



Knowledge is wealth

NEL/121/2022

Date: 09th August, 2022

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: Scrip Code – NAVNETEDUL

Ref: Scrip Code – 508989

Subject: Disclosure of transcript of Earning Call for quarter ended 30th June, 2022 held on 03rd August, 2022

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 03rd August, 2022 to discuss the financial Results for the quarter ended 30th June, 2022 is available on the website of the Company at www.navneet.com

You are requested to take note of the above.

Thanking you,

For Navneet Education Limited

Amit D. Buch
Company Secretary

NAVNEET EDUCATION LIMITED

CIN: L22200MH1984PLC034055

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Navneet Education Q1 FY23 Earnings Conference Call

August 3, 2022

- **Moderator:**

- Ladies and gentlemen, good day and welcome to Navneet Education Q1 FY23, Earnings Conference Call hosted by Prabhudas Lilladher Private Limited. 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 “*” than “0” on your touchtone 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 Sir.

- **Mr. Jinesh Joshi – Prabhudas Lilladher Private Limited:**

- Thanks, Seema. First of all, slight apologies for the late start. Nonetheless, I welcome you all the Q1 FY23 earnings call of Navneet Education Limited. We have with us the management represented by Mr. Sunil Gala, MD, Mr. Kalpesh Dedhia, CFO, and Mr. Roomy Mistry, Head IR. I would now like to hand over the call to the management for opening remarks and after that we can open the floor for Q&A. Thank you and over to you Sunil Bhai.

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

- Thanks, Jignesh. Good morning, ladies and gentlemen. Thanks, Prabhudas Lilladher Private Limited for arranging this call. As mentioned in my Q3 Con Call and in Q4 Con Call also, most of the schools across India have opened up barring few regional medium schools, which opened little late. With these remarks, we are seeing a normal year ahead with little spill over in next quarter from first quarter though numbers compared to corresponding quarter looks far better, but simultaneously we are very conscious to compare current year’s numbers with pre-pandemic year only. This I’m talking internally, at Navneet we do compare this with pre-pandemic year only. With this, let me give you a brief view on businesses. First, I will talk about publications business. So, we have not been able to match or grow the numbers over Q1 20 numbers for the reasons, which I will mention now. First was, most of the regional medium schools actually started in third week of June across Maharashtra and Gujarat, which is our core areas and they're still getting admissions as many of their students had shifted to government schools during pandemic. Because of this, part of the sales of Q1 got shifted the subsequent quarter. Second point was opening of schools across after almost two years, many schools delayed their purchases as they were settling -- they were busy in settling other important areas of the business and therefore the decision on purchase of books was little delayed.

- Third was CBSE textbooks published where Navneet received good response. These were the two reasons for which I said this spill over on publication business. I should also mention that CBSE textbook published by Navneet received good response across India with the combination of blended offering including digital support. So, we are confident of substantial growth over next couple of years as far as CBSE textbooks are concerned and the fourth little important, I'm sure many of you would have vary on is the paper crisis. Paper price upward moment did continue, thankfully we were able to pass on the incremental cost to the end consumers and therefore we could maintain the margins as you would have seen. Overall, I should say that we are confident of surpassing FY20 numbers for the full year of 23. There are some disturbances in between, if someone can be muted please. Thanks. Now, I will talk on domestic stationary business. I should say though it grew marginally over FY20 Q1 numbers, whereas we were expecting little better, but the reason that I mentioned about publication business, the spillover reason the same applied here also. Overall, I should say that we are confident of achieving minimum 15% growth over FY20 numbers with better margins.
- Now on to exports, because of the inflationary pressure, these are the instances in last three months that we have all have been hearing that because of the inflationary pressures in our main market being the US, demand seemed to have slowed down very marginally right now, on our core categories, but thankfully with the introduction of other category of stationary items, we are able to manage the growth. Unfortunately, we are not able to pass on the incremental input cost to all of our clients barring few and therefore for this year we may see little pressure on margins compared to earlier years. Now, I will talk about our subsidiary Indiannica. As you all know that Q4 is the best quarter for CBSE textbook business and so is in Indiannica. Preparation for Q4 for the current year order book is in full swing and we are confident of achieving again 15% to 20% growth over last year. The offering of -- blended offering also helping here and will further boost the demand for textbooks. So, Navneet is much better placed as far as offering of textbook is concerned because of the digital support also though through subsidiary is being offered to the school. So, z blended purchase or blended usage of product at the school level will benefit teachers and the students the most.
- I'll touch upon a little bit on our investment in K12 Techno. So, for this academic year, we have 60 schools under management and company is well poised to offer services to additional 20 schools for next academic year. So, we will be offering service to 80 schools next year. Simultaneously, it has started offering various services to non-Orchid schools; Orchid is our brand just to remind you. So, offering various services to non-Orchid School, which is very, very encouraging. Normally after every three years of offering services to an individual school, our company starts generating decent profitability and as you know that these companies into aggressive growth plan and therefore profitability wise we may not see much in this years as you can now then understand that once we stop growing, profitability will be at a much better level. So, overall, this ends my discussion on Q1 23 stand alone and two subsidiaries; means one subsidiary and one investor company.

- We happy to answer questions, but now let me touch upon little bit on Navneet Future Tech. As you all may know that earlier it was called “e-Sense” and the name that we had now recently changed it to Navneet Future Tech. so, first of all I should all inform you all that I have taken over the charge as an MD and Sanjeev Shah as Joint MD of Navneet Future Tech. Also, happy to announce on boarding of Mr. Karan Khemka as a Non-Independent Director on the Board of the Navneet Future Tech. We are simultaneously very, very conscious of the fact that EdTech business needs smart and relevant teams and I'm very, very happy here again to say that we have already appointed relevant team members particularly for the EdTech business and the recruitment process is in full swing. We have already recruited CXO level and senior level team members, and so we are definite that with this strong team in place and right guidance from people like Karan, Sanjeev, we are definitely going to do much better here. I will request Sanjeev to brief you all on Navneet Future Tech going forward. Simultaneously, before I hand over it over to Sanjeev, I also request all participants today if we can discuss Q&A more rather first on core business and then we discuss on EdTech business that will keep the flow very smooth. Thank you.
- **Moderator:**
- Sir, should we begin with the – Okay.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, Sanjeev can we start please.
- **Moderator:**
- Sir, should we begin with the Q&A.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah. Okay. We can begin with Q&A on core business and then Sanjeev will take it over and explain on the EdTech.
- **Moderator:**
- Okay, Sir alright. Ladies and gentlemen, we will now begin with the question and answer session. Anyone who wishes to ask a question may press “*” and “1” on their touchstone telephone. If you wish to remove yourself from the question queue, you will press “*” and “2”. Ladies and gentlemen, you are requested to use handsets while asking a question. We will wait for a moment while the question queue assembles. Thank you. We take the first question from the line of the Prakash Kapadia from Anived Portfolio Management. Please go ahead.
- **Mr. Prakash Kapadia – Anived Portfolio Management:**
- Yeah. Thanks for the opportunity. On the core business deal Sunil Bhai, what kind of a volume growth we've seen in the publication business and you mentioned in your opening remarks, the sales are slightly extended in Q2 also, so is it across

Maharashtra as well as Gujarat or is it just Maharashtra, where we are seeing you know delayed school opening and how is the sales trajectory post the end of the quarter? Post June we are seeing that traction.

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

- Yeah, Prakash. So, still volume growth has not yet come in. we are little around 10% to 12% behind our volume of Q1 20 and the reasons that I mentioned in my remarks are the same. so, situation was the same across all schools -- regional medium schools Maharashtra and Gujarat; not only Maharashtra and Gujarat, I should say across India, but as far as we are concerned across Maharashtra and Gujarat regional medium schools did delay actual start or purchase of publications. So, post Q1, we continue to see regular orders coming in from those schools, so overall when we complete first half, we are very sure that we will surpass given numbers -- Q1 20 numbers.

- **Mr. Prakash Kapadia – Anived Portfolio Management:**

- Yeah. That's good to know and on the stationary side, is there something on the export side because those are also slightly lower as compared to Q1 20 numbers, so is there a change in buying pattern or customer behavior or newer customers, which were added on the export side of stationary?

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

- Unfortunately, the exports of stationary also shifts between Q4 and Q1, so at times the customer does take delivery in Q4 and if they say that suppliers in first or second week of April that gets posted to the next first quarter. So, overall if we see full year, we are very sure that though my guidance earlier was we will grow between 20%-25%, but as I just said that we are seeing little slower in demand because of the inflationary pressure, particularly into US, we may see little lower growth compared to what I had expected. So, here also every quarter to compare with corresponding quarters is little challenging unless we combine the Q4 and Q1.

- **Mr. Prakash Kapadia – Anived Portfolio Management:**

- Right, right, right. I was looking at Q1 20 numbers, so fine. I got

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

- I agree, so in that case what had happened if you see Q4 19 numbers would be little lower.

- **Mr. Prakash Kapadia – Anived Portfolio Management:**

- Okay, okay, understood. So, some spillover happened because of which Q1 20 looks slightly higher.

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

- That's right, that's right.
- **Mr. Prakash Kapadia – Anived Portfolio Management:**
- Understood. On the newer initiatives, I'll come back.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Sure.
- **Moderator:**
- Thank you. We will take next question from the line of Amit khetan from Laburnum Capital. Please go ahead, Sir.
- **Mr. Amit khetan -- Laburnum Capital:**
- Hi. Good morning and thank you for the opportunity. So, in the last call you had mentioned about delay in getting students from the government schools back to the regional medium schools. How much of this and we would have a better sense now, so how much of this has played out according to you and how much could be a permanent loss?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Fundamentally, we believe at Navneet that students who are going to the private school, if they continue to go to government schools, it will be the impact on their overall educational growth and therefore they have to shift back to the private schools. As we speak, part of June and most part of the July, students have shifted back to the private schools and accordingly orders also have started coming in. I do not foresee a permanent loss here.
- **Mr. Amit khetan -- Laburnum Capital:**
- Understood. Thank you. I'll come back in the queue.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Sure.
- **Moderator:**
- Thank you, Sir. we take the next question from the line of Sarvesh Gupta from Maximal Capital. Please go ahead, Sir.
- **Sarvesh Gupta -- Maximal Capital:**
- Good morning Sir and thanks for taking my question. Sir, my questions are mostly pertaining to the EdTech businesses. So, one is if I see your run rate of losses now from an earlier of maybe 7-8 crores losses, I'm excluding the K12 business, this

quarter it has more than doubled to around 50 odd crores, so is there a maximum and now also lot of these businesses are in early stage where you would need a lot of expansion in the marketing teams, marketing budget, and for selling them right, so is there a cap on the losses that we foresee, which will happen in our companies overall excluding the K12, so that is number one and secondly with regard to our investments also, I think this year apart from the 30-40 odd crore that we wanted to invest in the companies that we had already committed, again we had put in like 60 odd crores, so is there a sort of an investment limit or budget that we have decided for these ventures? So, what's the growth capital basically and what is the cash that you foresee in these businesses?

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

- Okay. So, as far as though I thought we'll discuss this later, but these are not business related question directly, so let me throw light on this that any new business that company gets into, but obvious there will be initial losses, I understand that the EdTech business that we are here for very long period, but now since last 1½ years in particular as every conference call I would have spoken about, we are going little aggressive in EdTech business and in that aggression, we may see losses in the initial period, but simultaneously we are creating lots of value for a sustainable growth going forward. So, with that conscious decision in mind, we have decided to recruit people and market the products once they are fully ready, we will need to spend money on. So, that way I do not foresee restriction of losses in the EdTech business and with respect to your question on I had guided 30 to 40 core versus 60 crores, actually these are earlier certain loans were given to the subsidiary, which we converted to equity and therefore you see 60 crore. In reality, cash flow point of view, I do not think more than 20 crores have gone.

- **Sarvesh Gupta -- Maximal Capital:**

- Okay, so my question was that this quarter we seem to have loss like maybe 15 crores or something, so what's the sort of your estimate of how much money we are willing to lose this year and next year in all these tech ventures taking into

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

- So, 15 crores that you're mentioning frankly Includes loss in Indiannica and if you recall Indiannica business, first three quarters always will be in loss because of the seasonality. In Q4, when major 80% of the business is done, I think all the losses gets adjusted against the profit. Like we had achieved the Indiannica was already breaking even at a cash level last year and going forward with the growth, we are likely to see profitability. So, at a year level, Indiannica is not going to go into losses. Now, with respect to EdTech business, we are really in initial stage, learning a lot during this period, learning from the markets, learning internally, and simultaneously appointing strong teams to take this forward on a long term basis and therefore full year guidance wise whatever that I would have mentioned earlier around 30-40 crore loss that will be there.

- **Sarvesh Gupta -- Maximal Capital:**
- Okay and for next year any guidance in the same?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- I feel after two quarters when we are very sure about these the businesses that we are focusing in EdTech, when all the business plans would be very, very clear and we will start marketing them, that time I'll be able to guide on the next years investment come losses.
- **Sarvesh Gupta -- Maximal Capital:**
- Okay and on the investment side, we have already put in 60 crores, you are saying most of it was precommitted, but in terms of the fresh money, which needs to be deployed for growth in your tech businesses as well as for any other tech investments as such, so what is the plan for this year and next?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So, we are not going to make any other investments in EdTech except our core businesses or organic businesses that we want to grow, so I believe the investments would be by within the nature of losses only.
- **Sarvesh Gupta -- Maximal Capital:**
- Okay.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, there won't be any fixed investments as such in EdTech business.
- **Sarvesh Gupta -- Maximal Capital:**
- Okay. K12 business, we have seen a very nice upswing on the profitability side of around 5 odd crores, but you also mentioned that again they are going into a very aggressive sort of a growth phase, so do we expect this sort of run rate to be maintained or it will also go into negative or break even sort of a number at the PAT level?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Again, K12 business, school management business is little seasonal in nature. What I meant by aggressive growth plan and therefore we don't see decent profitability is we will see profitability in the range of at a company level between 30-50 crore. If we would have stopped growing, the numbers would have been much better. I was trying to give that clarity, so going forward during the year, we are hopeful based on the discussions that we've had with them that our share of profit should be in the range of around 12 to 15 crores for the full year.

- **Sarvesh Gupta -- Maximal Capital:**
- Okay. Okay Sir. thank you and all the best.
- **Moderator:**
- Thank you, Sir. We take the next question from the line of Sonaal Kohli from Bowhead. Please go ahead, Sir.
- **Mr. Sonaal Kohli -- Bowhead:**
- Hello, Mr. Gala, thank you for this opportunity. Sir, I had couple of queries. Firstly, Sir, why are we comparing our numbers with FY20 because when I see your numbers from FY20, at least on a seasonality basis you're Q2 publication, Q1 publication revenues in FY20 was 62% of full year revenues, which is the highest in last I think 15 years, so any specific reason you would want to only compare with FY20 because that's not a normal year for you in terms of seasonality at least for Q1?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- I fully agree Sonaal and you are very right that in FY20, we had two great curriculum change in Gujarat and therefore we saw little higher bump during that period, but normally one would compare it with the corresponding earlier year and we thought we should compare it with and the non-pandemic year and therefore that was the only year that we could speak about and therefore we are comparing it with FY20, but you're very right that in FY20
- **Mr. Sonaal Kohli -- Bowhead:**
- comparing with the full year Sir, what I meant was why compare Q1 with Q1 when Q1 we know is a completely abnormal compared to the normal years for the business seen in FY20. So, 20 to 21 are more abnormal, but even 20 was abnormal in terms of base, the base being too high
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- I know, you're very right, as I said, we could not compare it with the earlier two years and therefore non-pandemic year we started comparing it with and you're very right, if we look at it the way you are saying we should have compared it with FY18 then.
- **Mr. Sonaal Kohli -- Bowhead:**
- Secondly Sir, as far as your exported business is concerned, pre-pandemic at a very rough level what was office stationary contribution in your view, if you have some idea as a percentage of your total export stationary business?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**

- If I recollect correctly, it was around 17% to 18% then.
- **Mr. Sonaal Kohli -- Bowhead:**
- Understood. Sir, considering the offices have not fully opened is that business even currently also in people are working from home, is that the business which has seen more fall as of now and does that extend part of the weakness?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So, thankfully though offices are not working, but people at home also do need stationary and therefore that we are not really seeing much degrowth there and simultaneously I mention apart from the paper only stationary that we were supplying earlier and now supplying various different kinds of PP or poly made stationary, so overall portfolio has grown to be offered to them. So, that we are not showing, but overall I would I should say that normally US is very, very high consuming economy and because of the overall inflationary trend prevailing there like every other commodities even we saw little slower that's what I'm saying from the end consumer point of view and that we discussed with the buyers and not that we have started receiving lesser orders, but future looks little slow after talking to the buyers.
- **Mr. Sonaal Kohli -- Bowhead:**
- So, Sir we were expecting it to be a flat year as far as the export was concerned because of higher inventory at the retailer levels right, would you maintain that guidance or I heard you saying that you will actually grow this year, so I'm not sure what was the concerned guidance if you could repeat it, it will be really helpful?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yes, Sonaal what I recall having mentioned last year that it would be a flat year compared to pre-pandemic here because in FY20-21, they were left with lots of inventory and therefore 21-22 we were not expecting growth, but now come 22-23 for which we are talking, we are very confident of growing this year.
- **Mr. Sonaal Kohli -- Bowhead:**
- Okay and Sir that long-term growth beyond this year of 25% by increasing market share through products and due to China One, does that maintain or even that looks unlikely to you from a long-term perspective?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- I do maintain, except for this year where we as I was expecting between 20%-25%, we may grow at 15% because of the current year's position prevailing and what we hear from the customers. Otherwise I mention, I should also mention here that lots and lots of inquiries are coming in. I think the challenges internal that apart from paper and poly that stationary that we export, they want different types of other

stationary products for which we do not have capacity or infra to manufacture, but we are working on many of them, therefore, I will continue to maintain my guidance.

- **Mr. Sonaal Kohli -- Bowhead:**

- Sir, when you look at the impact on your publication business, which students having moved in the initial phase at least to the government schools and now you said they're coming back versus late opening of the schools due to maintaining COVID norms, which do you think was a bigger impact for you or you wouldn't have that kind of numbers?

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

- That is too minute because it is so much fragmented, we wouldn't know, but as we understand from the street clearly, we see that regional medium school students shifting to the government school was the main reason.

- **Mr. Sonaal Kohli -- Bowhead:**

- But is it true that the schools open -- okay you have already mentioned that in your note that the schools had more other issues to look at when they opened up so, sales got postponed.

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

- True.

- **Mr. Sonaal Kohli -- Bowhead:**

- Okay. Lastly Sir on your school business, K12 business what kind of valuation was for the company, when was the last transaction in that company and what was it valued at?

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

- Yeah, so last valuation at which the new investor had come in was at \$300 million, so in in rupee terms then it was around ₹2,250 crore, it was the value then.

- **Mr. Sonaal Kohli -- Bowhead:**

- And Sir, this was how long back and what is your current equity stake in the company?

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

- That was September 21 and our equity pre-ESOP is 27.3%.

- **Mr. Sonaal Kohli -- Bowhead:**

- So, this 2,250 was post-money or pre-money?

- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- That was pre-money.
- **Mr. Sonaal Kohli -- Bowhead:**
- So, post-money would be -- oaky
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- 24.
- **Mr. Sonaal Kohli -- Bowhead:**
- 24. So, you have 27%-28% of that company right now.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yes.
- **Mr. Sonaal Kohli -- Bowhead:**
- And Sir any valuation of this company you've done in the recent past, would it be lower value, would it be higher value, would be around similar value in your view, and are there any plans for further fundraising by this company over next one year or so to fund expense?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah. Company is working on further fundraise because of the further growth that we want to have and initial talks that we are hearing is that it will be better than the earlier valuation.
- **Mr. Sonaal Kohli -- Bowhead:**
- And Sir would you be also participating in this and if so, what will be the
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- No, no, no, no. The existing shareholders being Sequoia and us, we are not going to participate, so it will be a new shareholder.
- **Mr. Sonaal Kohli -- Bowhead:**
- Understood Sir and that's it from my side and I'll come back in the queue. Thank you.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Sure, sure.

- **Moderator:**
- Thank you very much, Sir. we take the next question from the line of Samarth Singh from TPS Capital. Please go ahead, Sir.
- **Mr. Samarth Singh -- TPS Capital:**
- Good morning. All my questions have been answered. Just when you're talking about the new businesses, if you're going to talk about how SSA is doing and is it meeting our expectations especially given the rich valuations we paid for that as well. Thank you.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah. So, Samarth, we'll take this question when Sanjeev gives overall view on the EdTech business including the investee companies.
- **Mr. Samarth Singh -- TPS Capital:**
- Excellent Sir. thank you and congratulations on a good quarter.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Thanks.
- **Moderator:**
- Thank you very much, Sir. We take the next question from the line of Yash Sachdeva from Finn Interest Capital. Please go ahead.
- **Mr. Yash Sachdeva -- Finn Interest Capital:**
- Yeah, hi Sir. just had one question that with implementation of new education policy, what impact or developments as a company are we expecting in the business relating to the growth trajectory in the future and also if you could throw some light on the EdTech business as to how it is aligned with the new education policy?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Sure. So, as what we finally see new education policy was approved by the Center and the implementation of that was left it on to this state governments. What we hear from respective state governments including Maharashtra and Gujarat that the implementation process is little slow and therefore they are still not sure when will they be able to start implementation. All these school authorities or the Education Ministry was busy in restarting of the whole system and therefore that they have not yet started. Once that gets started implementation, we will have couple of advantages. #1 - The curriculum of various grades will change over four years and introduction of new titles means the books that we never had on couple of subjects we will be able to offer new titles to the school, so that will be the second advantage

and as far as tech business is concerned, it's not purely on business and therefore I'm replying right now, EdTech business, there are lots of expectation by the Central Government to implement the technology into the overall curriculum and therefore the Navneet Group will have an advantage of delivering not only the print publications, but simultaneously various digital offerings also. So, overall, I may not be able to pinpoint exactly how is it going to benefit, but the way it is mentioned in NEP, Navneet will really be benefited.

- **Mr. Yash Sachdeva -- Finn Interest Capital:**

- Right, right. Thank you. That's all from my side.

- **Moderator:**

- Thank you, Sir. We take the next question from the line of Gaurav Agarwal from GA Investments. Please go ahead.

- **Mr. Gaurav Agarwal -- GA Investments:**

- Hello Sir. Thank you for the opportunity. Sir, I just wanted to get a couple of numbers on Navneet Future Tech, what was the net worth and cash holding at the end of FY22 or maybe at the end of June 2022?

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

- What was the cash, can you repeat your question please?

- **Mr. Gaurav Agarwal -- GA Investments:**

- Sir, cash and cash equivalents at the Navneet Future Tech level?

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

- We have very hardly cash left and Navneet will have to further invest for its future growth, so we would hardly have around 5 to 5½ crore right now left in the company and further required for the growth majorly to spend money on uh implementing various businesses Navneet will have to commit further money to them.

- **Mr. Gaurav Agarwal -- GA Investments:**

- So, for that we have already guided for ₹60 crore right for FY23? This will come from Navneet Education?

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

- yeah, yeah, yeah, so we – no 60 crores as I mentioned in between major of that was earlier given as loan in the earlier year and we got it converted to equity therefore we see 60 crore, actual cash outflow was hardly 20 crore in the current year till date.

- **Mr. Gaurav Agarwal -- GA Investments:**

- And how much further will be in there, like for the next three quarters?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, so further as you're mentioning around between 30-40 crore we will have to invest.
- **Mr. Gaurav Agarwal -- GA Investments:**
- Okay and Sir beyond that for other 20 crore, have we given any thought to how much further we want to burn here or will it be opened to raise outside capital also from venture capital fund or from other key funds to support the growth as well as to have confidence that these businesses are doing good and outside people are also having confidence on these businesses?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- I fully agree with you, as I mentioned to someone earlier, I will not be able to guide anything right now as far as the future requirement investment required till the time we finalize our business plans, which will happen over a period of next two quarters because things are shaping up, we are very, very conscious that we want to focus -- on the areas that we want to focus on, we just don't want splurge money on any EdTech initiative and therefore we are very -- with that conscious in mind, we are figuring out what will happen, so as I said little earlier a while ago that post two quarters I will be able to give guidance on this. Hello.
- **Mr. Gaurav Agarwal -- GA Investments:**
- Thank you, Sir. Thank you so much.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Thank you.
- **Moderator:**
- We will now request Sanjeev Sir to go ahead with his comments. Sir, you may please go ahead. Your line isn't talk mode.
- **Mr. Sanjeev Shah – Joint MD, Navneet Futuretech Ltd.:**
- Thank you. Thank you, everybody. Good morning and privilege to be on this business of Navneet Future Tech with an executive responsibility, huge responsibility, and very excited to play this role to work closely with Sunil and the other teams that are joining us. So, the initial focus that we have created for ourselves is really to work on the current Navneet strength, which is why the business that has actually rolled out immediately is the business that we are calling Navneet TopTech. this business was earlier known as e-Sense, but we have rebranded this as TopTech.

- This is the business that focuses on the school as a customer and it is a complete B2B business. We have the advantage of Navneet Education having deep inroads with schools for more than 3-4 decades and with their relationships in the schools and the extremely huge and relevant content library, we are working with these two strong pillars to build the TopTech business. So, the current activity across Navneet Future Tech while there are other businesses, which are being researched and developed, the one business which is already out there with sales teams and signing up customers is Navneet TopTech. This business will also grow as we move further into the CBSE network and the State Boards, but the focus across Navneet Future Tech will be driven mostly by this B2B orientation for the next 2-3 quarters. The other two businesses which are under extensive research and close to nearly finalizing the business plans, one of them is a tutoring business, which is a business similar to tutoring SAS enterprise where are customers will be -- I'm sorry there is some disturbance, if I may request that person to please be on mute. Yeah. Thank you. Thank you.
- So, the second business that we will launch in the next quarter is the business focused on tutors and coaching institutes, where we will be offering a SAS come ERP platform, which will have the additional services of content to help the tuition teachers and the tutors actually create more leverage with their business and this is an activity, which is again significantly developed. You all may recollect that Navneet has invested in a company called Genext Students that is the company which we already own more than 50%, it is a subsidiary and yeah we are focused on the tutoring SAS business along with the content orientation through that entity, so this is the next business which will go into the market in the next quarter. As we speak, we are developing the platform with strong feedback from customers -- sorry very clear feedback from customers and we're making sure that our product is well positioned to then integrate with all the content that we are plugging in for the tutors and the coaching institutes. This is again like I said, it's going to be a B2B focus only.
- The third business, which is still at the drawing board stage and where we don't have a lot of data to share today is actually the B2C business where we are undergoing a lot of research on how we will address the preprimary age group, which is basically children from the age of 2 to 10 -- 2 to 8 mostly and this is the business which will have, we are being a little more careful and patient with this because it is B2C and the nature of the B2C businesses is it requires a lot more investment in brand building, marketing, and the customer acquisition costs, so we are being extremely careful about how we -- Sorry
- **Moderator:**
- I am sorry Sir. There is somebody talking in the background, Sanjeev.
- **Mr. Sanjeev Shah – Joint MD, Navneet Futuretech Ltd.:**
- Yeah, yeah. No, okay. I'll continue then. So, I think the question on the B2C side it requires a larger debate and we have now in fact got in a CEO to run their business,

his name is Gaurang Sanghvi. He joined us a couple of months ago and we're working closely with him and the team to develop the clarity on what we should do in the preprimary segment. This is likely to be focused between India and maybe a couple of markets outside India, but like I said, today we don't have enough clarity to guide you on exactly what we will do on the B2C side.

- Given the nature of the investments, we are being a bit more careful on how we are evaluating this. So, we are not going to launch this in the next one or two quarters, it will be a business that may get into the market probably in the last quarter of this year, we're not even 100% sure of that, but it may be something that will happen in January/February/March in that quarter, but it will require a lot more work before that for us to get convinced as a management team and then of course working closely with the Board and once we have everybody's conviction, we will look at the B2C business as well. So, these are the initial comments from my side. Samarth had raised a specific question on SFA, if I can address that now itself, the SFA partnership is currently actually finally getting into the school system. We have been quite busy with TopTech sales people focused on the TopTech core business. So, the idea was to make sure that we establish the TopTech platform and the prominence from the sales pitch with the schools and to get our core business established with customers, which is why the first two months of this year, we have not gone aggressively with the SFA teams to meet schools, but as we speak, we are now working very closely with SFA to get in front of schools and to pitch the sports business to the schools separately from the TopTech the platform, but this effort is underway.
- We think it'll take close to two to three months to get a good feel of what is the potential from a PNL point of view, but the initial feedback is encouraging. Most schools are clearly realizing the value of sports from a child development point of view, some schools also realize the value of sports from a commercial perspective, but our objective is to work with SFA and make sure that we deliver the outcomes that the school expects, especially we have to be a bit more careful because this is not an outcome which is in our control, but with the SFA team, we are pretty confident that they have enough expertise to manage all these relationships and do a good job with the school, but the meetings have just started now given that the TopTech team was busy with its own business focus. So, that is answer for you Samarth. Yes, these are my initial comments. Happy to take questions.
- **Moderator:**
- Thank you, Sir. A reminder to all the participants, anyone who wishes to ask a question may press "*" and "1" on their touchtone phone. The next question is from the line of Mr. Kunal Mehta, HNM Finance Securities. Please go ahead, Sir.
- **Mr. Kunal Mehta -- HNM Finance Securities:**
- Thank you for the opportunity. Sanjeev Sir, would K12 and the 3 initiatives that you mentioned, TopTech, Genext, would be having some overlap and do we intend to use their expertise for our business since they already are well established?

- **Mr. Sanjeev Shah – Joint MD, Navneet Futuretech Ltd.:**
- The simple answer to that is, no because that is a very important financial investment that Navneet has made. It is not a strategic investment for us from a synergy or a partnership point of view. So, K12 Techno is a business that works completely independently and we don't have any linkages with them. At this point of time, we don't have any reason to establish any bridge with them so to say for our EdTech businesses because they are independent from product perspective also and we are clearly currently focused on using the Navneet Ecosystem to build our EdTech business which is where our initial focus will be. So, we are not working with K12 Techno on any synergy or strategic orientation.
- **Mr. Kunal Mehta -- HNM Finance Securities:**
- Okay and one more question, are Mr. Harshil Gala and Devish Gala from the promoter family, one is heading TopTech and one who's going to be Genext.
- **Mr. Sanjeev Shah – Joint MD, Navneet Futuretech Ltd.:**
- Yes, that is right. Both are part of the same family, which is the promoter group of Navneet Education Limited.
- **Mr. Kunal Mehta -- HNM Finance Securities:**
- Fine, fine. That's it from my side. Thank you.
- **Moderator:**
- Thank you very much, Sir. We take the next question from the line of Tanuj Khiyani. Please go ahead, Sir.
- **Mr. Tanuj Khiyani -- Kamayakya Wealth Management Pvt. Ltd.**
- Yeah. Thank you for the opportunity. My question was on the EBITDA margin, so can you give us the guidance on what kind of EBITDA margins can you expect for the next year?
- **Mr. Sanjeev Shah – Joint MD, Navneet Futuretech Ltd.:**
- I assume this question is for the core business.
- **Mr. Sanjeev Shah – Joint MD, Navneet Futuretech Ltd.:**
- Yeah, yeah, are you talking about the core businesses.
- **Mr. Tanuj Khiyani -- Kamayakya Wealth Management Pvt. Ltd.**
- Yeah, yeah, for the core.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**

- So, as I had mentioned these also earlier, we should be able to maintain between 21% to 22% on a branded level.
- **Mr. Tanuj Khiyani -- Kamayakya Wealth Management Pvt. Ltd.**
- Okay. Thank you so much.
- **Moderator:**
- Thank you very much, Sir. we take the next question from the line of Rajan Shah Investor. Please go ahead, Sir.
- **Mr. Rajan Shah -- Investor:**
- Hello. good morning, Sunil Bhai. I had one question for you and another one for Sanju bhai. Sunil Bhai, for FY20, we reported a consolidated income of 1,450 crore and profit of I think about 200 crores, standalone profit was about 220 crores, so current year do we expect these similar numbers or better numbers because you mentioned that we will be suffering a loss for about 30-40 crore in the EdTech business in the current year, so my question was the standalone profit can we expected 220 cross and the consolidated profit at about 180 crore, which will be less than FY20 consolidated numbers?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yes please. I'm confident on that.
- **Mr. Rajan Shah -- Investor:**
- Okay. So, we'll achieve 220 crore of profit on standalone basis and about 180 crore on consolidated business?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- That's right.
- **Mr. Rajan Shah -- Investor:**
- Okay, fine. Another question was any plans for the fourth buyback?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Not yet planned right now. So, I will not be able to comment on that right now.
- **Mr. Rajan Shah -- Investor:**
- And any plans to raise funds for the EdTech business, Sanju Bhai?
- **Mr. Sanjeev Shah – Joint MD, Navneet Futuretech Ltd.:**

- So, at this stage, I think Sunil addressed that point, we are currently focused on establishing a lot of clarity and confidence in our business plan itself and like we said the B2B businesses will be First off, the block. The B2C business will require another quarter or more for business clarity. I don't have a specific answer to that question, but for the moment we are very clear that the focus is on execution and I think at that time when our business plans are ready, we will then be able to address the need for funding, if it comes up from external sources.
- **Mr. Rajan Shah -- Investor:**
- But, Sanju Bhai and Sunil Bhai, I had one point actually, we expect business is going to be in losses for the next 2-3 years at least, that is what we agree. So, in that case if we were to raise funds in EdTech business wouldn't the dilution be very high instead if we raise funds in Navneet because the stock is undervalued, it's at hardly 10P multiple. If the branding and the media is taken care of, I think the stock can easily go up. I mean you have been performing for the last 15-20 years, the market is giving her stepmotherly PE multiple to our company. if the PE multiple goes to 20, the stock can go to 200, market cap can go to 4,000 crore, and then we can do a QIP and raise funds in Navneet and then fund the EdTech business, instead of funding a loss making -- if we fund the loss making business and raise funds in EdTech, the dictation will be very heavy.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So, I'll try and answer this that, this point is well taken. As we just spoke that once we have clarity on the requirement of funds in EdTech business at that time we will definitely evaluate this suggestion of yours whether to raise at a parent level or a subsidiary level. Fortunately, there are certain PEs who would like to just focus on the EdTech business and they may not want to really invest in the core businesses and therefore we'll have to see after talking to investor, we'll come to know where their interest is, but of course we will take interest from a group point of view and decide.
- **Mr. Rajan Shah -- Investor:**
- Fine Sir, fine. I wish you all the best and I see the same future for Navneet Future Tech as we have seen in case of Navneet. So, all the best to you, Sir. thank you.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Sure, thanks.
- **Moderator:**
- Thank you, Sir. We take the next question from the line of Varun Gupta from RA Securities Private Limited. Please go ahead, Sir.
- **Varun Gupta -- RA Securities Private Limited:**

- Yeah. Good afternoon Sir. Thanks for taking my question. My question is on one part of balance sheet, which is related to related party transactions. We own brands by KMP and we also own properties in KMP for which we are paying the lease, rentals, and now we're doing that to KMP. So, what is the rationale behind it and going forward can we see this to be increasing or decreasing or how to what is review call?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- This has been there since inception of the company and actually the royalties are paid to the promoter owned forms. There are certain reasons the authors in particular at times they do want to deal with the family only, there are certain set of authors and it was a conscious decision for last 20 years or maybe since inception as I said since 94, this practice is on. You should simultaneously keep that in mind that the original brands the Navneet, Vikas, and Gala, were also owned by the family, but we took a conscious call and around 97-98, we had sold those brands to the company at ₹1, so you can understand the intention. So, this is just – I am all reminding you all on the consciousness of the family members. Secondly, on the property, that there are certain properties in Mumbai and Ahmedabad, at Ahmedabad we are very clear that we would like to -- we will not transfer the property to the company because unnecessarily that will bring a balance sheet burden to the company. Instead, we will identify right place in future for the company and we will deal with the property at the promoter level. Similar is the case with Mumbai property. These are the only two properties when we started the company in 94, where the promoters owned these properties, rest all the properties that were required for the business were bought only in the company. So, from that also you can understand the mindset of the promoters that we do not want to unnecessarily burden the company. Depending on its requirement in future, company will start owning its own properties.
- **Varun Gupta -- RA Securities Private Limited:**
- Thank you so much, Sir. thank you.
- **Moderator:**
- Thank you very much, Sir. We take the next question from the line of Ronak Singhvi, investor. Please go ahead, Sir.
- **Mr. Ronak Singhvi -- Investor:**
- Yeah. Thank you. Thank you for the opportunity. I have a couple of questions including generally on the business as well. One, there is another investment which you guys made in Tinkerly, which is a Jaipur based EdTech company. So, any rationale for investment in that because I don't see any updates on that and also on the expansion on the CBSE school because since the business is well established as a brand as well in Gujarat and Maharashtra, but there are so many other states where there are some plans which accelerate the growth because that can catapult the

growth significantly, so on that and one is actually on the competitive intensity, one is due to the pandemic because a lot of small publishers have suffered this time and also with the advent of NEP and is blended learning and there are players like LEAD School who have taken some bit of market share now with their blended approach, so sort of just wanted to understand your prospective on these three points. Thank you.

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

- Sanjeev, I'll take this question. First of all, to all our valued investor and analyst fraternity, I should at least give my view on the education business per say. I'm not talking about Navneet or EdTech initiative right now. Clearly, the usage of technology in the school ecosystem, I don't think so there is any -- they cannot escape this. So, it is very, very important for the group to look at its core business, which also we believe that is going to continue for a very, very long period or maybe forever, but simultaneously usage of technology cannot be forgotten and therefore very important for the company to focus both areas together. Now to particular answer on Tinkerly. Tinkerly was also into setting up STEM Labs into the schools. We thought that this is one of the areas where schools will be investing a lot because of the not only NEP, but otherwise also STEM Labs will be must for each and every school and therefore we invested in that company.

- Now that we are realizing that schools are particularly NITI Aayog, which was supporting this investment into the school is going a little slow, so our investment is just 5½ crore, so with that small number we are trying to understand what is the – what will be the decision of the schools going forward as far as STEM Laboratories are concerned and feel that. So, sitting in the company, we will always have better clarity other than just getting information and therefore, we have invested in that company. We are not further investing in that company now. As far as your question on CBSE schools, which are going, you are very right that those are growing at a very, very rapid pace across the country, but maybe couple of times we have discussed this, we have advantage not only from Maharashtra and Gujarat, which is our strong foothold, but with our investment in Indiannica around 6-7 years ago, which was already supplying books to all India CBSE schools and similarly we have certain titles on CBSE at Navneet also and which also we are marketing all India, so for CBSE titles groups focus is not only Maharashtra and Gujarat, but it is across and your last point on LEAD Schools or the blended learning, which also I mentioned in my opening remarks today that it is very important for any company to have both, the physical products that they were using for so long as well as the new technology product and we are fortunate that Navneet has now both, one already existing very strongly and second, we are in the process of you know making that a reality. So at a future date from Navneet Groups offering point of view, I think whatever school requires on a blended basis, Navneet will be ready to support that.

- **Mr. Ronak Singhvi -- Investor:**

- Thank you, Sir. Sir, I just wanted one clarification specifically on this competitive intensity from other publishers. How is it pre-pandemic now?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So, with respect to publishing business you're very right that couple of small, small publishers found it very difficult to sustain during this pandemic period as well as this paper incremental cycle scenario as of now, but for that you may recall that each publisher are enjoying handsome EBITDA margins on their business, so though very small publishers did suffer, but medium to large publishers could continue in this period also. So, there is no big change in closing down of various companies, but overall as I think time passes with more and more CBSE penetration, CBSE curriculum penetration in the country they will have to be consolidation that we are very sure of.
- **Mr. Ronak Singhvi -- Investor:**
- Thank you. Thank you very much, Sir. thank you.
- **Moderator:**
- Thank you, Sir. We take the next question from the line of Pavan Nahar, investor. Please go ahead, Sir.
- **Mr. Pavan Nahar – Investor:**
- Thank you very much and pardon me few questions are repetitions because I got disconnected. So, first question would be Sir you mentioned 30-40 crores FY23 loss for the EdTech side. Now this 30-40 crores loss is including profits from K12 or excluding profits from K12?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- It will be excluding.
- **Mr. Pavan Nahar – Investor:**
- Okay and it assumes 30-40 assumes basically K12 profits will be counted separately and the Indiannica anyways we assume will be break even, so 30-40 crores will be more like a cash bond.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yes, yes, yes.
- **Mr. Pavan Nahar – Investor:**
- That's fine. So, that is okay. Second thing would be that for the publishing business I'm sorry if you could repeat what is your guidance because let's not get into quarter,

and #2 is that we fully understand that whatever you speak is in whatever best way right and things can go different, so as on today for the full year versus or if you just want to put an absolute number for the publishing business revenues and margins for this year, whatever best case you would like to

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

- So, Mr. Sonaal Kohli did corrected me that FY20 with which we compare our numbers, wherein we had clocked revenue of 700 crores in publishing and this year in the first quarter though we are lagging behind, but what our gutful or what we understand from the street that we should be able to at least match the revenue number of FY20, we are little hopeful of growing that also beyond that and as far as margins are concerned, we will continue to enjoy between 33% to 35% EBITDA margin in that business.

- **Mr. Pavan Nahar – Investor:**

- So, 700 and 33% to 35% EBITDA margin in that business okay and 700 was March 20, but given the inflation that has happened to talk about a flat number because even March 19 was 710 crores. So, I didn't know, I'm sorry Sonaal did speak about it, but I'm just saying that two years we had 700-710 crores, so maybe both were normally I mean at least so

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

- So yeah, I should come in here. You're very right that there is inflationary also adjusted in these numbers. March 19 and March 20 there was continuous curriculum change cycle already happening that was the reason of that growth. So, this year you are right that if you achieve 700 crore, there could be some volume degrowth that you are I think hinting ahead. So, we are that way internally our guidance is to at least achieve the same volume and therefore I see better number than FY20, but as you know we have always been little conservative in giving guidance's, so

- **Mr. Pavan Nahar – Investor:**

- Okay so 700 and 33% to 35% EBITDA margin. Second question would be that we understand that State Boards may defer the curriculum change etc., but over the next few years right, so if not next year maybe after that right, once this process begins what is the kind of growth we would see like for the 4-year period, after that curriculum change begins?

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

- Normally

- **Mr. Sanjeev Shah – Joint MD, Navneet Education Ltd.:**

- In FY24

- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, yeah. So, whenever curriculum change cycle starts in state curriculum as per our past history, we have always seen between 12% to 20% growth depending on the grade for which the curriculum is changing. If it is for the higher grades, the growth is in the range of 18%-20% and if it is lower range, lower grades then it is around 12%. So, blended if we see for four years continuously, we should grow around 15%.
- **Mr. Pavan Nahar – Investor:**
- So, let's put it like this for the next five years right, we should see a healthy growth in publishing business too, I mean it could be the growth beginning after two years, it could be after one year. Okay.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yes.
- **Mr. Pavan Nahar – Investor:**
- The second thing would be on the stationary business right. In March 20, we've done like is it right for me to compare March 20 given that this business was pretty much okay even during the pandemic, so or let's put it very simple Sir basically what is the full year revenue you think you could do from stationary domestic plus exports combined and the margin there?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yes, so in March 20, we had done 740 odd crores in stationary of which around 500 crores was exports. Domestic stationary did took a heating during pandemic in India, but exports of course except the FY21, we came back to the pre-pandemic level to which I am foreseeing around 15% to 17% growth in the current year and domestic stationary, the balance part 250 crore that we had should grow by around 10% to 12%. So, overall we should see a growth of around 12% over FY20 number.
- **Mr. Pavan Nahar – Investor:**
- 50 crores revenue basically for this year.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yes please, yes, please, and margin
- **Mr. Pavan Nahar – Investor:**
- And at EBITDA margin?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**

- At EBITDA margin level, we should see which used to be around 12% odd earlier blended between exports and domestic should more or less remain the same.
- **Mr. Pavan Nahar – Investor:**
- Sorry, can you repeat that, so 12-15 should remain same?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- 12% to 13% that we were achieving the bitter margin for stationery business which was blended, exports generate more and domestic generates less, but blended was that margin and we are hopeful of achieving the same in the current year as well.
- **Mr. Pavan Nahar – Investor:**
- So, got it. So, basically if I were to sum up these two, we are talking about maybe 330 crores of EBITDA this year, all as we see it today, things can change, it will be lower higher right and then there will be let's say we will use 40 crores of the cash turn and as we add the K12 profits, okay fine Sir, then after this, the stationary business let's say we're talking little somber this year, but what did the outlook for the next few years for stationary domestic plus
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, yeah, we are very bullish on both. Domestic of course we will not aggressively grow because of the unhealthy competition prevailing, but in export we foresee huge potential and we're working for not only existing categories, but for the newer categories also.
- **Mr. Pavan Nahar – Investor:**
- So, earlier we would say more than 20% growth, forget FY20, like we start FY24, FY25, so can we continue to think more than 20% growth or 30% growth?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- No, I think at a blended level again we should consider between 18% to 20% growth.
- **Mr. Pavan Nahar – Investor:**
- Okay blended. So, exports would be more like 30% or whatever I mean blended exports would be how much? I would assume let's say domestic remains flat, for exports what kind of a growth?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- This year it'll be 15 to 17 and then year after we are confident of 20% growth.
- **Mr. Pavan Nahar – Investor:**

- 20% and which will also mean higher margins for that.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yes please.
- **Mr. Pavan Nahar – Investor:**
- Okay. Thank you so much. This is very useful and really appreciate
- **Moderator:**
- Thank you, Mr. Nahar. Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to the management for the closing comments. Thank you and over to you Sir.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So, thank you all. I once again thank everyone to take interest in our company as well as I thank Prabhudas Lilladher for arraigning this call every quarter and any question that anyone of you still have, you may refer to our IR, Mr. Roomy Mistry and we'll be happy to give answer to each one of them. Thank you.
- **Mr. Sanjeev Shah – Joint MD, Navneet Futuretech Ltd.:**
- Thank you, everybody.
- **Moderator:**
- Thank you. On behalf of Prabhudas Lilladher Private Limited that concludes this conference call. Thank you for joining us. You may now disconnect your lines.
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End of Transcript