



Knowledge is wealth

NEL/114/2025-26

Date: 12<sup>th</sup> August, 2025

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

**Corporate Relationship Department  
Bombay Stock Exchange Ltd.  
1st Floor, New Trading Ring,  
Rotunda Building, P. J. Towers,  
Dalal Street, Fort, Mumbai – 400001.**

**Ref: Symbol– NAVNETEDUL**

**Ref: Scrip Code – 508989**

Dear Sir/ Madam,

**Subject: Disclosure of Transcript of Earning Call for Q1FY26**

This is further to our letter dated 5<sup>th</sup> August, 2025, wherein we had given you an advance intimation of the earning call with the investors and analysts. Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the transcript of earning call held on 08<sup>th</sup> August, 2025 to discuss the Operational and Financial performance of the Company for Q1FY26 results is attached herewith and available on the website of the Company at [www.navneet.com](http://www.navneet.com).

You are requested to take note of the above.

Thanking You,

Yours Faithfully,

**FOR NAVNEET EDUCATION LIMITED**

**AMIT D. BUCH  
COMPANY SECRETARY  
MEMBERSHIP NO. A15239**

**Encl.: a/a**

**NAVNEET EDUCATION LIMITED**

CIN: L22200MH1984PLC034055

Navneet Bhavan, Bhavani Shankar Road, Near Shardashram Society, Dadar (W), Mumbai 400 028. India.

Tel.: 022 6662 6565 • email: [nel@navneet.com](mailto:nel@navneet.com) • [www.navneet.com](http://www.navneet.com) • [f/navneet.india](https://www.facebook.com/navneet.india)

## **Navneet Education Limited**

### **Q1 FY26 Earnings Conference Call**

#### **Moderator:**

Ladies and gentlemen, good day and welcome to the Navneet Education Q1 FY26 Earnings Conference Call hosted by PL Capital. As a reminder, all participant lines will be in the listen only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this Conference Call, please signal an operator by pressing \* then 0 on your touchtone phones. I now hand the conference over to Mr. Dhvanit Shah. Thank you and over. To you, Sir.

#### **Mr. Dhvanit Shah – PL Capital:**

Thank you. On behalf of PL Capital, I welcome you all to the Q1 FY26 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 management for opening remarks, after which we can open the floor for Q&A. Thank you and over to you, Sir.

#### **Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Thank you. This is Gnanesh (Sunil Gala) from Navneet. So, good afternoon and very, very warm welcome to everyone present on the call. As mentioned, we are three of us on the call. Hope you all have received our investor presentation by now. For those who have not, they can view it on the respective stock exchanges or on our website. I'm pleased to share with you our company's performance for Q1 26. Our revenue remained stable and stood at almost the same number as in Q1 25. I'm sure we will have it clarified during Q&A on these numbers. I will start with the content business (publication business). So, the business remained flat due to only few minor changes in the lower grade curriculum. As you might all remember that and as mentioned earlier, there was only one Grade, Grade 1 to be changed in Maharashtra and couple of subjects in the state of Gujarat in the current year. So, in Maharashtra, particularly the textbooks of Grade 1 arrived late and finally we launched our books in Q2. So, that effect did not come in Q1 and the revenue of which has shall be in Q2, the curriculum change cycle has started and going forward we foresee that curriculum of higher grades will start to change gradually, giving the much anticipated momentum to our publication business. From next year onwards, we shall see more curriculum changing in both the states as NEP 2020 has got acceptance across the states. As per our present information, there will be more than two Grades changing in Maharashtra and similarly in Gujarat.

So, moving forward, we still remain focused on expanding our reach, strengthening our content portfolio, and leveraging digital platforms to enhance distribution and accessibility. The strategic initiative will enable us to build on our own success and drive sustainable growth in publication business. Just to tell you all, the publication business is not only a print business, but in most of the publications, the digital components are also part of it and that gives us an advantage over the competition. Now, coming to stationary business, first I'll talk about domestic. It in fact de-grew by 14% in Q1; reasons are the same which I have mentioned in Q4 25. The drop in paper prices resulted in reduction in product pricing and hence lower realization of around 9%. What I mean is that with the quantities that we sold, the overall revenue de-grew by 9% just on account of lower end product prices, but simultaneously we had a volume drop of 5% also, which I would attribute to competition from unorganized sector who would have procured paper with new reduced rates, whereas what we sold was out of inventory, which was procured last year. Now that paper prices have stabilized, the threat of such competition would reduce.

With the start of an introduction of new innovative non-paper stationary products and strengthening of our distribution network and exploring opportunities for the product innovation, we are sure to achieve sustainable growth in domestic stationary segment as well. I agree, while near term challenges persist, we remain very, very optimistic about the long-term growth prospects of this segment led by our strong brand positioning, extensive market reach, new product ranges, and commitment to delivering high quality products. With respect to exports, I know there would be lots of questions on that. So, the exports grew by around 7% compared to Q1 25. Even during the challenging period, we believe 7% growth was reasonable, not sufficient, but reasonable. Here this was on account of new product introduction help Navneet to expand this top line even though new rates were negotiated with the clients after reduction in paper prices. The company is looking at the unpredictable developments closely for its future business strategy. I'm sure you all would have understood why I mentioned unpredictable developments. So, this additional tariff that is imposed by the US has actually not come into effect and will be finalized by end August. I'm sure respective governments will have right negotiations which will help all the exporters from the country.

Thankfully, our company has not faced any cancellation of orders till now, but going forward the trade is maintaining the wait and watch strategy till the final outcome of trade negotiations between the two countries. I want to assure you that the management is fully committed to navigating this period of uncertainty. Now, as a company is engaged in global trade, we remain vigilant and responsive to such developments. We are actively monitoring the situation and assessing any potential impact on our operations, supply chain and cost structures. While these uncertainties may create short term volatility, our long-term work vision remains strong. We are in fact committed to maintaining transparency with you and will keep you informed as the situation evolves. With this, I take this opportunity to express my sincere gratitude for your kind, continuous trust and support.

As we reflect our journey so far, I am pleased to inform you that the future of the company is bright and full of promise. We have in fact laid a strong foundation over the years as you all may know, and we are now entering a phase of sustained growth and innovation. Once again, thank you for your continued support and trust in our company. Our strategies are focused on expanding our market presence, embracing new technologies and strengthening our core offerings. We are actively exploring new growth of revenues while maintaining financial discipline and operational efficiency. So, thank you once again, all of you and now I open the floor for Q&A session please.

**Moderator:**

Thank you very much, Sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Anyone who wishes to ask a question may enter \* followed by 1 on the touch tone telephones. If you wish to remove yourself from the queue, you may enter \* followed by 2. Participants are requested to use only handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Neeraj Mansingka from White Pine Investments. Please go ahead.

**Mr. Neeraj Mansingka -- White Pine Investments:**

Thank you for the opportunity. Sunil Bhai, I just wanted to know, you said there's a delay in the booking of revenues for Q2. Can you give some numbers on how much delay it can be - how much revenue was delayed in rupees crore or percentage that would be useful or you can also likewise what was a like – to - like growth on in this quarter on a YoY basis?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

I believe you are asking for publication business

**Mr. Neeraj Mansingka -- White Pine Investments:**

Yes, yes, yes.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yeah. So, it was as you may recall, the growth normally would come from curriculum change. The year being first year of curriculum change in both the states and in the state of Maharashtra, the state publications published by the State Government came in late in the market and therefore, as we prepared ourselves, we could release the new publications in Q2 that is in the month of July. So, as of now if we speak there is no delay. We have already introduced and sold in the market. Now, with respect to the volume. I can tell you that, normally Grade 1 contributes around 5% to 6% of our total publication business and around 50% comes from Maharashtra.

So, the growth that you will see in Q2 will be marginal. It will be hardly 3% - 4% on account of just Grade 1 curriculum change, but simultaneously as we are seeing today, there are good repeats overall, so there will be some more growth beyond this 3%, 4% in publication business in Q2 itself.

**Mr. Neeraj Mansingka -- White Pine Investments:**

Right. Sir, the reason I'm asking you on specific to what rupees, I'll tell you why, because see, when you're on a sustainable basis, your revenue is 5% to 6%, but when there's a great change, the revenue contribution because people stop using the old books or the secondhand books, so there's a disproportionate increase in number of students buying the new syllabus curriculum books. So, won't that have an almost 10% because what I'm meaning is average life of the book is between two to three years.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

No Neeraj. Neeraj, one minute. First of all, as I said, total contribution from Grade 1 is hardly 5%-6% percent of our total publication business. So even if it grows by 100%, it means the overall business would grow by 6% and now again this I spoke about Maharashtra which contributes 50% of our publication revenue. So, that comes down to 3%. Now, if we remember our school days in Grade one, actually there are no guides where these second book market exist. So, these are only workbook categories that are introduced fresh. The benefit the company would have is there would be no inventory in the market at all, as well as the new product NEP, introduction of NEP, schools are curious for its new curriculum with NEP guidelines, and therefore we will achieve good growth, at least whatever growth that we were achieving that we will surely see.

**Mr. Neeraj Mansingka -- White Pine Investments:**

In Q2 would you see less returns coming in the publishing because now everybody should be cautious in putting inventory in the system. So, just wanted to know your thoughts like on returns, yeah.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Returns, see as far as our provisioning is concerned, we have already assumed proper return as earlier years and then only we have shown the revenue numbers. So, at present I may not be able to confirm that returns would be lesser, but we have already provided for and if those returns, do not come in, the revenue automatically will further increase.

-

-

**Mr. Neeraj Mansingka -- White Pine Investments:**

Okay. Last question, I think I'll come back in the queue. On this stationary side, if you're selling at say, ₹100 to the customer, how much would the shelf price be for the customer when you sell them, and they sell to the customers? So, I just wanted to know how much is the price buildup that's happening from you to the customer?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, it is almost 50% we have to add over ₹100 because we provide around 35% discount to the trade and retailers put together.

**Mr. Neeraj Mansingka -- White Pine Investments:**

No, I'm talking of exports, actually.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yeah. So, on exports, how much is the shelf price for the customers

**Mr. Neeraj Mansingka -- White Pine Investments:**

If 100 is the realization for running it, then how much would be the selling price to the customer? Just wanted to see the how much price buildup is there you will see the slack in the system?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, there are many incidental costs by the time it reaches to the country, U.S. and yeah, and thereafter their margins and their operational their operational costs, so normally we have seen depending on the category, if we receive ₹100, they would be charging between ₹200 and ₹250 to the end consumer.

**Mr. Neeraj Mansingka -- White Pine Investments:**

Got it. Which includes all the cost plus markups.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yes, yes, yes. Great. Thanks. I'll come back to the queue. I have few questions more.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Sure, Neeraj.

**Moderator:**

Thank you. The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

**Mr. Madhur Rathi -- Counter Cyclical Investments:**

Sir, thank you for the opportunity. Sir, if I look at our publishing business since 2019, Sir, our revenue has been flat. Sir, we understand that there has been no curriculum changes, but Sir our profitability has declined on the standalone basis from what we used to do 35 % EBIT margins to 25%, Sir, so why is that and have the terms of trade or business dynamics change because of this - for this reduced margins?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yeah. So, I agree that the numbers have remained flat, and you can understand analytically that if numbers remain the same on top line, there is always inflationary cost built up in any operations of the company. So, that reduced the margin to some extent, but the major reason if you go back and see console numbers where our digital activities were carried out from a subsidiary company versus now the digital activities are carried out in the standalone company only. So, those losses that we still have on digital of course, internally, now we don't consider that as loss because to give the books away or print books away, the digital component has become mandatory or necessary. So, it is part of additional expense that we are incurring to keep our print books business alive. So, on that count, the percentage has come down, but if you compare it with console numbers of 23-24, then the numbers would not be that far away.

**Mr. Madhur Rathi -- Counter Cyclical Investments:**

So, since when have we taken this digital losses into our standalone entity because I'm comparing it with 2019 numbers. So, I understand that there would be some pressure, yeah. Sorry. Sorry.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yeah, yah, so last year was the first year when we considered those numbers in standalone basis. Earlier it used to be only in - always in the subsidiary and therefore you have to see console number as far as publication is concerned.

**Mr. Madhur Rathi -- Counter Cyclical Investments:**

Sir, so we have done so much investment on this digital side, but there hasn't been any revenue growth in terms of volume or average selling price increasing. Sir, when do we like think that from a IRR or a payback perspective that these digital investments are making sense or not? Because even after just based on the premium product that we're providing, there hasn't been any growth on revenue. Sir, so on that front, if you could just help us understand?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

There are various reasons for this. First of all, let me clarify here that without the digital component in a print book, it will be very difficult to sell individual book without a digital and therefore it has become one of the additional processes to provide a good physical book. So, this expense will always continue.

I agree to you, agree with you that the volumes have not increased even though with this premiumness in the product. Now there are a couple of reasons to that. One is the curriculum change, which has not happened for long. Now, during pandemic period, I think as you could see in most of the FMCG companies, the middle class and lower middle class who are normally our customers they have really not been able to come back to their original levels and that is impacting our business as well. Secondly, many of the parents who have been able to grow post-pandemic are shifting their children to CBSE Schools and that is another reason the volumes are shifting to CBSE Schools. It means they do not use state level curriculum. So, these are the two reasons, main 2 reasons for which we are not able to grow in publication segment, but now we are very, very confident and of course everyone has waited for long, but next year you will see the results.

**Mr. Madhur Rathi -- Counter Cyclical Investments:**

Got it. Sir, there's a final question from me. Sir, on the publication business if I look at FY26 and FY27, Sir what kind of revenue growth and what is the margin that you can expect from this business for this year and the next year?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, I can tell you at a yearly basis, I will never give any remark on quarterly basis. So, as far as the revenue growth is concerned, we are confident of at least 15% in publication business next year because there are more than two standards changing in both the states, but of course, it would be still primary standards, but two standards are changing at a time, so that itself gives us the confidence and as far as margins are concerned with these additional revenue coming in and every year, the loss that we are incurring on digital is reducing and that reduction is on account of more and more usage of these products by these schools and therefore overall your margin improvement should see at least 2% if we see yearly basis in the publication segment.



**Mr. Madhur Rathi -- Counter Cyclical Investments:**

Sir, we should see this 25% EBIT margin going to 27%, is that understanding correct?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

That's right. That's right.

**Mr. Madhur Rathi -- Counter Cyclical Investments:**

And Sir, what will it take for us to reach the previous 35% margins?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

35%, I'm not able to foresee for next couple of years because the expenses that we are making for our digital product and the operational expenses, which have already gone up - so every year there would be inflationary cost pressure of around 6%-7% and to match that we'll have to really grow very fast, which is practically not possible in publication business and therefore we are very confident that we will reach 30%-31% in 2-3 years.

**Mr. Madhur Rathi -- Counter Cyclical Investments:**

So basically, Sir, what is the reason for the standalone publication revenue to be flat since FY19 which is like 6 years? And moreover, Sir, this NFP thing is a one off. But every year without NEP, also Sir, historically we were growing, but something has changed in the past six years since FY19 that the revenue has stopped growing in the publication division.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, I did tell you the two reasons and for the sake of repetition, I don't mind that. I did tell you that our customer base which is middle class and lower middle class have not been able to buy more products and which we are seeing in various FMCG product companies, similar impact has come on our product and second reason I gave you was that shift of state level going children to CBSE curriculum and therefore the state level curriculum business got impacted majorly from these two accounts. So, I'm not talking about now curriculum change, but because of this unfortunately, all the publication business, all the publishers in the country are facing the same issue. So, it's not only Navneet, which has got impacted.

**Mr. Madhur Rathi -- Counter Cyclical Investments:**

Sure, Sir and Sir, regarding the margin contraction and publication stand alone, Sir, just a clarification, Sir, our Navneet Future Tech and new age digital investment, everything is in the subsidiary or in the standalone business also there is something?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Everything is in standalone now.

**Mr. Madhur Rathi -- Counter Cyclical Investments:**

Okay, okay. Right, Sir. Thank you very much.

**Moderator:**

Thank you. Participants with questions may enter \* followed by 1 on the touch tone telephones. The next question is from the line of Viraj from SiMPL. Please go ahead.

**Mr. Viraj Kacharia – SiMPL:**

Yeah, hi. Thanks for the opportunity. Couple of questions. First on the export, I think few quarters back we had also faced antidumping duty in the larger products and another risk mitigation strategy we have employed or shifting the manufacturing to one of ASEAN countries in terms of supply to remain competitive. Given that we now have 50% probably tariff structure, do you think it's possible for us to keep supplying to our key larger customers through such routes?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, I'll answer your first question with respect to antidumping on certain products. Frankly, it has become a past for us. With the introduction of newer category of products, we could revive those numbers on its own without even focusing more on products which had antidumping duty. So, we are really not much worried, and that component was around Rs. 40-50 crores, which I agree is a good number, but now we are not much focusing on that. I think the problem too or the concern to all the exporters including Navneet, is the new tariffs that's introduced. Now, here I do not know even President knows about it or Prime Minister knows about it, but unfortunately, we are totally clueless as of now with respect to future of business in the U.S. So, we have to still wait and watch, have to be in continuous dialogue with our customers. They will also evaluate the differences between respective exporting countries and accordingly they will come up with something. So, I believe by end of August when I think final clarity will come, then only we will rather start talking to our customers and we'll be able to have some more clarity on future of exports to the U.S.

**Mr. Viraj Kacharia – SiMPL:**

No, my question was that I mean one of the posts that antidumping duty, we had moved production for that particular category to another country in order to sustain the business. So, if tariff had to sustain, do we have levers where we can move production of some of the products or categories, so other competing countries and still be able to

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, this being little unpredictable to the country where we shifted our production, outsourced our production, even that country is subject to now higher antidumping duty. So, that possibility also went away and as I said for us the problem is, we are rather focusing just the larger problem than to just focus on products which had antidumping duty.

**Mr. Viraj Kacharia – SiMPL:**

Okay. Second question is if you have to compare other competing countries for the categories we are in for exports, how would we compare on the cost base? So, we are 100 then you know any color you can give?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, as far as the stationary products are concerned, believe me, the cost difference will not be beyond 5%-7% in any country because the raw material prices are international prices, which has to be considered while exporting to any other country. So, that is not a big difference, and this difference also is mainly on account of labor cost. So, there would be highly difference of costs between the countries for each of the categories.

**Mr. Viraj Kacharia – SiMPL:**

Got it. Sir, just few more questions on the domestic stationary business. I think few quarters back, we were talking about quite big plans with respect to quite an aggressive play in the non-paper stationary space and at that time we talked about setting up a dedicated unit and focusing using the new product introductions and backed by design and development. So, any color you can give, where are we with respect to that? Because we see other companies, industries, we've seen a very healthy growth trend even continuing, but for us, for some reason we're not able to either enter or scale up in a meaningful way outside of the people category and domestic section.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, we have been talking about non-paper stationary for last two quarters. Now, having decided and informing all of you in advance, we did put up a manufacturing facility. Now, it always takes some time to finally conceptualize the product and bring that to the market, which has happened, and now every month or two, we are introducing new and newer products. So, I agree the market is there, the competing companies are also growing fast, but I think we will need some breathing period for us to bring various products and then aggressively build our brand there as far as non-paper stationary is concerned. We are committed to bringing in more and more products in non-paper stationary which will be seen by everyone. Every quarter you will see something different. With respect to paper stationary, yes, we have had

challenges and these challenges to overcome really may not be able to bring us higher growth just in paper stationary. So better growth will be seen in future only on account of non-paper stationary.

**Mr. Viraj Kacharia – SiMPL:**

Can you give some more color of what categories we are looking at in non-paper? How large is the design team now supporting this, both design and marketing team?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, at present we have altered already introduced couple of basic writing instrument products. The geometry boxes as we understand then couple of examination paper boards or likewise, every month we are introducing 1-1 additional item in each category. So, I think larger category is writing instrument which we will introduce very, very regularly in your ranges. So, there are various products, which we will see going forward that the revenue on account of non-paper stationary is increasing.

**Mr. Viraj Kacharia – SiMPL:**

And how large is the design development team similarly in terms of marketing for those initiatives?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Development team, of course it is just right now 8 to 9 people. We have yet not fully set up our marketing team because unless we have full category and right range in each category, it will not be worthwhile to spend aggressively on marketing. So, at present we are in the phase of building the category. As far as the design and manufacturing is concerned. So, going forward in next one year, you will start seeing aggressive marketing from us also.

**Mr. Viraj Kacharia – SiMPL:**

Also. Okay, I come back in the queue. Thank you.

**Moderator:**

Thank you. The next question is from the line of Arihant from Bowhead. Please go ahead.

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

Hi Sir, thanks for taking my question. Sir, I just wanted to know like do we expect price degrowth in domestic stationary in coming quarter as well assuming that paper price doesn't change much from the current level?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

No. So, paper prices as of now have been stable for last three or four months. So, I do not foresee any reduction in end product prices going forward. Additionally, now this season right from October, the buying pattern for the paper also will start. So, I do not foresee any reduction in paper prices now. This was unprecedented 50% almost hike in one year and then gradually reduction, which was never seen by the company, but now I do not foresee reduction. We may 2% - 4% revision, upward revision in paper prices going forward.

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

Sir, so had we fully utilized our higher price inventory which we had for paper, is that completely used?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yes, please. So, more or less, we are now exhausted with the inventory, but it will be mix - for next one quarter still it will be mix of high-cost inventory and present price cost inventory so by second quarter end, we should be okay means we would have exhausted our last inventory.

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

And Sir I wanted to know like how was the response for the new launched product in domestic space like geometry work which we launched in I think 4Q 25 and can you give some color how much percentage they might be of our overall 1Q 26 domestic stationery sales? Might be very small, Can you give some color on that?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yes, it is very small. Till now it is only 1½% of our total domestic paper stationary sales, but with respect to acceptance or acceptance of the product, I would say it is very, very well accepted because of the very innovative designs, the packaging, because of that, it is quite well accepted in the market. Yeah. So, it is quite well accepted in the market.

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

Okay. Sir and you said that you are expecting in Gujarat curriculum to change for two Grades for next year. So, like current year they changed few subjects only. So, next year will they shift to like changing the curriculum Grade wise or it will be subject wise only – few subjects only?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

No, it will be Grade wise. Now, it will be grade wise in both the states. So, including Gujarat it will be grade wise from next year and both states have announced, yeah.

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

Sorry Sir.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

No, both states have announced more than two grades changing. Now, announcements, we know preparations are already on so, they will be on time this time.

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

So, Sir Gujrat also has released the overall phase like the Maharashtra has done for grade 1 – 12. Has Gujarat also given that timeline or they have just provided timeline for the next year only?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, unfortunately, none of these state government announces in advance for next four years what all curriculum will they change. They always announce around a year ago. (One minute, please) So, for next year only they have announced. They have not announced for the subsequent years.

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

Okay Sir. And one last question, Sir can you provide what was in Indiannica revenue and loss in 1Q 26?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Kalpesh, you'll have to say this.

**Mr. Kalpesh Dedhia – Chief Financial Officer, Navneet Education Limited:**

Arihant, can you repeat the question, please? Indiannica, revenue?

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

What was the revenue and PAT in 1Q 26?

**Mr. Kalpesh Dedhia – Chief Financial Officer, Navneet Education Limited:**

Q1 right?

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

Yeah, Q1.

**Mr. Kalpesh Dedhia – Chief Financial Officer, Navneet Education Limited:**

So, revenue is about Rs. 3 crores, and the PAT is about Rs. 7 crores.

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

PAT would be - it would be loss right on Q1 or it is

**Mr. Kalpesh Dedhia – Chief Financial Officer, Navneet Education Limited:**

Loss.

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

Loss of 7 crores?

**Mr. Kalpesh Dedhia – Chief Financial Officer, Navneet Education Limited:**

Yeah.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Also, just to clarify for Indiannica, Q4 is always the right quarter to see. So, the rest of the three quarters, we'll always see very negligible revenue.

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

Sure, Sir. Sir, and just one last Sir, can you please tell since start of the year since January 25, how much this paper prices would have fallen?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

From January till now, I would say 6% or so, it would have fall, not 6%, even 5% it would have fallen up to March. Thereafter, there is no fall in the prices.

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

Thank you, Sir.

**Moderator:**

Thank you. The next question is from the line of Neeraj Mansingka from White Pine Investments. Please go ahead.

**Mr. Neeraj Mansingka -- White Pine Investments:**

Sir, thank you for the opportunity again. Sunil bhai just wanted a color from you on the CBSE attempt that you're trying to get into the curriculum. Earlier you said that you had approached other schools and expected a very high conversion. Can you give some thoughts on what is the status and when can we see a reasonable revenue starting from CBSE side?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Now, I know I've been talking about this for last two years and we are making our efforts to reach. Now, we are reaching almost 10,000 schools, CBSE schools. The acceptance of all the ranges of product in the school is still we are not able to see that and that is the reason the revenue per school is not really coming in as we were expecting. No doubt, there are established players from the North who are almost 50-60-70-year-old operators or publishers and we are really fighting with them for the order. The only advantage that we believe we have is the digital offering with all the textbooks and it is quite extensive and that should make schools accept our products faster than the competition and the new books that we have come up with is basis NEP 2020 and that really - our products are standing out compared to competition. So, we believe we should be winning quite fast now. But I would not like to give comment on this as for last two years I've been talking about the same. But we are making our efforts very, very hard to get more and more books recommended in the school.

**Mr. Neeraj Mansingka -- White Pine Investments:**

But some color would be useful like that you are just you see maybe in next few years you can get in, because this is a very large market

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Your voice is cracking, Neeraj. Sorry.

**Mr. Neeraj Mansingka -- White Pine Investments:**

Is it okay now?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Some disturbance. So, the color - you are asking the color on the outcome in future, right?



**Mr. Neeraj Mansingka -- White Pine Investments:**

Yeah, because it would explain and give more comfort on how we are moving ahead, that's all?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, color, not color, but the reality is that we should be at least growing by 15%-20% every year, which we are not able to show that, but now basis our current year's performance, I think lots of restructuring has gone in our sales team, our marketing team, and accordingly we will try to push. So, next year I would like to be conservative because I have not been able to deliver as I said earlier, but next year 12% to 15% growth in the CBSE textbook business would be definitely achievable.

**Mr. Neeraj Mansingka -- White Pine Investments:**

Thank you.

**Moderator:**

Neeraj, does that answer your question?

**Mr. Neeraj Mansingka -- White Pine Investments:**

Yeah, yeah, it does. It does.

**Moderator:**

Okay, sure. Thank you. The next question is from the line of Nikhil from SiMPL please go ahead.

**Mr. Nikhil – SiMPL:**

Yeah, hi, good evening. Am I audible?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yes, please.

**Mr. Nikhil – SiMPL:**

Yeah, my question was on exports. See Sir, you mentioned that between countries in one of the questions that between countries, it's only the labor cost where we had an advantage. Now, for the time being, if we say India does not set up like stabilize it 50%, but if we stabilize at 25% and some of these Southeast Asian countries are between 20 to 15, would our exports still be like competitive or we would be at par, where would we stand?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

I would say we will be at par. The advantage that Navneet has with the present customer that with most of the customers, we are now tagged as Preferred Vendor and therefore apart from the pricing, the other aspects of the business which includes delivery, quality, consistency, and quality, on that we will always have a better edge and therefore even if we will be at par, I think we will have better advantage over the other countries and these basic discussions have already happened with the buyers and they are giving full confidence that of course we are always preferred vendor, but now with respect to substantial change in tariffs, they are not sure how will they react to that.

**Mr. Nikhil – SiMPL:**

Sir, I understand that. I'm just trying to understand that at to what place we are competitive? That was the question. Secondly, Sir, on the domestic stationary part now, we've talked about it that we would be launching and we would be increasing our presence. I'm just trying to understand what is preventing us from like entering the market aggressively on the non-paper stationary, like is it the team or is it like what differentiation on products or – yeah

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yeah. Let me clarify. So, actually we are not in trading business wherein we acquire or we buy various products and couple of categories and introduce in the market. We are not doing that. We are conceptualizing ourselves. We are trying to put up our own plans for its long-term sustainability and that is taking little time and unless we have full category rather couple of categories with full range, it would not be advisable to spend heavily on sales and marketing and therefore we are not able to see better number in a short-term. We have just started launching from Q4 25, so I think we will need at least a couple of quarters to compile our range for the category that we have introduced and then you will definitely see good awareness of our product category across all channels.

**Mr. Nikhil – SiMPL:**

And our pricing versus these existing players, so would we be pricing it at a premium or would it be like equivalent pricing considering the Navneet brand positioning and brand being our legacy brand and our reach so strong with the retailers, how are you thinking on the pricing?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

No, we will remain competitive only and will not launch any premium products to start with. Whatever we may say, we are known brand in paper color category and not in non-paper category where other brands are already quite well and entrenched for a couple of years. So, we will not introduce premium products, but we will be competitive to them.

**Mr. Nikhil – SiMPL:**

Okay. One last question, conceptually as you said, we are strong brand in the paper category and the retailer knows Navneet as a brand. When we move to non-paper category, why does the same legacy cannot like shift like why won't the retailer like the product because he has the comfort on the paper category with us, he has the relationship, so why can't that brand be moved on the non-paper?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

See, every company has to have an entry strategy. So, our present strategy is to introduce at a competitive price and just try to increase volumes and then we will definitely plan to bring in premium products with premium pricing.

**Mr. Nikhil – SiMPL:**

Okay. Our plants are already in place like for the manufacturing and all?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yeah, for one of the categories, it is in place. For other category, we are at present outsourcing. We will see the volumes. The infrastructure is already in place except the machinery. So, once we achieve certain volumes, we will invest in machineries also.

**Mr. Nikhil – SiMPL:**

Okay, fine. Thanks a lot.

**Moderator:**

Thank you. The next question is from the line of Himanshu Upadhyay from BugleRock PMS. Please go ahead.

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

Yeah. Hi, good afternoon. Bookkeeping question, out of last year, Rs. 664 crores of stationary exports, how much was to U.S. only?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, you can consider around 75% of the exports are to the U.S. It varies a bit 2%-3% every year, but around 75% one can consider for any mathematical calculations.

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

And what are the opportunities and are there any large market in the 25%? Where a single market contributes 5%-10%

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

No, it is spread across Europe, Africa, and very little to the Middle East.

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

And one more thing, just a question. You see, when we look at Britannica, the Indiannica, the business is majorly Q4 driven, okay or Q3-Q4 and the other business is Q1 and Q2 driven, okay. Is there any possibility of merging that company and the same person able to do more with two separate boards ?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yeah. As far as merging is concerned, we are seriously considering that in near future, but with respect to usage of same team members will not be possible on 2 counts. The quality of sales representative required in CBSE school and in SSC School is quite different. Secondly, as far as CBSE business is concerned, it is not restricted to Maharashtra, Gujarat, but it is across India and therefore other than Maharashtra, Gujarat, in any case, we have to have additional members. So, we may not be able to really leverage the strength that we have for our state level curriculum business.

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

Okay. Okay. Thank you from my side.

**Moderator:**

Thank you. Our next question is from the line of Arihant from Bowhead. Please go ahead.

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

Sir, just wanted to know the CAPEX, what would be our CAPEX for this year and next year?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, this year overall CAPEX would be around Rs. 90 crore and subsequent year, I'll be very frank, depending on the outcome of exports opportunity, we will decide finally. Our decision was to invest around Rs. 150 crores, but now that we will decide bases the outcome of the present situation. We may not then end up investing that much, but otherwise, if things are in favor of for India and Navneet, we would end up investing around Rs. 150 crores.

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

Okay Sir.

**Moderator:**

Thank you. The next question is from the line of Himanshu Upadhyay from BugleRock PMS. Please go ahead.

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

Yeah, small question on the digital. When you stated that this is book compulsory as a book okay. Initially, we were targeting various other segments also for the tuition teachers and classes, if we can cater to throw a product. So, are we right now only - are those products continuing or we have just consolidated into two products only one for school and one with book? Some thoughts on that Sir.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, you can, yeah, broadly say that we have consolidated in two areas only, which is one for school, few of them are for students as well and other is together with the textbook or rather together with our physical books. So basically two areas only now we are focusing, we are not focusing classrooms, which we then realized it was during pandemic, we were very hopeful of spreading digital, but then everyone realized the acceptability of digital solutions and then we as you know, we reduced our various expenses on every front, our digital compared to FY21 and 22. So, now we have only two areas that where we sell our digital product.

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

And the sales team for the digital is the same as the publishing team, means with the books only? The person who is going to school is selling both digital and publishing business?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yes, yes, yes, yes, yes.

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

And on the product development side, on the digital, what type of CAPEX we need to do every year or let's say, just let us think it is as a cost center, so what type of cost are recurring cost?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So, with this change in curriculum, every time even the content will have to be created afresh. So, it would be around Rs. 8 to Rs. 9 crores of cost that we'll have to incur on creating new content and I think beyond that, there will not be any recurring cost apart from the salaries that we pay to the staff who converts this. So, when I said Rs. 8 to Rs. 9 crores it is majorly content creation and specific content required that cost, but otherwise there are so many other activities that we do, which I just mentioned about having lots of digital components together with the books, so that team cost will also continue to be spent on, so altogether you can say around Rs. 15 odd crore will be the cost till the curriculum cycle stops. So, Rs. 15 to Rs. 17 crores we would be spending on digital.

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

Okay. Okay. Yeah, thanks from my side and on CBSE, are we thinking till 10<sup>th</sup> now or reaching for those because earlier we were fixated till more on 8<sup>th</sup> standard?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Yeah, yeah. So, with this year, we have already introduced reference material means couple of digests and workbooks for only one standard to start with because curriculum change is happening, we don't want to really rush with the old curriculum but first standard, we have already introduced in the current year. So, now to your question, we will be there up to 10<sup>th</sup>. Particularly, 9<sup>th</sup> and 10<sup>th</sup> for the supplementary books.

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

You are seeing for CBSE also?

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

Only CBSE, I just spoke about.

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

Yeah. True. Thank you.

**Moderator:**

Thank you. As there are no further questions, I now hand the floor over to the Management for closing comments.

**Mr. Sunil Gala – Managing Director, Navneet Education Limited:**

So once again, I take this opportunity to thank everyone for joining the call. I hope we have been able to address the queries that were raised. For any further information, you can get in touch with our Investor Relations Department that is Roomy Mistry and thank you Prabhudas Liladhar once again.

**Moderator:**

Thank you very much. On behalf of PL Capital, that concludes this conference. Thank you all for joining us and you may now disconnect your lines. Thank you.

**End of Transcript**