



## **Navneet Education Q4 FY22 Earnings Conference Call**

- **Operator:**

- Ladies and gentlemen, good day and welcome to Navneet Education Q4 FY22 Earnings Conference Call hosted by Prabhudas Lilladher Private Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” than “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Jinesh Joshi from Prabhudas Lilladher Private Limited. Thank you and over to you Sir.

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

- Thanks Diksha. On behalf of Prabhudas Lilladher, I welcome you all the Q4 FY22 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 Investor Relations. I would now like to hand over the call to the management for opening remarks. Thank you and over to you Sir.

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

- Thank you Jinesh. Hi good morning to all of you. In fact we have Mr. Sanjeev Shah also on this call with us to discuss further on a tech initiatives. So let me straight away come on to the results. As you all know that individual quarters are actually not representative of a full year and hence I will give you broad performance of quarter and for the year 21-22. So, as you saw the results, Q4 revenue grew by 46% and for the year it grew by 32%. These are still not pre-pandemic numbers, but with better performance in Q4 overall. Trend in the current year, we are very hopeful of 22-23 and onwards being normal years. Of the above growth on standalone loan basis publication business grew by 26%, stationary domestic grew by 63%, and stationery exports grew by 27%, and at annual basis EBIT margins of publication businesses are lower compared to FY20 since economies of scale has not been received yet in 21-22 with respect to publication business. Whereas stationary, domestic, and exports have almost achieved to same EBIT margins in FY20. Instead of talking much on the Q4, now let's talk on what are we looking forward. First, I will start with publication business, of course on standalone basis and let me remind you that this is the most important part of our business. As you all know that our company publishes supplementary books, which includes digest, special bank, workbooks. As you also know that company is dominant market leader in the state

of Maharashtra and Gujarat and Maharashtra contributes around 55% of the revenue, whereas Gujarat contributes 45% of the revenue.

- The school's in this segment typically have an annual fee of around ₹15,000 to ₹20,000 and has not adopted online education effectively due to lack of resources, infrastructure with the school, and children, and lack of training. As you all know that Navneet's market share in the segment is quite substantial. So, overall going forward we foresee that publication business will come to compare to normal and will grow here on. Also let me tell you that if prices are totally passed through and we will maintain same margins as previous period even though paper prices are on rise or I should say were on rise. On Q4 in particular, all of you might have some question in terms of revenue. So Q4 22 compared to Q4 21 is more or less flat, but compared to Q4 20, which was a normal year, it is far better. This is mainly because many schools reopened in the month of February and started ordering. So, we expect good numbers in first half of this year and expect this business to do much better than the past due to two reasons in particular that I should mention specifically here.
- One is during COVID lots of the trend has been that students do you second hand books whereas during COVID because two years have passed, there is very less availability of second hand books and therefore we believe fresh purchases will have to be made by the students and therefore we will see some more volume growth than normal and the most important another reason I should mention here is national education policy 2020 as you all may know in the past also whenever there were curriculum changes, we had substantial growth in volumes and similarly it will be the case from 2024 what we get the news right now that respective state governments have started building new content and that will be implemented from 2024 onwards. So, 3-4 years thereafter, we will have continuous revision and that will benefit all publishers including Navneet. So these were the two main reasons we believe not only 22-23, but the year thereafter also will have a good growth going forward. Simultaneously, let me talk about our CBSE initiative which also you all know that we had acquired Indiannica in 2015. Now it is 100% subsidiary of the complete. As you might have seen that this business has also turned around in Q4, Q4 results do reflect that and just to remind you that CBSE book business is always in the last quarter of the year which is the March quarter.
- Turnaround in the business was actually due in 2021 itself, but due to COVID it got postponed. The turnaround mainly due to rationalization of cost, focus on more appropriate titles or increase in number of titles, so we have -- we could achieve a first time I should say that EBITDA of around 2 crores, of course very small number, but we first time in the life of Indiannica we achieved EBITDA positive though there was a loss of around 6 crores due to depreciation and interest. So going forward, we now expect Indiannica to come debt positive from current year 22-23. Now let me take you through the prospects of stationary business. Here also export of stationary is almost 2/3<sup>rd</sup> of the stationary business and it's largely to the US markets and rest is domestic. Export grew by 25% or should in 21-22 and is likely to grow at 25% CAGR or beyond or over next three to four years and should lead to expense in

stationary margins because this exports margins are better than domestic stationary and therefore at an overall stationary business, we should see a bit margin improvements in stationary business as well.

- So, keeping this in mind, we are setting up a Center for Stationary Exports with CapEx of around 100 crores over a period of five years. We did spend meager amount towards land acquisition but going forward in 23 and 24, we'll be investing around 40 odd crore and balance will be set over further three years. We also expect our domestic stationary to bounce back to pre COVID levels and as I said in the beginning that signs are already there in Q4. Here I should specifically mention the paper prices have passed through in domestic business, but not in case of exports because exports we take orders quite well in advance and then we have to service them, but thankfully together with rupee depreciation and smart buying of paper, we are hopeful to maintain the margins in exports as well. Now let me take you through the digital business. All along we have been calling it "e-Sense Learning Private Limited. Recently, we changed its name to Navneet Future Tech Limited. So, over the last 1½ to 2 years company decided to make investments in EdTech with a long term view to expand its origin beyond traditional publication business of Maharashtra and Gujarat. This was to take advantage of changes in the industry which are opening new avenues beyond traditional publication segment. Though company plans to leverage Navneet's content, brand, relationship, distribution, etc. in tech business and venturing core states as well as many other states in the country. So, what have we done so far, how much amount have we spent, I'll speak on that now. So company invested in basically 2-3 different verticals. It invested both organically and inorganically, so till 31st March 22, company

- **Operator:**

- Ladies and gentlemen request you to please be connected, the line for Mr. Gala is disconnected, I will connect him back to the call. Sir you may go ahead now.

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

- Yeah. I'm sorry my line got disconnected for a minute. So let me discuss again on our tech initiative. So in last two years or so we decided to make investments in EdTech with a long term view to expand its horizon beyond traditional publication business of Maharashtra and Gujarat. This was mainly to take advantage in the industry which are opening new avenues beyond traditional. Though company plans to physically leverage Navneet's content, brand, relationship, distribution, not only in core states of Maharashtra and Gujarat, but also in the rest of the country. So let me take you through the future of the business as well as amounts spent till date. So, company made an investment of around 30 odd crores in three companies which I had discussed during my last investor call also and since beginning till date, we have invested around 80 odd crores organically and company in 23 alone, company expects to spend further 60 odd crores assuming we do not make any other more investments. So, we had explained our digital strategy in December quarter, me and Sanjeev had discussed on the request of few investors, but let me take you through

what have we done in last one quarter. We have already launched our flagship LMS product for CBSE schools and initial response from school's are encouraging.

- Similarly on tutoring platform, which is called VEMS, which we acquired companies Genext and initial trailers have happened and now we will go little aggressively there. We will be also launching our early childhood learning platform Live Bridge very soon. Other to invest the companies being Be-Galileo and Tinkerly are also doing well; however, I should at least tell place this on the record that companies in very, very initial period of learning curve. We don't want to really set very high expectations till we are fully sure as we are relatively new to this business. Company will be able to show or no benefits of its investments only sometime in 2024 and onwards. Beyond this EdTech investments we did other investments which we believe are two very valuable investments. First being the school management services company, which is K12 Techno that we have invested, so no doubt it is growing very, very well. We own around 27% equity post dilution on account of new investors coming in. it is just a number, but I should tell you that based on the last investment that company received, our stake was valued around 600 odd crores whereas cumulative investment in that company we made word around 120 crore.
- Thankfully, this company has also ventured into several EdTech initiatives for its own school under management and also has started marketing the same to other schools. Overall growth potentials are very, very high in this opportunity. The other investment was into sports management company SFA. Let me tell you, it is a sports tech company and mainly deals with the students and therefore the investment. We had committed around 75 crores in this company of which around 50% was invested in last year and balance still be invested in the current year. This was on business. On the current cash and debt also I should tell you here that our current debt was -- current cash was around 19 crores and debt of 70 odd crore as of March 22. However, you all know that March quarter is the biggest as we build inventory for the forthcoming season in for June quarter and therefore we expect to become debt free by around August as earlier years. So, overall net-net, let me tell you what is the investment for 2023 and dividend policy also. So, overall as I mentioned that in our stationary business we will end up spending around 40 crore, it could be partly mostly in 23, but part and balance in 24, so but overall in 23 around 40 odd crore will be invested in stationary business.
- In Navneet Future Tech around 60 odd crore and in sports business which I just mentioned that 50% of investment in SFA balance around 37.5 crore. So, these are the investment plans for 2023 and on dividend policy, it will depend on the overall need of funds in the company and the growth that we look see in future. So now having said this, I should also mention that we are highly excited by our growth prospects over next three to five years in our core traditional business of publication and stationary as well as, we are very, very hopeful with the kind of investments and the organic opportunities that we have identified in EdTech, so overall we are very, very excited. So these were my opening remarks and now I request questions for the quarter for the year or for the future and I'll try -- me and Sanjeev will try answering all of them. Thank you.

- **Host:**
- Thank you. Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question will press “\*” and “1” on the touchstone telephone. If you wish to remove yourself from the question queue, you will press “\*” and “2”. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We take the first question from the line of the Prakash Kapadia from Anived Portfolio Management. Please go ahead.
- **Mr. Prakash Kapadia – Anived Portfolio Management:**
- Yeah. Thanks for taking my question. Couple of questions from my end. You know if I look at the stationary business, I think we had peak sale of around 7.69 billion in FY19 and this year we've ended at 6.8 , so given the growth in exports should we expect FY19 sales peak sales to pass this year and you know what kind of a margin trajectory can we look at the stationary business because we're almost there and you know big margin at 16½% EBIT margin, so how much can they improve from here on, that's on the stationary side. Hello...
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah Prakash go ahead.
- **Mr. Prakash Kapadia – Anived Portfolio Management:**
- Yeah, so that was on the stationary side. If I look at the publication segment you know our peak sales then I think in 19 were 7.7 billion and today we are at 4.2 billion, so is it fair to expect we'll cross that peak sales of around 7.7 billion say next year in FY24, and lastly you know on K12 I think the valuation is around 22 billion as per the latest fundraise, so any direction or you know plan for monetization of our balance state, do we remain strategic investors, do we want to part trim, what's the exit plan there. So, those were three of my questions, if you could address that, that would be very helpful.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Sure Prakash. Yeah, so on stationary business basically question was will we be able to improve margins over 19-20, so as I said in my opening remarks first of all on growth, we are very sure to cross the number of 19-20 in the current year mainly on account of exports of stationary because opportunities are quite large. As I mentioned in my opening remarks that because exports stationary business grows faster than domestic, but obviously domestic rather overall system margins has to improve because exports of stationary business enjoys better margin. The challenge could be that as I mentioned that we do pre-book the order a year in advance whereas the raw material volatility is always a challenge for us and we have of

course tried smartly controlling the paper prices by either buying that little bit in advance or contracting with the paper mills for longer period. So, that way we believe it will improve -- it will rather at least the same for 22-23, but as business of exports grow, we are very sure that the overall stationary margins should improve.

- On your second question to publication business, yes we are very sure that we will cross 19-20 numbers, this is on account of the two reasons that I gave you of course NEP will get reflected from 23-24, but because two years actually sales had not worked and therefore replacement of secondhand book market is quite possible. The trend today yeah we may not be able to show same performance as 19-20 in Q1, but when we talk of full half year then we are very sure that publication business should cross 19-20 numbers and on monetization of K12, the way company is progressing till now and is likely progress for next couple of years, I believe there is more juice left in that investment, so maybe at a right time we may monetize, but nothing decided as of now.

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

- So essentially you're saying publication on an annual basis should cross the pre COVID number of around 7.7 billion in FY23 only.

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

- Yes please.

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

- Okay and for you know going forward NEP and the syllabus change should drive growth in the next three to four years on the publication.

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

- That's right Prakash.

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

- Wonderful, wonderful. Thank you. All the best. I'll join back if I have more questions. Thank you very much.

- **Operator:**

- Thank you. We take the next question from the line of Mr. Anant Shirgaonkar, Newport Capital LLP. Please go ahead.

- **Mr. Anant Shirgaonkar -- Newport Capital LLP:**

- Hello, can you hear me?

- **Operator:**

- Go ahead.
- **Mr. Anant Shirgaonkar -- Newport Capital LLP:**
- Yeah good. Thank you. Thank you for the opportunity. I'll just continue with the previous question, for the stationary business when you said that the growth or the number for FY23 will surpass the number for FY20 you mentioned that it will maybe because of exports growing at a faster rate, but if you look at the domestic stationary for the year which has just ended and compare it even that is down by 23% versus FY20. So wouldn't it be fair to say that even domestic stationary should pick up and cross the FY20 number, so I don't know whether exports is responsible for the stationary crossing FY20 or individually domestic will also cross the domestic FY20, that is the first question. I will ask the next question after you answer.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah. Anant what I said that exports of stationary will grow faster than domestic. I agree that we were down at 23% compared to 19-20 numbers in domestic stationary, I'm very confident that we will cross 19-20 number also, but the pace of exports growing will be faster than domestic that's what I meant as a percentage.
- **Mr. Anant Shirgaonkar -- Newport Capital LLP:**
- Wonderful. That is very clear. Thank you. So the second question is, if you go back to I think the one conference call or two conference calls ago, you had mentioned that the digital aspiration would be such that towards the end of the year maybe December of this year you would want to approach some funds and try to see if we can get some investments as you know having some kind of a value unlocking on the digital side as well as setting a benchmark, but since that conference call things have changed a lot globally on the overall technology front in the US, on NASDAQ, or FAANG and partly reflecting in the private equity investment on the technology side in India as well. So, do you think that original plan could have shaken a bit or what would be -- how would you look at this situation that has changed now and you mentioned saying you know December we should expect some kind of new growth.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Sanjeev do you mind answering this?
- **Mr. Sanjeev Shah -- Management, Navneet Education Ltd.:**
- Yeah, yeah. Hi, so can you hear me now?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yes we can.
- **Mr. Sanjeev Shah -- Management, Navneet Education Ltd.:**

- Okay great. So, I was saying that the international and the domestic market volatility is not driven specifically by any sector and definitely not education or EdTech. So that is one response to that point more importantly for us at Navneet EdTech, we were not looking at accessing the markets – the public markets at least for quite some time. It is not even a discussion at this stage internally. We are very focused on firstly getting our business planning exercise completed in the next one or two months we want to make sure that we are very carefully focused on launching the products in a test mode, we want to make sure that consumers are – our customers are engaged with the product, we take their feedback before we go live with a Big Bang marketing and we don't want to get in front of the customer in a half prepared manner because there is a large franchise of Navneet also out here. So, at this point in time, we are not looking at timing the markets in any case with any linkages with public markets. We have no such aspiration to do so for the next 2-3 months. Our focus is singularly on getting the technology and the product platforms developed now and for the immediate future at least we are very confident that we will be able to establish enough confidence in the trial of the product launch before we actually get into a full fledged public launch which is when the funding will actually go up because of the incremental marketing costs yeah.
- **Mr. Anant Shirgaonkar -- Newport Capital LLP:**
- Wonderful. Thank you so much.
- **Operator:**
- Thank you. We take the next question from the line of Giriraj Daga from KM Visaria Family Trust. Please go ahead.
- **Mr. Giriraj Daga – K M Visaria Family Trust:**
- Yeah, hello Team. A couple of questions from my side. So first like already discussed a bit, so what I want to understand is that like obviously we did about 710 crore revenue in the standalone publication business. What my understanding is that even if let's see with the similar kind of volume we will be about 750-780 crore given the inflation where we are right now.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, yeah.
- **Mr. Giriraj Daga – K M Visaria Family Trust:**
- So this is the right assumption right.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yes.
- **Mr. Giriraj Daga – K M Visaria Family Trust:**



- Business volume will remain same, okay. Second is that on the Indiannica side, I'll take separately as publication, Indiannica what should be the growth rate should you assume for next three to five years in terms of the business as the base is low, should it be 20%, 25%, 30% kind of a growth number.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah. So for Indiannica, we assume conservatively 15% revenue growth. One important thing that I should have mentioned or we all should know is overall the importance of using or implementing CBSE curriculum is rising in the country very, very fast. So, not only CBSE affiliated schools, but there are so many CBSE pattern schools converting from SSC every year in every state of the country and therefore since number of schools are rising rapidly, the growth potential for CBSE obligations textbooks also is very, very high. Navneet has additional advantage that one side it has excellent textbooks to sell or get them recommended in the school simultaneously on the similar lines we have now digital offering also maybe through a subsidiary. So we will have dual advantage to the digital because it has books from the parent company and parent company will have an advantage -- parent what I mean is the subsidiary, Indiannica will have an advantage that it will be able to recommend more and more books together with the digital offering. So, that way as Navneet Group we have additional and therefore we believe Indiannica also should grow around minimum 15% CAGR over the next couple of years.
- **Mr. Giriraj Daga – K M Visaria Family Trust:**
- Okay. The number point is that this minimum 15% looks very small given the base where we are right now. so
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, yeah. No and that I fully agree. See we have to see the competition in the market as well as reach is not that easy because it is spread across the country and with the experience of last 5-6 years, we don't want to really increase our expenditure way beyond it can be managed and therefore conservatively I'm saying we should grow at 15%.
- **Mr. Giriraj Daga – K M Visaria Family Trust:**
- Okay. Just a follow up here last thing like obviously you had a whole set of learning poster for Indiannica, will management be looking for any inorganic growth this die or it is complete no, no for CBSE publication.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- No more inorganic opportunity that we will see. Now we have enough experience, understanding of the market and therefore be it publication coupled with digital offering from the other group company I think we have enough opportunity to grow but no more inorganic opportunity now.

- **Mr. Giriraj Daga – K M Visaria Family Trust:**
- Okay. My second question is on the stationary side. Just a follow up here. You mentioned 25% CAGR for next 3-4 years on the export side of it.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yes.
- **Mr. Giriraj Daga – K M Visaria Family Trust:**
- Should it be like FY23 should also be reasonably good year considering that US is going through the slow down.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So, fortunately these are very small items from a consumption point of view of an individual and therefore we are very confident. There are so many other reasons. See even if the consumption goes down a bit even on the smaller items, but from where were they exporting earlier that is getting shifted to country like India and therefore enough opportunity to us and therefore our confidence of going 25% CAGR.
- **Mr. Giriraj Daga – K M Visaria Family Trust:**
- Okay. My third question is on the like in the initial remark you mentioned about the dividend and we will receive dividend depending on the growth CapEx. When I look at the earlier numbers, we used to do 300 crore plus kind of EBITDA in FY19-FY20. Given that we are again talking of similar and better revenue from there, should it be a fair assumption that we should be see similar kind of but better EBITDA. So is there a second thought that there should be dividend rethinking because we will be again doing 300 plus EBITDA and this additional investment what we're talking about of 140 crore should be fairly without rating debt also.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- I fully agree, only thing in the past we were not in an investment mode the way we are today and therefore we wouldn't like to bring pressure on the company and therefore I just made the general remark that looking at various opportunities and investments made by the group not only on standalone basis, we'll consider the dividend, but obviously we will continue with our policy of distributing 25% of or above of the EBITDA number – of the PAT number.
- **Mr. Giriraj Daga – K M Visaria Family Trust:**
- Okay last from my side and if you are open to that can you give me the revenue EBITDA number of our K12 company in SFA for FY22?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**

- Do we have – Kalpesh can you come in please, as far as
- **Mr. Kalpesh Dedhia – CFO, Navneet Education Ltd.:**
- Yeah, one second. So revenue is about 165 crore.
- **Mr. Giriraj Daga – K M Visaria Family Trust:**
- Okay.
- **Mr. Kalpesh Dedhia – CFO, Navneet Education Ltd.:**
- And EBITDA about to grow negative.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- At the company Kalpesh?
- **Mr. Kalpesh Dedhia – CFO, Navneet Education Ltd.:**
- Yeah, at the company level.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Okay.
- **Mr. Giriraj Daga – K M Visaria Family Trust:**
- Okay and how about SFA?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- I think SFA number we may not have considered right now, have we considered Kalpesh?
- **Mr. Kalpesh Dedhia – CFO, Navneet Education Ltd.:**
- No we have not considered.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Because investment has not finalized means not completed, we may not have considered, but FY22 would be very bigger loss, but and FY23 onwards it should do very well.
- **Mr. Giriraj Daga – K M Visaria Family Trust:**
- Okay, okay. Sure. Thanks for my side and all the best.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**

- Thank you.
- **Operator:**
- Thank you. Before we take the next question, we would like to request the participants to restrict their questions to two per participant. We take the next question from the line of Samarth Singh from TPS Capital. Please go ahead.
- **Mr. Samarth Singh -- TPS Capital:**
- Thank you for the opportunity. So, I just want clarification on what you mentioned on the standalone publication business that Q1 of this year will not be as good as Q1 19-20, so I would like to understand why I mean the schools should be all open by now, so it should be a similar revenues at pace right, profitability.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah. So do I answer that first before you ask me the next question?
- **Mr. Samarth Singh -- TPS Capital:**
- Yes please.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, what has happened that we all read in the papers that schools have opened, which is a case also, but there is big issue right now in the regional medium schools. Regional medium schools what had happened that parents had shifted those students to government run schools to save on fees and continue their academic growth. Many of them have not yet shifted their thinking that something may happen again and we are very sure that when it comes June when the next academic year starts and actual school starts that end they will immediately rush back to the schools or that they were in already. So, because of that we're not seeing much orders right now from regional medium schools and therefore I said that Q1 we may not see the same growth -- same numbers as 19-20, but first half we are very confident because finally students have to learn and therefore they will have to go back to their original schools.
- **Mr. Samarth Singh -- TPS Capital:**
- And what percentage of 19-20, you know revenues in Q1 were from regional medium schools? Would you have that number?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So, it should be around 37%-38%.
- **Mr. Samarth Singh -- TPS Capital:**

- So, 37%-38% of our Q1 revenues pre COVID were from regional medium schools.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- That's right, but I'm not saying 100% will get shifted to second quarter, partly it has started, but unfortunately what happens that one of our business being the workbook category which are recommended by the schools and bought by the finally schools that has not happened here. Guide category sales have already started, but workbook category has not started, so part of the regional medium sales will get shifted to Q2.
- **Mr. Samarth Singh -- TPS Capital:**
- Right and that is depending on students coming back to the regional medium schools as opposed to staying in government schools.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah in government schools they had just enrolled, no one were visiting them.
- **Mr. Samarth Singh -- TPS Capital:**
- Right.
- Mr. Sunil Gala – MD, Navneet Education Ltd.:
- Yeah and I somehow logically also do not see that they can stop learning.
- **Mr. Samarth Singh -- TPS Capital:**
- Right, right. Okay. Great and then my second question was Indiannica you know in your opening comments you mentioned that Q4 was also still not you know similar to pre pandemic year, but essentially the schools had opened and the buying happens in Q4 starting for students that will start in studying in April right, so would it show that Indiannica at least reflect Q4 reflect a normal year for Indiannica.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah as I recollect in my opening remarks, did mention that Q4 was quite excellent and because of Q4 at your level, we turned EBITDA positive. Overall the number for Indiannica at an annual basis looks little lower than to our expectation also because what had happened last year during March also many school started, opened, ordered, but again schools stopped. So we had little higher returns and therefore net of returns the revenue for the year we sorted, but from Q4 performance we are very confident that going forward Indiannica will go grow from here.
- **Mr. Samarth Singh -- TPS Capital:**
- But the Q4 would reflect on 90% of the yearly revenues for Indiannica?

- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- In normal case yes, 85% to 90% would be in Q4.
- **Mr. Samarth Singh -- TPS Capital:**
- Okay and the competitive scenario for Indiannica has not changed. It is similar to what it was previously.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So, this year little being abnormal year because many publishers were not able to procure their raw materials at the price that they wanted or even there was unavailability. Thankfully because of now Navneet's relationship with paper mills over so many years with excellent relationship due to various reasons, we did not have that problem, so this was a specific year. Now we have to see whether in this scenario those small publishers will be able to sustain going forward. If yes, then yes we'll see the same competition and if no, all big publishers will benefit.
- **Mr. Samarth Singh -- TPS Capital:**
- So that was the question I'm coming to is you know
- **Operator:**
- Sorry to interrupt, the participants are requested to restrict their questions to two per participant.
- **Mr. Samarth Singh -- TPS Capital:**
- Okay fine. Thank you.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah Samarth go on.
- **Operator:**
- We take the next question from the line of Mr. Bharat C from ICICI Securities. Please go ahead.
- **Mr. Bharat C -- ICICI Securities:**
- Yeah. Thanks for the opportunity. Sir we had been talking of investing in digital and good plans on that, but from a return perspective would that be a return dilutive for us if you look at it like initially these initiatives won't be like profit making and should be looked at it from a dilution and returns in the near term or what is the longer term plan over there. If you could help us from the return perspective.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**

- Sanjeev can you can take this?
- **Mr. Sanjeev Shah -- Management, Navneet Education Ltd.:**
- Yes, sure. So, I'm quite confident that the business has to deliver the outcomes from a financial and from a non-financial perspective. I have no doubt that the fact that we are not first of the block will help us a lot in not repeating other people mistakes and in that extent it is a very important like Sunil said earlier, we are going through a learning curve where not just what we believe will work for customers, but we have to also see what has not worked for customers in the past and therefore the ability to get this right over the next year or so as we stabilize all the EdTech products launches is a very important piece of the judgment on whether the business has worked, whether the ideas have worked or not worked, but we are therefore going about this very carefully by looking at what has happened in the market with all our competitors and thankfully most of these segments have a good number of players who have done lots of right things and a few wrong things. So we are learning very actively from their experience.
- As far as the financial outcomes are concerned like he said earlier, the EdTech business like all other digital businesses in the country at least for the first year or two will not deliver the profits from EBITDA or a net profit perspective and that is why we will be in investment mode. The question is whether the business is still considered valuable from a equity perspective and I think at least private markets have established very, very successfully over a number of years that losses are not necessarily the path to equity value, but if the business is demonstrating a lot of other features of successful execution, team size, diversity of product portfolio, revenue growth on a month-on-month basis, and a lot of these things will actually go into what is the value perception of the business. Like we said earlier, there will be a benchmarking of the value at some point in the future. We don't have a date for that at this point, but we will benchmark the value of the digital businesses at that point and that is the time to look at what is the equity value of this business for MEA, but to summarize the first thing is we are going about our education focus very carefully with looking at what it worked and not worked till today. We last focused on 5-6 parameters internally to judge whether we are winning and the financial metrics is only one of the parameters which is a very important one and in the next I think here also the jury will be out on how well we have done on the EdTech launch across the 3-4 businesses that we want to put out. So that's you know one way of looking at the – will this business be valuable, what will be the returns, I don't have a specific answer to that question with a number frankly today.
- **Mr. Bharat C -- ICICI Securities:**
- Fair enough. Sir that was helpful. Sir I had another question on our stationary exports like stationary exports if we look at the current scenario of what the retailers are facing, are there anything like the retailers are revising contracts and are there any chances of us having a margin pressure because of that and is it a FOB probably

are we giving it on FOB because the freight rates are also high, so how our contracts work on that?

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

- Yeah, fortunately more than 90% of our exports are on a FOB basis. So we are actually not worried about the freight. We should know that in the developed markets, India's share is hardly at 10% or maybe in a single digit. So, for this share to again get reduced doesn't look possible because there is actually shift of buying pattern. So we have not seen any cancellation of the contract so far and we still believe that even if one party cancels or reduces their quantum, there are enough other opportunities available. We are constantly working on that. Therefore, at a company level for the total exports, I do not foresee that we will have pressure on reduced sales or for that matter including margins.

- **Mr. Bharat C -- ICICI Securities:**

- That is all from my side. Sir Thanks for answering the questions.

- **Operator:**

- Thank you. We take the next question from the line of Prolin Nandu from GMO. Please go ahead.

- **Mr. Prolin Nandu -- GMO:**

- Yeah, hi Sir. Two questions from my side mostly on the EdTech part. See one of the core strengths that we highlight in our EdTech businesses is our brand content and the relationship that we have with schools. If I'm not wrong you have mentioned somewhere close to 25,000 schools is something which is annual basis in your presentation, so when we talk about this relationship right, how strong are the relationship just to understand on this whole LMF and ERP business of yours, are there decision makers who will decide whether to implement an LMS element in the school are the same with whom we have relationship at a school level and just a corollary to that right I mean in terms of the sales people training that is required to sell a content versus or training which is required to sell some of the setback products where are we in that journey right, I mean just to understand on these two aspects.

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

- Yeah. So I think the question regarding the school network and the Navneet relationships is a very important one because what is happening today in the B2B space for any school company in the B2B EdTech space. The key is the speed at which you can reach out to the decision makers and the trust element that needs to be conveyed in a decision as far as moving to an EdTech platform is concerning. Now thankfully Navneet Education has been working with school, principals, teachers, trustees for over I think over 5-6 decades and the question of knowing



which school should be targeted, who are the right people to talk to is an easier one for us to solve.

- In fact as we speak we are putting together a very strong data scientist team also to help support faster access and better filtering of the target client. So, we are putting together our database in knowing these other schools that Navneet knows, who are the people they know, what is the size of that relationship, if they are customers for CBSE, are they customers for state boards, you know do we have a stationary relationship with them, how old is the relationship. In some cases we may have you know we may have a – we have an opportunity to bundle the product between tech and books, so all this is currently what is being put together for reaching out to the right people in the school. One of the features of the school system is they are not yet in a corporate structure. So they don't have -- most of the decision making is taken by the trustee with the school principal's recommendation. The decision making is not delegated especially for big items like the LMS and ERP, the decision is not delegated down to somebody lower or significantly below the principal, but the inputs are taken. Most schools have teams that evaluate tech interfaces, you know curriculum for example the books also, so we have to make sure that we work through the system but the principle and the trustees will be the final decision makers on any budgetary allocation and what is the students experience with that shift to digital. So it's not like there will be a CTO in the school who will independently decide whether you know one product is better than the other as far as animation is concerned. So thankfully it is the same people that will get involved in the final decision.
- Your second question is a very good one and I'm very happy to tell you that we have been spending the last two months precisely on this subject of seeing whether the Navneet sales team had everything it takes to do a product sale especially our technology product sales pitch. Now what we've done is specially in Maharashtra-Gujarat, which is really our focus for this year on the EdTech piece for schools, we have looked at the sales team in Navneet Education, we have identified the cities where we would like to work with the Navneet sales team and independent of then we have hired a number of tech sales guys in eSense; eSense being the company that is going to be the LMS and the ERP. So we have added a number of tech sales people at different levels in hierarchy who will work very closely with the Navneet sales guys to make sure that the school gets the pitch, understands the product, the demos are done with the tech sales team, we are hiring or we are building a very strong sales support structure, which are not yet on street, but there are people who are in call centers, we actually have rebrand this as a sales center, it's not a call center because the call center does everything including customer support, customer complaint handling, but we are looking at a sales center model, which will be driven purely by voice and data where even demos will not be done necessarily by the Navneet guys, this should be done either by the nascent sales guy or the sales center team so you know walkthroughs and demos and all that.
- So, they are creating what the calling an implant model. The implant is basically the tech sales team is an implant in these cities with designated Navneet sales guy and

that joint venture is what we believe will help in accessing the right decision makers and also taking them through the technical features of the product and that's really how we believe this can be one because if we leave it just to the tech sales team, they don't know the school principal yet, over a period of time they will, and if you leave it only to the Navneet sales guys, they don't know the product yet, so we're creating these structures, we've in fact set up internal review mechanisms, currently since we are at the initial stage of this, we are checking how this is working and you know it's easier to sit in a meeting room and design all these processes, but we are actually following through and doing a citywide to check whether this is working well, what are the issues, what are the challenges and we're very encouraged that given that it is from the same group, there is a lot of convergence of outcome and people are working in a way in which there will be a I think a faster access to decision makers with the sales guys working together on this.

- **Mr. Prolin Nandu -- GMO:**

- Yeah thanks, thanks a lot for your detailed answer. Second question is only leverage right and this in the past you have mentioned that this pre K age group is an opportunity which is not quite targeted by the EdTech kind of thing. So this whole -- the launch which we are planning in June 22, this entire product is something which we have built in house right if I understand it correctly and what is the competitive landscape right in this space right I mean are there any companies to look forward to in terms of the part that we want to take so something on this leverage and preschool opportunity because that would be your first sort of a product to the market which will in a way show the market our aspect aspirations or you know how are we in terms of delivering these aspirations or something on leverage will help.

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

- Yeah, so to clarify the launch this year will be focused on what we are calling as early years cognitive development skills, which is not the preschool launch. We are not launching the preschool in this calendar year. We are looking at a model which is the company is like I don't know if you heard of PlayShifu, which is the closest benchmark to what we are launching this year. This product is a very simple product which is focused on the age group of two to eight and the idea is to take children through a physical kit which is a box which they will get quarter which has various games and tools inside physical -- these are all physical items. This physical kit will be delivered over four quarters to the child and to enhance the engagement for the child, we will create an application which mirrors the physical kids journey, so we created you know immersive tools which actually the child can use and see the results of his engagement on a screen, but this business is something which is very, very, we need to make sure that the product is developed looking at the age that the child is that because we don't want to create significant tech orientation or a tech dependency for the child even that most parents are not keen to take children out of schools and get them only on to iPad's and all that, you know kids are rushing back to school because parents want that emergent between technology and the physical experience, so we make sure this product is not online dependent, but it is online

and offline deliver. This product is currently at the stage where we are testing the app.

- We have created an AV testing group where we are actually going through the experience of the initial sampling with customers across the country. We have taken various different psychographic profiles of language and different handsets. Somebody has an Android phone, somebody has you know iOS, iOS is of course a smaller market, but we are actually sampling this. We are also sampling the kit and what we are doing in June actually is just a soft launch of the product, we are not doing a hard launch of the product in June. So we are not going to launch this with any large degree of noise, maybe for a few months after June and that's when we will get confidence. See this is also the first B2C launch from our group. We are very conscious that we want to you know get this right. Going with a non-curriculum based product a few months later in the year is not considered by our judgment to be any risk. It's not curriculum based, it is something that we can launch even July or August with the size and the noise that a marketing campaign needs to support this business. So this is going to be very focused on that 2 to 8 with kids plus app model. The preschool is something that we believe has the market. The peaceful market is actually -- the preschool product is similar to the eSense business, but focused on the pre primary section and this is something that we are still researching, we are looking at starting this team appropriately to get the right talent, and the right business thinking, but given Navneet's traditional experience with that age group and the profile, we are quite confident that maybe by September, the quarter OND quarter; October, November, December we will have a lot more clarity on what the preschool strategy should be, how we should go about it, and therefore at this point, preschool will not feature in the next -- definitely not in this calendar year from a launch perspective.
- **Mr. Prolin Nandu -- GMO:**
- Cool, cool. Thanks a lot for the answers. Thanks and all the best.
- **Operator:**
- Thank you. We take the next question from the line of Ayush Agarwal from Mittal Analytics. Please go ahead.
- **Mr. Ayush Agarwal – Mittal Analytics:**
- Good afternoon Sir and thank you for the opportunity. I hope I'm audible?
- **Operator:**
- Yes, you may go ahead please.
- **Mr. Ayush Agarwal – Mittal Analytics:**

- Yeah. Sir my first question is on our stationary export, so if you can you know tell us what was the margins pre COVID and where we are currency and what are we expecting in FY23 given raw material inflation?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Sorry, I couldn't hear that, the voice was very muffled. I don't know if it was -- I couldn't hear anything actually.
- **Mr. Ayush Agarwal – Mittal Analytics:**
- Yeah, can you hear me Sir, can you hear me now?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, yeah. Please go ahead.
- **Mr. Ayush Agarwal – Mittal Analytics:**
- Yeah, so my first question is on our stationary export, sir you know where were we in the margins pre COVID, where are we currently, and how did you see when shaping over after FY23?
- **Mr. Sanjeev Shah -- Management, Navneet Education Ltd.:**
- Yeah, Sunil will – Sunil you are addressing that?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, yeah. I'm addressing that. Yeah, so margins in 19-20 weather we will be able to attend not that is your question as I understand.
- **Mr. Ayush Agarwal – Mittal Analytics:**
- And I'm asking what were the margins in stationary exports pre COVID?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, it was around 16% EBITDA margin.
- **Mr. Ayush Agarwal – Mittal Analytics:**
- alright and where are we currently and how will we see that shaping up you know in FY23?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- The FY23 of course we are just in the first two months of the year, overall as I said in my opening remark that one because of the rupee depreciation and another with the smart buying of paper added to that like commodities even paper prices have

started softening. So keeping all this in mind for the full year, we believe we will be able to maintain the same margins.

- **Mr. Ayush Agarwal – Mittal Analytics:**

- That's great and my follow up on this in fact you know paper as a raw material in the stationary export like how dominant is paper you know as a raw material for a stationary?

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

- Frankly, yeah we use two raw materials for our exports; one is paper and other is polypropylene, it means there are many products made out of that. So both commodities headshot up quite sharply in the last six months or so. So they are dominant cost for us.

- **Mr. Ayush Agarwal – Mittal Analytics:**

- Alright, alright and my second question Sir is you know on our current stationary utilization given that we're doing a 100 crore CapEx over the next 3-5 years, so what kind of numbers can the existing capacity can do and how do we you know what kind of asset terms do we see from the CapEx going ahead?

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

- See like in publication also stationary it's really not right to correlate it with the assets that we invest in. Basically major asset that we will be investing will be land and building. Machines investment will be quite less because the type of products that we want to import to the developing countries where even human labor is quite substantially involved. So asset turnover will be very high if we just considered the machinery part and we also outsourced lots of things for this. I think key thing here is how best volumes that we get orders from and the pricing that we can finally agree to with the customer. So I believe this 100 crore investment that we will do over the next five years that will give us results and fruits for over 10 to 12 years. So therefore we believe if we have this facility then next phase of the growth we will be able to achieve very easily.

- **Mr. Ayush Agarwal – Mittal Analytics:**

- That's great thing and Sir my final question on publication, can we go – you said that you know first half we should be able to cross our peak revenues earlier, can margins also sustain to 30%-35%?

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

- Yeah, we will achieve this same margins as earlier because pass on is easily possible.

- **Mr. Ayush Agarwal – Mittal Analytics:**

- Alright. Thank you so much Sir. Thank you for answering.
- **Operator:**
- Thank you. We take the next question from the line of Aditya Sen from Robo Capital. Please go ahead.
- **Mr. Aditya Sen – Robo Capital:**
- Hi, I just wanted to understand the reason for sharing the digital copies along with the hard copy, I am asking this because won't this cause cannibalism of demand on the hard copy books because I'm not sure in what format we are sharing, but there's a possibility that people might share these soft copies among themselves and get that printed further.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- You mean to say the DigiBook that we have come out with, you are referring to that?
- **Mr. Aditya Sen – Robo Capital:**
- Yeah right.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, this is – Sanjeev you may answer or it is actually not a physical PDF format that we send it to them, it has so many other features. So it is on a central server and students will be able to access through a central server and no doubt we have an offline mode also where part of the book can be read with additional features on the platform, but it is not transferable. So we're not much worried.
- **Mr. Aditya Sen – Robo Capital:**
- And that's what I want to. Thank you.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah, yeah.
- **Operator:**
- Thank you. We take the next question from the line of Abhishek Tandon from Bowhead India. Please go ahead.
- **Mr. Abhishek Tandon -- Bowhead India:**
- Thank you for the opportunity. I believe we launched Navneet Rise for CBSE segment in a standalone business a couple of years back.
- **Operator:**

- Sir your voice is slightly low.
- **Mr. Abhishek Tandon -- Bowhead India:**
- Hello, I am I audible now?
- **Operator:**
- Yes sir, go ahead.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah.
- **Mr. Abhishek Tandon -- Bowhead India:**
- Thank you for the opportunity Sir and congratulations on the set of numbers for stationary exports and Indiannica. Sir my question is on Navneet Rise. I believe we launched CBSE books in a standalone business also a couple of years back. So how did this segment do in quarter 4 this time?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So, it is now third year of launch. Rise series of course it is not still a big business, but what we realized while marketing CBSE books in these schools that as a practice, schools do not prefer only single publisher to supply books to them and therefore they go to couple of publishers. To stop that, what we did thought was that one of course Indiannica also CBSE publications and similarly we brought out titles from standalone, it is from Navneet also certain CBSE titles, so two companies may be of the same group going to the school probability of getting more orders from the school is high and therefore we did that, but overall acceptance of even Rise series books in the market there has been quite good. So the future of a both Indiannica and Rise series from Navneet both looks very, very bright.
- **Mr. Abhishek Tandon -- Bowhead India:**
- Okay thank you Sir. Sir just one additional question, Sir, do we believe this Stationery Export phenomena which is also a majorly in quarter 1, do they remain same also in FY23?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- No export actually starts from Q4 and then next subsequent to quarters Q1 and Q2. Only Q3 is little muted, so going forward in all these three quarters you will see revenue is growing in exports and added to that in maybe last one or two calls, I might have mentioned that fortunately now we had developed certain products which are year round products. So it's not just a seasonal product, therefore continuous growth in that type of category also will help us increase the revenue every quarter.

- **Mr. Abhishek Tandon -- Bowhead India:**
- Okay got it Sir. It is clear whatever the reference was like approximately 40%-45% of our stationary export sales used to come in quarter 1, so it will reduce going on from now.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah as a percentage it will reduce.
- **Mr. Abhishek Tandon -- Bowhead India:**
- And can just give the price of the products that we export have decent amount of Labor involved, so can you name a couple of products that we export?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Actually I've not got your question because your voice is a little hazy.
- **Mr. Abhishek Tandon -- Bowhead India:**
- Yes, can you just name a couple of products that we export in stationary? The products that involve decent amount of labor.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So, there are many spiral books -- spiral products not books, but spiral products where polypropylene and paper both are used to complete the product. There is no machinery which can accommodate both types of raw material on a single machine and therefore huge labor there are quite hard bound product that we have developed where also with special effects on those products there also labor is involved. So be it file folders or spiral pads, spiral notebooks, all these require human intervention and therefore labor.
- **Mr. Abhishek Tandon -- Bowhead India:**
- Okay. Thank you so much Sir.
- **Operator:**
- Thank you. We take the next question from the line of Samarth Singh from TPS Capital: Please go ahead.
- **Mr. Samarth Singh -- TPS Capital:**



- Thank you for the follow up. Sir just two questions, one was on Indiannica again, I am just trying to understand here because the fear was like you mentioned a less competitive year and it was a normal year for Indiannica at least Q4 which represents a large you know majority of the sales for the year, so you know how will we grow at 15% assuming that competition is going to be more you know starting next year.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So, at Indiannica because of the initially internal challenges, we were not able to really grow in all the markets or go deeper into the respective markets. So now that we have sufficient product -- Rise product, we are increasing the focus in the states that we are present and therefore we believe apart from the newer geographies even in the same geography deeper penetration will help us grow.
- **Mr. Samarth Singh -- TPS Capital:**
- Okay, okay and the second question was on you know in the states of Maharashtra and Gujarat wherein the standalone business we have you know pretty dominant position, what is the risk that position with you know schools changing from SSC to CBSE pattern and do CBSE pattern schools do they also behave like CBSE schools where they don't care to have only one supplier or one publication house and there would be in a formal company supplier.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So it's a good question. Now fortunately as a group apart from this supplementary books that we have been selling, now we have textbooks also to offer to the school. So, whichever school gets converted to CBSE pattern then because of our strong relationship with those schools, we'll be able to market our CBSE titles by way of textbooks also very effectively in those schools. So as a group, we don't fear any problem, but with respect to standalone supplementary book business, yes we will have a lesser volume, which schools get shifted, but simultaneously regional medium schools are also opening up more and more in the state and therefore we believe that will balance out and overall we should see reasonable growth in supplementary books as well.
- **Mr. Samarth Singh -- TPS Capital:**
- Okay great. I just wanted, one final question do we going to do a buyback again and given that stock price is still below our buyback price would be considered.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- No immediate answer to this, but we will discuss this in the board and decide. No, no immediate answers as of now.
- **Mr. Samarth Singh -- TPS Capital:**

- But the date we can do it again is June 2022 almost when the window opens again, is that right?
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Yeah first we need to discuss, we need to understand various investments that we -- as you all know now we are in investment phase, so probably looking at every angle, we will have to decide is that feasible to do a buyback and accordingly we will deliberate this in the board and then decide.
- **Mr. Samarth Singh -- TPS Capital:**
- Okay. That's it. Thank you Sir.
- **Operator:**
- Thank you. Due to time constraints, I now hand the conference over to the management for closing comments.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- So first of all, I should thank Prabhudas Lilladher in particular Jinesh Joshi to arrange this conference call for Navneet and I thank all the participants who have joined us and asked very important questions to us, which I believe we have tried answering all of them. If anyone has any special questions further, I request to talk to our IR, Mr. Roomy Mistry and we'll try and answer them as well. Thank you once again.
- **Operator:**
- Thank you. On behalf of Prabhudas Lilladher Private Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.
- **Mr. Sunil Gala – MD, Navneet Education Ltd.:**
- Thank you.
- **Mr. Sanjeev Shah -- Management, Navneet Education Ltd.:**
- Thank you.
- **Mr. Kalpesh Dedhia – CFO, Navneet Education Ltd.:**
- Thank you.
- **Mr. Roomy Mistry – Head IR, Navneet Education Ltd.:**
- Thank you everybody.

**End of Transcript**