

MANAGEMENT: Anil Pant – Managing Director and CEO
Anuj Kacker – Executive Director and President
T K Ravi Shankar – EVP and CFO
Saurabh Gada – Consultant, Investor Relations

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Moderator: Hello, on behalf of Haitong Securities, I would like to welcome Dr. Anil Pant, MD and CEO of Aptech. Along with sir, we also have Dr. Anuj Kacker, President and Executive Director heading the Global Retail Business, Mr. T K Ravi Shankar, EVP and CFO, and Mr. Saurabh Gada, Consultant – Investor Relations.

At the outset, I would like to wish you all a very happy new year 2022 and pray that the problems of the past two years are finally behind us this year.

Now, I would like to request Dr. Pant to kindly take us through the company in detail and the Q3 performance. Sir, over to you.

Anil Pant: Thanks, Siddharth. You know, I just want to take two minutes to talk you through what we've done and then we'll get into numbers and what's happened in Q3. So, Q3 for us has been very satisfying. It's one of the best quarters ever in terms of revenue and bottom line on an overall basis. The significant highlights of quarter three, if I may, about three or four of them; one is that the booking in our – booking, which is a lead indicator in our Retail business, has almost come back to pre-COVID levels, which is an incredibly, I should say, satisfying moment for us. As a result of this improved performance in booking, the company has added significantly in terms of manpower, so much so that we have added 64 people in Q3 and there are some costs that we have increased in quarter three in anticipation for much better numbers in the Q4, to be more realistic, Q1 onwards. Significant increase in cost in marketing, significant increase in cost in terms of manpower.

We've done exceedingly well in the Enterprise Business, which is shown as a discontinued business, so much so that the strategy committee of Aptech has recommended to the Board that we should

relook at reinstating it as a continuing business instead of divesting it and there are some significant achievements in the Enterprise Business. One of India's most complicated exams, almost about 12 lakh candidates across 300 plus cities, involving more than 600 test centres and simultaneous rendering of 36 subjects at any given point of time, was carried out by the Enterprise Division. And the numbers posted by the Enterprise business in quarter three are probably the best in the history of that business. And we've got a very, very strong order book going forward.

I mean, a lot of people have asked me about, you know, whether these performances are sustainable and all I say is that we're quietly confident that as an organization, the worst is behind us. The digital pivot that the company has made in the last two years has led to a never before kind of engagement with the students, student engagement is at its all time highest, placements are at their all time best, and with the business climate improving, we're very hopeful that as we move forward, these numbers will keep reflecting in our performance.

We've also initiated a significant accounting change which our Chief Financial Officer will talk about. We moved into the accrual system of accounting and the objective of doing this is very simple. There are four or five extremely important things which happen with this change: it gives us better control on the network; there is a much higher level of engagement with the student; the academic delivery is better controlled, learning outcomes for students are better; defaults are much lesser; and the most important thing, you know, people used to always ask me about the seasonality of business. The moment we move into a complete accrual kind of accounting, people will be able to appreciate the true size of Aptech; also, the seasonal nature of the business will get addressed. So traditionally, for us, Q2 has been our best quarter followed by Q1, Q3 and Q4, respectively. But by moving into this standard of accounting over the next four to six quarters, we'll find that the entire revenue and profitability curve gets smoothed out. So, it's good for the students, good for the organization. And it leads to more predictable volatility for investors. So, I think it's a good thing that we are doing.

Without further ado, I will ask my team to take you through the numbers and we're happy to answer any questions that people may have. Saurabh, over to you.

Saurabh Gada:

Thank you very much, Anil. Welcome, everyone to our quarterly conference call and as Siddharth wished, Happy New Year to you guys, again. I will quickly take you through the quarterly numbers. So as Anil said, we have done exceedingly well in terms of the overall business in the current quarter. So last quarter also, you know, we had done the highest ever PBT in more than a decade, quarterly PBT, and this quarter, we have surpassed that number. The last quarter we had done 15.7 crores versus that in this quarter, we have done a PBT of 17.6 crores on an overall basis. The revenue also is the highest in more than a decade, in terms of the quarterly numbers. Overall revenue grew by 120% within which the Global Retail revenue went up by 44% and the Enterprise Business revenue was actually four times of the number that we did in Q3 FY21. On the cash flow side also, we have done very well because the continuing business has been churning out cash and for the nine months period, we've generated almost 19 crores of cash from operations in the continuing business.

This covered the main thing that we have almost touched 80 crores of operating revenue in Q3 which includes 42 crores from the Enterprise Business and 37 crores from the Global Retail business as against 36 crores total revenue in Q3 FY21. As Anil mentioned, yes, there are some costs increases, specifically in employee expenses. If you see there is a 27% jump that's because we've added more people and we've also restored salaries that were reduced during the pandemic and given hikes on top of that. Based on the change in the accounting, there is some increase in Other Expenses, and we've also had increase related to marketing in Other Expenses. And why you see 248% increase (in Other Expenses for the Enterprise Business) primarily because of the Enterprise Business going up by almost 300%. The execution cost is captured in the Other Expenses.

Depreciation is in control. So, net-net, if you look at the PBT, we've almost doubled the PBT from 880 lakhs to 17.6 crores. This is P&L on a combined basis. Specifically for the Enterprise Business, as Anil has already covered, this is the best ever performance in the history of this business that we have done. And overall, the margins are also quite healthy. At the PBT level, we are almost touching 25% PBT, which is very good. And given the prospects and the performance turnaround that you've seen in last two quarters, this is the reason why the Strategy Committee has placed a recommendation before the Board to consider restating the Enterprise Business as a continuing one.

These are the Global Retail numbers (on the slide) and here is where, if you see, on the revenue front, we've done very well. And that's

again, you know, because of the fact that our bookings and collections have been better and at the same time, while the margins have come down, there are very good reasons for that, which I will cover in subsequent slides. So, first reason that I would like to highlight is the fact that we have done a change in the commercial arrangement with the network, that is with the business partners. In the new system, the student will be invoiced directly by Aptech. This change we have started from April 1 for all Domestic Retail brands except preschool, but this will happen in phases where we gradually migrate all our centers to this new structure and from the date that this migration happens, the students who have enrolled before that migration day - the revenue recognition for those students will continue to be as per the old policy, whereas, for the students who will enroll on or after that migration day, the accounting policies will be different.

Now, what is the difference, I'll explain that in a nutshell. In the old system, which was the royalty income that we used to recognize, we used to recognize only the net share of Aptech. Out of 100 rupees, if Aptech's share was 27 and the Business Partner's share was 73, our revenue was only 27 and we did not recognize the entire 100 as our revenue, whereas, going forward, we will recognize 100 as a revenue and 73 as the cost. This is in terms of the span of revenue recognition. So, in the old policy, it was only the net share; in the new policy, it is the gross student fees that will be recognized as the revenue, but at the same time there will be a cost related to the Business Partner's share.

Now, there is one more difference, which is the basis of revenue recognition. In the old policy, we used to recognize our revenue when the money was collected at the center by the Business Partner, for different components. Whereas in the new policy, it is based on accrual over the period of delivery of the course, which is for the course fee; there are other components which will have slightly different recognition effect, but largely what is going to be the major component is the course fee and that is going to be recognized on the basis of delivery, percentage completion. But the key thing to note is that over the student's lifecycle, the total -- net profit of Aptech remains the same for that student, it does not change and in the cash flow, there is no change. The cash flow continues as it used to be before. The only thing is we'll have a greater control on the collection versus the previous commercial arrangement.

Just to illustrate this change for a student over the lifecycle, we have given this slide in the presentation, and this will give you an idea for a typical student, how the two methods will differ. And here I'd just like

to highlight that there may be a timing difference in terms of the capturing of the profit, apart from the change in the revenue and the cost numbers. So, in the first -- in the old model, depending upon how the collection is happening, whether it is more frontloaded or evenly spread out, so assuming it is more front loaded, which typically used to be the case like it is in this particular example, if you see it in the first three quarters, we have recognized 75% of the overall profit from that student, whereas in case of the new model, it is only 58%. Now, in the current quarter, this timing difference has led to a difference in the profit for the income stream that we have got from this new accounting policy. So out of that 37 plus crores of operating revenue 6.5 crores is from this student delivery income under the new policy whereas the rest of 31 crores is as per the old policy.

Now, just to give you an idea of how one compares them with the previous year same quarter. We have given the numbers if we were to recognize the business corresponding to this student delivery income as per the old policy, our revenue would be 361 lakhs, right, for the quarter and what will the number be for the year is 5.77 crores for YTD FY22. So, basically there is an income addition because we are grossing, an additional income of 2.85 crores. But against this 6.46 crores of student delivery income, there is also the expense related to the share of franchisee as a Business Partner, which is 4.37 crores. So, whatever profit we have done is actually less by 1.16 crores versus what we would have done as per the old policy. And again, this is -- and I explained in the previous example of a student, this is purely a timing difference in terms of when the profit is going to get accrued. So, over a period, this difference will go away for a particular student, but in this quarter, there is an impact of 1.16 crores. So, if we were to report on the basis of the previous policy, however, the PBT for the continuing business would have been 8.7 crores against 9 crores (in the same quarter of the previous year), so, you know, almost flat.

Now, what are the other reasons that account for slightly lower profitability vis-a-vis the previous year: these are the major reasons, for example, one of the reasons is that in December quarter of last year, we didn't have any significant expenses related to ProAlley, whereas, in the current quarter almost 1 crore has been spent on ProAlley. So, if we were to add it back to the profit, to the PBT, PBT would have been roughly 8% to 9% higher than the previous year, same quarter. In addition, as Anil explained before, in anticipation -- given the fact that we've done so well in booking and collections this quarter, and in preparation for the season, the major enrollment season in Q1 and Q2 next year, so we've made investments in manpower

right plus because the business is doing well, so we've restored the salaries and given increments. So, net-net, total expenses towards employment have gone up and the marketing spends have been over and above the spends that we did last year, hence overall expenses are (higher by) roughly 4.7 crores and this includes a bit of travel also, which has started again. So, these are the additional expenses that we have incurred for the reason that we have slowly but surely been moving towards normalcy.

There is another impact related to the change in revenue mix. Lakme, as you know, is one of our strategic growth brands. There we have a share that is to be paid to Lakme Unilever. So, overall change in revenue mix has led to an increase of 1.2 crores in this cost. These are the segments numbers (on the presentation slide). So, a Global Retail segment PBT is almost flat whereas the Enterprise Business segment PBT has gone up 57 times. Then corporate overheads have gone up by roughly a fourth, again that is because we are supporting a much larger size of operations and the fact that we have given salary increases, so that is the reason why corporate expenses have gone up. As you see here student collections have gone up 20%. And this is the distribution of business between Domestic and International. The ratios continue to improve for us. So, I will explain the cash flow part in a subsequent slide but if you see the quarterly return on equity is 7% as against 2.8 in Q3 FY21. So, overall things are moving in the right direction for us across all parameters.

The cash flow as I said initially, we have done almost 19 crores in terms of cash flow from operations in the continuing business, the Retail business. Why the Enterprise business has a negative cash flow is because there was a lot of work in progress, which is recognized in terms of revenue, in terms of the percentage completion about them, which will get built and collected over a period. So, it is negative for now, but this collection will happen going forward, and we paid roughly 9 crores as dividend in the Q1 of this year. So overall, there is a reduction, but these are the reasons.

These are some of the key operational highlights, right. We've added 21 centers in Q3 FY22, the numbers for our Creosouls platform are growing, as our enrollments have gone up, as I mentioned before, the bookings are higher. And while there is an impact that is there from the Omicron wave, which started from mid of December, but things overall for the quarter look much better. Our top three markets in the International Retail are also doing well, even though in Vietnam, there was a significant impact of the third wave.

This is one thing which you know, I would like to really highlight in terms of the kind of impact we are having and in turn our students are having on the world of Media & Entertainment today. Of the 10 films that were nominated for Oscar in the Visual Effects category, we have 49 MAAC students who have worked on these films. These are our alumni who are making sure that MAAC is known for giving industry students who can do award worthy work. And this is not just MAAC, but there are many Arena students as well who are working for these studios and who have worked on these films, which have been nominated for Oscar.

Anil Pant: Could you just stay for a moment?

Saurabh Gada: Yeah.

Anil Pant: Overall, it is more than 100 students between Arena and MAAC. And what is significant is that each one of the 10 movies has a few students from either Arena or MAAC working in them. You can say whichever movie wins the Oscar; you will find that Aptech students are part of that particular movie. It's not even -- I mean, it's like 100% surety of some or the other students being part of the Oscar story.

Saurabh Gada: Right, Anil. We've done many significant marketing activities also during the quarter. Arena celebrated its 25th anniversary in Q3 and we've done a campaign around that. There is a video in the presentation which you can have a look at. Remember, Anil mentioned that there is a lot more student engagement that is happening because of our digital pivot. And one of the exemplars of that is a creative competition that we organized in Q3 in MAAC, which is the MAAC Creative League. As against some 6000 plus students that participated last year, we almost doubled the numbers this year. So, this is one of the results and outcome of the digital pivot that we have done. The job openings and placements that we have done are at a record level as compared to previous years. Another mention that I'd like to make is, of a student, a seventh-grade student that we trained in our Aptech Learning brand who bagged the silver medal at the Maharashtra State Skill Competition in the Web Technologies category, and this will make him eligible to participate in the World Skills Competition. This is a significant achievement by an Aptech student. In the past also our students have won silver and gold not only at the India level but also at the international level.

- Anil Pant:** Over the years, is that in this competition you have typically engineering students who are participating and there is this great kid who has participated in this and scored the silver, so a matter of great pride for us.
- Saurabh Gada:** So true Anil. Just to wind up, I'll play this film, which basically will tell you about the impact that our brands are having. Just give me a second.
- [AV Presentation]:** <https://www.youtube.com/watch?v=dyoZrf2xAJA>
- Saurabh Gada:** So that was the story of Hitesh who rose from a very poor background and is doing so well for himself now. We've done a lot of other marketing activities in our Aptech Learning, Aptech Aviation brands, and in ProAlley, MAAC, and there's a lot of student engagement and digital marketing that is happening and we are very confident of doing well going forward. I am done.
- Anuj Kacker:** Saurabh, Anuj here.
- Saurabh Gada:** Yeah.
- Anuj Kacker:** You know, I think it is important for the investor community also to understand how the digital pivot that we have done is impacting positively the overall way communication is happening and the level of engagement I think it needs to be understood to be able to, you know for them to be able to think through as to what kind of impact this can have on business in the future. Just to give you an example over the pandemic period, we have conducted in excess of 700 student engagement exercises, across our brands. Now, if I were to benchmark this against the pre-COVID times, the number would be sub-100 because there are inherent constraints in doing things physically. The acceptability amongst the students and people at large or the population at large to digital communication has been capitalized by us to deliver very effective communication now what I mean by effective communication. See we are a job-oriented brand, and our engagement with the industry is the key to our success and that is reflected in our studios and the Oscar worthy students that you saw. Now to be able to get this what we teach in the class is only one thing, what we teach through Creosouls another thing, what we teach to other OnlineVarsity platform is another thing, what we teach through our projects and practicals is yet another thing, what we teach through conduction of events which are not mere competitions is actually getting the students prepared for the real life of working is yet another

thing, and last, but not the least, is where they communicate directly with the industry. Now, if a person, let's say, who is the head of the studio will, you know, with great reluctance come to one of my seminars in Delhi and Bombay, and Delhi has no time to go to any other place. But today, I'm able to expose him to the entire student community. And therefore, they get the benefit of this directly. Our is not a -- very often I am asked this question, particularly from a lay journalist, that how does your model get impacted with EdTech on the way. So, you know, the standard stock reply that we have for that is that the issue of EdTech is different, the issue of job enablement is very different. Job enablement is a -- pedagogy for job enablement is a 360-degree approach and without that, it's not easy to get jobs, at least not jobs, which will take you up to the Oscars. So, this pedagogy has been greatly helped by the change in student behavior, our own abilities to communicate, both in the academic sense of the term as well as a marketing sense of the term. Back to you, Saurabh.

Saurabh Gada: Thanks a lot Anuj. I think that's a very important point. And with this we have covered the update for the quarter, and we can now open for questions, Siddharth.

Question-and-Answer Session

Moderator: Thank you very much, Dr. Pant, Dr. Kacker and Saurabh, for a wonderful introduction on the company and the results and the changes in policies. Since it's a, you know, open session for all investors, you could, you know, just unmute yourself, and, you know, ask the question to the management directly.

Jinesh Joshi: My name is Jinesh Joshi. I am from Prabhudas Lilladher.

Moderator: Sure, Jinesh. Please go ahead.

Jinesh Joshi: Sir, my question is with respect to this change in accounting policy, if I'm not mistaken, Aptech share in collection by franchisee is roughly 26% in domestic markets and approximately 20% in international markets. So, now with this entire share of 100 rupee, which was kind of highlighted in the example which Saurabh gave, now that entire component will be recognized as a revenue rather than our share itself. What has prompted this change, because this is just changing the way we reflect our financials, but impact on profit is negligible and also the cash flow there is no impact. So, it essentially gives us an artificial size advantage. So, what has prompted this change?

Ravi Shankar:

Well, Ravi Shankar this side, CFO of the company. It is not to artificially increase the topline of company that we had resorted to this. Essentially, if you see over the period of time, the company's network centers got expanded from about 500 to now about 800 plus. Now, given this increasing size of the network and the need for compliance all across whether it is in terms of laws as also in terms of the monies, which are collected from the students in various forms, the fact that Anuj mentioned that the digital pivot has now come to stay. Obviously, a good part of the collections is also through the digital mode and the online transfer of money from students directly to the company is facilitated. Having said that, the first thing that happens is there is a complete uniformity in the delivery of education from the company to the students across the centers as compared to a franchisee doing it in bits and pieces, that is the first one.

The second thing is, as far as the compliance is concerned in terms of the GST law has been here and there an issue for us. That is also ensured that there is absolutely no issue whatsoever the company does the GST compliance enblock for the entire network of centers. Third is the fact that we have now accrued about 8.5 crores of income in the three-quarter period, as was indicated by Saurabh in his presentation, there would not be a single rupee of a receivable in terms of debtors, and therefore the possibility of delinquency would be practically zero in this case. So, these are some of the distinct advantages apart from the fact that you need to own the network for sizable company. And going forward, this is what we want to establish both in terms of quality, uniformity in approach, and the ownership of the network that the company has.

Jinesh Joshi:

Okay, sir. But at the end of the day, our share remains intact, right. I mean, what do –

Anil Pant:

Jinesh, let me also add one more point. See one of the questions, I actually covered this during framework but one of the important things that this is going to do is it is going to ensure zero delinquency and it will even out the business cycle. So here you will not see those peaks and troughs, which used to happen in terms of profitability, your topline, accrual is a much more refined method of ensuring that you don't have those peaks and troughs in terms of top line and bottom line, so we are talking for a business to be on this model. While Ravi explained to you the financial part of it, also, from an investor perspective, a lot of people ask me, why are your numbers so different across quarters. The objective is that once over the next six quarters, everybody comes on to this method of accounting, the top line and the

bottom line will be in line with the student delivery, and it will be even across months across quarters.

Jinesh Joshi:

Sure, sir. Thank you so much. One follow-up from my side. With respect to the Enterprise Business over the last two quarters, it has done exceptionally well and now we are reconsidering not to show it as a discontinued operation. What exactly has changed? I mean, can you highlight and how sustainable is this trend?

Anil Pant:

There are two things which have happened. One, the technology stack today, as we speak, it's been benchmark tested, and evaluated by some of the country's best experts and it's been rated number one in at least four of the tenders that we participated in. The second important thing that has happened is in this technology stack, the ability to assess the student is not just on multiple choice questions, there are about 10 distinct question types, which have been brought into this, including video-based questions. So, a combination of all this has led to us winning some sustainable orders to the extent of about 100 plus crores a year and, you know, the breakeven on this business happens at about between 56 crores and 60 crores.

So, the moment you got 100 plus crores of revenue, the remaining part of it is pure bottom line. And so, this is not going to bleed the way it did earlier. These are three-year renewable, extendable by another two-year kind of contracts. And the fact that in the last two and a half years of business, there has not been a single bad delivery, the fact that collections have been more or less in line with the revenues that we've generated. So, the Board felt -- I mean, the Strategy Committee felt that didn't make sense to put it on the market for what we were getting, and they recommended to the Board to continue it as a continued business.

Jinesh Joshi:

Sure, sir. And this Rs. 100 crores of orders which you highlighted, I mean, what is the visibility? I mean, this might be a -- is it a recurring theme?

Anil Pant:

Yes, that's why I said the three-to-five-year contracts. We know which quarter -- see I mean, for these 100 crores we have the visibility quarter wise that it will happen in Q1, Q2, Q3, Q4.

Jinesh Joshi:

Okay, thanks. Thank you so much.

Anil Pant:

Yeah.

Moderator: Sir, you can ask questions.

Ashwin: Hi. This is Ashwin here from Samatva investments.

Anil Pant: Yeah. Go ahead Ashwin.

Ashwin: Hi. Yeah. I have a query on the institutional business, so right now we have won a big order and the numbers are coming in that is clear. But is it a function of not getting a good price for the business or because remember, one of the reasons that was given for not wanting to continue that business on the institutional side was the very nature of the business, in terms of dealing with government agencies and the whole thing? So that won't change, right? I am just trying to understand why this change. Is it only because we won the order and now are able to be sustainable, or what else has changed apart from the sales that is coming in.?

Anil Pant: So, Ashwin, there are two things in this, this business had been de-risked in the sense that we were not going too much behind state government business, which was risky. So today, we kind of customers who are on board are institutes of national importance, Central Government PSUs, Central Government testing agencies, where the money is safe. You know, you don't have to worry about getting your money, it comes in within 90 to 120 days. Now, once the team was able to demonstrate that to the Board and deliver well, and get the technology stack certified by experts that this is going to, I mean, at least as we speak, there are no dangers in terms of this tech stack being hacked, or, you know, question paper leakages, etc.

The Board felt that the business has got de-risked, the margins are good, got long-term contracts, therefore, it makes sense to continue it. And obviously, we had indicated that there were certain prices that we wanted, and I did say that we were not able to get the right kind of buyer for this business. So obviously, it doesn't make sense to sort of let go off of the business, which is doing well and not realize value, that is equally not fair to the shareholders. So, we've decided that we will make a go with this business. The Strategy Committee has recommended to the Board. The Board has asked for some more documentation, which will be presented in its next meeting. And they will take an appropriate call there.

Ashwin: Let's say, at some point in the next one, two years, if you get a good enough price for the business, will you it be let go; if you get a price as you like?

- Anil Pant:** That's the thing of the future, Ashwin. I mean today -- I'm sharing things the way they are today. Today, this business and all along even in my TV interviews, I've maintained that this business was never a bad business. Indeed, on the front of technology, it is one of the most impressive pieces of technology that exists anywhere in the world today. And the only reason we wanted to let go of it was that we didn't have the ability to make it profitable. Now the fact that this business is profitable, as demonstrated for two quarters. We have a visibility, at least for the next two to three years. Makes sense to continue with it as a going business and see where we go two years from now. Two years from now (if) somebody comes up with a great offer, that's a call the Board will take.
- Ashwin:** Got it. Got it. Thank you.
- Moderator:** Next question, please.
- Apurva:** Hi. This is Apurva here. I am an individual investor.
- Anil Pant:** Sure, Apurva.
- Apurva:** My question is on, so around how much money have been incurred on ProAlley so far? Wouldn't it be good to show it as a separate company or as an investment? It just drags down the total net profit and margins too.
- Anil Pant:** I understand, Apurva. It's a call that the Board has taken that look, we are not in the valuation game, right. I mean, it's not as if we want to create a unicorn with ProAlley in the next six months. For us, we maintained that ProAlley as another good method of delivery for us. We have online delivery, we have cohort learning, we have in-center learning and ProAlley is the fourth delivery methods for us, which is self-paced learning. Now, that being the case, the Board felt that today the company has the ability to grow this organically and we have taken that call. If at some point of time we feel that the investment that we need to make in this particular business justifies floating it as a separate company, the Board will take a call at that appropriate time. But today, we don't want to get into this space of creating valuation, we believe that ProAlley can be a very, very valuable investment for us so we will rather retain everything ourselves rather than give it away to people at this point of time.
- Apurva:** Okay. Thank you.

Moderator: Next question please.

Ashwin: Hi, this is again Ashwin from Samatva. A quick query on the Retail side of the business. Given the bookings that we have seen now, to note that they've come back to the pre-COVID levels, so what kind of numbers should one expect in the next two years broadly in terms of revenues that would be a good number?

Anil Pant: Sure, I'll let Anuj answer that question; Anuj Kacker, who's our global head of the Retail business.

Anuj Kacker: What we normally prognosticate is in terms of the jobs which are available. As you know, in our major businesses, we are already the leader by far. In Arena, in the Media & Entertainment business, we are leaders by very long margin. And even in the Beauty business, which is a third biggest business, we are already ahead of the -- so we are the largest in the country today in terms of number of students. So in that kind of strategic scenario, your growth will come from expansion in the number of jobs and then expansion in the market itself and not that much by increasing market share, while it can happen in the beauty business certainly. So, we have to look at the trends in each part.

Now let's look at first the Media & Entertainment business what's happening. If you see, even during the pandemic period, and certainly that has only accelerated the trend towards production, content generation, and content generation is essentially what our students work in, in a very broad sense of the term that both in terms of number of jobs and in terms of the number of companies employing our students has been increasing. And if you look at all the secondary data, also they are all talking in terms of a very, very healthy growth of those industries. Now overlay this with the new emerging technologies, which are coming in, let's take Metaverse for example, and blockchain technologies, NFTs, all these also are potential areas for our students to do the work that they're doing and get employment in those areas.

Gaming, of course, is a very big one for us. Currently, Gaming is accounting for less than 5% of our employment base but in the next three years or maybe sooner 2024, 2025, three years, Gaming is projected to be multiple times the number of entire film industry of the world. So entire film industry of the world in one place will be overshadowed by Gaming in a very big way and that is a very small

component of our business, currently as it is for rest of it. So, we will also ride that curve as we go along.

As far as the immediate as well as the medium-term business is concerned, the number of jobs is only going to increase many fold and if only we don't even increase market share, even if we maintain our market share, I think we will surpass all and possibility is endless. Even as we speak, forget the future, we have more number of jobs than the number of students that we have for them. So, it's another good problem to have in one sense of the term and a bad problem in another sense of the term because it essentially means that I am underplaying the market in by about – I am leaving something on the table for somebody else to take, which is a potential even in the immediate term from a market perspective.

Now, if you look at the Beauty business, what's happening on the Beauty business, the pandemic has created a trend towards consolidation who got impacted the maximum, it is the mom-and-pop shops, the roadside sellers, the neighborhood salons, and so on, so forth. So, there is a trend towards consolidation, there's a trend towards safety awareness, which is placing organized players at an advantage and since we are keeping more towards the organized players, so there is a natural advantage which will flow on to us. Then there is a direct-to-home services, which are becoming very popular, where the beauticians go to the people's home and deliver the services. We have started the -- our students are getting employed in those areas also.

If you look at the macro environment, you know, all the winds which are there are tailwinds. So, we really have to do a very, very bad job if we have to -- if we don't grow at a multiple -- at an exponential rate.

Ashwin: Yeah, sure. Thank you.

Moderator: Thank you, Ashwin. Next question, please.

Nitin: This is Nitin, I'm an individual investor. Of the agenda for accounting that you have implemented, you see a revenue of almost 37 crores, 38 crores for this quarter. The same thing implemented for this quarter and the revenue stated around like-for-like basis with the previous quarter, or is it a methodology that you plan to implement going forward?

Anil Pant: Ravi, you want to take this question?

- Ravi Shankar:** The previous year last quarter has not been made up like to like, but that would be very, very presumptuous to do. And therefore, this year, this quarter, in fact, we had started it from April onwards, and it has slowly gathered momentum and so much, so we have migrated about 246 centers till now, still about 600 centers to go. So, this is likely to take about 18 to 24 months to complete the entire program of migration of all the centers. And you would see that of the 37 crores of topline, about 8.5 crores came from this stream, which is the new stream.
- Saurabh Gada:** Ravi, sorry to interrupt. 6.5 for the quarter.
- Ravi Shankar:** Yeah, 6.5 crores for the quarter and YTD I am talking about, it is about 8.5 crores. So, for the nine-month period, it's about close to 8.5 crores and so this will go on increasing, while the other top line in terms of the collection-based royalty income would go on reducing. So that is how it has been in the past for the company.
- Anil Pant:** Ravi, you might want to elaborate on that business from new students?
- Ravi Shankar:** Absolutely. This is effective first of April 2021 and therefore, it is only restricted to the centers and the students who have come into the fray of Aptech effective 1st of April 2021.
- Anuj Kacker:** Rajiv, sorry to interrupt again, more precisely from the date of migration, not the –
- Ravi Shankar:** From the date of migration, yeah.
- Saurabh Gada:** Which will be different for each center.
- Ravi Shankar:** Absolutely, as and when they go into this stream.
- Nitin:** Just for a clarification, see, I would just try to give my understanding of it, right, what it would typically mean. See you have implemented the change from 1st of April, right. Revenues for this particular quarter, which is stated at around 37 crores, 38 crores, it is inflated or - - inflated may not be the right word, but it's not like-for-like. So, the growth that I'm seeing right now is not a growth in the real size of the business, right. I hope that understanding is right. If I look at it from that perspective, so what would be the real growth or growth curve that you have versus last year for the same quarter in the Retail business.

- Anil Pant:** Nitin, these questions, this has also been covered in our results where we've mentioned this in our notes to accounts, right.
- Saurabh Gada:** And it is also there in the presentation.
- Anil Pant:** And we intend to be absolutely transparent about this. If you look even in the presentation that we've made, we've shown what is the increase on account of this. If you look at 37 crores, I think 6 crores is the accrual that has been taken out of 37 crores. If you want to know what would have been the number comparable to last year Q3, it would be 37 minus six, plus whatever share of the 6 crores we'd have taken in the old stream of things.
- Saurabh Gada:** Anil, which, is 34.4 crores.
- Anil Pant:** Yeah.
- Saurabh Gada:** It is there in the presentation.
- Nitin:** So, it was of course of 25 crores, 26 crores of last year, right? Is the understanding, right?
- Saurabh Gada:** Correct.
- Nitin:** Absolutely. You also mentioned at some point in time, I think I'm just digressing from this point, okay, you mentioned a number of centers that you have opened in this quarter. So, I just missed out on that number –
- Anil Pant:** 21.
- Nitin:** 21, okay. And what is the visibility that you have in terms of the centers that you will be opening in the quarters coming forward?
- Anil Pant:** It will be more than this every quarter, going forward, similar numbers.
- Nitin:** So where are they standing right now, in terms of absolute number of centers at this point in time?
- Anil Pant:** Where are we, Anuj, do you want to take that?
- Ravi Shankar:** Saurabh, you have the number readily with you?

- Saurabh Gada:** Give me a minute, I'll just confirm that number here.
- Anil Pant:** Okay. Okay.
- Saurabh Gada:** We can proceed to the next question. I'll come back with the answer to Nitin's question.
- Anil Pant:** If it is an approximation that you want, it's about 800 centers, globally today, right. And we intend to add at least about 80 to 100 centers every year.
- Nitin:** Okay, okay. Thank you. That's all for me. Appreciate it.
- Moderator:** We have a next question from Sunny Gosar. Sunny, you can unmute yourself and ask a question.
- Sunny Gosar:** Yeah. Thanks for taking my question. So basically, as the company moves back into profitability, and we start seeing positive free cash flow, so what's the capital allocation thought process going forward? Are there any inorganic opportunities that you will look at to deploy this cash? And the second part of the question is -- second question is basically some of our nascent segments like, say, Aviation and Preschool, so where do you see those divisions heading and what are the growth plans there?
- Anil Pant:** Sunny, we will answer this in two parts. I'll take the first part. Anuj will answer the second part. You're right that -- look at what's going for us, okay, we're generating free cash, probably we will be at about 40 crores, 50 crores a year, next year, it should be significantly higher than this. So, there are only two ways for us to deal with this -- three ways to deal with this cash. I mean, if we want to make investors very happy, for me as a CEO, I would like to use this free cash to make inorganic acquisitions and grow the company. But as a listed company, we also have a responsibility to our shareholders so that we have a dividend payout policy, any money beyond this dividend, we would look at investing in looking at acquisitions. Now, you will appreciate, Sunny, that, till now, we've been a company which has been making profits in that 18 crores to 20 crores range and giving out dividends between the 9 crores to 18 crores range. There was never any cash available for acquisitions. So, as this condition keeps improving, we will be on the lookout for inorganic acquisitions and to that effect, we are speaking to our Board to sort of build a strategy

around that. Does that answer your question on the cash and the life forward?

Sunny Gosar: Yes, partly it does. And basically, are there any focus areas or are key strengths, which – where the inorganic strategy is more relevant. So, what –

Anil Pant: We would continue -- we would look at obviously, going at -- or looking at companies which have a similar philosophy as ours, which is any training which leads to employment. We would not -- and this I will be very categorical about. We will not go around looking to buy companies, which believe in burning money for customer acquisition. We will look at companies which are small in size, and which can, with our help, scale to global size, because we are present in about 30 odd countries. We will look at companies which are in the space of creating employment as an end result and of course, in the white-collar space. And we are very clear about where we want to be associated.

Sunny Gosar: Right. And is there a scope to take say something like a Lakme Academy global or say, MAAC -- something like MAAC or Arena because largely India focused as of now, is there a possibility to take these global?

Anil Pant: We have already started on that. We've opened our, I mean, our first center of MAAC in Vietnam, is doing very, very well. In fact, last year, the system wide collections, Anuj, if I remember correctly, has crossed a quarter million dollars.

Anuj Kacker: That's right.

Anil Pant: Right. And we are opening our second center of MAAC in Vietnam. Arena, we are already present in I think about six countries, we are looking at expanding the footprint on that. And on Lakme, the challenge that we have with Lakme is that –

Anuj Kacker: There is correction, Anil, Arena is in 12 (countries).

Anil Pant: 12 countries. Thank you. Thanks for that. The challenge with Lakme is that, you know, by the skin type and hair type, you're basically bound to South Asian and some Mediterranean countries, you miss out on the Scandinavian and African and Oriental countries, because it doesn't, sort of -- these products don't go there. So, Anuj and his team would obviously be looking at what we can do with our expertise in

India to expand the Lakme brand in the countries that we operate in and obviously look at other opportunities in places where Lakme is not a right fit.

Sunny Gosar: Right, right. Thanks. That was quite detailed. And if you could also basically answer the second question in terms of what are the growth plans for some of our nascent businesses like Aviation and Preschool?

Anil Pant: Anuj, I said Anuj would take it.

Anuj Kacker: Yeah. If you look at Aviation, as a sector; Aviation sector, obviously, in the pandemic -- both sectors that you mentioned, obviously, were in the worst state and that does not need any elaboration. The Preschools business has remained closed since the first lockdown. While that's sad in its own sense because these are the first two years -- that particular age will never come back for those children, so they have missed out on various developmental goals, because these are very sensitive age for a child. But having said that, within those constraints we have, even during the pandemic period, worked on different pedagogies and validated those pedagogies for achieving similar or good enough developmental goals for the children. This is all about meeting the developmental goals of the children, it's not as much about generating customers.

If you look at, you know, for example, we have used Augmented Reality in a very big way to engage the child in a very realistic scenario. See, today, the so-called teaching tools that we have are augmented features and these are all digital native children who quickly adapt to technologies, so we have tried to use age specific technologies. Now, how does this look going forward? A lot will depend upon the pandemic as to whether physical schools get reopened and if it gets reopened with what constraints, what safeguards etc., but there your guess is as good as mine. But if you ask my guess that I think we have the virtues of what Anil mentioned and if I look at the Maharashtra Government circular which was issued, I think two or three days back, they allowed preschools to be open, so the trend is positive. Once they get back then we will be back on a good path for those things, and we will reinstate all that we have lost in this business.

Coming to the Aviation business; Aviation business has done reasonably well, again, despite the pandemic. Again, the tailwinds are growing in its favor. If you look at flights, they are full, if you look at the number of airports that are getting set up in the country, just for

your information, you know, our students are more employable not as cabin crew, in case you carry that perception, they get more employed in the airports and in customer interface roles. So, the growth of that has been very good and even if you look at any secondary data, you will find that the employment potential is increasing every day. Yes, it is prone to humps, like, you know, both in perception terms and like it happened in the case of Kingfisher, although in realistic terms, when Kingfisher closed down, the perception around the sector was impacted, although the number of jobs that our students were getting were not. So, we are prone to perception changes, as well as real changes like the pandemic.

So as a strategy, what we have done is that we have broadened the course basket in Aviation sector to include all customer interface skills. So, for example, what we teach in the courses is not very different for an airline as opposed to, let's say, Hospitality sector or Hotel sector or any sector which requires a customer interface role to be played. So, with that enlarged employment basket, I think, about the medium term, we've de-risked ourselves fairly well and we will stand to gain from that the de-risking, thereby opening up more potential employers for our students.

Sunny Gosar:

Right, right. Thanks. Thanks for the detailed answers and look forward to some exciting times going ahead.

Moderator:

Thank you, Sunny. Sir, Mr. Pawan Parakh has posted a message on the chat. I'll read out the question. Lakme has been a great success for us. Are we looking to add more such verticals, either through organic or inorganic manner?

Anil Pant:

Okay, the very short answer to that is yes. Okay, and very short answer, yes. Unfortunately, it would account -- you know, we're talking with multiple people, for various businesses, okay. We can't share that because it is price sensitive information and as and when something comes up, we will inform the exchanges of that appropriately but, yes, there are multiple discussions going on.

Moderator:

Right, sir. Point taken. I'm just checking if there any hands raised as of now. In case you have any question –

Urmil:

Siddharth, I have a question. Can I go ahead?

Moderator:

Yeah, Urmil, please go ahead.

Urmil:

Yeah. Anil, sir, basically, this is more strategic and at the industry level. So, we've seen Microsoft becoming, you know, taking upon that the Gaming industry, and, you know, IT Services are seeing a lot of work as regards user and employee experience, which does converge on, if not directly on Gaming but on the digital side. So, do you see opportunities for, you know, our courses in the, you know, a much broader application than what it was earlier? And does that -- and you mentioned that, you know, the jobs are more than the, you know, the supply which you are able to provide. If not absolutely in the near term, maybe two three years down the line, does that provide companies like us a pricing power, might not be for the existing course but by adding more value, you'll be able to enhance revenue goals.

Anil Pant:

So, Urmil, the answer is absolutely yes. So, let me give you an example here and my favorite example is that of engineering. Today, you know, a person who does an engineering program spends four years, spends about 10 lakh rupees and about 25%, 26% -- between 25% and 30% of these people get jobs and the average salary for an engineer is still sub four lakhs per annum. So, on a 10-lakh investment four years' time and four lakh rupees per year salary, you're talking about a return on investment of 0.4.

Now, you compare this with my programs, my programs today are priced at 1 lakh rupees on an average per year and the average salary that my students get is between three and a half and four lakhs per annum. So, if you look at the return that I give them, it's between 3.5 and four, which is almost about anywhere between 8x and 10x better than what an engineering student gets. When I compare even the career prospects for my students, they are as good as for any engineer. For example, a person with 10 years experience in Media & Entertainment would be in that 18 to 25 lakhs salary range in Animation, VFX and Gaming, similar would be the course for what would be the price range for project managers in the IT space.

What we pride ourselves on is not being predatory in terms of our pricing. Today, because I'm giving the 3.5x to 4x return, I can easily double the course fees and still probably get students, but the idea is never to make it predatory but to make it affordable for everybody. And if we were to go the way of doubling our price or tripling our price, it is still a great value proposition, but we will miss out on the thousands of youngsters, who cannot afford to pay those two to three lakh rupees fees to join these programs. Now, what happens typically is that these kids join us -- you know, invariably, what happens is that

when a poor child joins our program, they take a course, they select the lowest value of course of maybe 25,000, 30,000 rupees, get a job which gives them maybe 8000 to 10,000 rupees while studying this. Once they start earning, they come back and join the more comprehensive programs.

We will continue to be like this as a company and where we are investing big time, Urmil, is in terms of actually trying to educate the masses that there are great career opportunities here. Now, the problem that we have is that, like, Anuj rightly said, the number of jobs and the number of recruiters is far more than we can service today. We have almost 2300 plus recruiters, you know, who want to hire from us, this is listed with us. I mean, there is no way we are able to give students to everybody. So, the hope is that with the continued investments in marketing that we are making, we will be able to get this number of 35,000, 40,000 students, to maybe two times three times the number that we have, as early as possible. I mean, today if I had 100,000 students, I will be able to place them with them, it's that simple.

Urmil: Sir, does the change in the arrangement wherein we would be invoicing the students directly enable in two things, one is enhancement of the course as well as tender value that we charge?

Anil Pant: More than the value, it is – we explained the reasons. It is control over the network, it is control over delinquency, it is smoothing the revenue and profit curve, it is increasing the engagement level with students. Ravi rightly said that, you know, as we become larger, that we have to keep looking at all the compliances in a very serious way, so GST compliance. I think Ravi is worried that, you know, if some of your franchisees default, Ravi, they will be coming behind you, right?

Ravi Shankar: I would not be entitled to input credit immediately.

Anil Pant: Yeah. We have to -- these are the various reasons. I mean, what I want to reassure everybody is that our intention is not to artificially inflate our numbers.

Urmil: Absolutely.

Anil Pant: Okay. I mean, the fact is that it makes sense for us and it will give you a much better idea of what our size is once we actually get to this. And you will see -- you know, today even reading the 2%, 2.5% of leakage that is there in the system, that will get completely eliminated, right.

So, these are the reasons why we've done this, and we've been very transparent about it. I mean, we've carried this as a sort of load in our accounts and this is the first quarter when the numbers have been significant. And we've gone out of our way to make a presentation on this to explain that look this is -- you know, it should not have been 6.5, it should not have been this much higher, this is a comparable number. We've even shown that in the link.

Urmil:

Yeah, yeah. My question was actually, you know, when we announced the program, when we improve it over the next two to three years, as we always have to do it, with the enhancements itself increasing the value of the course, you know, help in the new engagement?

Anil Pant:

Absolutely, it does. So, let me tell you one more thing, Urmil. I mean, today, I would actually like Anuj to talk about it. Anuj, you've got a few 100 faculty who have already been trained on the Metaverse, right. I mean, why don't you just share that with the investor group? I know it's not -- we don't have a slide on our deck, but I think you should share that because that's very relevant. I mean, we intend to start programs on this in the next few quarters.

Anuj Kacker:

Before I dive down into training, I think let me answer, add one more point to the answer that is recruitments. It gives us more flexibility because once a student is with us, and in the choice of the delivery model, we could, for example, theoretically speaking, introduce a 30-hour course -- let's say a 20 hour module in a 300 hour module with the rest being done by the franchisee, because for these 20 hours, the franchisee will never get the right faculty. And I'm able to aggregate all the franchisees student centers across the different centers into a central pool for those 20 hours of that course. And here is where I will get Metaverse as an example.

You know, already we have trained all our -- with the help of Epic Games, we have already trained our people in various Gaming technologies and the concept of the Metaverse, and we have very robust plans, which we are drawing up under the various opportunities, which the Metaverse will throw up in the next one to three years timeframe and even longer. But right now, we are looking at what are the opportunities in the one-to-three-year timeframe, which are very real and around the corner. Yes, there will always be continuous debates on the hype versus substance, but we'll leave that debate for another forum. And the crucial part for us is for us to be able to capitalize on the hype itself, even if I assume that it is right.

Then the perception, we are one of the early birds in this whole game of being in this space. And this has been one of our things.

Please look at our long-term history, our long-term history has been riding waves. It is like Arena was at one time called Arena Multimedia and we were by far the biggest in the in the space and then only Multimedia was the technology dominating it. Then in the early 2000s Animation started becoming big, so we added Animation to it, so they became Multimedia and Animation. Then come to late around 2010 and the early '10s, VFX started coming in a bigger way. So, we added VFX as a domain in the certificate Multimedia, Animation, VFX. Now Gaming has come in, so now it is Animation – Multimedia, Animation, VFX and Gaming. Metaverse XYZ will go on coming in and we already have three or five in our mind which we are working on, very actively working on I will put it to add to the whole dimension. Now a person learning Multimedia has nothing to do with a person learning Gaming, absolutely nothing. But in the sense that these are all separate markets, which go on opening up once you're in that space. So, this is another growth vector for us, which is newer domains in the Media & Entertainment space and certainly Metaverse is one of those.

Urmil: Sure, sir.

Anil Pant: Anuj, another interesting thing is that we were almost about 0.5 million alumni between Arena and MAAC over the last, you know, 20 odd years. Now, some of them may want actually to upskill, people who probably gone out three years, four years back or maybe six, seven years back in multimedia, they come back to us on Animation, VFX, Gaming. Gaming is just exploding and so are our numbers on that. Now, I mean in the coming year, we tend to invest very heavily on Gaming, whether it is post development, whether it is building center capability, whether it is getting student engagement on that, training our faculty, creating a solid pipeline for Gaming jobs. So, it's very interesting times that we're living in.

Urmil: Sure, sir. That was very detailed. And just my last question. In the last quarterly call you mentioned, you know, ProAlley speaking about two to three quarters for getting more courses on board. Just an update on that would be helpful and is there is any refresh --

Anil Pant: So in this quarter, we expect to launch at least north of ten more courses, okay. I'm very happy to share that the engagement is really doing well on ProAlley. I mean, we've crossed, I think about 300 odd

paying customers. We have thousands of people who are interacting, literally playing with ProAlley on a daily basis. I mean, it's not even thousands, I think it would be tens of thousands. So, it's doing very well, much better than what I expected. And hopefully, you know, as we keep on adding courses, the engagement with people will keep increasing, the conversions will keep increasing, and it will become a significant delivery platform for us.

Urmil: Sure, sir. Thank you so much.

Anil Pant: But it's doing very well and the feedback that we get from our users, I mean, the team in ProAlley is doing a wonderful job of connecting with the people who are using it. You can go to the ProAlley platform, you will already find testimonials from users on how they benefited from this. Like I said, you know, we are not in the valuation game, we are in the game of creating a valuable business. How the market uses it, I leave it to the market.

Urmil: Right, sir. Yeah. Siddharth?

Moderator: Ya. Do we have any more questions from participants? You may unmute yourself and ask your question, in case you have a question.

Nitin: Yeah. Thank you. This is Nitin again. What is the split of business that you have between India and outside India and the new markets that you intend to explore? Could you also give some color or some flavor on the quantum of business that you might have lost because the pandemic or the lockdown in this quarter? And what are the major markets, which might have been impacted on account of it?

Anil Pant: Anuj, would you like to take?

Anuj Kacker: Yeah, sure. The first part of the question, it's in the deck. Saurabh, you want to cover it.

Saurabh Gada: Sorry. I will just mention the number, Anuj.

Anuj Kacker: Yeah. Yeah.

Saurabh Gada: So out of the 37 crores in this quarter from Global Retail, so 29.5 is from India and roughly 7.5 is from the international markets.

Anuj Kacker: Yeah, the second part of the question is the effect of the pandemic. I think the effect can only be determined from where? If you're looking

at what we were pre-COVID, as we mentioned, we're already back there as far as the lead indicator of booking is concerned. As far as collections are concerned, the collection is accumulation of collecting from the fresh students as well as collections from the previous year's students. So in the previous year, certainly our booking was lower during the lockdown period and therefore the carryforwards of those are -- have started catching up as the students have started almost being back to business, whether physically or digitally has stopped mattering to us. For example, just when the third wave hit, we didn't even blink, as opposed to when the first lockdown happens, we had to reinvent the whole processes and we have to issue new modules, new processes, new control, everything was new. But by the time the second wave came, and, you know, we already had centers that were very used to doing what they were doing and the third wave, we didn't even blink really. So, students are now coming and going.

Now another way of asking the same question is from what could have been. One is to look at where we were, other is what could have been. Yes, if you're looking at it from where it could have been, even a high growth trajectory, we are not at the same high growth trajectory but as the student gets more accustomed to the blended form of learning, we expect that also to go away. See, for example, we used to get a lot of students from outstation coming to the nearest town to study, so that trend has caught on only in the October, November period, we saw a lot of them coming back.

The third wave could have impacted that a little bit of the people who come from, let's say, Unnao to study in Lucknow or people who come from Meerut to study in Delhi and so on so forth. I mean a Solapur guy coming to Pune or Bombay. So those that set of students who still have a little hesitancy and those people are preferring to do full time online, remote. When I say online, I mean remote live delivery. But it is integrated into the same course at the same price levels, there's no change in the price level.

Anil Pant:

Saurabh, if you could actually also share the growth path that we were on was significantly higher than where we are today and the moment, I think it reverts to normalcy, we should get back there very quickly.

Saurabh Gada:

Yeah, I'll just show that slide of the presentation, Anil. I'll share my screen here, just a second. Can you see the slide (Slide # 30 of the Investor Presentation – January 2022)?

Nitin:

I can see it, thank you. Thank you.

Saurabh Gada: This is the pre-COVID trend in booking and collection. If you see the trend was continuously, you know, increasing. This is quarterly chart.

Anuj Kacker: The way it clears -- it also brings up the clear seasonality in the business.

Saurabh Gada: Correct.

Anuj Kacker: And the seasonality, while it remains in the collection wave, you will see the amplitude has reduced because of the previous year's collection also comes in, in the following year. While the wave remains from the fresh, the wave gets dampened because of previous year's collections coming in. You guys are better at reading these things that I shouldn't be telling you this.

Saurabh Gada: This is what you wanted to show, right, Anil?

Anuj Kacker: Yeah. So now if you were to see that the trend which was upwards in the 2-year, interregnum, it ought to have covered, the consistency would have taken it higher and we are really at the previous level, so to that much you can give the impact of the COVID to that delta. Did I answer your question, sir?

Nitin: Sure. I think it's an elaborate answer. So, thank you for that. There's one last part of the question I had was, any further new market study you are planning to explore, or would you want to do it once the pandemic is over and normalcy is back.

Anuj Kacker: No, no, I didn't answer the question from an international perspective. I think that is also relevant to some degree. See, our biggest market outside India is Vietnam and Vietnam had a very different trajectory of COVID as compared to India. Vietnam in the first year, when we were massively impacted, Vietnam story was very different, in fact they grew leaps and bounds, they did excellent job about of controlling COVID and while there was a psychological impact, there was a fear impact, but business impact was minimal. The story reversed for them in the second year. When we were less impacted, they were like, completely blown away by COVID, so that they got impacted much more in the second year than in the first year.

Now, that way each individual country has its own ways and all this thing, because -- so the impact was a little different across each geography. Now coming to the question on new geographies, I think

the value proposition remains completely intact, if at all, it has grown and therefore, we have added several countries in Africa, even during (the pandemic) DRC, the Democratic Republic of Congo we have added, Honduras we have added. Many countries we have added in the -- even during the pandemic period. So that's an ongoing process of evaluation, finding the right partner, finding the right value proposition for the country, and there is no change in that process, absolutely.

- Nitin:** Thank you for everything and wish you all the best for the future. Thank you.
- Anuj Kacker:** Thank you.
- Moderator:** Do we have any more questions? Sir, I guess I'm not able to see any -- I'm not able to see any hands raised. Urmil, can you see any hands raised? No.
- Urmil:** No, Siddharth.
- Moderator:** Yeah. Yeah. So, sir, I would like to thank Dr. Anil Pant, Dr. Anuj Kacker, Mr. Ravi Shankar and Saurabh for another insightful session on Aptech and its growth prospects, and also to my colleagues and all the participants of today's call. Trust me, sir, it was indeed a huge learning experience for us today and we go back more convinced on Aptech's robust future. Thanks a lot, and greetings for a wonderful 2022 to all of you.
- Anil Pant:** Thank you, Siddharth. And the presentation will be up on our site and all those nice videos which we have not played today, people can log in and see all that stuff. I mean, every quarter we promise to bring something new, a new story. Thanks.
- Moderator:** Sure, sure. Thank you very much.
- Saurabh:** Thank you. Thank you, Siddharth. Thank you, everyone.
- Moderator:** Thank you.