



Knowledge is wealth



32nd
Annual Report
2017-2018

NOURISHING
KNOWLEDGE
IN LIFE



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Forward-looking statements:

In this annual report, we have disclosed certain forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make certain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

Board of Directors

Kamlesh S. Vikamsey (Chairman)

Gnanesh D. Gala (Managing Director)

Raju H. Gala (Joint Managing Director)

Bipin A. Gala (Whole time Director)

Anil D. Gala (Whole time Director)

Shailendra J. Gala (Whole time Director)

Atul J. Shethia (Whole time Director)

Mohinder Pal Bansal (Director)

Nilesh S. Vikamsey (Director)

Tushar K. Jani (Director)

Dr. Vijay B. Joshi (Director)

Usha Laxman (Director)

Company Secretary

Amit D. Buch

Chief Financial Officer

Deepak L. Kaku

Auditors

M/s. N.A. Shah Associates LLP

Chartered Accountants, Mumbai

Internal Auditors

Mahajan & Aibara

Chartered Accountants, Mumbai

Bankers

ICICI Bank Ltd.

The Hongkong and Shanghai Banking Corporation Bank Ltd.

DBS Bank Ltd.

Kotak Mahindra Bank Ltd.

HDFC Bank Ltd.

BNP Paribas

Registered Office

Navneet Bhavan,
Bhavani Shankar Road,
Dadar (West),
Mumbai – 400 028.

Corporate Identity Number

L22200MH1984PLC034055

Ahmedabad Office

Navneet House, Gurukul Road,
Memnagar,
Ahmedabad - 380 052.

Works

*Village Dantali,
Behind Kasturi Nagar
Dist. & Tal. Gandhinagar, Gujarat.

*Village Sayali, Silvassa

*Rakanpur, Taluka Kalol,
Dist. Mehsana.

*Village Khaniwade,
Tal. Vasai, Dist. Palghar

e-mail

investors@navneet.com

Website

www.navneet.com

Registrar and Share Transfer Agents

Link Intime India Pvt. Ltd.,

C- 101,247 Park,

L.B.S Marg,

Vikhroli (West),

Mumbai-400 083

Tel : +9122 49186000

Fax : +912249186060

E-mail-mt.helpdesk@linkintime.co.in

Website- www.linkintime.co.in

CHAIRMAN'S COMMUNIQUÉ

Dear Shareholders,

Once again, I begin this letter with a sense of pride in Navneet Education Limited.

Before I articulate on Navneet's performance, with a heavy heart, I write to inform that our beloved patriarchs and Co-Founders of Navneet Family, Shri Dungarshi R. Gala and Shri Jitendra L. Gala (Bababhai) and Ex-Chairman Shri Shivji Vikamsey, left for their heavenly abode. They will always be remembered as great visionaries. May their soul rest in peace. There are many in the community who will deeply mourn their passing as theirs' was a life of service, love, compassion and excellence. On behalf of all the Directors and stakeholders, I pay tribute to these great souls and pray to God to give strength and courage to all Gala and Vikamsey family members to bear this irreparable loss.

This year was a significant one because it saw the Indian Government take some bold steps towards new fiscal and tax policies supported by a more robust statistical framework to report economic numbers. Some of these measures have since been implemented, most notably the unified Goods and Service Tax (GST) from 1st July, 2017.

We had a relatively average year amidst economic changes. In the backdrop of the above, I am pleased to report that your Company reported revenue growth at a meagre rate. We ended FY 2017-18 with a total revenue of ₹ 116,145 Lakh; a growth of 4% and our Profit after tax at ₹ 15,321 Lakh.

The segments' highlights are as under:

- Publication Revenue increased by 5.7% to ₹ 62,821 Lakh.
- Stationery Revenue increased by 3.08% to ₹ 50,096 Lakh.

Though there was a slack in the growth in our Revenue, the company maintained its profitability at its EBIDTA levels with Publication business EBIDTA at 33.9% (Last year: 34%) and Stationery Business EBIDTA at 10.1% (Last Year: 11%). The Company's financial position remained strong, thereby proving the stability and sustainability of the Business, even in adverse conditions.

The year also reinforced our belief that a successful and robust business can be built only on the basis of its ability to generate cash flows from its core operations on a sustainable basis. Our fundamentals are strong and we have successfully maintained



“

India remained as one of the world's fastest-growing economy in 2017-18. Despite headwinds and short-term disruptions, the country grew well above the 7% mark. It remained a hot spot destination for foreign investments ahead of China and US.

”

our stability through our vision and strength.

Often, we hear that the present civilization will become a paperless civilization in the near future. However, we believe that this idea will take many more years to become a reality in India due to less access to technology such as the Internet, boost to primary education, and the tradition of keeping a hard copy of all important documents in all workplaces. Further, a paperless society will not form in future so easily as books will continue to get published and all the products will need to be packaged. This leaves us with a vast opportunity and hence, over the years, we aim to increase our turnover rate through incremental sales.

NEL continues to broaden its business. The recently acquired Indiannica Learning Pvt. Ltd. (earlier known as Encyclopaedia Britannica (India) Pvt. Ltd.) focuses on enriching the learning experiences of learners digitally. The revenue of the subsidiary stood at ₹ 5,762 Lakh. Revenue from operations of NEL's other subsidiary eSense Learning Pvt. Ltd. stood at ₹ 1,748 Lakh. The loss of the company reduced by 23% to ₹ 505 Lakh. The subsidiary company continues its focus on scaling up the quality of revenues with reducing the share of hardware revenues and focusing on B2B model for sustainable growth.

“

NEL has evolved itself into a robust, dynamic and forward-looking company in the course of the last thirty-two years.

”

INR 116,145 Lakh

Total Revenue

INR 15,322 Lakh

Net PAT

As we continue our journey, we will always align ourselves with our core values and the preferences of the New India. We will continue to be innovative with our print offerings and grow our digital footprint.

At Navneet, we commenced our journey more than six decades ago. We have been continuously investing to build strong brands, robust manufacturing infrastructure, wide and deep distribution network and high-quality products with a global appeal. We have not

drifted from our core values. This has helped us in tiding over challenging times and continuing to grow without jeopardizing the financial strength and integrity of the business.

Our performance so far, and our initiatives going ahead, are both driven by people. I thank my colleagues on the Board for their support and guidance, and our employees for their relentless drive to take Navneet to the next level, as well as, I thank our shareholders and vendors for their continued support and partnership.

Thank You,

Kamlesh S. Vikamsey
Chairman

OUR IDENTITY

Navneet Education Limited

founded by the Gala Family- is an educational syllabus-based content provider in Print & Digital medium, a manufacturer of Scholastic Paper stationery, a publisher of General & Children books and also has a wide range of Scholastic Non-Paper stationery products.

Over the years, the company has built a strong brand in the Educational Content & Scholastic Stationery gaining a leadership position.

The company has a dominant market share of about 65% in western India. And, with a new range of supplementary books for students of CBSE and ICSE Boards, its educational products are now available across India.





MISSION

To provide the highest quality of educational products and services to customers in the language/medium of their choice.



VISION

To provide students with best quality supplementary study material at affordable price.

To provide students with International quality school stationery products.

To harness the power of Information Technology and bring home its wonder to children through electronic media.

To create a global village of student community through the internet.

QUICK FACTS



More than

5,000

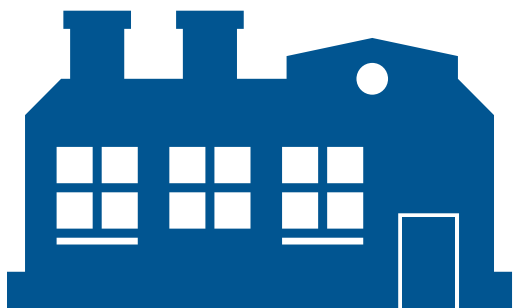
Titles published

5

Number of languages
published



Number of subsidiaries



4 Plants

**INR
15,322**

FY2018 PAT
in Lakh

**INR
116,145**

**FY2018 Total
Revenue in Lakh**

**INR
26,392**

FY2018 EBITDA
in Lakh

**INR
80,841**

FY2018 Networth
in Lakh

SEGMENTAL OVERVIEW



Content Publishing

Curriculum Segment

Non-curriculum Segment



Stationery

Paper Stationery

Non-Paper Stationery



E-Learning

B2B

B2C