




Impact Influence Impact

34th Annual Report 2019-2020

education

IMPART INFLUENCE IMPACT





Education guides us towards the path of wisdom and knowledge, leading towards a life of fulfilment and prosperity. As a fundamental right of every child, imparting quality education is the combined duty of institutions and teachers. This responsibility has undergone a massive transition over the years. By retaining the pros of conventional techniques and including technology to allow better understanding, digital learning will help in defining modern education.

Education is the most influential aspect of any character. An educated person is respected and revered in any society, because of their forward-thinking and ability to bring solutions. The push which one requires to discover a world of limitless possibilities is provided by learning. Ultimately, a group of learned individuals take the world forward, giving rise to more educated and capable personalities.

Education is the manifestation of perfection in man

- Swami Vivekananda

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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. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. 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)
 Anil Swarup (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

Chief Strategy Officer

Chirag A. Daru

Auditor

N.A. Shah Associates LLP
 Chartered Accountants, Mumbai

Internal Auditors

Mahajan & Aibara
 Chartered Accountants, Mumbai

Bankers

Kotak Mahindra Bank Ltd.
 ICICI Bank Ltd.
 The Hongkong and Shanghai Banking Corporation Ltd.
 DBS Bank India Ltd.
 HDFC Bank Ltd.
 BNP Paribas
 Yes Bank Ltd.
 FirstRand Bank Ltd.
 Qatar National Bank
 Standard Chartered Bank
 Citi Bank N.A.

Registered Office

Navneet Bhavan,
 Bhavani Shankar Road,
 Dadar (West),
 Mumbai – 400 028.
 Tel : +91 22 666 26565
 Fax : +91 22 666 26470

Corporate Identity Number

L22200MH1984PLC034055

Ahmedabad Office

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

Manufacturing Plants

- 📍 Village Dantali, Behind Kasturi Nagar
Dist. & Tal. Gandhinagar Gujarat.
- 📍 Village Sayali, Silvassa
Rakanpur, Taluka Kalol,
Dist. U.T. off. Dadra and Nagar Haveli
- 📍 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 : +91 22 49186000
 Fax : +91 22 49186060
 E-mail - rnt.helpdesk@linkintime.co.in
 Website - www.linkintime.co.in

CHAIRMAN'S COMMUNIQUÉ



“

Exploring new potentials, capitalizing on opportunities, adapting to emerging trends, improving strengths and delivering excellence will remain as key objectives for the coming years.

”

DEAR SHAREHOLDERS, ...

I am immensely delighted to present to you the Annual Report of Navneet Education for the financial year 2019-20.

As we embark on another year filled with opportunity and lessons, the world has undergone major changes in the last few months. The outbreak of COVID-19 has set forth a health and economic crisis all over the world, which has only amplified in terms of scope and magnitude. As a result, the governments across the globe have initiated lockdowns and closed national borders. Consequently, the global economy is in a very tough situation as numerous operations have come to a halt and millions of workers have been laid off worldwide.

The ripples of the outbreak have impacted the students and their parents, as all schools have been shut down to prevent the spreading of the virus. Even in these uncertain times, civil workers are doing their best in ensuring safety and countering the effects of the pandemic. Educational institutions have also followed suit, as they have begun hosting online classes to ensure quality education.

In FY 2019-20, the global trade and investments were the major challenges surrounding the world economy. The relations between the two largest economies of the world becoming sensitive, the price war among major oil producing nations and other geopolitical concerns were the other contributing factors to the tough economic scenario. The impacts of these global developments were felt in the Indian markets too. During the year the Indian government took steps to ensure safe tides for the economy. These include policy announcements consisting of PSU banks consolidation, incentives to several industries, corporate tax rate cuts and RBI's move to boost liquidity of banks and NBFCs. In the long run, these measures will boost the economy once the world restores to normalcy after the pandemic.

One of the important highlights of the year was the Honorable Finance Minister suggesting a new education policy in the Union Budget 2020. This policy, in addition to several measures, will revamp

the education system and generate employment in the country and abroad for Indians. The budget was allocated at ₹99,300 crores for the education sector and ₹ 3,000 crores for skill development.

At Navneet Education, FY20 was a year which underlined our resilience and stability. Your Company made significant progress in many areas of its business, in addition to laying the foundation for the coming years which will be full of opportunities and strategies to conquer new markets. Emphasis will be given on enhancing the user experience and improving the quality of books. During the year, we improved our product portfolios, expanded our geographical presence and served our customers with zeal.

The financial performance of your Company in FY20 has been remarkable, especially considering the challenging economic situation. At the end of the year, the Company earned a total revenue of ₹1,46,719 Lakhs, PAT after OCI of ₹ 21,935 Lakhs and achieved growth at a rate of 6 percent.

Following are the segments highlights:

- Publication Revenues decreased by 2% to ₹ 69,875 Lakhs
- Stationery Revenues increased by 14% to ₹ 74,124 Lakhs

In FY20, our publication business was quite subdued due to limited changes in the syllabus in the state of Maharashtra. However, this market segment is primed for growth on the back of rapid progress in CBSE schools. The stationery segment of your Company continued on its steady pace due to impressive performance from exports. The increase in exports was due to new clients joining our vision, effective marketing techniques and a broad product portfolio. US continues to be a crucial market for Navneet, as it contributed more than 60% to the Company's export revenue.

As a new age organization, NEL emphasises enriching and effective digital learning experience. Indiannica

Learning Pvt. Ltd. and eSense Learning Pvt. Ltd. have helped in broadening our content business segment. In FY20, the revenue from operations was ₹ 5,497 Lakhs and ₹ 2,058 Lakhs, respectively from Indiannica and eSense. The acquisition of Indiannica has opened promising avenues for NEL, as we foray into the ICSE and CBSE board content and producing new workbooks for them. Hence, our current library is now modern and expanded, which will trigger more sales going forward.

Online education has emerged as a growing business vertical as more students have showed interest in a new learning format which promises better understanding, seamless accessibility and low operational changes. This has prompted many schools to migrate to online classes in the midst of the lockdown, to ensure the continued learning of the students. As a result, e-learning is only going to grow bigger in the near future.

Exploring new potentials, capitalizing on opportunities, adapting to emerging trends, improving strengths and delivering excellence will remain as key objectives for the coming years. NEL is long-term debt free and is placed in a strong position to achieve its financial

goals. As an organization which believes in harnessing renewable energy and lowering dependency on replenishable options, NEL installed a 96.69 KW roof top solar system at registered office at Navneet Bhavan, Mumbai. This move will also help in reducing fixed overheads and optimizing costs.

We continue to value our relationships with our customers and employees. We, at NEL, also prioritise the safety and health of our workforce and are eager to uplift the community whenever we can. It is our attitude to create bigger milestones by adapting to the times and fostering innovation while staying true to our core values which define us. The coming FY21 will be significant towards realising our vision, as we continue to achieve our goals and add value for our stakeholders.

Thank You,
Kamlesh S. Vikamsey
Chairman



OUR IDENTITY



ABOUT US

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.

VISION



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

MISSION



To provide students with best quality supplementary study material and curriculum text books at affordable price.

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

To provide students with scholastic stationery products.

CORE VALUES



Excellence

Proactive

Student Centric

Transparency

KEY FACTS

Students using Navneet products	35Mn+	
No. of Titles	5,500+	
Printing /Manufacturing Locations	3	
Number of languages published	5	
Number of subsidiaries	4	



FY 2020

(₹ in Lakhs)

