

October 8, 2025

### Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
DOMS Industries	BUY	2,590	3,085
Navneet Education	REDUCE	157	124
S Chand and Company	BUY	185	291

Source: PL

### GST transition to weigh down growth

*Education companies under our coverage are expected to report 10.5% YoY growth in top-line in 2QFY26E. DOMS IN is likely to report 15.0% growth in stationary business as distributor off-take has seen deferment following recent reduction in GST rates. Nonetheless, rise in syndication revenue is likely to bolster SCHAND IN's top-line while NELI IN's struggle for growth would stem from rising usage of second-hand books and levy of tariffs by the US on stationery exports. On the operating performance front, DOMS IN is likely to witness 147bps compression in EBITDA margin amid consolidation of low-margin diapers business. On the other hand, SCHAND IN and NELI IN are likely to report a loss at operating level.*

**DOMS IN's top-line to increase by 20.1% YoY:** DOMS IN is likely to report a 20.1% YoY growth in top-line to Rs5,500mn in 2QFY26E aided by consolidation of Uniclax (diaper business). Nonetheless, the core stationery business is expected to grow by 15.0% as distributor offtake has been deferred following recent reduction in GST rates. EBITDA margin is expected to contract by 147bps YoY to 17.3% as diapers business is margin dilutive in nature. We retain 'BUY' on the stock with a TP of Rs3,085 (60x FY27E EPS; no change in target multiple).

**NELI IN's top-line to decline by 7.8% YoY:** We expect NELI IN's publishing top-line to increase 5.0% YoY to Rs864mn in 2QFY26E while the stationery top-line is likely to decline by 13.5% YoY to Rs1,626mn on account of fall in stationary exports amid levy of tariff by the US. Publishing business is expected to report an EBIT loss while stationery segment is expected to report an EBIT margin of 4.1%. Overall, we anticipate revenues to decline by 7.8% YoY to Rs2,507mn with an EBITDA loss of Rs95mn. We cut our FY26E/FY27E EPS estimates by 16% as we re-align our top-line assumptions for stationary exports given the ongoing tariff issue and downgrade the stock to "REDUCE" (earlier "HOLD") with a TP of Rs124 (earlier Rs136). We have rolled forward our valuation to Sep-27E and we value the core business at 11x (no change in target multiple) and K-12 at Rs28 per share.

**SCHAND IN to report loss at EBITDA level:** SCHAND IN is likely to report a 25.5% YoY growth in top-line to Rs470mn following spillover of syndication revenue from previous quarter. We expect EBITDA loss of Rs591mn in 2QFY26E. Amid anticipation of higher volumes from announcement of new competency-based textbooks for grades 4, 5, 7 and 8, we expect top-line growth to be in early double-digits for FY26E with an EBITDA margin of 19.3%. We retain 'BUY' on the stock with a TP of Rs291 (11x on FY27E EPS; no change in target multiple).

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Exhibit 2: Q2FY26 Result Preview – Education (Rs mn)

Company Name		Q2FY26E	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Remark
DOMS Industries	Sales	5,500	4,578	20.1	5,623	(2.2)	We expect 20.1% YoY increase in DOMS's topline to Rs5,500mn aided by consolidation of Uniclax (diaper business). As for EBITDA margin, we expect it to contract by 147ps YoY to 17.3%.
	EBITDA	951	859	10.7	987	(3.6)	
	Margin (%)	17.3	18.8	-147 bps	17.6	-26 bps	
	PBT	768	721	6.6	793	(3.2)	
	Adj. PAT	552	513	7.6	573	(3.6)	
Navneet Education	Sales	2,507	2,718	-7.8	7,940	(68.4)	We expect NELI's publishing top-line to increase 5.0% YoY to Rs864mn in 2QFY26E while the stationery top-line is likely to decline by 13.5% YoY to Rs1,626mn on account of fall in export revenue amid levy of tariffs by the US. Overall, we anticipate top-line to decline 7.8% YoY to Rs2,507mn with an EBITDA loss of Rs95mn.
	EBITDA	(95)	26	NA	2,270	NA	
	Margin (%)	-3.8	0.9	-474 bps	28.6	-3239 bps	
	PBT	(258)	(60)	NA	2,120	NA	
	Adj. PAT	(194)	(49)	NA	1,570	NA	
S Chand and Company	Sales	470	374	25.5	1,026	(54.2)	For S Chand, we expect topline to grow by 25.5% YoY to Rs470mn. GM is expected to be at 55.0% with an EBITDA loss of Rs591mn for the quarter.
	EBITDA	(591)	(574)	NA	-91	NA	
	Margin (%)	-125.8	-153.2	NM	-8.9	NM	
	PBT	(696)	(676)	NA	-182	NA	
	Adj. PAT	(516)	(517)	NA	-133	NA	

Source: Company, PL

**Exhibit 3: Valuation Summary**

Company Names	S/ C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs mn)				EBITDA (Rs mn)				PAT (Rs mn)				EPS (Rs)				RoE (%)				PE (x)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
DOMS Industries	C	BUY	2,590	3,085	157.2	19,126	23,653	29,279	34,614	3,484	4,133	5,234	6,288	2,046	2,402	3,120	3,991	33.7	39.6	51.4	65.8	22.5	21.5	22.5	23.1	76.8	65.4	50.4	39.4
Navneet Education	C	REDUCE	157	124	34.7	17,860	17,882	19,457	21,173	3,180	2,830	3,220	3,637	1,397	1,577	1,798	2,032	6.3	7.1	8.1	9.2	8.9	8.4	9.0	9.5	24.9	22.0	19.3	17.1
S Chand and Company	C	BUY	185	291	6.5	7,197	8,095	8,827	9,493	1,350	1,562	1,721	1,851	635	844	934	1,068	18.0	24.0	26.5	30.3	6.6	8.2	8.5	9.0	10.3	7.7	7.0	6.1

Source: Company, PL

S=Standalone / C=Consolidated

**Exhibit 4: Change in Estimates**

	Rating		Target Price			Sales						PAT						EPS					
						FY26E			FY27E			FY26E			FY27E			FY26E			FY27E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
DOMS Industries	BUY	BUY	3,085	3,087	-0.1%	23,653	23,653	0.0%	29,279	29,279	0.0%	2,402	2,404	-0.1%	3,120	3,122	-0.1%	39.6	39.6	-0.1%	51.4	51.4	-0.1%
Navneet Education	REDUCE	HOLD	124	136	-8.9%	17,882	18,809	-4.9%	19,457	20,476	-5.0%	1,577	1,902	-17.1%	1,798	2,159	-16.7%	7.1	8.6	-17.1%	8.1	9.8	-16.7%
S Chand and Company	BUY	BUY	291	286	1.8%	8,095	8,095	0.0%	8,827	8,827	0.0%	844	827	2.0%	934	918	1.8%	24.0	23.5	2.0%	26.5	26.0	1.8%

Source: Company, PL

C=Current / P=Previous

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	BUY	1,188	966
2	Delhivery	Accumulate	519	469
3	DOMS Industries	BUY	3,087	2,503
4	Imagicaaworld Entertainment	BUY	74	56
5	Indian Railway Catering and Tourism Corporation	BUY	850	717
6	InterGlobe Aviation	BUY	6,644	5,666
7	Lemon Tree Hotels	Hold	177	167
8	Mahindra Logistics	Accumulate	401	359
9	Navneet Education	Hold	136	140
10	Nazara Technologies	Hold	252	279
11	PVR Inox	Hold	1,191	1,110
12	S Chand and Company	BUY	286	192
13	Safari Industries (India)	BUY	2,583	2,191
14	Samhi Hotels	BUY	313	197
15	TCI Express	Hold	751	712
16	V.I.P. Industries	Hold	474	430
17	Zee Entertainment Enterprises	BUY	161	113

**PL's Recommendation Nomenclature**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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