## Corporate Relationship Department

Bombay Stock Exchange Ltd.
$1^{\text {st }}$ Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort, Mumbai - 400001
Dear Sirs,

## Ref : Scrip Code : 508989

Sub : Submission of presentation to be shared with representative(s) of an institutional investor

In accordance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, we hereby submit presentation to be shared with representative(s) of Bajaj Allianz Life Insurance, an institutional investor at tomorrow's meeting scheduled with them. The said presentation is uploaded and available on Company's website www.navneet.com.

You are requested to take note of the above.

Kindly acknowledge the receipt.
Thanking you,
Yours faithfully,
For Navneet Education Limited


Amit-D. BUCH
Company Secretary
©Grafalco
Ensuring Success


## ( ${ }^{\text {B }}$ <br> NAVNEET

Knowledge is wealth

## INVESTOR PRESENTATION

Unaudited as on 30 June 2016 (INR)

## PRESENTATION CONTENTS

HISTORY OF NAVNEET ..... 3
KEY FINANCIALS AND NUMBERS ..... 4-7
SHAREHOLDING \& MARKET CAP ..... 8
NAVNEET'S BUSINESS AND BUSINESS CYCLE ..... 9-10
K12 CONTENT BUSINESS ..... 11-18
E-LEARNING BUSINESS ..... 19-21
DIRECT EDUCATION BUSINESS ..... 22
STATIONERY BUSINESS ..... 23-27
CORPORATE SOCIAL RESPONSIBILITY ..... 28
CONTACT DETAILS ..... 29

## HISTORY OF NAVNEET

| YEAR | MILESTONES ACHIEVED |
| :--- | :--- |
| 1959 | First Digest/Guide published for Standard X |
| 1970 | Workbook concept introduced to standardize teaching across classes and divisions |
| 1975 | Published 21 Most Likely Questions Sets for Board Exams (X \& XII Standards) |
| 1990 | Children Books introduced |
| 1993 | Started Stationery Division |
| 1994 | First and Only Educational Publisher to be listed on BSE and NSE |
| 2000 | Stationery capacity reached 100 Tons/Day. ISO Certification awarded |
| 2003 | Implementation of SAP \& KAIZEN |
| 2008 | Entered B2B Digital Learning space |
| 2011 | Ventured Direct Education space |
| 2014 | Entered B2C Digital Learning space |
| 2016 | New Stationery Brand YOUVA Launched |

## Particulars

3 months ended 30.06.2016 (Unaudited)

Corresponding 3 months ended in the previous year 30.06.2015 (Unaudited)

## (1) Segment Revenue

a. Publishing Conten
b. Stationery Products
c. Others

Total
Total
Less: Inter Segment Revenue
Net Sales/Income from Operations
(2) Segment Results
$\begin{array}{lll}\text { a. Publishing Content } & 14,077 & 12,802\end{array}$
b. Stationery Products 4,366
$\begin{array}{lrr}\text { c. Others } & \text { Total } & 160 \\ \text { Less : } & & \end{array}$
$\begin{array}{lrr}\text { c. Others } & \text { Total } & 160 \\ \text { Less : } & & \end{array}$
3,353
i. Finance Cost 225
$\begin{array}{lr}\text { ii. Other unallocable expenditure } & 1,124 \\ \text { iii. Other unallocable (income) } & (173) \\ \text { Total Profit Before Tax } & \mathbf{1 7 , 4 2 7}\end{array}$
$\begin{array}{lr}\text { ii. Other unallocable expenditure } & 1,124 \\ \text { iii. Other unallocable (income) } & (173) \\ \text { Total Profit Before Tax } & \mathbf{1 7 , 4 2 7}\end{array}$
$\begin{array}{lr}\text { ii. Other unallocable expenditure } & 1,124 \\ \text { iii. Other unallocable (income) } & (173) \\ \text { Total Profit Before Tax } & \mathbf{1 7 , 4 2 7}\end{array}$

## Less :

298iii. Other unallocable (income)

(152)

## STANDALONE AND CONSOLIDATED SEGEMENT REVENUE AND RESULTS <br> FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2016

| Particulars | $\begin{aligned} & 3 \text { months ended } \\ & 31.03 .2016 \\ & \text { (Audited) } \end{aligned}$ | Corresponding 3 months ended in the previous year 31.03.2015 (Audited) | $\begin{aligned} & 3 \text { months } \\ & \text { ended } \\ & 31.12 .2015 \\ & \text { (Unaudited) } \end{aligned}$ | $\begin{aligned} & \text { For the year } \\ & \text { ended } \\ & 31.03 .2016 \\ & \text { (Audited) } \end{aligned}$ | $\begin{aligned} & \text { For the year } \\ & \text { ended } \\ & 31.03 .2015 \\ & \text { (Audited) } \end{aligned}$ | Consolidated for the year ended 31.03.2016 (Audited) | Consolidated for the year ended 31.03.2015 (Audited) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |



| Less: Inter Segment Revenue | - | - | - | - | - | - |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: |
| Net Sales/Income from Operations | 18,418 | 18,343 | 11,321 | 93,112 | 95,937 | 94,981 |

(2) Segment Results

| a. Publishing Content | 1,640 | 1,025 | 1,646 | 17,492 | 18,291 | 17,148 | 18,400 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| b. Stationery Products | 983 | 2,230 | (363) | 3,643 | 4,879 | 3,643 | 4,879 |
| c. Others | (23) | (24) | 7 | 57 | 39 | 57 | 39 |
| Total | 2,600 | 3,231 | 1,290 | 21,192 | 23,209 | 20,848 | 23,318 |
| Less : |  |  |  |  |  |  |  |
| i. Finance Cost | 44 | 163 | 2 | 348 | 910 | 355 | 911 |
| ii. Other unallocable expenditure | 845 | 704 | 670 | 3,108 | 2,680 | 3,108 | 2,680 |
| iii. Other unallocable (income) | (227) | (35) | (460) | $(1,704)$ | (236) | $(1,704)$ | (236) |
| Total Profit Before Tax | 1,938 | 2,399 | 1,078 | 19,440 | 19,855 | 19,088 | 19,964 |

## Navneet Education Limited

## FY 16 KEY FINANCIALS

FIGURES IN MILLION (INR)

| PARTICULARS | PUBLICATION | STATIONERY | TOTAL |
| :---: | :---: | :---: | :---: |
| REVENUE | 5,160 | 4,077 | 9,311 |
| EBIDTA (\%) | 33.9 | 8.9 | 22.8 |
| PAT (\%) |  |  | 13.7 |
| PARTICULARS | YEAR ENDED 31 MARCH 2016 | YEAR ENDED 31 MARCH 2015 | ANNUAL GROWTH <br> (\%) |
| PUBLICATION | 5,160 | 5,319 | -3.0 |
| STATIONERY | 4,077 | 4,224 | -3.5 |
| TOTAL REVENUE | 9,311 | 9,594 | -2.9 |
| PAT | 1,278 | 1,293 | -1.2 |
| DIVIDEND PAYOUT (\%) | 110 | 110 |  |

## Particulars

Revenue (including other income) PBDT
Depreciation
PBT
Tax
Net Profit (PAT)
Dividend
Dividend (\%) - (Face Value at Rs.2/-)
Book Value (Face Value at Rs.2/-)
Debt-Equity **
EPS (Post Tax) (Rs.2/- per share)
EPS (Pre Tax) (Rs.2/- per share)
Dividend Payout \% to Net profits

FY 16 FY 15 FY 14

| 9,311 | 9,594 | 8,613 |
| ---: | ---: | ---: |
| 2,211 | 2,268 | 1,957 |
| 267 | 282 | 220 |
| 1,944 | 1,986 | 1,737 |

FIGURES IN MILLION (INR)


■ Promoters

- Public
- Mutual Funds \& Financial Institutions
- F.I.Is
- Other Bodies Corporate

MARKET CAP FOR LAST 3 FINANCIAL YEARS (Rs in Mn)


## NAVNEET'S BUSINESS




CURRICULUM (SUPPLEMENTARY \& TEXT BOOKS) \& NON
CURRICULUM PUBLICATION (Print Content)

E-LEARNING (Adoptive Learning) B2B \& B2C


## ACTIVITIES DURING THE QUARTER

```
1.Paper purchase contracts
2.Start of printing activity
3. Sales approx. 10-15\%
```


## 1. Printing activity continues <br> 2. Marketing activity starts for next Academic Year <br> 3. Sales approx. 15\%

1.Printing activity continues
2. Major sale made approx. 50-55\%

1. Major debtors realized
2. Sales approx. 15-20\%
3. Highest revenue amongst all quarters
2.Major profits realized

EFFECT ON P \& L AND BALANCE SHEET

1. Huge Manufacturing expenditure
2. Inventory rises
3. Huge Marketing expenditure
4. Inventory at its peak
5. Short term borrowings from banks
6. Thin balance sheet
7. Zero debt


* U- DISE 2014-15 Report


## Navneet'S Focus

1. Navneet's focus is on SSC Schools which are around 99\% of total schools in India. Of the total 15,05,000 Schools, 3,65,000 (24\%) Schools are private, rest all are Government.
2. All these $99 \%$ Schools are governed by respective State Education Boards.
3. CBSE, ICSE, IGCSE and IB Schools constitute less than 1\% of total schools in India.

## MICRO STATISTICS OF NAVNEET'S FOCUS REGIONS FOR SYLLABUS BASED PRINT CONTENT

| PARTICULARS | MAHARASHTRA | GUJARAT |
| :--- | ---: | ---: |
| No of Government Schools | 49,941 | 33,755 |
| No of Private Schools | 29,065 | 9,880 |
| TOTAL SCHOOLS | 79,006 | 43,635 |
| Schools in Regional Medium | 72,030 | 25,721 |
| Schools in English Medium | 6,976 | 4,729 |
| NUMBER OF STUDENTS * |  |  |
| a) Standard 1-5 | $\mathbf{1 , 0 1 , 2 5 , 7 1 6}$ | $57,64,682$ |
| b) Standard 6-8 | $60,46,718$ | $33,77,769$ |
| c) Standard 9-10 | $36,65,059$ | $17,46,385$ |
| d) Standard 11-12 | $25,15,481$ | $9,85,972$ |
| TOTAL STUDENTS | $\mathbf{2 , 2 2 , 9 3 , 9 6 4}$ | $\mathbf{1 , 1 8 , 7 4 , 8 0 8}$ |

* U- DISE 2014-15 Report


## NAVNEET'S CORE COMPETENCE

1. Navneet has approximately $65 \%$ market share in Maharashtra and approximately $70 \%$ in Gujarat Supplementary books.
2. Long standing brand with more than 1,00,000 schools covering 25 Million students every year.
3. Strong marketing team with 450 (Gujarat + Maharashtra + all India) sales representative pitches more than 25,000 private schools every year for getting the books recommended.
4. More than 225 Authors on Royalty program who writes for Navneet.

## CHARACTERISTICS OF K12 PRINT CONTENT INDUSTRY IN INDIA

## FRAGMENTED

K12 Print Content Industry is highly fragmented in India with a large number of Regional players.

K12 Print Content Industry consists of Textbooks and Supplementary Books like Workbooks, Guides/Digests and Question Banks.

CONTENT
It is a content driven business with Publishers/Authors developing course materials based on latest prescribed syllabus by respective State Education Boards.

ROYALTY
Most of the Publishers pay lump sum Royalty to the Authors. Very few like Navneet pay Royalty on percentage of revenue.

MARKET SIZE
Total Market Size is approximately INR 135 billion growing at a rate of $12 \%$ P.A.
Curriculum Segment
Supplementary


Focus on State Board School Curriculum in Western India and hence catering to masses.

Unmatched Content Quality over the years

Strong relationship with schools

The only Publisher having entire range of products from Play group to XII grade

# WHY NAVNEET IS NOT PAN INDIA IN K12 SUPPLEMENTARY BOOK SEGMENT? 

No Publisher in State Board Supplementary Books is PAN India

Every State has a different Regional Language which acts as an Entrance barrier.

Without Regional Language publication, no Publisher can be successful as more than 80\% students study in Regional Medium except few southern States where the number is around 60\%

Curriculum is different for each State

Evaluation Pattern also varies from State to State

## SYLLABUS <br> CHANGE

Syllabus Change is a major growth driver as it does away with the old and second hand books from trade and students buy new books as per the new revised syllabus as proposed by the respective State Education Boards.

## NEW PRODUCTS

Navneet has started publishing and marketing books for pre-primary and primary grades and also text books for private schools which have started using private publishers' text books up to Grade VIII.

CBSE PATTERN
Many English Medium Private SSC Schools (Around 80,000 in the Country) have started positioning themselves as CBSE Pattern schools where they use private publishers' text books up to Grade VIII. Navneet has ventured this space.

> GOVERNMENT INITIATIVES

Government has also taken a positive step for providing Supplementary Books to its Public School students. Some Government departments have already started buying Supplementary Books for its students.

## OFFERING

1. TOPClass - B2B Product for schools where we provide digital content for Maharashtra and Gujarat State Curriculum for English, Marathi and Gujarati Mediums for Grades 1 to 10.
2.TOP Assessment - B2B Product for schools where we assessment modules. 3. TOPScorer - B2C product for Students which includes Pendrives, Tablets and CDs for State and CBSE Curriculum.

## NUMBERS

ACHIEVED
Total B2B Product installed in 3,000 Institutions covering 18,000 Classrooms

FY 15 REVENUE
In FY 16, eLearning segment generated a revenue of INR 197 Mn
eSense
TOPClass

eSense


## TOPScorer

## CHARATERISTICS OF NAVNEET'S E-LEARNING CONTENT

1. Being a digital representation of a Text Book, it is highly syllabus focused, and therefore highly preferred and recommended by the teachers in existing states of Maharashtra and Gujarat.

NUMBER OF INSTITUTIONS

2. Over 65,000 minutes of content library already developed for State Boards for Gujarat and Maharashtra and CBSE Curriculum.
3. Navneet's strong brand name especially in Western India creates a strong platform to launch products and penetrate New Markets

## HUGE UNTAPPED B2B MARKET

Out of 39,000 Private Schools, only 3,000 have been tapped till 31st March 2016. Hence, there is a huge potential for B2B market only in 2 States of Maharashtra and Gujarat.

## B2C MARKET

B2C Market has started flourishing in India. Navneet is ready with B2C retail offerings like Online Portal, CDs, Tablets and Pen Drives for State Boards curriculum of Maharashtra and Gujarat. It is also ready with Pen Drives for CBSE curriculum

Not only students but teachers also have accepted and acknowledged the
acceptablity benefits of digital learning and more and more schools are turning digital. Being user friendly, more and more schools, teachers and students are moving forward to accept, teach and learn through digital platforms.

## DIRECT EDUCATION - PARTNERSHIP WITH K12 TECHNO SERVICES PVT. LTD.

Over the last few years, Quality Direct Education is in great demand in the Country and hence seen a sudden growth in this segment.

## VENTURE

After initial investment of focusing SSC Schools in the State of Andhra Pradesh, the Company changed its focus to grow in CBSE school segment. Today it has CBSE Schools under Management in Mumbai, Bangalore, Pune and Hyderabad.

| SHAREHOLDING $\quad$Sequoia Capital - $58 \%$ <br> Navneet Learning LLP - $32 \%$ <br> Management ( ESOP) - $10 \%$ |
| :--- | :--- | :--- |

## PAPER STATIONERY

## NON-PAPER STATIONERY

Around $70 \%$ is manufactured in house balance is outsourced. Sold in India as well as exported to major retailers worldwide.

Products include full range of scholastic stationery like Note books, Long books, Drawing books, Writing pads, Index Cards, etc.

Contributed 94\% (INR 3,835 Million) of total Stationery Revenue (INR 4,077 Million) in FY16 Revenue Split :
Domestic:
55\% (INR 2,097 Mn)
Exports : 45\% (INR $1,738 \mathrm{Mn}$ )
Not manufactured in house. It is outsourced under our brands and sold Pan India.

Products includes Pencils, Erasers, Sharpeners, Crayons, Geometry Sets, Rulers, Dough, Color Pastels, etc.

Contributed 6\% (INR 239 Million) of total
Stationery Revenue (INR 4,077Million) in FY 16.



FULL BONDED LEAD


CATEGORY $\quad$ Stationery industry is categorized into Paper and Non-Paper Stationery

TYPE
Paper Stationery market is highly fragmented market with more than $85 \%$ still dominated by the un-organized players. Non paper is more well established for branded players with approx. 60\% dominated by them.

MARKET SIZE
Total Market Size of Paper stationery is anticipated at INR 100 Billion and that of Non-Paper stationery is INR 50 Billion. Both are growing at the rate of 15\% per annum.

MARGINS AND PRICING

There is not much value addition a manufacturer can do in in paper products. Hence, the margins are very thin and pricing is always very competitive.

Organized players have been gaining market share from un-organized players over the past few years. Navneet's market share may be around 2\% in scholastic stationery and hence a large scope to capture the market

## FIRST ENTRANT ADVANTAGE

Navneet was the First Organized Brand to enter the Stationery business in India way back in 1995 to bring out standardized products with the Number of Pages and MRP printed on it, full size note books, shrink wrap packets in carton packing

## PRESENCE

Navneet's Stationery products are marketed and are available Pan India across 85,000+ retail stores which makes its presence felt.

MANUFACTURING
Navneet has 2 manufacturing plants for Paper stationery at Silva's and Khaniwade (near Mumbai) which has a capacity to produce 150 tons per day. It also outsources manufacturing from Vapi,Vasai, Kanpur and Bangalore

QUALITY AND STANDARDS

All company owned plants are ISO 9001-2000 certified and follow highest International Manufacturing Standards.

ENVIRONMENT FRIENDLY

Eco-Buddy Paper is used for most of the products which is Environmental Friendly and hence preferred by Leading International Retail Chains.

| PAPER AND NON PAPER STATIONERY |  |  |
| :--- | ---: | ---: |
|  | PAPER STATIONERY | NON-PAPER STATIONERY |
| Market size in India | INR 100 Billion | INR 50 Billion |
| Organized players' market <br> share | $15 \%$ | $60 \%$ |
| Navneet's market share in <br> organized segment | $15 \%$ | $1.5 \%$ |

## NAVNEET'S CORE COMPETENCE

1. Navneet has a strong Sales team of 450+ who ensure that Navneet's products are available with leading retailers in the Country
2. Strong distribution network of 1,200 Distributors, 16 C\&F and 3 Mother Depots.


FOR IT IS IN GIVING THAT WE RECEIVE

## Internal Stakeholders

Housing at subsidized rates in Central Mumbai

Dedicated housing facilities near manufacturing plants

Subsidized food for employees

## External Stakeholders

Setting of question papers for over 5,500 schools in Gujarat with minimum logistic charges

Sponsorships to over 100 schools annually for cultural events

Three charitable hospitals established in Mumbai under the name Navneet Hospitals

Annual felicitation of teachers belonging to State Government

Free books \& stationery distributed to under privileged children from over 60 trusts

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