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NEL/208/2023

Date: 31st August, 2023

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1,
'G' Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051

Corporate Relationship Department
Bombay Stock Exchange Ltd.
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort, Mumbai – 400001.

Ref: Symbol– NAVNETEDUL
Ref: Scrip Code – 508989

Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR)

The Board of Directors of Navneet Education Limited (“NEL” or “the Company”) at its meeting held today i.e. 31st August, 2023, accorded its approval to the composite scheme of arrangement under sections 230 to 232 and section 66 and other applicable provisions of the Companies Act, 2013 (“Scheme”) for amalgamation of Genext Students Private Limited (“Genext Students”) (step-down subsidiary of NEL) with NEL; demerger of Demerged Undertaking (Edtech Business) of Navneet Futuretech Limited (“Navneet Futuretech”) (wholly owned subsidiary of NEL) into Navneet Education Limited (“NEL”) and reduction of equity share capital of Navneet Futuretech.

The Scheme is subject to receipt of requisite approvals, as may be required, including that of the Hon'ble National Company Law Tribunal, Mumbai Bench.

The Scheme will be filed with the Stock Exchanges in terms of the provisions of Regulation 37 (6) of SEBI LODR.

This intimation is in supersession of the earlier intimation given by the Company on 12th May 2023 and that of the respective board decision of Navneet Futuretech and Genext Students mentioned under the said intimation.

The details pursuant to Regulation 30 of SEBI LODR, read with SEBI Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11/07/2023 as provided as an Annexure to this intimation.

Yours faithfully,

FOR NAVNEET EDUCATION LIMITED

AMIT D. BUCH
COMPANY SECRETARY
MEMBERSHIP NO- A15239

NAVNEET EDUCATION LIMITED

CIN: L22200MH1984PLC034055

Navneet Bhavan, Bhavani Shankar Road, Near Shardashram Society, Dadar (W), Mumbai 400 028. India.
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Annexure to the intimation NEL/208/2023 dated 31st August 2023

Details pertaining to the Scheme, as required pursuant to Regulation 30 of SEBI LODR, read with SEBI's Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11/07/2023

A. AMALGAMATION OF GENEXT STUDENTS PRIVATE LIMITED ("GENEXT STUDENTS") WITH NAVNEET EDUCATION LIMITED ("COMPANY" or "NEL")

<p>Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;</p>	<p>The details of Genext Students as on 31st March 2023 and 30th June 2023 are as under:</p> <table border="1" data-bbox="669 682 1323 823"> <thead> <tr> <th>Particulars</th> <th>As on 31st March 2023</th> <th>As on 30th June 2023</th> </tr> </thead> <tbody> <tr> <td>Networth</td> <td>INR 5.64 Crores</td> <td>INR 4.22 Crores</td> </tr> <tr> <td>Turnover</td> <td>INR 0.08 Crores</td> <td>INR 0.05 Crores</td> </tr> </tbody> </table>	Particulars	As on 31 st March 2023	As on 30 th June 2023	Networth	INR 5.64 Crores	INR 4.22 Crores	Turnover	INR 0.08 Crores	INR 0.05 Crores
Particulars	As on 31 st March 2023	As on 30 th June 2023								
Networth	INR 5.64 Crores	INR 4.22 Crores								
Turnover	INR 0.08 Crores	INR 0.05 Crores								
<p>Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"?</p>	<p>Genext Students is a step down subsidiary of the Company, and as such it is related party to the Company. Ministry of Corporate Affairs has clarified vide General Circular No. 30/2014 dated July 17, 2014 that transactions arising out of Compromise, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 2013, will not fall within the purview of related party transaction in terms of Section 188 of the Companies Act, 2013.</p> <p>Further, pursuant to Regulation 23(S)(b) of SEBI LODR, the provisions of related party transaction are not applicable to the proposed Scheme, and the proposed Scheme is exempt from compliance of SEBI's master circular on Scheme of Arrangement dated November 23, 2021, as amended.</p>									
<p>Area of business of the entity</p>	<p>Genext Students is engaged in the business of manufacture of computer software. Genext has developed a digitally tutoring platform to empower independent tutors and coaching institutes. Under its brand 'BeMasterly', it has developed web based softwares like Simplify and TestPro. Simplify automates and digitises administration, communication, and other educational activities before, during, and after a tuition class. TestPro has further features to use content and is currently focused on Competitive Exams like NEET, and JEE, among others.</p>									
<p>Rationale for amalgamation/merger</p>	<p><u>Rationale for the Scheme which deals with amalgamation of Genext Students with NEL:</u></p>									

NAVNEET EDUCATION LIMITED

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1. NEL is engaged in the business of publishing educational books and learning aids in K-12 and beyond since the past several decades and has been built on a strong legacy of development. Genext Students is engaged in business of providing digital in-house built platform for tutors and coaching institutes which also focus on testing for competitive exams. The business by both the companies are complimentary in nature and will help in consolidation of education business in a single entity.
2. NEL enjoys a strong brand visibility and leadership in educational content and accordingly the Scheme ensures the consolidated business will have a greater reach to its customers and deepen its presence in the market through its offering of combined suite of educational products.
3. The consolidation also will help NEL to create a unified leadership helping in developing a sales channel with the right distribution of physical as well as digital products to tap the market opportunities.
4. The consolidation will ensure better management and control and adoption of combined strategies necessary for growth of business giving NEL an edge over competition.

Rationale for the Scheme which deals with common benefits on amalgamation / demerger:

1. Harmonization of sales team such that the customers get 'one representative' from the Navneet group to deal with for educational books, software, education related platform and ERP system specifically suited for education sector as well as learning management solutions, thus avoiding duplication of resources.
2. The proposed Scheme will help pool and combine finances and resources into one consolidated entity which will result in administrative and operations rationalization, organizational efficiencies, optimal utilization of various resources, reduction in overheads and other expenses and better compliances management.
3. The proposed Scheme will help NEL achieve financial strength aiding in economies of scale, more focused operational efforts, standardization and simplification of business opportunities.
4. The proposed Scheme will reduce management overlaps

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	<p>and streamlining the organization structure of NEL and the proposed consolidation shall prevent cost duplication and will result in synergies in operations which would increase operational efficiencies and integration of business functions.</p> <p>5. The proposed Scheme is commercially and economically viable, feasible, fair and reasonable and in the best interest of all the stakeholders and the persons connected with the aforesaid companies.</p> <p>6. The Scheme shall substantially reduce the related party transactions amongst the companies.</p>
<p>in case of cash consideration – amount or otherwise share exchange ratio</p>	<p>Genext Students is a step down subsidiary of the Company. Accordingly, upon the Scheme becoming effective, no shares of the Company shall be allotted in lieu of or on exchange of its holding through the wholly owned subsidiary and its nominees in Genext Students and the paid-up share capital of Genext Students shall stand cancelled on the Effective Date without any further act, instrument or deed.</p>
<p>Brief details of change in shareholding pattern (if any) of the listed entity</p>	<p>There will be no change in the shareholding pattern of the NEL (listed entity) pursuant to the Scheme, since the Genext Students is a step-down subsidiary of NEL and the entire paid-up share capital of Genext Students is held by the wholly owned subsidiary of NEL and its nominees, no shares are being issued by NEL to the shareholder(s) of Genext Students pursuant to the Scheme.</p>

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B. DEMERGER OF DEMERGED UNDERTAKING (EDTECH BUSINESS) OF NAVNEET FUTURETECH LIMITED ("NAVNEET FUTURETECH") INTO NAVNEET EDUCATION LIMITED ("COMPANY" or "NEL")

Brief details of the division(s) to be demerged	Demerged Undertaking (Edtech Business) of Navneet Futuretech on a going concern basis, together with all operations, allied activities, assets, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated in relation to and pertaining to the said business other than the remaining Business, as on the Appointed Date (01 April 2023), as decided by the Board of Directors.
Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	<p>The Demerged Undertaking (Edtech Business) of Navneet Futuretech, the wholly owned subsidiary of the Company is being demerged into the Company and therefore percentage of total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year is not applicable.</p> <p>However, the Turnover of Demerged Undertaking (Edtech Business) of Navneet Futuretech for the FY 2022-23 was INR 13.96 Crores, which is equivalent to 85.27% of the total turnover of Navneet Futuretech.</p>
Rationale for demerger	<p><u>Rationale for the Scheme which deals with demerger of Demerged Undertaking (Edtech Business) of Navneet Futuretech into NEL:</u></p> <ol style="list-style-type: none">1. The consolidation will ensure the quality of product is enhanced with seamless integration of content and digital teams.2. The publishing business of NEL and the business of providing various learning functions via softwares and digital platform to schools through Demerged Undertaking (Edtech Business) of Navneet Futuretech; are both complimentary in nature and provide for a great scope of bundling the physical as well as digital products for sale to its customers. <p><u>Rationale for the Scheme which deals with common benefits on amalgamation / demerger:</u></p>

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	<ol style="list-style-type: none">1. Harmonization of sales team such that the customers get 'one representative' from the Navneet group to deal with for educational books, software, education related platform and ERP system specifically suited for education sector as well as learning management solutions, thus avoiding duplication of resources.2. The proposed Scheme will help pool and combine finances and resources into one consolidated entity which will result in administrative and operations rationalization, organizational efficiencies, optimal utilization of various resources, reduction in overheads and other expenses and better compliances management.3. The proposed Scheme will help NEL achieve financial strength aiding in economies of scale, more focused operational efforts, standardization and simplification of business opportunities.4. The proposed Scheme will reduce management overlaps and streamlining the organization structure of NEL and the proposed consolidation shall prevent cost duplication and will result in synergies in operations which would increase operational efficiencies and integration of business functions.5. The proposed Scheme is commercially and economically viable, feasible, fair and reasonable and in the best interest of all the stakeholders and the persons connected with the aforesaid companies.6. The Scheme shall substantially reduce the related party transactions amongst the companies.
Brief details of change in shareholding pattern (if any) of all entities	<u>NEL (listed entity)</u> There will be no change in the shareholding pattern of NEL pursuant to the Scheme, as Navneet Futuretech (Demerged Company) is a

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	<p>wholly owned subsidiary of the NEL (Resulting Company), no shares are being issued by NEL pursuant to the Scheme.</p> <p><u>Navneet Futuretech</u> NEL shall continue to hold 100% of equity share capital of Navneet Futuretech and it shall continue to be the wholly owned subsidiary of NEL.</p>
in case of cash consideration – amount or otherwise share exchange ratio	Navneet Futuretech is wholly owned subsidiary of NEL. Accordingly, upon the Scheme becoming effective, no shares of the Company shall be issued/allotted in lieu of the transfer of the demerged undertaking (Edtech Business) into the Company.
Whether listing would be sought for the resulting entity.	The Resulting Company (NEL) is already listed on stock exchanges namely, BSE and National Stock Exchange and in case of said demerger no shares of the Resulting Company shall be issued/allotted in lieu of the demerger of the demerged undertaking (Edtech Business) into the Company.

OTHER INFORMATION PERTAINING TO THE SCHEME

The Scheme also provides for reduction of equity share capital of Navneet Futuretech Limited (Demerged Company) against debit balance in its reserves as on 31st March 2023. Such reduction is being undertaken in order to right size its balance sheet and so that the books of the Demerged Company would present a fair representation of its financial position.

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