now.
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- Ya. I agree with you Sunil. It would not also be correct to give specific numbers on their behalf like this. But safe to say that they have increased their revenue by 2X compared to what we had budgeted for the 1st 9 months. They have also in fact reduced their budgeted loss by about 60pc compared to what we were looking at about 6 months ago. So that business is actually doing far better than what we had even forecasted 6-9 months ago and naturally there is a huge structural push for sports coming from the Central Government and various state governments. So the momentum has picked up significantly and like Sunil said earlier, the next few years, we would be able to establish the upside in that investment as SFA goes for further funding. But at this point in time, we are extremely happy with the way business has rolled out and the management team has done far better than what it had originally planned.
- **Mr. Amit Doshi – Care PMS:**
- For K12, like for K12, we have additional investors like Sequoia and all, anybody else in SFA?
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- Sorry Sunil, you want to answer that?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- So at present, there are only 3 investors and of course the management which you saw. So these are the 3 investors only.
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- The other two are HNIs actually so I don't think it would be correct for us to give the names but they are very respected....
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- No, he is asking about K12.

- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- I am so sorry, my apologies. I thought it was for SFA. Sorry about that Sunil.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Please continue, ya. Yes, please.
- **Moderator:**
- Amit Doshi, sorry to interrupt you. May I request you to come back in the question queue for a follow-up question? Thank you. Next question is from the line of Bhargav Buddhadev from Kotak Mutual Fund. Please go ahead.
- **Mr. Bhargav Buddhadev – Kotak Mutual Fund:**

Yeah, good morning team and thank you for the opportunity. My 1st question is – is it possible to get the margin breakup for domestic and export of business for stationary? What was it this quarter?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- There's so many including infrastructure, including rather the raw material, there are so many common components for us that the margin, even if we say it will be too tentative, so it would always be better to look at the console level of stationery business.
- **Mr. Bhargav Buddhadev – Kotak Mutual Fund:**
- Okay. But is it fair to say that even in this quarter the domestic margin would have been lower than the export margin?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Yes. Yes, yes, yes. So, in both stationery businesses there was margin pressure because certain increase in paper prices...So, as I said that certain raw materials they had soften but those raw materials contributes very smaller percentage of raw material as a percentage. Basically, the board paper or craft paper that had reduced substantially but core raw material, which is writing and printing paper, that prices had not soften and, therefore, we cannot change pricing every now and then. It is a seasonal business and, therefore, these incremental pricing, we had to incur ourselves.
- So, yes, there was some reduction in domestic stationery business also.

- **Mr. Bhargav Buddhadev – Kotak Mutual Fund:**
- Now coming to NEP, you highlighted in your opening remarks that Navneet will be a beneficiary of NEP. So, is it fair to say that over the course of next 3-4 years given that the NEP is rolled out standard wise next 3 to 4 years look to be very good as far as the Publication business is concerned given the rollout timelines by the government on the NEP front?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Yeah-yeah, 100% which I have been repeatedly saying in last 2-3 quarters that once NEP is introduced in stage wise manner for different standard, all publishers including Navneet will be benefited.
- **Mr. Bhargav Buddhadev – Kotak Mutual Fund:**
- And lastly, on the EdTech Business, if I look at the revenue for the third quarter as well it is about Rs.2 crores. So, when do we see a sizeable ramp up as far as the revenues is concerned? And how far is that product away from market fit?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Yeah, Sanjeev.
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- Yeah. So, the ramp up will happen gradually as we move to new markets outside Maharashtra, Gujarat and we increase our focus on the CBSE school segment. The ARPO from the State Board schools is significantly lower than CBSE. And like Sunil said right in the beginning, it is very important for Navneet Group to diversify and go outside the traditional strong areas of Maharashtra, Gujarat which can only happen with the EdTech Business at this point. So, for us it's critical that we continue to build scale in the school business which Sunil referred to right in the beginning and increase our focus on CBSE.
- The second business which is rolling out is the Tutoring business in Q1 of the next financial year. That, by nature, we are dealing with a smaller customer from a wallet point of view. So, his ARPO will be significantly lower than the school but there's the volumes are larger. That business will take 2-3 quarters to really add any significant contribution to the overall NFL revenue pie because of the buildout in the first 2-3 quarters. So, we believe that the school business will drive the contribution in NFL for a very long time, even when the other businesses reach a stage of maturity.

- **Mr. Bhargav Buddhadev – Kotak Mutual Fund:**
- And amongst the competitors who are present in the kind of businesses in which we are on the tech side, what would be their revenue size? Would it be substantially different from us or would it be very similar to us?
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- No, so they definitely are ahead of us when it comes to the revenue side and I am speaking basis unverified market feedback about what is presumed as their revenues. They don't have any obligations to report these figures publicly, so there is no way to validate this but they've also been around for far longer and have been funded with private equity more than 2-3 times over. So, they have had the benefit of a longer runway and we are confident that with the overall Navneet's integration on the front end we will definitely be able to establish a strong presence in the school segment in the next 2-3 years which would be relevant from an industry comparison point of view but today they will be ahead of us.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Yeah, if I can add here, as Sanjeev said they are far ahead of us and one of them being three-digit number; there could be almost closing to three-digit number.
- **Moderator:**
- Sunil Sir, sorry to interrupt you. There's a slight crackling sound coming from your end.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Is it okay now?
- **Moderator:**
- Yes, Sir.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- So, what we should rather look at it that is, Digital Education in the school is required or not. I think it is quite well established that only the elite or high-end CBSE schools but overall Digital Education in the classroom is must now and thankfully even NEP also has mandated at various places to use digital as a learning tool for the students. Therefore, it is very important that initial period we may not see big numbers coming in but adoption is increasing very, very fast and therefore not only us but all the competitors who are there in the business will have a very, very bright future going forward.

- **Mr. Bhargav Buddhadev – Kotak Mutual Fund:**
- Can we stick to the philosophy that will not get into the hardware business, right?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Never and even if we have to...Let me at least tell you that compulsorily if we have to, it is against 100% advance and that will be hardly 5% of our total business.
- **Mr. Bhargav Buddhadev – Kotak Mutual Fund:**
- Okay- okay. Thank you for your comments and all the very best.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Thank you.
- **Moderator:**
- Thank you. Next question is from the line of Sonaal from Bowhead Investment. Please go ahead.
- **Mr. Sonaal Kohli - Bowhead Investment:**
- Hello, Sir. Thank you for this opportunity. I have a few questions.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Sure.
- **Mr. Sonaal Kohli - Bowhead Investment:**
- Firstly, you know, Sir, out of this Rs.210 crores spent on acquisition in 9 months and Rs.83 crores in Q3, in the tech space have you included the numbers also in this?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Yeah, Sanjeev.
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- Yes, sorry. No, can you repeat the numbers again, please?

- **Mr. Sonaal Kohli - Bowhead Investment:**
- Sir, in the presentation you've written that you spent Rs.210 crores on the acquisition the first nine months and Rs.83 crores in Q3, I was just wondering whether by any chance you have clubbed SFA investments also into this, you know, because the nature is totally different in both the cases.
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- Yeah, can I lean on Kalpesh to help me with this answer, please. Kalpesh.
- **Mr. Kalpesh Dedhia – CFO, Navneet Education:**
- Sonaal, which slide you are referring? Sorry, I...
- **Mr. Sonaal Kohli - Bowhead Investment:**
- See, in the presentation business slide, you know, it's not open at my end. Just let me see if I can open it, where you have given your money in the tech...you have a tech slide where you have written OPEX on Tech and the amount spent on acquisition and CapEx on Tech. So, there you've given a number of Rs.210 crores spent on acquisition in the first nine months and Rs.83 crores in Q3. So, I was trying to ask that this is your Strategic Tech business spends only on acquisitions or includes the investment you have made in SFA because you said that's an investment and that's not your Tech spend for building the business?
- **Mr. Kalpesh Dedhia – CFO, Navneet Education:**
- Amount of Rs.8 crores and not Rs.83 crores. Rs.8 crores 29 lakhs. I am sorry? Oh! That is in millions.
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- Yeah, it is in lakhs, so Rs.8 crores 29 lakhs.
- **Mr. Sonaal Kohli - Bowhead Investment:**
- Okay.
- **Mr. Kalpesh Dedhia – CFO, Navneet Education:**
- So, it is pure into business- NFL and Genext.
- **Mr. Sonaal Kohli - Bowhead Investment:**

- Okay. This does not include SFA, right?
- **Mr. Kalpesh Dedhia – CFO, Navneet Education:**
- No-no.
- **Mr. Sonaal Kohli - Bowhead Investment:**
- Great. Secondly, out of the amount spent on, you know, you said Rs.20 crores-Rs.25 crores per quarter will be your amount spent on Tech in answer to one of the participants. What I meant to ask you was, this is your OPEX or this is your loss because you'll have some revenues, right?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Yeah, so this will be an OPEX maybe partly to build the technology and for expenditure and you're right, I missed that, that it is not a loss number that I was talking because there will be revenue also coming in.
- **Mr. Sonaal Kohli - Bowhead Investment:**
- And, Sir, your traditional eSense business which is bulk of your technology revenue as of now, you know, does it have any seasonality and which is the peak quarter for that?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Sanjeev.
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- The market for eSense and now it is called TOPTECH actually, so the legal entity has also been rebranded as Navneet Future Tech Limited. The business of TOPTECH is now focusing on CBSE and that seasonality is actually starts from November, December all the way to April, May. So, that is the 5-6 months period when schools take the decisions for signing up technology partnerships.
- **Mr. Sonaal Kohli - Bowhead Investment:**
- So, can I say that March quarter like your CBSE business, you know, 43.45 business this is the peak; revenue quarter for you.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**

- No, let me add what said Sanjeev said that order booking is for CBSE is by the end of March whereas for SSC it is, of course, first quarter of every year but as far as accounting is concerned, Sonaal, we do not recognize the revenue on the day of receiving orders fully. It is as per the Accounting Principles, we book revenue only for the usage period. So, even if we have received orders in the month of March for CBSE or by the month of April, May, June for SSC, we will not recognize all revenues the day we receive orders.
- **Mr. Sonaal Kohli - Bowhead Investment:**
- Sure, Sir. So, what I was trying to understand is that your EdTech revenue as I am seeing currently because a large portion as of now because you still have to roll out, you know, I think broadly all of it is your traditional EdTech business and not these two new segments. So, they had a revenue of Rs.9 crores in '2023 so far, you know.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Yeah-yeah.
- **Mr. Sonaal Kohli - Bowhead Investment:**
- And last quarter was Rs.2 crores. Is there any seasonality in this? So, can I say that if nine months is Rs.9 crores your full year revenue would be Rs.12 crores or it could be much more in case Q4 is a bigger quarter or it could be much less because Q4 is a weak quarter? That's what I'm trying to understand.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- So, for every new order that we received in last quarter, there will be increase in revenue to the extent of usage till March but otherwise you're right that if you see nine-month period whatever number there will be similar number for or rather one-third number for the next quarter.
- **Mr. Sonaal Kohli - Bowhead Investment:**
- Understood and, Sir, your OPEX in Tech last quarter was Rs.15 crores, so as you roll out that's why you need this Rs.20 crores-Rs.25 crores run rate so that you can be making more investments in marketing, training and so forth?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- That's right. That's right.
- **Mr. Sonaal Kohli - Bowhead Investment:**

- Understood. Sir, my third question was, the domestic sales revenues, like you rightly said, are way higher than what you've been guiding for historically. In light of what we've seen the market now, is there any revised number you could give? And secondly I wanted to ask, in case paper prices, you know, are not shocked by Q1, let's say another six months from now you know, the reasonable period to take a call on the business and as you said that seasonal you can't change every quarter. So, let's say, you know, another six months Q1 passes by, would you then decide to take price hike at least in Q2?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Yeah-yeah, 100%. We can't keep margins so low for a long period. So, by the time new season starts from April and if prices haven't softened, we will definitely revise our prices, of course.
- **Moderator:**
- Thank you very much. Sorry to interrupt you and request you to come back in the question queue for a follow-up question.
- I request to all the participants, please, restrict to two questions per participant.
- Next question is from the line of from Rishikesh Parikh from Rockstud Capital. Please go ahead.
- **Mr. Rikesh Parikh - Rockstud Capital:**
- Thanks for the opportunity. Sir, I just wanted to understand you mentioned that international business we close within November to February, so just wanted to have a thought on means, Sir, what is the kind of order booking rates that we have seen for the current year?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- I should say current year also we have received more or less similar type of orders as earlier and that too additionally for the new items that we have launched, we also have received orders for that. So, Order Book is quite good. I should say the decision is a little bit delayed because of pricing negotiation. So, this year we may have to extend that period by 15-20 days to close on the orders but the demand, as seen, is quite substantial; little better than, I should say, of earlier years.

– **Mr. Rikesh Parikh - Rockstud Capital:**

– On the margin side, Sir, I understand last year we would have closed the negotiation by February, so it will be better than that or means slightly on a relative basis compared to last year?

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– Yes-yes, it will be better than that. Yes-yes.

– **Mr. Rikesh Parikh - Rockstud Capital:**

– Okay, thanks for that. Second thing, means under the New Education Policy Kto2 has been announced and the implementation will happen, so are there any means when it will get in Maharashtra and Gujarat? And secondly, for the 3 to 5 when they will be announcing? Any thought on that?

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– So, you're right. Kto2 has been announced and accordingly the new content creation has already started at our end. So, it will be rolled out in the Q1 of next year. For grade 3 to 5 or which grades will they take, they have not as such announced for subsequent year but that we should know in the next 2-3 months because even they have to start preparing for themselves. So, we still do not have clarity on which grades will change in '24-'25 but as far as current year is concerned whatever changes have been announced Navneet is preparing itself to take care of that.

– **Mr. Rikesh Parikh - Rockstud Capital:**

– Okay. And, Sir, on the TOPTECH side means can you just throw some light on how many schools tie-ups or how much school we are seeing over there in terms of tractions and tie-ups?

– **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**

– Yeah, so the number of schools we are chasing both State Board and CBSE schools at this point and given the seasonality of the Order Book for State Board...for the Central Board, sorry, we are targeting number in excess of 45-50 schools for this season and that's the number that we will be able to report at the end of March which will effectively then give the predictability on the revenue for the contract period. That's the update on the number of schools that we are targeting this year.

- **Mr. Rikesh Parikh - Rockstud Capital:**
- Hmm-hmm and what is the base current right now? Number of schools?
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- Current base, it is, I think, 10 or 12. I'm not sure of the number but 10-12 at this point.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Rishikesh, yeah, I can add here that last year was first year of launch and that too in the mid-year of academic year and therefore we had received orders, as Sanjeev said, between 10 or 12 schools and this year, of course, our endeavor is to close much higher number but conservatively I should say that we will be close to around 50.
- **Moderator:**
- Thank you. Rishikesh Parekh, I'll request to come back for a follow up question.
- I request all the participants, please restrict to two questions per participant.
- Next question is from the line of Karthik Gada from Multiple Wealth Management. Please go ahead.
- **Mr. Karthik Gada - Multiple Wealth Management:**
- Yeah, hi. Thanks for the opportunity. Am I audible?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Yes, please.
- **Mr. Karthik Gada - Multiple Wealth Management:**
- Yeah, thank you. So, a question on K-12, so can you elaborate what was the accounting change? Why it had such a substantial impact?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- So, there were two major. One, ESOP was agreed but not accounted, so the whole ESOP pool was accounted in last year and second bigger amount was the booking of marketing expenditure in the same year. Earlier they were carrying it forward for the new schools for one year which Auditors insisted that in the year that you spend

marketing has to be accounted in the same year. So, these were the two major changes were 98%-99% of the impact has come.

– **Mr. Karthik Gada - Multiple Wealth Management:**

– Okay. So, basically going ahead it shouldn't have any further impact on this segment?

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– No-no-no and, as I said, there is no cashflow impact on the company. It is just the accounting entries that were shifted as far as marketing is concerned. Instead of subsequent year, it got accounted in the same year and the impact of ESOPs given both were accounted in last year and therefore we got this impact.

– **Mr. Karthik Gada - Multiple Wealth Management:**

– Right. Okay. The second is on the EdTech, so you mentioned but I want to get point of view, you had mentioned earlier that the model will be B2B2C what we have followed in the traditional business as well, so what are you yielding from this pool? How are they taking it up? Are they asking for more content, more products?

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– So, actually I'm sorry. I don't know how the B2B2C got established but we are not in the B2B2C business. Our customer remains the school. We only collect money from the school. The school may be charging more to its students but we have no access to their revenue pool and neither are we involved in that decision by the school. So, our business is very clearly school focused business. We do have some filters of what should be the size of the school for us to target, how many classrooms we need to have digitized. So, we have our filters to arrive at the size of market which is linked to the number of students and the hardware capability in the school but it is not B2B2C business. So, that's one small clarification.

– The second part of your question was relating to additional features and product improvements being sought. Now, as all of you will know there is a huge interest from customers to improve their life from an operational perspective and all the digital conveniences that they seek not necessarily do they deliver value to the service provider. So, we have been extremely careful in building our product pipeline looking at what is a very critical need for the school and, obviously, then overlaying the commercial value of that technology investment. So, we have a product pipeline which extends for the next four quarters with a very strong accent on making sure that all decisions taken on product investments are with a commercial orientation. So, for example, the Revenue Head sits in the product decision on what should be released four

quarters later. It is not a decision made even by the technology guys. The revenue guy has an accountability in those decisions.

– **Mr. Karthik Gada - Multiple Wealth Management:**

– Oh! Okay. Okay, fine. Yeah, that's it from my side. Thank you so much.

– **Moderator:**

– Thank you. Next question is from the line of Rajen Shah from PwC, Canada. Please go ahead.

– **Mr. Rajan - Individual Investor:**

– Hello?

– **Moderator:**

– Yes, please.

– **Mr. Rajan - Individual Investor:**

– Hello? Yeah, first of all, I'm not from PwC, Canada. Uh There's some error. I'm just an individual investor.

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– Yes, please, Rajan ji.

– **Mr. Rajan - Individual Investor:**

– My question is Sunil Bhai.

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– Yes-yes.

– **Mr. Rajan - Individual Investor:**

– Sunil Bhai, good afternoon to you.

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– Yeah.

- **Mr. Rajan - Individual Investor:**

- Hope you are fine. Sir, you mentioned that the operational expense per quarter for the EdTech business would be about Rs.20 crores-Rs.25 crores. The revenue this year in the first nine months is about Rs.9 crores.

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

- Right.

- **Mr. Rajan - Individual Investor:**

- Assuming that revenue goes up even 200% from the current levels, are we looking at the loss of about Rs.70 crores-Rs.75 crores in EdTech business for next year?

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

- Yes, please.

- **Mr. Rajan - Individual Investor:**

- Okay. So, we'll be suffering a loss of about Rs.70 crores-Rs.75 crores?

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

- Yeah, that is the conservative number now and it all depends on the faster adoption by the school and the Tutoring community. So, our endeavor would be to target much higher but, yeah, conservatively I should say that the number you spoke is maybe the number for next year.

- **Mr. Rajan - Individual Investor:**

- Yeah. But, Sir, then in the earlier...Sunil Bhai, talk which I think Sanjeev Bhai was having with one of the participants, he mentioned that the largest player in this industry is having three-digit revenue and the second largest is close to three-digit revenue.

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

- Yeah.

– **Mr. Rajan - Individual Investor:**

– So, even assuming that in third or fourth year of operation we touched Rs.100 crores of revenue will have profit in the EdTech business. Am I right? I mean, what I need to understand is that are we looking at not even breaking even in the third or fourth year of operation?

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– No, that way we are very clear that third year of operation breaking even has to come. Now, this being the first year practically for all the new products or new activities that we have launched, so in 3years time we should reach breakeven. But simultaneously, as I just mentioned to someone else earlier, that we are just not focusing EdTech as a totally separate business vertical. What I'm trying to say is that with the increase or whatever traction that we get in EdTech, simultaneously it benefits the group at the group level also because our publications also will go to the same user i.e. schools and the tutors and, therefore, we believe that as a group we will benefit a loss even though as a separate entity we may be seeing losses.

– But on a very long-term basis, yes, EdTech we have no option but to invest money and long-term looks very, very big in terms of numbers also. So, if we talk of three years, yeah, I agree with you that in the third year we will achieve breakeven for sure. It may be smaller number at the end of three years but if we talk of little, longer period then profitability will really jump a lot.

– **Mr. Rajan - Individual Investor:**

– Can you throw some light on that, Suni Bhai? I mean, long-term like let's say 5 years down the line what kind of revenue can we expect from the EdTech business?

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– So, Rajan Bhai, to be very frank, we're talking of a business which has no past but we're clearly seeing the need of such products or services to the user community and, therefore, we are very confident on its future growth part but as far as numbers are concerned very, very difficult for us to comment right now.

– **Mr. Rajan - Individual Investor:**

– Okay. And, Sir, you mentioned that you will be raising funds in the third quarter of '24 or maybe first quarter of '25.

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

- Yeah.
- **Mr. Rajan - Individual Investor:**
- So, on this kind of revenue raising funds be possible? I mean, our revenues will not be more than Rs.20 crores-Rs.30 crores probably next year looking at what they're right now, can we raise a substantial amount of money depending upon this revenue? Is it possible?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- So, Rajan Bhai, I should at least tell you that I also mentioned our Revenue Recognition Policy, so the investor will not just come on a number of '24 but what they will see the traction or total number of customers that we have, what are the pending revenues likely to come in '25 also '26 also that they will see and the way we continuously go on increasing our customer base. I think all these factors will be seen on deciding the investment in EdTech business. It will not be just '24 number.
- **Mr. Rajan - Individual Investor:**
- Okay, but can you give some idea on what kind of amount we are planning to raise approximately?
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Yeah, Sanjeev, you...
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- Yeah. So, before I answer that question, I wanted to add a point to you earlier statement that the losses because of the competitors being at Rs.100 crores+ and when we will reach the Rs.100 crores figure, I think, one good thing that has happened in the last two years is there is a lot of cost rationalization which has come into the entire digital economy.
- **Mr. Rajan - Individual Investor:**
- Right.
- **Mr. Sanjeev Shah – Joint MD, Navneet Future Tech:**
- Obvious news about layoffs and about how people are getting extremely careful in taking decisions, customer acquisition costs, which is a big cost for these companies, the spends on technology, so a lot of that filtering has happened so aggressively, thanks to

the tightening in the market in the last two years. My personal view, frankly, is that the cost for every crore of revenue that our competitor has spent, we will spend less than that. Any new player is likely to spend less than that. There is also a certain equity flow which has resulted in some behavior which, you know, when you are sitting on a lot of cash, I think, there is a certain aggression that comes in execution. Given that Navneet, like Sunil said, it is a conservative group and we are very careful we will not finance a loss-making business forever; extremely responsible from that point of view. I very much doubt that our expenses will be in line with the same percentage expenses that our competitors have used to get to Rs.100 crores. So, that is the first point.

- As far as the fundraise amount is concerned, at this point we don't have a number that we are chasing. We know that we will need funding for the next three years and by Q3 next year we will be in a position to correlate the valuation with the funding ask and that's the time really to take a serious look at the amount of dilution in correlation to the fundraise. But we are not chasing a number today. That's the specific answer.

- **Mr. Rajan - Individual Investor:**

- Sunil Bhai, I wanted to ask one more question if you permit.

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

- Yeah-yeah.

- **Mr. Rajan - Individual Investor:**

- Sunil Bhai, actually, see basically based on the conversation we are having today, you know, I'm assuming that because of NEP the traditional business of publication will be doing very well.

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

- Yeah.

- **Mr. Rajan - Individual Investor:**

- Given the change and all that, we should be doing about 10%-15% kind of growth in the publication business over the next 3-4 years. In the Stationery and the domestic and export Stationery business also we are doing reasonably well.

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

- Yeah.

– **Mr. Rajan - Individual Investor:**

– But because of the EdTech business will be making a loss. I mean, in the EdTech business. So, net-net what I'm looking at is that, see as an investor we look at the PAT (Profit After Tax) because that determines the market cap of the company and returns for the shareholders.

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– True.

– **Mr. Rajan - Individual Investor:**

– So, my point is that the standalone business will be doing well and EdTech business would not be doing so well. So, net-net probably are we sitting at the same consolidated PAT as we are sitting right now?

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– So, yeah, one way to look at it would be that we will be seated on the similar numbers. So, all incremental profits of traditional business we will have to invest in tech business. That is the general statement and I agree with that. But, simultaneously, you may look at it on encashing our investments also in next 2-3 years or 4 years. So, with that you may consider that all these tech investments we are doing from our future realization of unrealized gains. So, that way also you can look at it.

– But, yes, for a very long-term of the group or Navneet, we have to continuously invest in tech. That is for sure.

– **Mr. Rajan - Individual Investor:**

– Thanks, Sir. Thank you so much. Thank you.

– **Moderator:**

– Thank you. I now hand the conference over the management for closing comments.

– **Mr. Sunil Gala – CEO & MD, Navneet Education:**

– So, thank you all for sparing your time today and we have a wonderful session on Q&A as well. I can request everyone that whoever has any more questions can write to us, we will try and answer them very fast. Thank you once again Prabhudas Lilladher and G9 in particular for organizing this call and thank you very much.

- **Moderator:**
- Thank you very much on behalf of Prabhudas Lilladher Pvt. Ltd. That concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.
- **Mr. Sunil Gala – CEO & MD, Navneet Education:**
- Thank you.

END OF TRANSCRIPT