To
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

To
Listing Department,
National Stock Exchange of India Limited
C-1, G-Block, Bandra - Kurla Complex
Bandra (E), Mumbai – 400 051

Scrip Code: 540403, Scrip Symbol: CLEDUCATE
ISIN: INE201M01029

Sub: Transcript of Investors Earnings Call pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Ma'am/Sir(s),

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation to our disclosures dated May 20, 2022 and May 24, 2022, please find enclosed the Transcript of the Earnings call held on May 23, 2022 with the Analysts / Investors.

The aforesaid information will also be hosted on the Company's website at www.cleducate.com.

Kindly take the above details on record.

Thanking You
For CL Educate Limited

CL EDUCATE LIMITED
NEW DELHI
110044

Arjun Wadhwa
Chief Financial Officer

Place: New Delhi
Date: May 27, 2022

"CL Educate Limited Q4 FY 2022 Earnings Conference Call"

May 23, 2022

Management:

Mr. Satya Narayanan R – Chairman, CL Educate Limited

Mr. Gautam Puri – Managing Director, CL Educate Limited

Mr. Nikhil Mahajan – Executive Director & Group CEO, Enterprise Business, CL Educate Limited

Mr. Arjun Wadhwa – CFO, CL Educate Limited

CL Educate Limited – Q4 FY22 Earnings Call Transcript

Arjun Wadhwa: Good Afternoon, ladies, and gentlemen, and welcome to CL Educate Limited Q4 FY22 Earnings Conference Call. My name is Arjun Wadhwa. I'm the CFO of CL Educate Limited, and I'll be your host this afternoon. Joining me on this Investor Conference call today is the senior leadership team of CL – Mr. Satyanarayan R, Chairman of CL Educate Limited and the CEO of our Test Prep business and Mr. Nikhil Mahajan Executive Director and Group CEO of our Enterprise Business. This analyst call as always, will be recorded, transcribed, and made available on our Investor Zone within the next 24 hours. I'd like to start today by inviting Nikhil to take you through the early part of the presentation, following which Satya will run you through to the end.

There'll be an opportunity for you to ask questions after the presentation concludes. You are requested to put your questions in the chat box on the bottom right-hand corner of your screen, and Satya, Nikhil and I will be happy to take your queries towards the end of the session.

Nikhil Mahajan: We'll start with the Q4 and the Annual results. First, the financial update. In snapshot, FY22 was still a significantly COVID impacted year with a lot of on ground and physical business shut down for a large part of the year. It was only in the last quarter that the physical operations did start at most of our educational centres beginning, end of January or early February.

Despite that if you look at our business, the revenues grew about 13% from about Rs. 192 crores to Rs. 216 crores operating EBITDA increased from a loss of Rs. 10 Crores to a profit of Rs. 20 Crores. And total EBITDA increased from a loss of about Rs. 1 Crores to a total positive EBITDA of Rs. 29.2 Crores and PAT increased from a loss of Rs. 12 Crores to a profit of Rs. 14.6 Crores. So, the last 12 months have seen a significant turnaround in both business growth, as well as business optimization in terms of efficiency, efficacy, and delivery throughput, resulting in margin expansion and resulting in a significant jump in both EBITDA and PAT.

So, if you look at some of the key parameters, we have already covered the movement in revenue, EBITDA, and PAT, I'll just want you to focus on the next five lines. Our Net Cash position increased from about Rs. 26 Crores to Rs. 47 Crores with we generating a Free Cash Flow of Rs. 27 Crores during the previous year as compared to 22 Crores in the year March 21. Our ROCE and ROE also showed a dramatic turn around with ROCE increasing from a minus 3.5% to 7.7% and ROE increasing from a minus 4.7% to 5.3%. Though we are still far short of what the benchmark we have set for ourselves, but I think sound turn around on this direction has happened and we expect a significant improvement in the coming four quarters as we move forward in FY23.

As I shared the last earlier, our net cash increased by about Rs. 22 Crores from Rs. 26 Crores to Rs. 47 Crores which was predominantly driven by sharp fall in the total borrowings of the company by about Rs. 26 Crores from Rs. 43 Crores to Rs. 17 Crores. And we are broadly on track to become a zero-debt company by end of December 2022. We have set ourselves a goal of becoming a zero-debt entity, We are already net negative debt company, but we want to be a zero debt company by December 2022. And as per current trends, we are well on track to achieve that goal.

A brief update on business in terms of Quarter-on-Quarter (Q-o-Q) and Year-on-Year (Y-o-Y) movement. Q-o-Q revenues saw a 6% increase, while EBITDA saw a 16% increase and PAT saw a 56% increase. Y-o-Y we saw a 16% growth in revenue. The EBITDA & PAT figures are not strictly comparable because of the losses in the previous year.

I think, we have COVID strongly behind us and we are now back on track for a sustained steady revenue and profitability growth over the next 4-6 quarters. We have added significant new products both in EdTech and in metaverse and MarTech business, which we'll cover separately in the subsequent slides which will give boost to the top line, as well as give higher margins and we expect that to be sustained over the next coming quarters.

Next are the segment wise results. Q-o-Q EdTech business saw revenue growth of 36% while the segmental profits saw growth of over 100%. MarTech segmental profits saw a decline of 27% Q-o-Q, however that was predominantly, because of a technical reason that, Merger came into effect in the first week of March. And we had to re-register our GST numbers. And we had to undergo vendor re-registration with the new GST process with most of our B2B corporate clients. As a result, we were unable to do any billing to the customers in the month of March, which is clearly reflected that we have an unbilled revenue of Rs. 7.7 Crores in the March 2022 as compared to Rs. 1.7 Crores in March 2021. The process got completed in the month of March and the billing is now happening and we will see this short-term blip getting rectified in the first quarter. This negative thing will, over a 12-month period, be negated at the end of the balance sheet period. For the next 12 months, you'll see a sustained and continuous revenue and profitability growth in the MarTech business over the next four quarters.

A summary of how a MarTech business performed. Our Singapore business grew by about 50%. We added 20% new clients, and we expect them to scale up in the coming years. We have done 25% more business in the lead-gen CEP business. It is scaling up, faster than ever before. We would have recorded a 20% higher revenue, however we could not raise invoices because of the implementation of the merger order.

However, with that thing behind us, I think, the positive trend of client acquisition and new revenue generation will gain momentum in Q1 and Q2 FY23. And we'll expect positive growth happening in the coming quarters

Our international business has also been showing positive growth. This year we grew by about 50% from less than $2 million to close to $3 million. EBITDA was up 70% and margins are also positive and we are seeing good traction happening, especially in the APAC region over the last four quarters.

We have formally launched a VOSMOS on the metaverse and we are gradually beginning to get new brand sign-ups on the VOSMOS metaverse platform. We are upgrading technology, and building the technology blocks and blockchain, Virtual Reality, and Augmented Reality to offer more and more products and services in the metaverse for our customers.

As we speak, we have about 8-10 customers who are live on the Kestone metaverse platform. And I think we'll have many more customers, coming up over the next 2-4 quarters. We have bolstered our sales team in the USA. We have added salespeople in APAC and in India and we are looking for an outreach growth in both Indonesia, Malaysia and Middle East with dedicated sales resources. And that should bear a positive fruit over the next 4 quarters. Here are some of the snapshots of some of the events which we hosted, for Cisco, Microsoft, Frost and Sullivan globally over the last two quarters that has gained significant acceptability globally. And while things are beginning to reopen and we are seeing the return of the physical event, we are also seeing that more and more customers are now beginning to look out for hybrid events, which have a physical participation and virtual platform integrated into it. And we clearly feel that's the way it's going to be in the event space going forward.

Hybrid events are going to get a call of the day. And I think we are present in both physical events and in the virtual event space reasonably strongly to be able to capitalize that opportunity.

I now invite Satya to talk about EdTech business.

Satyanarayan R: So, let me move into the main two or three points around which I will centre my commentary on EdTech. Moving forward, I think the first thing, and perhaps a theme that you are likely to be hearing a lot over the next many quarters, hopefully is the CUET. As, you would have heard or followed the initiative called the Central University's Entrance Tests started its journey about four quarters ago, and it has already undertaken two or three pivots. And now it's not called Central University's Entrance Test. It is called Common University's Entrance Test, which means not just central universities, which were 54 of them but 45 out of those, while they have enrolled into this undergraduate single test entrance exam, that number has gone up to 80+. And last night was the closure of application process. 85 universities are taking part in the first round. And as you can see here on the screen, over 10 lakh aspirants had applied a 7-10 days ago. The final closure numbers are likely to be anywhere between 14-15 lakhs that would have enrolled for this test, which makes it, amongst the biggest, flagship undergraduate program in the first year itself.

This has domain subjects such as within Commerce – all the four subjects, economics, accountancy, business studies. Similarly, Sciences the Physics, Chemistry, Maths & Biology, humanities, history, political science, along with 2 other subjects – General Aptitude & English So it's a very large opportunity. And as you can see on the slide, we have begun our journey and as we speak, we already have about 1,400 enrolments in this program. This can be a one-year program or two-year program for kids in class 12th and class 11th and it also can have the crash program, like what we have now for the July 22 exam. So, it's a, it's a very interesting long-time opportunity. Just like the Gaokao in China, which had over a million of students taking the exam this year, this Indian flagship exam, can go to numbers such as 60-75 lakh takers in the next two to three years in our view. Not only that, but this is also likely to become a global product in education from India, wherein the students who wants to study in India a number, which is going to go from 50,000 to 400,000 over the next seven to eight years. So, all of those are likely to happen for this exam. That's a little bit of a macro commentary. Our programs are getting rolled out and movements are happening. The deliveries have begun to happen. Slide 17, as you can see, mentions the key 14 subjects that we have offered. And the competition here is going to be, practically anyone who's doing a UG test preparation will jump into this, which means that the competition here is going to be coming from both the IIT-JEE and NEET people, because there is some bit of a threat that they will face. And also from the aptitude players, who are preparing for Law or MBA or GRE or IPM kind of programs.

So, this is likely to be a very important opportunity. We are focused on it and as you can see on the screen, that includes my face and Arjun's face as our dual role. We teaching here, finance and psychology in what has been launched as a self-paced program that our students can enrol and learn any time anywhere, kind of a pedagogy.

The other thing like Nikhil mentioned in his opening commentary, the physical centres have opened, the digital medium is already present. I think the new reality is going to be a very effective mix and blend and synthesis that you as a service provider has to do between what needs to be there as digital and what needs to become as physical.

The phygital thing is going to be real. Pure online takers will continue to be there as they were in the pre-COVID era that, you know, empirically those numbers are between 13 to 30%, depending on which segment you're talking about. So, there is going to be a significant number of 70-80% of the parents or students who are going to seek a face-to-face. CL is ready and all centres are up and running. Not only that, but we are also of the view that, the distribution, which is straddling a great mix of offline and online is the secret sauce that CL has in the form of business partners and with CUET coming in practically any district, any town that has got half a dozen schools becomes a place of distribution point through a partner network for CL. We are underway in this, our next big goal in the next 36 months is that, can we go from 100 locations to 600 locations?

The Delhi intensification of distribution as a plan is underway. And this is how, as you can see the Delhi graph that we have put just for the sake of illustration, there could be half a dozen mega centres where all programs are available, but there are going to be local and hyper-local centres, which can just bring a smaller bunch of programs because they are catering youngsters who are in grade 10, 11, and 12, and they need to have a centre nearby, maybe a couple of kilometres from their homes. So that is what we are focused on as a EdTech growth strategy. As we roll this out and generate numbers, you will hear it from us from quarter to quarter.

Another important initiative and like I mentioned, the previous slide and this slide is not about numbers, It's about qualitative commentary, given the metaverse adoption that we are beginning to see. And we have a little bit of an advantage, being in the in the same office space as Kestone and Kestone is doing it for various domain leaders or industry leaders in fashion or banking or financial services or consumer products, CL as an EdTech company is working as a beta customer. And we want to be the first EdTech company that embraces Metaverse, in which counselling, if you look at the top end of the slide, all the activities that take place in a physical world will be available in the metaverse form very soon including counselling, product awareness, enrolment, in class experiences, including marking your attendance, taking Mock Tests and so on. Inside the CL metaverse platform, over the next couple of quarters, what we believe this can do is enhance the consumer experience and create a differentiator, which perhaps, could be very valuable in future quarters. So, one of the observations that we have seen, and we have observed and are observing this and we, as a business, want to stay equally excited or equally as dispassionate about what is online and what is offline. Because our experience over the last couple of decades tells us that you cannot force a student who wants to take a program online to go offline. Doing that could be counterproductive. And it is true. The vice versa is true as well. When a student wants to have a high-touch, for whatever reasons of discipline – get out of the homes, with friends, reasons could be many, a student who wants a high touch program and willing to pay a premium for it at the nearest CL centre. We have a program for that kind of a need as well. Given that, we are seeing a lot of runoffs and the keenness to enrol offline, which is leading to our ARPUs getting higher compared to the previous three or four quarters. MBA, Law, IPM all those numbers are up compared to last year, which is not necessarily, the best comparison. So, what we are comparing internally are with the 2020 and 2019 numbers. Opening of universities and colleges, and the new admission season that is gathering momentum, all of these bode well for us as far as the test prep revenues are concerned.

Going forward, we think that the MBA and law, and you must be aware of the deal that has happened where T.I.M.E. our primary competitor, as far as MBA is concerned, has been acquired by Veranda Learning Solutions the new listed company. We believe that's an opportunity for us.

We are focused on how to enhance our market share in MBA. Law and IPM when you combine them with the domain subjects, coaching for the board exams and CUET, it gives us an opportunity to enhance our ARPUs. The share of wallet that we can pick up from the same customer by adding additional products is an interesting opportunity. We are the only test prep player who has gone beyond the aptitude subjects of CUET. We are offering, as I mentioned earlier, 14 domain subjects

Accountancy, Economics, Political Science, Physics, Chemistry, Maths, and that's a very interesting door opener for us to integrate downwards and look at 12th, 11th and then come to the 10th board related subject prep over the next 36 months.

We saw significant improvements in our publishing business. And as you are aware, in order to manage the inventory and related things, most of our work, happens with online distributors and also on the basis of Print On Demand (POD) rather than print and keep the inventory. And the margins have been healthy this year as compared to the previous years.

Moving forward we have a little bit of an update about the corporate action. I'll request Nikhil to come and take the next two slides. Any questions about the EdTech business, I'll be happy to take once Arjun opens the Q&A part of the session.

Nikhil Mahajan: Finally, the merger of the five 100% subsidiaries of CL Educate Limited got NCLT approval in February and all the paperwork and processes etc. got completed by end of March. So, this time we reported a single merged consolidated entity, for our March 2022 numbers.

Secondly, we were successful in liquidating three parcels of land in the last fiscal year. And we have successfully closed a deal for the sale of our Greater NOIDA parcel of land and building, which we expect to close over the next 90 days. We have already made the necessary disclosures and we expect to release significant amount of cash because of the Greater NOIDA piece of real estate going away. We announced a stock split, in the month of September last year, which came into effect from 1st October 2021. And now, at the end of the last board meeting, we have announced the buyback of shares at a maximum price of Rs. 170.

The key features of the buyback are:

- The maximum amount of buyback is Rs. 10 Crores.
- The maximum buyback price is Rs. 170.
- The buyback will start Friday, 27th of May 2022.
- And we are offering the buyback at a 31% premium over the last 90 days, average monthly closing.

So, these are some of the key highlights and directional pointers of the buyback and the rationale of doing a buyback was to return surplus cash to the shareholders, improve ROE & ROCE and let the shareholders decide in terms of whether they wanted cash through this route or via capital gains.

We expect 30-40 bps improvement in ROCE, just because of the buyback. The total free float will reduce by 2.1%. And ROE improvement will be 25-30 bps. So, in nutshell, we from the management clearly agree and outline that the price is significantly undervalued and in the short run we clearly feel that Rs. 170 is bare minimum price level and we expect, shareholders to come forward and exercise the opportunity whomsoever wants to exit at this price.

I think that's the end of the presentation and we'll be more than happy to answer questions.

Arjun Wadhwa: Thanks Nikhil. I will throw the floor open to questions. I see a few already popping up on our chat window.

Arjun Wadhwa: There's a question from the Vikram Mehta. How are we growing in comparison with competition both locally and globally in both businesses?

Satyanarayanan R: Vikram, I think, our view is that with everybody is coming out of the COVID, altered strategies that they adopted and then coming out there are different ways in which people are reading these new signals and one of the things that we are seeing is perhaps we are in a very good position as CL Educate the EdTech part for two reasons. One is this entire Undergraduate program that has an entrance exam that has been initiated, it augers extremely well for us because the adjacencies to us and the add-ons that it can cost to us for immediate enrolments are very good. And this is likely to be. 5-10 year big opportunity for everyone. So, there will be three new leaders that will emerge, very similar to the way it was between 2000 and 2010 for MBA or 2008 and 2015 for law.

The second thing is that I think this also could cause a little bit of a disruption in the JEE-NEET space in our view. But I'll keep that for a later commentary, with just one, one point observation that already out of those 85 universities, there are a few of them universities who have their engineering programs who have also begun to subscribe to the CUET exam pattern, and this could be a very interesting thing to follow. So, we are in a good place. We should just put our head down and focus on numbers, enrolments, and great word of mouth and not let go of the significant competitive advantage that CL has, which is, generating student outcomes. Therefore our CACs (Customer Acquisition Costs) always continue to be among the lowest in the industry.

Nikhil Mahajan: Well on the MarTech side, I think, on the Virtual Platform we grew by about 3X in FY22 over FY21, our digital business grew by over a 100%. Now, obviously the growth rates in both these places will moderate. Going forward, as we see reopening of businesses, they're already seeing a movement of businesses wanting to do events in physical space rather than on Virtual space. I think the sustained combined revenues of physical and virtual, will continue to show a positive upward take in the coming 12 months. The digital business is growing reasonably positive. We grew over a 100% last year and we should maintain a healthy 50-60% growth rate going forward in the coming year as well.

Arjun Wadhwa: Okay. Thanks Nikhil. Vivek has asked about how do you see Veranda acquiring T.I.M.E.? Does it help us, or does it make any difference to the landscape? We also have two or three other related questions. Most of which you've already covered as part of your commentary. There's also a question on, the UPSC conversation from a couple of quarters ago. And there's a third question from Amit about additional revenue from CUET in the coming years.

Satyanarayanan R: On the Veranda – T.I.M.E. deal I think it would only be appropriate for me to say that we look at it as an opportunity to up our relative market share. And I leave the rest of it to pan out over the next four quarters. The reasons, the justifications could just be our way of viewing, it need not be a public in my view, but I'll pause there on that question and just to kind of wrap up that point, we have tremendous amount of, respect for the founders of T.I.M.E. which is Vishy and Manek. They're all very good friends for a long, long time and there aren't many people who run test prep companies like that in India. And that's where the opportunity arises. I think that that should leave you with answers.

On the CUET numbers. Okay, let me say that this policy has taken a decade to come into existence. So if we assume this was not a knee-jerk reaction but, carefully calibrated outcome of the new education policy, which got approved in the parliament a year and a half ago. And this has been in the making for 14-15 years and it strategically addresses the question of where should India be headed by looking at her higher education as a distinctively differentiated product and offerings. If you look at it from that perspective, the authoring, the buy-in etc. has been there right from the UPA days to the NDA days. So, this is more education centric policies than politics centric. Hence, we believe that this is a very robust education reform, and this gives us a very long runway, to build a very good business with deep penetration, into a thousand locations in India and a hundred locations outside of India. Who does it is a moot point Career Launcher could do it, Somebody else could do it, Somebody else would beat us to it. But CL is extremely well endowed and positively positioned to make this count for a business growth. On the numbers part I would only leave you with one statement since we refrain from talking about future numbers, as a matter of practice. In MBA, which has a market size of 200,000 CAT takers, CL has a 60 to 70 Crores business of MBA, If CUET has 50 lakh takers, which is 25x of CAT, in three years' time and already just 15x 7x of 15 lakhs, which is 7x of CAT already in its inaugural year with ARPUs comparable or more than CAT, it tells you what is it that is possible. And that is what CL has looked to crack over the next 3-5 years. So, I think when we look at the bigness of this opportunity, translating it into our P&L, our Balance Sheet, our Free Cash Flows and Profits. I would encourage you to look at it as a 3–5 year horizon. And that looks extremely healthy.

Arjun Wadhwa: Thanks. I will just also quickly tackle a couple of the finance questions that have come up before I throw it back to Nikhil for the MarTech questions. There is a question from Rahul on what exactly our service delivery expenses. We've added an additional line to our P&L this time where we've broken down our other expenses into two more heads - One was Sales and Marketing, and the other is the Service Delivery Expense. The Service Delivery expenses includes our franchise costs – the revenue share that we have to give back to our franchisees and any service costs related with our Kestone MarTech business.

There's also question from Yajat about these Rs. 7 Crores that we spoke about of Kestone. Yajat, this was on account of the merger. As Nikhil mentioned, during his presentation, this has hit our balance sheet in the form of unbilled revenue. It is Rs. 7.7 Crores at the turn of the year. The corresponding figure last year was Rs. 1.7 Crores and this will become revenue in the coming quarters. So, only a delay that has happened on account of the re-registration of Kestone with clients on account of the merger.

There are a couple more questions on the MarTech business, which I'll throw over to Nikhil. There's one from Vivek again, he's asking about our outlook on the metaverse and VEP and also our fundraising plans for the MarTech business. Also he's asking about the quality of the product and where do we see the growth going forward?

Nikhil Mahajan: So, I just like to clarify that, our product on Metaverse on the virtual platform, addresses specific needs of specific customers. Our Virtual Events Platform enables corporates to do events and in a very engrossing manner. You are actually seeing this investor conference happening on the same platform, but much lower toned-down version of the same platform. There is a much higher enterprise version of the platform of which larger corporates use in a very immersive and customized way. And some of the biggest tech names like AWS, Facebook, Microsoft, Google, Cisco, Dell all are using our platform for their outreach events. It is not so much about being a tech superpower, but it is more about the ability, immersivibility and its relevance of engagement with the customer and the audience, rather than it being a tech powerhouse. And we are not competing in that space with any of the tech powerhouses. Our product serves a very niche or a marketing outreach need, and we are just catering to that. But that market itself could be a couple of billion dollars globally and expanding at a pretty fast pace. On the metaverse front, we again are not competing with any of the large tech houses. We are working with the smaller and medium sized enterprises and enabling them to grow from a web 2.0 era to a web 3.0 era, transforming their 2d digital stores into a 3d metaverse enabled stores, enabling business through blockchain, giving their customers a better experience rather than a static 2d view.

And I think we are staying close to what we think we are good at and not getting into any head on competition with any of the big ones. Yes, it requires, some bit of outreach for marketing, etc. And I think to that extent, we are spending what is necessary to achieve our business goals over the next 4-6 quarters.

Our fundraising plans for this platform – we have had a couple of engagements with a few interested investors, but that has not resulted in any positive outcome yet. We continue to stay interested and invested with potential interested investors. And as and when something concrete comes out, we'll come back and share.

Arjun Wadhwa: Thanks Nikhil. There is also a question from Rahul about the revenue for the Virtual Events Platform in this quarter. And what percentage of MarTech revenues are likely to come from the metaverse platform in a couple of years from now?

Nikhil Mahajan: I think that revenue from Virtual Event Platform in the last quarter was around $800,000 or its equivalent. Last year, they contributed to something like 25-30%. of the total revenue, and I think over the next couple of years, we expect that percentage to stabilize somewhere between 40-50%. But with physical events or the hybrid events, making a strong comeback, where does that needle eventually settle down? Is for anybody to justify or guess estimate at this point of time. And we will let the market decide, whether it wants more of physical events or more of a virtual event. Whether it settles at a 50-50 or 40-60 or 70-30, I think that only time will tell over the next 4-8 quarters as more and more physical things are reopening and going back to the physical world.

Arjun Wadhwa: Thanks Nikhil. There is also a question from a couple of people about when we believe we will go back to pre-COVID levels of revenue.

Satyanarayan R: We are focused on a lot more as a milestone lot longer as perspectives. If it happens a quarter here or there. But the good thing is we after a lot of, challenges and pivots that we had to do for a lot of internal and external reasons we are at a good place. And we should focus on a very, very exciting 2-5 years period, in my view from now, that's what, that's, what we are focused on.

Nikhil Mahajan: I just like to add one more thing. We are focused on a sustainable, profitable revenue growth over the next 4-8 quarters. And our best endeavour is whatever is the best figure that that can be achieved in a sustainable and a profitable manner. I don't want to achieve higher growth at cost of profitability, and I don't want to either lower revenue growth, to compromise on the other part. So, we are equally focused on revenue growth as well as being sustainably profitable going forward.

Arjun Wadhwa: Thanks Nikhil & Satya. We just take one last question before we wrap up. It's a question from Sameer. How would you respond to all the big players moving towards physical presence rather than just being present only in the online domain?

Satyanarayanan R: This is one thing that we've maintained all along, which I also said in my earlier commentary. We as a marketer or a company, I can't decide how the consumer should behave because it suits my model on an Excel sheet to appease or to cater to the investors. Education careers are very serious business and parents, and children go a long way to take the model that works for them. So, that it will be significantly face-to-face premium touch point driven is something that we all always had a hypothesis. At the same time there is this number that I did mention in my commentary that about 15-25-30% of the students in every segment are intent upon consuming it online for biggest constraints of theirs or their learning styles and so on. In the long haul, it will be a synthesis of online and offline. It will be an omni-channel where you use online or digital for certain set of services for every student and certain services set of services are available face to face at the prerogative or choice of the student or the parent. And a lot of people who are now moving into offline, is a bit of a reaction towards the evaporation of online students post COVID going away and the way they are going about the offline, I am afraid it's unlikely to be profitable for a long run. Even offline there is an interesting mix of products, services, costs, marketing, CAC etc. that are needed which has been cracked by some of the brands over the last 10-15 years, those people stand a great chance of doing well, especially if they have mastered the art of straddling the online and the offline at the same time. And CL in our view is doing that reasonably well along with a couple of more players.

Arjun Wadhwa: Thanks Satya. Thanks Nikhil. We will wrap up this session. See you all in a few months' time when we come back to you with our Q1FY23 results.

Thank you everybody.