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NEL/011/2026-27

Date: 26th May, 2026

The Secretary
National Stock Exchange of India Ltd.
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Corporate Relationship Department
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Rotunda Building, P. J. Towers,
Dalal Street, Fort, Mumbai – 400001.

Ref: Symbol– NAVNETEDUL

Ref: Scrip Code – 508989

Dear Sir / Madam,

Sub: Disclosure of Transcript of Earning Call for Q4 FY 26.

In accordance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the transcript of the earnings call held on Friday, 22nd May, 2026 with investors and analysts to discuss the Operational and Financial performance of the Company for Q4FY26. We also inform that the said transcript is available on the website of the Company 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

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“Navneet Education Limited
Q4 and FY26 Earnings Conference Call”

May 22, 2026



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



Moderator:

Ladies and gentlemen, good day, and welcome to Navneet Education Limited Q4 and FY26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sunil Gala, Managing Director of Navneet Education Limited. Thank you, and over to you, sir.

Sunil Gala:

Thank you. Good afternoon, ladies and gentlemen. Today, I'm pleased to present the financial and strategic performance of your company for the fourth quarter and the full year FY25-'26. So during the past year, that is FY25-'26, our business has demonstrated remarkable resilience. I'll tell you the reason why.

We navigated intense regional competition, changing text landscapes, particularly in our stationery business and shifting global trade policies due to the recent war that it took, as well as the tariffs imposed in the U.S. So in Q4, in particular, our revenue remained stable, more or less at the same number, INR394 crores versus INR389 crores, whereas full year performance was reduced.

I will tell you the reasons also why to INR1,683 crores against INR1,733 crores earlier year. So while global macro headwinds caused a 3% contraction in our top line performance, our domestic engines achieved better operational momentum. Now as usual, I will take you all through segmental review.

So first, I'll talk about the content business, publication business, as you all know it. Our publication division delivered a stable full year revenue of INR719 crores. Looking ahead, we are entering a highly lucrative growth phase between '27 -- FY27 and FY29.

Reasons Maharashtra and Gujarat, where our strong foothold is there, will implement a sizable curriculum change. Historically, these transition cycles always triggers healthy double-digit growth for our publication business. We are fully prepared to capitalize on this demand, which will boost our operating margins over the next few years.

Now coming to domestic stationery business, which grew, of course, only by 4% in value to INR366 crores. Importantly, we have achieved 6% volume growth, which proves that consumer demand for our products remains structurally sound.

I will explain you the reason why 6% volume and only 4% in value. So this is -- the growth was achieved despite downward trend in global paper prices and intense pricing pressure from unorganized regional players.



So you would have understood that the prices of the raw material decreased and so as the product pricing also we had to reduce. So we achieved a little higher volume growth versus the revenue growth. Profitability was also impacted because of 2, 3 reasons. One of them being paper stationery became exempt from GST.

So it prevented us claiming the input tax credit on the inventory that we were holding as on that date as well as in the initial almost 2 months of period, at vendor level, there was lots of confusion whether to charge GST or not, but we had to continue our cycle, and therefore, we had to buy paper.

Now to turn these challenges into opportunities, we have 2 strategies. One is brand moat. So we have decided to invest heavily in nationwide branding and expanding our management as well as manpower to out and compete the regional players.

Additionally, portfolio diversification, so we are rapidly scaling up our better margin non-paper stationery products as a portfolio and expanding our footprint in digital commerce. So while these strategic investments will impact on our domestic margins in the short to medium term, they are absolutely vital to secure long-term market dominance.

Coming to the exports business. Now our export stationery revenue saw a 10% decline, which compressed our divisional EBITDA margin by 3%. Divisional, what I mean is the stationery business margin -- EBITDA margin by 3%. This decline was a direct result of tariff challenges in the United States. And to maintain business continuity and protect our market share, we deliberately reduced from our normal pricing till the situation settles.

This pressure was partially offset by a favorable exchange rate movement and which gave us a 4% cushion to our reduced pricing. But overall, both on revenue front as well as on the margin front, we were impacted. I believe we had no option but to just carry on with the business and try to see that we have a long-term relationship continuing with our present customers. Now today, we have much better clarity on these tariffs. So we anticipate that our exports revenue will gradually get back on track starting from the current year.

In last couple of quarters, I would have spoken on our capital allocation, particularly the investments in stationery business. The one which [inaudible 0:07:46]

Thank you. And on behalf of the company, I feel sorry that the line got disconnected in between. I do not know where I had completed or till what had you heard me. But let me repeat again for the benefit of everyone. I was talking about segmental performance of the company.

So first, I will start with our content business, we all know that as a publication business. So this year, period under review, publication division delivered a stable full year revenue. Looking ahead, we are entering a highly lucrative growth phase between FY27 and FY29, and that too, both in Maharashtra and Gujarat, which will implement a sizable curriculum change.

Historically, this transition cycle trigger healthy double-digit growth for our publication business. We are fully prepared to capitalize on this demand, which will boost our operating margins over the next few years.



Coming to domestic stationery business. The domestic stationery division grew by just 4%. More importantly, we have achieved a volume growth of 6%. This growth was achieved despite a downtrend or downward trend in the paper prices and intense pricing pressure from unorganized regional players.

Profitability was also impacted because of paper stationery became exempt from GST, preventing us from claiming input tax credit on the inventory we were holding on that day as well as there was confusion at the vendor level, whether to charge GST or not.

Anyway, all this is settled now. So we have devised a couple of strategy to further enhance our brand in the future. So first, we are going to invest in the brand. So we will have a nationwide branding and expanding our management stroke manpower to outcompete the regional players. Simultaneously, we are rapidly scaling up our little better margin non-paper stationery portfolio and also expanding our footprint in digital commerce.

So while these strategic investments will impact our domestic margins in the short to medium term, they are absolutely vital to secure our long-term market dominance as we have in our publication business.

Over to export business. So our export stationery saw a decline of 10%, which also compressed the divisional EBITDA margin by 3%. What I mean divisional is the stationery margin by 3%. This decline was direct result of our tariff challenges in the U.S., our major market.

To maintain business continuity and protect our market share, we deliberately reduced the pricing of our products for our customers so that even they get some compensation from the tariffs that were levied. Of course, the pressure was partially offset by favorable exchange rate movement. But now today, we have much better clarity on these tariffs. And therefore, we anticipate our export revenues will be back on track starting FY27.

In terms of capital investments, I would like to also mention about 2 critical adjustments that has been made. First, which I had spoken about earlier on our UAE manufacturing project. So we had placed our investments in manufacturing for UAE, but today, we have kept it on hold due to ongoing geopolitical tensions. So very limited investment has gone till date.

We may resume depending on the situation going forward. Simultaneously, we have successfully invested in a state-of-the-art manufacturing facility in Southern Gujarat. This plant will cater directly to new product categories for both domestic and exports market and by which we believe we will be able to introduce several other categories.

So dear friends, your company is transitioning from a traditional paper stationery manufacturer into diversified digital forward consumer brand. We are strategically absorbing short-term margin pressures today to build a strong market position for tomorrow with the upcoming curriculum changes and our Gujarat plant, which will help us expand in our non-paper product line.



Our long-term growth foundations have never been so stronger than what we have been seeing now. On behalf of the management, I extend my deepest gratitude to all of you for your unwavering trust and confidence in your company ahead. Thank you very much.

Moderator: Sir, shall we open the floor for Q&A?

Sunil Gala: Yes, please.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Praneeth from SJ Investments.

Praneeth: First, I wanted to ask in terms of, let's say, the guidance from the international stationery division. So the customers, how are they reacting? I understand everything is set back to normal. Did they start procuring their old volumes? Or is there any reduction for the time being? Could you just give a broad sense on what's happening on the consumer side in terms of our offtake?

Sunil Gala: Thanks, Praneeth. So I need to explain you the cycle which we go through every year. So between November and February, each of our customers, they plan their back-to-school buying volumes. And similarly, in the current year, these numbers were crystallized, finalized by them between this period. So as we speak, there are no cancellation of orders at all.

As I explained in my brief note at the start, we had to reduce our margin to maintain our continuity of business. But volume front, there are no reduction. And thankfully, today, whatever price reduction that we had offered earlier, now they are reversed back. So overall, from volume point of view, we are not seeing reduction as well as on margin front, we'll be able to achieve the same margins as we were doing earlier.

Praneeth: Understood, sir. So right now, the compression we probably took through the year is not going to likely continue and we can go back to, let's say, last year's margins. Is that a fair understanding?

Sunil Gala: That's right. Only the first 2 months of the year, where reduced pricing supplies have already happened. So to that extent, we may see some little margin compression. But for the year, it will be hardly impacted in not even 100 basis points. It will be more or less lesser than that.

Praneeth: Understood, sir. And one more question regarding our domestic strategy. You sounded a lot more, let's say, aggressive in terms of our domestic strategy, whereas we used to do that in the past for the -- at least international exports for our stationery. Could you explain what is the strategy shift? Or is it just the fact that we have more crystallized plans today?

Sunil Gala: So one, we now clearly believe that brand pull only will be a sustainable long-term growth, where we have decided to bring out several other categories in stationery area. So -- and brand is not that much known in stationery, particularly the non-paper stationery brand. And therefore, we have decided to invest aggressively in the brand -- building brand of the -- both paper and non-paper stationery that is very, very important for a long-term sustainable growth. And that is the strategy we have decided.



- Praneeth:** Understood, sir, could you explain a little more behind the reasoning for the sudden shift? Like what is any market dynamic was changing or in terms of internally, we had a change of direction on where we wanted to be?
- Sunil Gala:** So till date, we were always dealing in paper stationery. And there, whatever initially, in the initial period when we launched paper stationery, we had spent on brand. And then thereafter, we reduced that expense dramatically.
- But now that we are entering various other new categories, we just don't want to start with a small number and also grow in a very small percentage. And therefore, we felt that if we really want to give a good impact initially on the revenue and then on the margins, we finally decided that we need to push hard to create brand awareness.
- Praneeth:** Understood, sir. Would it be the same, YOUVA brand would be taking forward? Or are we launching other brands also?
- Sunil Gala:** No, it will be under YOUVA brand only.
- Praneeth:** Understood, sir. So right now, you mentioned that you wanted to become aggressive. Could you explain what the advertisement spend is going to be like in terms of going forward, let's say, a year or 2? And when do you think we need to continue spending this incremental investment in creating the brand? Like how long do you think that will be?
- Sunil Gala:** So in the first year, we have planned around INR30 crores the brand expense. And in the subsequent year, around INR40-odd crores to spend on brand. So this is the 2-year strategy that we have decided. And reasonably, we are clear that we won't spend the same number in the subsequent years.
- Praneeth:** Understood, sir. But in terms of, let's say, these things, so are we -- as a result, are we going to charge a higher brand premium? Or we want to still stay very on the similar price bracket for the next 2 years?
- Sunil Gala:** I don't think so. We can really remain -- in this competitive environment, we can really charge premium just because we are spending. Like all other brands, we will not play with the end product pricing that we will see the comfort of the end consumer. And so I think this will be -- this will not get offsetted by the price increase, and it will be a pure additional expense for the company.
- Praneeth:** So right now, we want to -- so paper would not be, let's say, star -- it will be a large part of our portfolio, but not the star, but we want to continue creating new non-paper products where we start growing much faster. Is that the right understanding?
- Sunil Gala:** That's right. That's right.
- Praneeth:** Got it, sir. And in terms of our utilization of our, let's say, both paper capacity versus non-paper capacity, could you give a broad sense on how it is today?



- Sunil Gala:** On paper capacity, I would say we are quite highly utilized. So on an annual basis, I can say around 80%. And why 80%? That 3 months of the year, we have a very, very low volume manufacturing because of this being a seasonal business. Then also, we are able to consume around 80% of our capacity.
- And we actually outsource a lot also during the year. With respect to non-paper stationery, apart from the manufacturing plant that we set up in Gujarat -- Southern Gujarat, which is mainly for plastic-based products. So that will, of course, will get manufactured there. But other categories that we plan to come out with, initially, we will be outsourcing with our brand and packaging. So we are not going to invest in every category immediately.
- Praneeth:** So you'll wait till probably that product...
- Moderator:** I'm sorry to interrupt, Praneeth, you may please rejoin the queue for more questions. We will take our next question from the line of Niraj from White Pine Investments.
- Niraj:** Sir, my few questions. One is in the South Gujarat plant, how much capex have we considered on that?
- Sunil Gala:** So altogether, we have invested INR65 crores, including buying of a land.
- Niraj:** And how much asset turn can we assume on such business?
- Sunil Gala:** Now as per our budgeted plan, the asset turn could have been 2x in this second year itself and 2.5x thereafter. Unfortunately, the day plant got started, lots of challenges from the export market came, then several challenges came. So we have actually not been able to utilize this plant at its right capacity as on date. I would say in a normal period, we'll be able to consume 1x asset turnover in the first year and at least 2x in the second year and thereafter around 2.5x.
- Niraj:** So the 2.5 is the max you can talk of today?
- Sunil Gala:** So here, it is -- see, actually, we have a larger land as well as larger building with us. The machinery that we have invested so far can bring out this much of production. Any addition of machinery where additional investment in plant and building will not go. So any -- every additional machinery will further bring the output. So going forward for beyond 2.5x investment, we just need to add the machineries.
- Niraj:** Got it. But sir, consider...
- Sunil Gala:** Yes, then asset turnover will be much better, much different.
- Niraj:** Got it. And sir, in terms of -- but if you see -- if your revenue of domestic is INR400 crores, you're talking of, say, you put up INR130 crores of -- or INR140 crores, INR150 crores of revenue capacity for the land. Is it right to say that a lot of other products that you are planning to launch from a branding perspective will be mostly from outsourcing side?
- Sunil Gala:** No. First of all, this plant is not only for domestic business. This plant also will be utilized for the exports. The plastic products that we have been exporting till date, which is a combination



of plastic and paper at times, which we are outsourcing today. So all that will stop and we will start manufacturing in this plant only. So this plant is going to support both businesses. But as I mentioned to Praneeth earlier, for other categories, we are going to outsource. All plastic-based products will be -- will come out from this factory.

Niraj: Got it. Sir, two more related questions, and I'll come back on the queue. One is you had seen export revenue growth of 18%, 20% compounded for years between FY16 and '23 and then it's tapered down. And what is your expected range of growth, say next 3, 4 years in exports revenue on the stationery side?

Sunil Gala: So barring any incidences across the globe, in a normal situation for us to grow at around 15% is possible. And we already had spoken this with our present customers also, and we are helping them to develop new and newer products and categories on a regular basis. So 15% growth is quite achievable for us.

But if such situation comes, then we frankly do not have clarity on. And now there is one more reason that we should mention -- I should mention on this call that because of tariffs and other situations happening today in the globe, there has been inflation pressure in the developed countries, including U.S.

Now what will be the impact of that inflation on the buying pattern of the end customer that really needs to be judged or understood. We believe that we are in very, very basic products. So there, we are not going to see any impact of such inflation. But nevertheless, we all may discount by around 5% to 7% impact, which we have to reduce from our growth expectation on a conservative basis.

Niraj: And the last question, sir, on the margins, what margins is expecting the stationery business because you said INR30 crores and INR40 crores of spending in advertising on which a very large -- good reasonable percentage of the domestic revenue. But as an overall stationery segment, how much EBITDA margin are you expecting to have -- go back to?

Sunil Gala: So in the current year, with things normalizing as we see in the country at least as well as with our exports. So we should be making around 9% margin in the current year post these expenses. And in the subsequent year, around 9.5% to 10% versus around 13-odd percent that we are making on a regular basis.

Niraj: Okay. And that is because of the investments that you're doing?

Sunil Gala: That's right.

Niraj: Okay. But sir, won't the U.S. margins also be better with export stationery margins because the rupee has depreciated, your growth will also pick up, [hopefully 0:28:42], also on that side?

Sunil Gala: So that is a short-term benefit at times we have got in earlier years. Whenever such situation arises, our customers are quite big, smart. They also understand the currency fluctuations and currency rates of the respective country. So when they negotiate in the subsequent years, they

always consider -- keep these currency rates also in mind. So actually, they do not allow us to earn more. What they guarantee is the volume. They just don't allow us to earn more percentage.

Moderator: Next question is from the line of Gunit Singh from Counter Cyclical Investment.

Gunit Singh: So I would like to understand why has our revenues from the publishing segment largely remained flat since FY19? So I'm sure that the curriculum must have changed a couple of times in between, but the revenues have remained flat. So can you help me understand that?

Sunil Gala: So since FY19 -- not even FY19, but FY18, curriculum has not changed at all, and that is the main reason. And as I mentioned in my brief speech earlier, the curriculum change cycle is starting from the current year, that is FY27 onwards, which will continue for 4 years. So that is one reason because as there was no curriculum change. There are several other reasons year-on-year, which we are facing.

One of that is the post pandemic, our customer segment, which normally was studying in the state curriculum has shifted to central -- many of them have shifted to central curriculum. So our state revenue could not really grow because of that. The balance per customer segment buying capacity also had reduced over the years. So there are such 2, 3 reasons, but the most important was no curriculum change for this period. That was the reason of the flat revenue for such a long period.

Gunit Singh: Got it. So in Maharashtra and Gujarat, you're saying curriculum have not changed since FY19. And now you are expecting curriculum change in the current calendar year. So what kind of, I mean, revenue push or what kind of a target revenue can you expect from this publishing segment because of the new curriculum? And where exactly is the curriculum changing in both Gujarat and Maharashtra?

Sunil Gala: So we are not expecting. We are certain about it because both respective state governments have announced and accordingly, the new curriculum books have already started coming in the market. So we are certain about it. Now with respect to growth, at least in the first 2 years, we are clearly seeing growth of around 15% in a single year. And this we are expecting because in both the states, Gujarat and Maharashtra, where we are quite dominant, the curriculums are changing simultaneously.

Gunit Singh: Got it. So in both these -- I mean, does the curriculum change take a couple of years? Or does it happen just over, say, 1 year, like, for example, if it happens in 2026, then it will -- the same curriculum will continue over the next 2 years. I wanted to understand that. And what actually drives this growth when there is a curriculum change? I mean, what is the reason? Because the number of students is the same. So what are exactly the drivers?

Sunil Gala: So curriculum change -- overall curriculum change right from kindergarten till 12th grade, the change happens over a period between 3 and 4 years. Not all grades or standards changes in a single year. So what I -- if I can explain you a little better that, for example, in the current year, grade 3, 4, 5 curriculums are changing. In the subsequent year, there will be 2 or 3 more standards curriculum will change. So this cycle gets completed over a period of 3 to 4 years.

Now the reason of better growth in the curriculum change, particularly the highest category of products that we sell, the biggest competition comes from our own secondhand books. So that secondhand book market is totally gone away whenever curriculum change happens. And secondly, for all the category of products that we are publishing, there is no trade inventory also with 5,000-odd retailers, they also need to maintain the inventory. And therefore, for both these reasons, it helps the company to grow quite significantly during curriculum change cycle.

Gunit Singh: Got it. And we have seen that our stationery business has been growing. So do we have any plans for demerger of the stationery and the publishing segment because we have a different strategy for each anyway. So what are your thoughts on having the demerger?

Sunil Gala: So as on date, the numbers are not that big even for stationery independently. So there are no plans right now, no thoughts also right now to demerge the business.

Gunit Singh: Got it. And in terms of...

Moderator: I'm sorry to interrupt, Gunit. You may please rejoin...

Gunit Singh: Just last follow-up, it's similar. And sir, just for capital allocation, would you be looking at share buyback because the share price has been -- is lower than what it was in 2017. And buyback will give an indication to the market of future growth and confidence also. And also, it's a tax-efficient way of returning money to the shareholders. So what are your thoughts on the buyback?

Sunil Gala: No, no. Yes, I think you are a new investor. So in last 5 years, we have already done, if I am not wrong, around 3 buybacks already in the last 3 -- 5 years. At the right time, we will -- we may again decide on the same.

Gunit Singh: All right. Kindly request you to consider it.

Sunil Gala: Yes.

Moderator: Next question is from the line of Arihant from Bowhead.

Arihant: Sir, I wanted to know like in stand-alone publication business, the EBIT margin, there was a decline in second half FY26. Like in first half, they had jumped 300 basis points. But in second half, they fell by around 500 basis points. So I wanted to know what was the reason for fall in the publication EBIT margin in second half and how would the publication EBIT margin will be in FY27 compared to FY26?

Sunil Gala: So Arihant, first of all, I have always been requesting all my investors to consider our numbers on a yearly basis. There are a couple of reasons for that, that not -- our business does not continue every year in the same manner. What I mean is sales does not happen in the same manner every year. So for example, a couple of institutes buying products in the first half. Now even though schools reopen in the month of June and part of -- areas in the month of July, they end up buying in August, September, October, depending on their fund situation.

So whenever there is some shift in buying pattern, automatically margin fluctuates between these periods. So that is one of the main reason. Added to that, overall inflationary trend together with



no revenue growth, automatically shrinks margins. So these 2 things would have happened. And thirdly, Kalpesh may come in because of the one-time provision because of the new labor law also impacted the margin of the publication business as well as stationery business in the second half. Kalpesh, you may please correct me if I'm right or wrong.

- Kalpesh Dedhia:** Yes, that's correct. So we have...
- Arihant:** That was part of exceptional items. So it's not affecting our EBIT.
- Kalpesh Dedhia:** But for...
- Sunil Gala:** Kalpesh, he's saying it is part of exceptional only and not as the EBIT margin of the publication business stand-alone.
- Kalpesh Dedhia:** But see, again, we have created a provision for leave encashment, so that has also created some negative impact on our margins.
- Sunil Gala:** Is this because of the new labor law?
- Kalpesh Dedhia:** Yes, so as per new labor law. See, at present, we have continued with our old system. And in next first quarter, there will be some positive impact because it will change it to a new labor law wage definition. But at present, there was some extra provision created for leave encashment.
- Sunil Gala:** So anyway, what I'm trying to say with no growth in revenue and continuously inflationary pressure, the margins are likely to impact. Again, also another important area that you may have to consider that this being a seasonal business for a particular year, we do not change the end product pricing, whereas our -- we do not have full control over the purchase of our raw material pricing. So this also may impact. Now in the first half, and I just recall, in the first half, the paper prices were in our favor. So we saw a little better margin. But in the second half, it was not. So my request is if you can look at the full year picture would be better.
- Arihant:** Sir, in FY27, are we expecting similar full year margins for publication business?
- Sunil Gala:** I would say a little better margin because of the double-digit growth that we are expecting in the revenue. So that will offset not only the inflationary pressure of the current year, but will add further margin into the business. So there will be at least 200 basis points better margin than the current year -- than the last year.
- Arihant:** Okay. Sir, what was the Indiannica revenue and PAT for the full year? And can you guide for FY27? And similarly, what are our expectation for domestic stationery growth and export stationery growth for FY27?
- Sunil Gala:** Kalpesh, can you briefly tell me about Indiannica numbers independently?
- Kalpesh Dedhia:** One second, I'll just open my working. Yes. So Indiannica had a net sale of INR48 crores -- sorry, INR42 crores for the year, and it had a negative profit of -- loss at PAT level at INR16 crores.



Arihant: Okay. So sir, what was the reason for decline in revenue and like last year, we had INR55 crores sales. In this year, they are much lower at INR42 crores?

Sunil Gala: So major reason is that we are not trying to grow in terms of creating new products in that business. Reason is that we have already enough categories already in that -- for that business. So as we stopped creating new categories, the demand for the old categories reduced. So that is another setback that we had. And simultaneously, similar type of products, we have started bringing it in Navneet also. And that is the main reason of this lower revenue numbers in Indiannica and higher returns were there in the current year.

Arihant: Okay. What is the domestic stationery and export stationery growth expectation for FY27 year-on-year? Yes, so I was asking what are our domestic stationery revenue and export stationery revenue growth expectation for FY27 year-on-year? And also what grade curriculum is changing for Gujarat specifically in FY27?

Sunil Gala: So in domestic stationery business, we are expecting growth of 1-5, 15%, including our new category in launches that we have already done so far. So we are expecting around 15% growth. In the subsequent year, of course, it will be higher growth. But since we are just launching various products, we are expecting 15% growth. In Gujarat, Roomy, do you have full clarity on which all grades are changing?

Roomy Mistry: Yes. So as Arihant, I had communicated to you earlier also that there are a couple of standards which are changing, but not all the subjects of this standard. So standards like sixth, fifth, fourth and seventh are changing certain subjects, but not all the subjects like it is happening in Maharashtra.

Arihant: Okay. Sir, on export growth, what is the guidance for this year?

Sunil Gala: So export growth, I will be a little conservative on estimating in a single-digit growth, higher single-digit growth and reason being that we really do not know the impact of the recent situation going -- happening and how much would that additionally cost to the end customer as well as to our buyers? And how will that change the buying pattern that we are not very clearly sure of. So I would say single higher-digit growth will be an estimation, around 8% to 9%.

Moderator: Next question is from the line of Soham from Prospero Tree AMC.

Soham: Am I audible, sir?

Moderator: You are audible. You may please proceed.

Soham: Sir, Sunil bhai, you are just mentioning that you are going to spend the money on the branding for the stationery business. But I'm surprised, because our export business is degrowing or rather the margin is hit because of the tariff issue. And in the domestic market because of the unorganized segment, there is a competition.

And even after spending the money on the funding, we are not going to charge any premium. So how -- what is the exact logic to spend the 30 crores in the first year and 40 crores in the second



year? How it will be benefited to the company? And what exactly benefit we are thinking to get from this brand exercise?

Sunil Gala:

Valid question. Now exports market in last 2 years, in particular, we have been seeing some or the other challenges where we are not at fault. Now how much should we continuously depend only on exports business, generate higher revenue and higher margin from export business can become question going forward. And therefore, we need to have good foothold in the Indian market. That is the first reason of us deciding on spending higher amounts.

Now thankfully, whatever export business that we do, which has reasonable margin. So if we look at a stationery business as a whole, where manufacturing setups are common, most of the investments made are common, we feel that if we establish ourselves as a strong brand in the country, that will benefit overall in the domestic market.

Otherwise, it remains a static supplier -- a static producer of a product. And particularly when we are introducing newer category of products, I believe it becomes very, very important and therefore, this decision. Having said that, if situations will worsen from here in exports market, we may not spend. But today, as per our plan, the numbers I gave you.

Soham:

Okay. Okay, sir. So we are spending to promote the YOUVA brand. Is it right, sir?

Sunil Gala:

Yes, please.

Soham:

Okay. Sir, it is not advisable to strengthen the distribution channel because the textbook has a boundary, say, in the Gujarat or Maharashtra particularly textbook because we are publishing that or providing the publishing business for the Gujarat and Maharashtra state. So stationery, as such, no boundary because the stationery produced in the Gujarat or Maharashtra can be sold in the other states also. So it is not advisable to strengthen our distribution channel so our product is available on a pan-India basis. And so there will be a revenue growth, at least in the domestic one?

Sunil Gala:

Yes. For your information, we are already available all India for a number of years. Only thing we have not penetrated within these same geographies beyond Maharashtra and Gujarat. So our revenue percentage from other states are still low. Now when I'm spending on brand, but obvious, if the availability of products are not there, it is not going to help.

So there is a continuous increase in number of distributors across various states that also process is on in which we really don't have to spend money on. But -- so that is an additional strategy that we already are implementing. But since it is not affecting the margins, I did not speak about it.

Soham:

Okay. And sir, my last question. You just mentioned that there was a syllabus change for the standard three, fourth and fifth for the Maharashtra state. Do the company has remained any inventory of base standard, so which we -- which is not sellable now because of the change in syllabus and it hits our margin or it becomes the useless inventory. Is it there any amount of inventory lying with the company?



- Sunil Gala:** No, no. So yes, immediate reaction that there is very, very low inventory, not even 1% of our total revenue of the company we have as an inventory. Now having spent so many decades in this business, every curriculum change cycle, we are very clear of, we knew about. So government also announced almost a year ago about these grades changing. So automatically, we become cautious in further printing in the previous year. So therefore, thankfully, we do not really have big inventory of old syllabus items.
- Soham:** Okay. And if you permit, sir. Company, do the -- Sunil bhai, are we taking any meaningful step to make the Indiannica at least achieve the breakeven?
- Sunil Gala:** So we have filed for -- rather we have decided to merge it with Navneet and the major reason being that a lot of cost that are duplicated at both the locations and both the companies individually gets reduced. So that is number one. Simultaneously, after having merged the company, there will be a lot of commonalities in terms of distribution depots. It means the logistic cost also will come under control. So these are a couple of reasons.
- And when both the companies, the parent and the subsidiary publishing the books for the same curriculum that is Central Board, I think consolidation at that level also will further benefit the company. So that is the reason now. Earlier, we always thought that Central Board market needs a different brand and different strategy.
- And therefore, we always kept it separate. But now we have realized that there is no meaning of keeping it separate and therefore, we are merging. So this is the major strategy shift that we have done -- we have decided, and we are awaiting for the authority approvals for it to merge.
- Moderator:** Next question is from the line of Himanshu Upadhyay from Steadfort Investment Managers.
- Himanshu Upadhyay:** My question was if we add the business of Navneet plus Indiannica on the CBSE, has it increased or reduced overall in FY26? Because we stated some of the things which were there in Indiannica, we have brought to Navneet and all that stuff. So just to understand how it has moved?
- Sunil Gala:** So your question is whether by adding the number -- yes, please.
- Himanshu Upadhyay:** No, my question was what is the combined revenue of CBSE for both Navneet publishers plus Indiannica? And how did it fare in FY26?
- Sunil Gala:** If we see combined revenue, it was last year around INR70 crores. And only this year, what we did...
- Management:** So you are talking about the combined revenue for financial year '26 of Indiannica and our CBSE business, what we do in Navneet Education, right?
- Himanshu Upadhyay:** Yes. And versus FY25?
- Management:** Yes, it is about INR64 crores.
- Himanshu Upadhyay:** And this is FY25 you are talking about or FY26?



- Management:** I'm talking about FY26. So it's about INR65 crores at present.
- Himanshu Upadhyay:** And FY...
- Management:** FY25, I have to get the numbers.
- Himanshu Upadhyay:** Okay. And how many schools would we be present now across or where the books are subscribed in FY26? And what is the outlook for '27, for CBSE I'm talking about?
- Management:** You're talking about CBSE schools, right?
- Himanshu Upadhyay:** Yes, how many schools subscribed the books for FY26 versus FY25? And what is our expectations for FY27 in CBSE?
- Management:** So you're asking specifically for Indiannica, right?
- Himanshu Upadhyay:** No, I'm saying, let's say, if overall CBSE business, the whole purpose is to grow that business, okay? We are seeing more schools are moving towards that direction also. So I'm trying to understand how is my penetration with schools increasing, whether it is Indiannica or Navneet, it does not matter to me. But I'm saying overall business, how is it moving?
- Management:** Yes. So every year, we try to reach out to more number of schools than the previous year, okay? Now if you look at the data, so there are around 35,000 to 40,000 schools, okay, which use this type of publication. So every year, we try to reach out to more and more number of schools. Now if you ask us the exact number of schools that we are reaching out to and the business that we are getting from the number of schools out of which we are reaching out, maybe a difficult question to answer right now, okay?
- But rest assured that the penetration that we are trying to do, the number of new schools that are opening over a period of time, we are trying to reach out to all the schools at the same time, trying to increase our titles in the same school. So both the exercises are going on simultaneously as far as CBSE is concerned.
- Himanshu Upadhyay:** No, I appreciate that. But see, the results are not there. So just trying to understand where the problem is, okay? And what are we doing to resolve the problem? Because it's quite some time, I think more than 6, 7 years, we have been working on or trying these things. So what are we changing or what are we doing now?
- Management:** So as we have discussed earlier also, now it is not the business like what we do in Navneet or state board schools. It is a difficult business, number one. And number two, there are a lot of competitors in the same business. right? So we are trying to come up with more number of titles in the same category also, in different categories also.
- And that is what everybody is doing. And if you look at any CBSE publishers numbers, we will always see that their numbers are not growing over a period of time. The schools are growing, the number of students are growing. But at the same time, the competition is also equally growing. So we are trying to maximize our opportunities with the existing schools, reach out to



more and more number of schools and at the same time, increase our presence in the existing schools.

Himanshu Upadhyay: Okay. And one more thing. Under the changed syllabus, how is the size of the book changing? Or generally books, are they becoming thicker or thinner? And how does the realization also change? Are the -- is the value per book increasing or going to remain constant? Some of those thoughts will also be helpful to understand. This is -- I'm talking about Gujarat and Maharashtra State Board where syllabus is changing.

Management: So see, as and when the government launches the textbooks in the market, depending on the size of the government textbook, we have our books published. Now whether they increase the size of the textbooks, then the size of my supplementary books will also go up. If they reduce the number of pages and the chapters or the content in the textbook, accordingly, my book will also go down in number of pages. And everything depends on the number of pages as far as our products are concerned. So it all depends on the government textbooks.

Himanshu Upadhyay: No, I completely agree to that. So my question is that only how is that changing under new education policy and the syllabus change? Is the syllabus increasing? Are the books increasing? And will the realization also increase? Or do you think if we take the overall lump sum situation, there won't be much change on the realization and the size of the book. So that is what I'm trying to understand.

Management: So you can consider your last statement as a valid one that the size of the books more or less will remain the same as far as the grades are concerned.

Moderator: The next question is from the line of Sarath Juttur from Zen Wealth Management.

Sarath Juttur: Am I audible?

Moderator: Yes, you are.

Sarath Juttur: Okay. So my question is again related to Indiannica. Can you just quantify the cost synergies realizable because of the merger? And the second question is future road map for Indiannica, like any investments are lined up? And finally, like do you have any plans to monetize a huge content repository you've created over decades, just like one of your peers is doing, right? These are my 3 questions.

Management: So I believe the first 2 questions can be answered by Kalpesh.

Kalpesh Dedhia: So see, definitely, there will be a lot of cost synergies when we merge Indiannica because there are overlap of schools when we visit -- the same school may be visited by Indiannica sales team and Navneet sales team. So definitely, there will be cost synergy in terms of number of school being visited. We can increase the number of school being one team. Second, in terms of technology and content creation. Also, there will be synergy, and we can save a lot of costs there.

Sarath Juttur: Okay. By chance, can you quantify like the time it takes 2 years whenever the merger happens, like?



- Kalpesh Dedhia:** Yes, it will be difficult here at present. And the time merger happens, we will not be able to disclose. What was your second question on -- sorry...
- Sarath Jutur:** Second question was related to future strategic road map for the Indiannica business. Like do you plan to enter any more new markets, geographies or launch new product or something like that?
- Management:** Yes, definitely. We -- see since we'll have -- this overlap will go away, so we'll have more staff on the ground to cater to the more number of schools and maybe more new territories. So that is definitely a plan to look out for as a complete CBSE business since it will be under the umbrella of NEL, Navneet Education Limited. And there is a continuous development on the new products, new titles, whatever you want to come out. So that is a continuous process which we work on. And definitely, that will help.
- Sarath Jutur:** And any investments lined up for the business, like strategic investments which you have in your mind?
- Management:** See, for publication business, main is the content. And on that only, we'll have investment. So it's not any physical investment like factory or all we'll need to do because we have capacity which we can cater and there are enough capacity available in the outside market. So no physical investment, but yes, definitely, we'll invest in content creation and all. So let's see.
- Sarath Jutur:** Okay. And the final question was regarding any plans to monetize the huge content repository, which you created over decades, just like one of your peers is doing, like any plans to do that in the future?
- Management:** Like which peer you are talking about?
- Sarath Jutur:** I don't know if I can take the name or not, but actually, what that company is doing is like they are licensing their own content to AI-related companies or other companies, which -- out of which they are making the high-margin business, like high-margin revenue, which adds directly to the bottom line. If I can take the name, I can take. I don't have any issues. Can I take the name?
- Management:** I don't know whether you can take the name or not. But anyway, I will check this internally and get back to you.
- Moderator:** We will take our next question from the line of Arihant from Bowhead.
- Arihant:** I just wanted to know regarding the paper prices. So was there any jump in paper prices in the last quarter in 4Q '26? And what is the current trend you are seeing in paper prices? So that's my first question. And second was, what is the capex we are expecting in FY27 and FY28?
- Management:** One second, one second.
- Sunil Gala:** Yes, Arihant, this is Mr. Gala here. Let me come back online. Yes. So your first question is -- the last question was what are the capex? So as such, as our -- as I mentioned, the UAE project has been stalled for a while till situation improves. We can't really commit on when we'll be doing. But otherwise, at a company level in India level -- at India level, at present, we don't have



big plans to invest either in land building or in machinery. So it would be just hardly INR25 crores, INR30 crores of investments. And what was your first question, Arihant?

Arihant: I wanted to know regarding the paper prices. Was there any jump in last quarter in 4Q '26? And what are the current trends in your expectation?

Sunil Gala: So the paper that we use in last 1 quarter, we have seen around 8% jump from its lowest level that it had gone down last year. Future, there are talks because the cost of manufacturing paper has really gone up because of the fuel pricing. They use lots of coal or electricity to manufacture as well as the chemicals that they use also has gone up dramatically. So there has been talks of cost going up.

But finally, paper mills will have to adjust to the market competitive environment. So they have been talking, but whether -- we really doubt that they'll be able to increase the paper prices going forward for next at least 3 to 4 months. Beyond that, to predict also, it is impossible for us.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Sunil Gala, Managing Director, for closing comments.

Sunil Gala: So thank you once again, friends. So we are transitioning from just a curriculum provider through textbooks or through paper to various areas of digital AI as well as stationery, including non-paper. As I mentioned, we'll be absorbing short-term margin pressures for the better future.

But with curriculum change cycle and the new plant that we have just put up, I think our growth foundations would be much better for next 3, 4 years until the time we will have good breathing time to really think much better for the future period.

So on behalf of the management, I extend my deepest gratitude to all of you for your unwavering trust and confidence in our journey ahead. Thank you.

Management: Thank you.

Moderator: Thank you. On behalf of Navneet Education Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.