NAVNEET®

Knowledge is wealth

BUILDING ON A STRONG FOUNDATION

37TH ANNUAL REPORT **2022-23**

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Investor Information

Market Capitalisation as at 31st March 2023	:	₹ 2,15,694 Lakhs
CIN	:	L22200MH1984PLC034055
BSE Code	:	508989
NSE Symbol	:	NAVNETEDUL
Dividend Recommended	:	₹ 2.60 per share
AGM Date	:	14th August 2023
AGM Mode/Venue	:	Video Conference/Other Audio Visual Means

Disclaimer: This document contains statements about expected future events and financials of Navneet Education Limited ('The Company'), which are forward-looking. 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 may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

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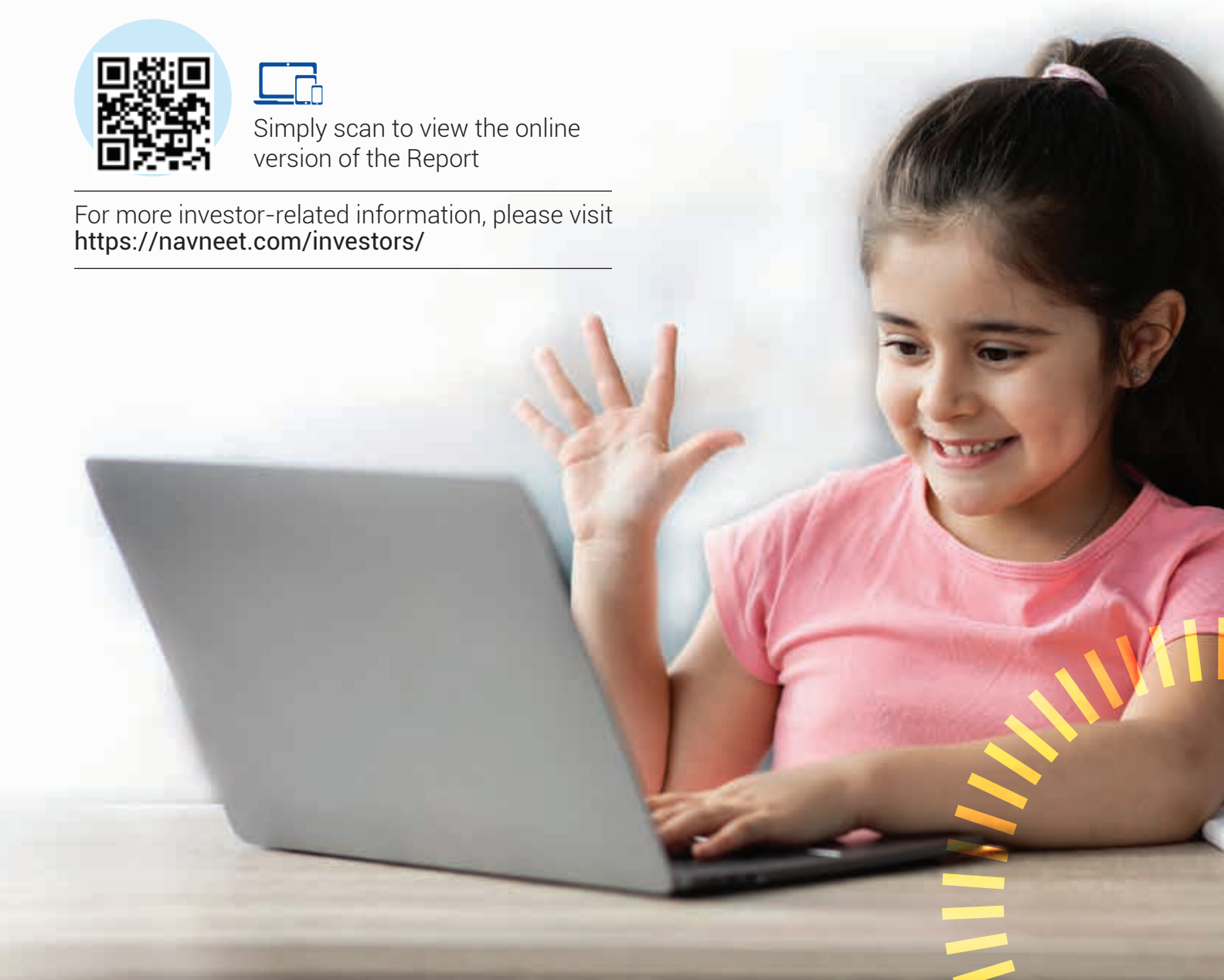
For more investor-related information, please visit
https://navneet.com/investors/



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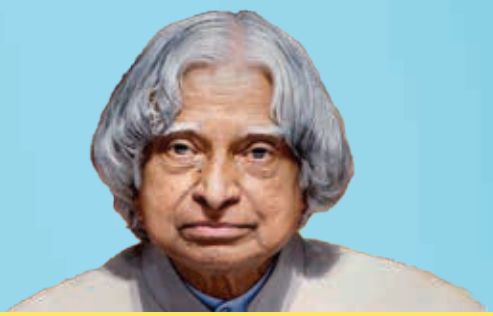
BUILDING ON
A STRONG
FOUNDATION

In the dynamic landscape of education, technological advancements have accelerated progress and transformed learning experiences. With such advancement, the role of educational organisations and providers of supportive tools has never been more vital.

Building on a strong foundation, Navneet Education Limited stands at the forefront of the rapidly evolving Indian educational landscape. With a deep understanding that education is not just about attending school and acquiring a degree, but rather about widening knowledge and embracing the truths about life, we are committed to providing holistic learning experiences that go beyond the traditional classroom setting. Through the comprehensive range of educational products, we strive to ignite a thirst for knowledge, nurture curiosity, and enable learners to discover their true potential.

With a rich history spanning six decades, we have established ourselves as a trusted partner in the educational journey of students and educators alike. Our commitment to quality and innovation drives us to continuously evolve and adapt to the changing needs of the education sector. As we build on this strong foundation, we are poised for immense growth in the education and stationery space.

Our vision extends beyond conventional learning. Dedicated to educational excellence, we are determined to shape a promising future, where learners are empowered to explore, discover, and embrace the profound beauty of lifelong learning while building on a strong foundation for themselves.



Education is not just about going to school and getting a degree. It is widening your knowledge and absorbing the truth about life.

~ Dr. A. P. J. Abdul Kalam

Knowledge is wealth

OUR APPROACH TO REPORTING

BASIS OF REPORTING

The contents of this report have been prepared in accordance with the fundamental principles outlined by the International Integrated Reporting Council (IIRC). It presents a thorough overview of our operational and financial achievements, detailing their impact on our strategic trajectory and ultimately contributing to our capacity to generate enduring value.

REPORTING SCOPE AND BOUNDARY

The period covered by this Integrated Report spans from 1st April, 2022 to 31st March, 2023. It offers an overview of our operational and business development endeavours. The Report delves into our business divisions both in India and overseas, as well as the associated activities that contribute to generating value in the short, medium, and long term. Additionally, it encompasses our subsidiaries, namely Navneet Futuretech Limited (previously known as eSense Learning Private Limited), Navneet (HK) Limited, Navneet Learning LLP, Navneet Tech Venture Private Limited, and Indiannica Learning Private Limited.

OUR APPROACH TO REPORTING

The purpose of this report is to offer our stakeholders a comprehensive understanding of our Company's capacity to create value, utilising both financial and non-financial resources. Additionally, it aims to provide insights into our core strategies, operating context, significant issues arising from stakeholder engagements along with their corresponding mitigation strategies, operational risks and opportunities, governance framework, and our approach to long-term sustainability.

REPORTING STANDARDS AND FRAMEWORK

In this report, our aim is to enhance transparency and accountability by incorporating additional disclosures and information, aligning with the guiding principles established by the International Integrated Reporting Council (IIRC). Furthermore, the other mandated reports, such as the Directors' Report, the Management Discussion and Analysis (MD&A) section, the Corporate Governance Report, and the Business Responsibility and Sustainability Report (BRSR), adhere to the regulations outlined in the Companies Act, 2013 (and its associated rules), the Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the prescribed Secretarial Standards.

MANAGEMENT ASSURANCE

The Board of Directors expresses confidence that this report accurately and objectively represents our Company's financial and non-financial aspects, performance, and business model. They recognise their duty to uphold the integrity of this report and fulfil our Company's responsibilities accordingly.

CHAIRMAN'S MESSAGE

Dear Shareholders,

I am delighted to present the Integrated Report for the year 2022-23. Drawing upon our well-established foundation, we are leveraging our industry experience, strong brand recall, and expansive geographic reach to pave the path for a successful future. We are confident that our foray into the EdTech sector will be a success and drive our future growth.

The global economy demonstrated exceptional resilience in overcoming the challenges encountered during 2022-23 and preceding years. The supportive measures undertaken by central banks worldwide have been pivotal in effectively addressing and mitigating inflationary pressures on a global scale. Notably, the Reserve Bank of India (RBI) implemented proactive measures, including interest rate adjustments, to prudently manage inflation, particularly in response to geopolitical disruptions. These measures contributed substantially to preserving the growth trajectory of our economy, as we ardently pursue the significant milestone of achieving a commendable USD 5 trillion benchmark.

The combined efforts of the RBI and the Government have yielded impressive outcomes. This is evident in the remarkable growth of 7.2% exhibited by our economy during 2022-23. This is further supplemented by the successful containment of inflation, which underscores the robustness of our economy. Moreover, the considerable progress seen in various sectors indicates a broad-based recovery, placing India in a favourable position to quickly regain its pre-pandemic growth trajectory. This development holds weighty promise for our nation's economic resurgence.

As household incomes rebound to pre-Covid levels, a noticeable trend seems to be emerging with a growing influx of students transitioning from Government schools to private institutions. This transition has resulted in a substantial surge in the demand for educational resources, including

textbooks, guides, and stationery. This evolving scenario gives us an opportunity to play a pivotal role in shaping India's dynamic educational landscape.

India's EdTech sector is spearheading an educational revolution, supported by widespread internet accessibility, affordable pricing, and a large young population. These favourable conditions have created an enabling platform for technological advancements in the field of education. Capitalising on this revolution, we have astutely positioned ourselves to offer EdTech products tailored for schools, tutors, and coaching institutes, effectively complementing our existing education-led journey.

I have always believed that educational reforms have long been overdue for India, more so because traditional learning methods have somewhere fallen short of enabling students to fully harness their potential. The recently introduced National Education Policy (NEP) aims to address these challenges by promoting holistic development in both academic and non-academic spheres, empowering students to leverage their unique strengths and abilities while embracing the transformative power of technology. The successful implementation and adoption of NEP will undoubtedly serve as a seminal milestone in shaping India's educational landscape for the years ahead.

At Navneet, we wholeheartedly embrace the revolutionary impact of NEP, as we believe it will bring about a paradigm shift in the education sector. This is because the policy emphasises a learner-centric approach focussing on skill development, experiential learning, and technology integration. It also recognises the importance of early childhood education and foundational aspects, which align with the core of product development and research at Navneet. Our products, offered through customer brands like Top School, Top Class, TopScorer and BeMasterly, effectively address the objectives of NEP. By collaborating with students, teachers, parents, and educational institutions, we strive to enable the holistic development of students.

Despite facing headwinds such as rising paper costs and supply chain constraints, we experienced improvements across all financial metrics in 2022-23. Our revenues from operations increased by 53.48% to ₹ 1,62,768 Lakhs on a yearly basis. Our EBITDA also witnessed a remarkable growth of 86.11% to ₹ 35,420 Lakhs, while profit after tax experienced a significant jump of 76.56% to ₹ 25,887 Lakhs during the same period.

Within our publications segment, the revenues grew by 83% to ₹ 30,678 Lakhs on a yearly basis. The domestic segment of our stationery business observed a growth of 98% to ₹ 37,988 Lakhs, and the export segment grew by 15% to reach ₹ 56,725 Lakhs in the same period.

The growth of our publication segment in 2022-23 was primarily driven by the complete opening of schools after the pandemic, albeit late. Another key driver has been the return of students from the Government to private schools. Additionally, the ongoing trend of students transitioning from Government to private schools and from private to CBSE schools is expected to have a significant positive impact on our addressable market. It is likely to fuel an increased demand in our publication vertical. The rise of CBSE petal schools too, has improved the demand for published products.

Our export segment's growth can be attributed to our partnerships with major retail outlets in the US and our longstanding position as a preferred vendor. This has led to a steady stream of repeat orders, particularly during the back-to-school season. Furthermore, our capacity to innovate and provide new product solutions has played a vital role in substantially boosting our export revenues during the period of 2022-23.

Our sustained long-term growth results from our commitment to driving all-round progress for both society and our Company. Our vision is 'To ignite a movement dedicated to the sustainable development of society through the empowerment of individuals and communities'. In order to bring this vision to life, we have taken tangible actions in various areas, such as providing high-quality education, delivering healthcare services, fostering environmental