

MANAGEMENT: Dr. Anil Pant, Managing Director and CEO

Dr. Anuj Kacker, President and Executive Director

T K Ravi Shankar, Executive Vice President and Chief Financial Officer

Pravir Arora, Chief Marketing Officer

Saurabh Gada, Consultant, Investor Relations

Disclaimer: The transcript has been edited to ensure readability without any change in

the meaning.

Presentation: https://www.aptech-

worldwide.com/downloads/investorPresentation/AptechLimited-

Q1FY2022-23ResultsUpdatePPT.pdf

Saurabh Gada: Good evening, everyone and welcome to Aptech Limited's Q1 FY23

Quarterly Earnings call. I have with me today, Dr. Anil Pant, our Managing Director and CEO. We also have with us today, Dr. Anuj Kacker, President and Whole-time Director, Mr. T K Ravi Shankar, CFO and Mr. Pravir Arora, Chief Marketing Officer. I will now start sharing my screen and will begin the

presentation.

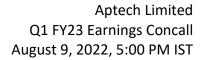
Saurabh Gada: [Slide 2] So we had a really good quarter in Q1 and you know if I were to

just summarize few key highlights from the performance for the quarter, one key important point that we want to bring to your notice is the fact that if you look at our student collections and the revenue that we have generated from student collections, we have surpassed the pre-COVID level which is for Q1 FY20 in the Domestic as well as the International Retail business. And if we were to look at the profitability and profit metrics those are also higher than the Q1 FY20 levels if we adjust for the migration to the Student Delivery model that we did in the previous financial year. *[Slide 3]* What we want to do today is, first take you through some of the operating metrics of our Global Retail business, which will help you understand the movement in the financials much better and will bring out the underlying numbers and the story about our performance. And what we have done is, we have looked at the Q1 FY23 metrics and juxtaposed them vis-a-vis the performance in the same quarter previous year as well as the performance

in the first quarter of FY20.

Anil Pant: For the benefit of all the investors, let me just explain, active centers are

basically centers which report any kind of student enrolment in the given quarter. Now when you look at a new center, it is defined as a new center which has been signed up and who has paid the technical knowhow fee to the company, and you will notice that in Quarter 1 of FY23 the new center

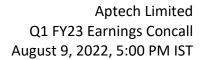




addition is almost about 20 centers. The expectation is that this number will grow significantly in subsequent quarters and come to a level which is equal to, if not greater than FY20. Now you will see a phenomenally high same store sales growth, I mean this is a number obviously we are proud of, but the fact is that this number is on a low base of FY22 because Q1 of FY22 was a COVID quarter. But again, it should be much higher than what is the average even when we stabilize. When we start sharing this information with you three quarters, four quarters down the line my belief is that this number will be extremely good and probably rating amongst the best in class. In the last investor meet that we had two quarters back, there were suggestions that we should share more qualitative data and that is the reason why we have started sharing enrolment numbers, booking numbers, and billing numbers. Now if you look at the booking, you would see that this is at about 157 crores and it is about 87% of Q1 FY20. Here I want to explain very clearly that normally for us the season begins sometime in May because the 12th standard results happen in the month of April. This year the 12th standard results especially for the CBSE boards and others have come sometime in the month of July. However, unlike previous year we have not lost the season, the season is just delayed to July-August-September from or rather than what it used to be from May-June-July as the prime season in previous years. Also, the month of July for example has been an incredibly good month compared to the previous I mean FY20 July I mean I can share this number with you and there is nothing secret about it. We have done almost 70 crores booking in the month of July. So, I believe this that when we look at H1 we should have easily surpassed the FY20 numbers which is a sort of comparative baseline for us when it comes to absolute recovery. Collections are already higher than that of pre-COVID levels and we will be happy to even take questions later in terms of if you want some more information, we will be more than happy to add it.

Saurabh Gada:

Booking is the order book that we are generating every month, every quarter as students enroll for our courses and which then translates into the revenue as the delivery happens in this new student delivery model. In the erstwhile model, as we have the booking translate into invoicing on the student and collection happening which then translates into our revenue as our share of the collection that the franchisee has. So these are the two ways in which the booking will translate into revenue and **[Slide 4]** if we look at the segment financials for Q1 FY23, the revenue for Global Retail was 48.6 crore which is almost 118% of the pre-COVID levels of 41 crores and while there is a substantial addition to the number because of the shift to the





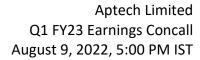
student delivery model, but if we do a like-to-like comparison for the revenue that we generated from the student collection that is also higher than Q1 FY20 in Q1 FY23. If you remember the number of new centers that we have added in this quarter is significantly lower than Q1 FY20, which has affected the signup fee or the technical knowhow fee. But if we discount that effect, then this quarter, the revenue for Global Retail is higher in Q1 FY23.

Anil Pant:

The last time when we had talked people had said that the student delivery model is leading to confusion because we are not able to relate it to the earlier performance. If you look at the last line, the one with the star those indicate the comparable numbers with the old system of accounting. Against a 41.3 crores operating revenue in Q1 of FY20, the comparable number would be about 38.84 crores, which is about 94% of where we used to be in terms of the revenue distribution. It is again 33 crores (in Q1 FY20 for Domestic Retail) versus 31 crores (in Q1 FY23). The interesting thing is that if you look at the segment PBT (table) when you look at Q1 of FY20 (against) adjusted numbers (for Q1 of FY23), it (overall PBT) is 710 (crores) versus 444 (crores; pre-COVID), which shows you the shift that we have made in terms of our delivery model. The impact of all the innovations that we have brought in in terms of delivery because this is more than a cost advantage; this is the benefit of the technology enhancements, the delivery model, innovations that we have made which is leading to this number.

Saurabh Gada:

[Slide 5] This slide is explaining the shift in terms of Q1 FY20 to Q1 FY23. Why today the Domestic Retail booking is still lower than Q1 FY20 and the major reason for that is the shift in enrolment season but if we look at it from a half year basis, we would surpass the FY20 numbers in the booking and it would be similar case in the Domestic Retail revenue. Today, in the Intentional Retail business if I just go back and show you the booking and billing performance you will see that as compared to Q1 FY20 our booking was 141% and in billing we have done 146%. In terms of revenue, the number is flat and the reason there is again because of the lower number of centers that we have signed up and the income from some of the projects that we are doing with our University partners and the renewal fees, those are lesser in this quarter, but the core franchise income in terms of what we are generating from the student collections is much higher as compared to (Q1) FY20. On an overall basis, you can safely conclude that we have surpassed the pre-COVID performance in our Global Retail business in the first quarter. [Slide 6] These are some of the key highlights the operational

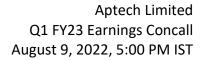




highlights that we have in our Domestic and International Retail business. I will request Anuj Kacker to take you through this.

Anuj Kacker:

Good evening, everyone! Just to highlight for you what are some of the things which we have been doing in Q1 which resulted or greatly helped the numbers to be what they were, one is on the Lakme Academy powered by Aptech front we had signed up Ananya Pandey as our brand ambassador in the month of April and the rollout of that campaign started sometime early in the month of May and that has been immensely successful and the target audience is relating very well to Ms. Pandey and the various activities that are planned around that has given us a lot of leverage. As a result, the booking has gone up substantially. Now on the Media & Entertainment side or more specifically on the AVGC side, Gaming as a domain is coming up in a very big way. Those of you who have been following us for some time are well aware that the two brands that we have in the field are Arena and MAAC and both these brands essentially concentrate on the AVGC sector which comprises of Animation, Visual Effects, Gaming, and Comics and now extend to Reality including Augmented Reality and Virtual Reality. Now, within those areas what has happened over the history of Aptech is that at each stage when each one of these abbreviation letters came in and Animation wave came in Aptech rode that Animation wave. Then the next wave was the VFX wave, which Aptech rode. The next big wave which is there, in a very visible way in fact already here is the Gaming wave and Aptech entered, through its two brands of Arena and MAAC has been concentrating on this segment in a very structured fashion and that has also helped our numbers and we expect that going forward this would be one of our mainstays of driving this business. As most of you may be aware as per announcement Aptech had entered into an alliance with HCL technologies to market our new model which is branded as Aptech IT Careers powered by HCL under which we have a collaboration to do certain courses which are co-branded as well as co-hosted by Aptech as well as HCL. Now these courses are specifically designed in the IT new age careers, which are very closely aligned to the mainstay IT services market. We have increased prices by 10% and the last bullet point mentions ProAlley, which some of you may be knowing is our venture in the Edtech space which is still in the investment phase and in the experimental phase. Coming to the International side, Vietnam and Nigeria, which have been our two mainstay markets for a long time they delivered above average booking and billing growth over this period, both are doing extremely well and we have been expanding not only in terms of geography, but also in terms of increasing the width of courses

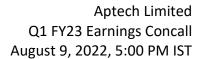




that we offer and in these markets in this quarter in Vietnam we launched the Aptech Teens courses comprising both in the Arena as well as the Aptech Learning space. Essentially these concentrate on students of class 8th to class 12th who want to get into the IT space as well as the Media & Entertainment space. We catch them as they are young as it were. Like we did in the Domestic space we have also launched the gaming courses in the international countries that we operate. Besides this we have been operating many events and many student engagement programs now. While they seemed very ordinary or just a bullet point in our slide, but really are mainstay for student engagement and really in the sort of business that we are in it is student engagement which goes a long way not only in marketing or in student engagement, but in student retention and in enhancing their learning objective. Besides this, we have signed up one more additional University. As some of you know we have pathway programs to some universities mainly in our international countries that we operate we added another University to our stable which is University of Bolton besides the existing ones which are listed there; the main ones out of them being Lincoln University in Malaysia and Middlesex University in UK as well as VCEA in Canada. That is all from my side. Back to you Saurabh.

Saurabh Gada:

Thank you Anuj. [Slide 7] To summarize the financial performance in terms of the P&L, we have delivered 134% growth over the previous year, same quarter at the operating revenue level, which has translated into an operating EBITDA growth of almost 2,600%. From 14 lakhs, the operating EBITDA has gone up to 3.7 crores and if you look at the PBT level it (growth) is almost 9,000%. These (things) have happened in spite of us seeing the impact of increase in employment cost because we had brought the salaries back to pre-COVID levels and also given increment over and above that. In this quarter we have also had some one-offs, which we will explain in the subsequent slide, and you are also seeing the impact of the shift towards the Student Delivery model in the other expenses. Now if you compare this performance to the Q1 of FY20, the key thing to note there is that the revenue what we have is higher, but the profitability is more or less the same the reason being that there is a negative impact on the profitability because we have made the shift to the Student Delivery model so I will go to the next slide and explain that part to you. [Slide 8] If you look at the first row below the header, this is where we have captured the net impact of the change due to movement to Student Delivery model. If I compare Q1 FY23 to Q1 FY22, roughly 3.1 crores of profits have reduced because of this shift. If we would have had the old method prevailing, then our profitability would





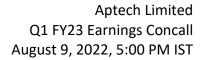
have been higher by 3.1 crores. The other thing that we would like to highlight is that there is a one-off impact of the variable pay expenses for the year so now this obviously will not repeat in the next three quarters of the year, but may recur in Q1 of FY24, but it was not there in Q1 of FY22 because of the COVID. In Q1 of FY22 there was also net right back of ESOP expenses that also has added to the cost on a comparative basis in the current quarter and as we are getting back to normal, we have increased our advertisement expenses as well. These are still lower than the pre-COVID levels, but gradually they will keep increasing. In the EBG business there is a minor impact related to the gross margins of the projects that we delivered in this quarter, but for that year it will average out and be more or less in line with what we have delivered in the past. If you compare the profitability movement vis-a-vis Q1 of FY22 almost 10 crores of loss of profitability we have seen.

Anil Pant:

Effectively we have to look at - 230 lakhs of employment cost will be there next year also but what will not probably be there and what is actually a good cost let us look at it. 309 lakhs (of profitability) yes it has not got recognized in Q1, it will get recognized over the next few quarters. If you look at other expenses, advertisement expense is a good cost to have because it has led to a much higher booking and that booking will translate into higher profits in the subsequent quarter. So that is a good cost to have. The net ESOP expenses - that is something that we use to motivate people. It is again a good cost to have and like Saurabh explained in terms of the other expenses the lower gross margin that you see in the enterprise business that will get adjusted. Once we start executing the larger projects that we have I will start by reassuring you that we have almost about 100 crores of business in hand for that particular business which will get executed over Q2, Q3, and Q4 and our profitability on that should be on par or may be slightly higher than last year.

Saurabh Gada:

[Slide 9] These are some of the highlights of the balance sheet and the ratios. We have almost 97 crores of cash and cash equivalents on the balance sheet as on June 30th which is lower than what we had as on March 31st because we have paid almost 21 crores of dividend in Q1. It was a 5-rupee per share dividend that we had declared. If you look at the return ratios so these are clearly better than what we delivered in Q1 of FY22, but if you discount that as a COVID year and if you compare it with the Q1 of FY20 even then the numbers are much superior to what we did pre-COVID times. In the profitability ratios, while if we were to look at these numbers on like-to-like basis, the numbers for Q1 FY23 will be much higher than Q1





FY20. But because of the migration to the Student Delivery model, you need to remember that the profitability numbers (%) will keep coming down because our revenue base is going to keep increasing henceforth. The idea is that we would request you to look at the absolute numbers till the time we reach stable phase and there is like-to-like comparison possible in the numbers.

Anil Pant:

[Slide 10] I know you guys love numbers, but we have been slightly different all the time and I want you to actually understand what actually goes behind making these numbers happen and how these things are extremely exciting they keep happening you know I mean different things keep happening every quarter I am going to ask our Chief Marketing Officer Pravir Arora to take you behind all the action that happens behind these numbers to enable the sales team to enable the franchisees to enable the centers to achieve whatever they achieve.

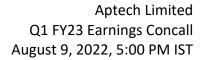
Pravir Arora:

Let me take you through all the activities that have been done through quarter. [Slide 11] Some of these photographs are taken from a large event in the education space that we participated in. Both Dr. Anuj Kacker and the company were felicitated with awards in terms of the contribution that Dr. Anuj and the company (have) made in the Media & Entertainment space considering that we have two large brands Arena and MAAC, which comprises a significant market share in the skill building space. [Slide 12] This is an advertisement that we have just launched with Ananya Pandey as our brand ambassador in the Lakme Academy powered by Aptech. It is a very interesting ad and we have been fortunate enough to have her on board. Let me take you through the ad first and then we can have a discussion.

Ad: https://www.youtube.com/watch?v=tv0XmFx4FG4

Essentially the entire marketing activities with Ananya on board started somewhere around mid-May. What we were averaging at 9 crores per month of booking post the series of activities including Ananya Pandey advertisements and the various other activities as you will see we have actually seen a 30% to 40% increase in the bookings per month ever since the ad campaign started which looks very promising and we are very hopeful that as we progress into the year these numbers will continue to grow at the same pace.

[Slide 13] These are some of the other campaigns that you will see, which is the outdoor campaign. [Slide 14] I'll spend some time on this particular

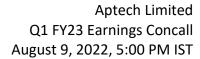




initiative. This is an initiative which we have taken for our brand MAAC. Playground is available on the OTT platform right now as India's first gaming reality show. We participated in this program and were the principal sponsors in terms of getting to integrate our messaging to the community that was playing as the contestants inside the house. This was very widely accepted. We had about 4 teams, 28 days inside the room they were locked; something similar to what you would have seen as in Big Boss but in a different genre. There were whole amount of games that they were playing and contesting with brand integrations of MAAC, which came in at every level and in every episode. The program is now finished. We have got close to about 40 million impressions and about two and a half million unique viewers per video and per episode that was released. This is now being telecast on YouTube and we are expecting a similar amount of reach if not more with people who were earlier not watching it live on Amazon Prime TV will now be able to watch it on YouTube as well.

[Slide 15] These are again the initiatives that we have taken in the space of Arena which is another brand that we have in the Media & Entertainment space. We launched Arena Gaming at the recently concluded event (GAFX) in Bangalore where Arena Gaming got available to the entire student community that we had. We have had a fairly good traction in terms of enrolments and admissions, which are happening both in Arena Gaming and MAAC Gaming at this point of time. On another news on the IT side as Saurabh and Anil mentioned to you, we have tied up with HCL in a strategic alliance in terms of being able to bring out very high-end courses in the space of IT. This relationship is going to be something that we all look forward to in terms of being able to bring the mojo back in our IT segment. Fundamentally we believe that the courses that HCL has on board because the content is available from their side is something that the entire industry is looking forward to and coming from the stable of HCL, which is already looking forward in terms of recruiting close to about 30,000 people today there could not be anybody better who could possibly introduce the kind of job-oriented programs in that space that India needs today.

[Slide 16] These are some of the other creatives and programs that we continue to do. I must specifically mention that terminology that you see on the right side, which is QUG and SEP. We very proudly call people who graduate with a specific skill from any of our academies as people who are Skilled Employed Professional (SEP) whereas on the other side there are a whole lot of people who are QUGs which we call as Qualified Unemployed Graduates (QUG). Because at the end of the day there are too many people





who are pursuing degrees from colleges, which are obviously not that well recognized but even after getting a degree they are continuing to be unemployed. We have got into a campaign and a program which we would like to convert almost very QUG to an SEP so that the person is able to get and earn a decent livelihood. [Slide 17] This is 24FPS International Animation Awards. Within Aptech we call this as the Oscars of the Animation industry. This is something that we have been doing it for 18 continuous years. Last year was the COVID year and therefore we did this virtually. Every year this is a physical event and close to about 2,000 students (participate), which is the maximum we can accommodate in a single hall as of now. But the last year was a COVID year, and we had about 10,000 people who participated across the country. In fact, there were about 1,000 entries which came in from about 70 countries outside India in various categories. This is a very proud moment for us, and the entire industry sits and judges the student's work that the students submit. There is nobody in the entire industry who is not aware of the 24FPS animation awards and many of the jury members often find it very difficult to understand and believe that some of the work that has come in is actually a student's work to the extent that they would like to go back and see log files whether this is copied or genuinely a student's work. We are very proud to be associated with this and the fact that our students are creating work, which is truly international in standard makes us believe that we are doing a great job for them in terms of building up their careers.

[Slide 18-19] These are some of the creatives outside India in countries like Nigeria and Vietnam. Some of the creatives that you see here are people who would like to pursue studies outside the country. We have got credit transfer programs with leading Universities where a student can possibly do a 2-year program at any of the Aptech centers which is closer to your home and thereafter they can move on to do a degree course with any of the University tie ups that we have which is outside the country. The Universities have evaluated our content and they kind of understand what we teach in 2-year period, what the student goes through with us is something that they teach as well in the 2-year period and therefore the credit transfer process becomes a seamless process. Thank you.

Saurabh Gada:

We are happy to take questions from participants. You can please raise your hand and once I call out your name you can unmute yourself and ask the questions. Sunny, please go ahead.



Sunny Gosar:

Hi. Thanks for taking my question and also thanks for the detailed disclosures on the presentation. One on your slide #5 I think you mentioned about the impact of seasonality in terms of the admissions. If you can give some color in terms of your student profiles - what percentage or what is the typical student profile in terms of 12th pass outs, graduates, and employed professionals and how does that impact the overall admissions and seasonality in the business?

Anil Pant:

Sunny, I will take that question. Typically, about 60% of our numbers (booking) happen in H1 and 40% booking happens in H2. So, if we do a 100 thing 60 will happen in H1, 40 will happen in H2. Typically in H1 you will have people joining for the career courses which are higher value and in H2 it is more job oriented courses which are slightly lower value and the average booking per student in the Media & Entrainment is in the region of about one lakh rupees, in the beauty business it is close to about 60 odd thousand rupees in the last 2-3 months and in the Aptech Learning which is our IT and Hospitality business it is somewhere in the region of 35,000 rupees. Does that answer your question, Sunny?

Sunny Gosar:

Yeah, and if you can share something in terms of the student profile like mix of students who come in after 12th or who are graduates or who are employees so on an overall student base that you have what is that profile largely?

Saurabh Gada:

The overwhelming majority of the students who choose a career course would be those who have you know passed out of 12th standard and want to have an alternative career option available to them while they are pursuing degree or they may you know pursue our courses exclusively because they are very focused on what they want to do in terms of career.

Anil Pant:

Sunny, I will also add something more to this. Frankly we have got about 2,700 recruiters who hire from us in Media & Entertainment, and I think about 250 – 300 recruiters who hire from us in the Beauty & Wellness space. These people are not bothered about degrees. For them it is actually the skill that matters. Okay and frankly the quality of work that is done by the student, the portfolio that he or she has and the fact that the career certificate from Arena or MAAC has far higher value than any degree that they exhibit to the recruiters. Typically, a student who is going in for an Animation job or a VFX job or anything those recruiters do not give a damn about degrees. For them it is just the quality of work that this kid is going to



put out and the fact that he is certified by premier organization like Arena, MAAC or LAPA. Does that answer your question, Sunny?

Sunny Gosar: Yeah. Your answer is understood I was more asking from a perspective of

the impact on your booking numbers.

Anil Pant: Okay there has been an impact on the booking numbers, I mean Anuj is

going to add to that, but that has primarily been because you know when a student passes out from 12^{th} , they wait for also the university admissions to happen to figure out what they want to do along with the university degree. And that has completely got shifted to July-August-September instead of

happening in May-June-and July.

Sunny Gosar: Got it.

Anil Pant: So that is a huge shift, and I said this right at the beginning that the season

you know when you saw the numbers it was about 157 crores versus 181 crores in Q1 of FY20. And I also said that when we look at the H1 in totality

we will probably cross that number fairly comfortably.

Anuj Kacker: Partly it is answered by Anil but just to elaborate on it, if I read your mind

correctly, you are trying to assess what is the degree of impact of the change

of seasonality on the booking, right?

Sunny Gosar: Correct.

Anuj Kacker: So, to help you do that, roughly about, in terms of value, about half our

students choose our courses post their 12th. That would be a metric give or take this I am talking more with respect to Arena and MAAC. The same thing

does not apply to LAPA.

Sunny Gosar: Okay. Got it. That is more helpful. Yeah.

Anil Pant: Thank you.

Sunny Gosar: And one last question I have also is there a similar seasonality in the

international business or the international business is more linear across

quarters?

Anuj Kacker: The seasonality does exist. Vietnam, which is our biggest international

market by far the season is normally August-September. August and September are the season for the international market for Vietnam. Nigeria in turn has a different (season), each country has a different seasonal month, but if you are talking about the main countries, for Vietnam it is



August-September, in Nigeria it is roughly Q2, and it sometimes spills into

Q3 as well.

Sunny Gosar: Okay. Just to conclude on this, from an International Retail perspective Q2

and since we continue to follow the royalty method, Q2 and Q3 typically will

be the largest revenue quarter.

Anuj Kacker: From your booking perspective it will be more Q2.

Anil Pant: Absolutely. Q2 and Q3 will be the big months, big quarters. For

international.

Sunny Gosar: Okay perfect. Thank you. Thank you for the details.

Anil Pant: And again, I want to clarify completely that this year even for Domestic that

will be true in terms of both Booking and Billing because of the shift in

season.

And like I shared with you the month of July was an excellent month. It was way higher than the July of FY20. I mean if I remember correctly can I quickly have the numbers for what is the booking number in July of FY20? July 2019? So, any way we will share the number with you in the Q2

presentation.

Sunny Gosar: Thank you.

Saurabh Gada: Apurva you may please unmute your line and ask the question.

Apurva Shah: Yeah. Hi, can you hear me?

Saurabh Gada: Yeah. Apurva, please go ahead.

Apurva Shah: Can you share any revenue guidance on Aptech IT careers?

Anil Pant: Too early, Apurva. I mean we have just launched it on first of August. So let

us give it 3-4 months and in one or two quarters before we are able to... we

do not want to suppress anything, honestly it is too early

Apurva Shah: Just a random figure that you are looking to target.

Anil Pant: Apurva, honestly, I mean it would be too premature on our part to give any

guidance on something that we are doing I mean you know we have just launched it on first August. We will be happy to share this. We have big expectations from this. Let me tell you that right. It would be unfair on my



part to either you know raise your hopes too high or to you know be pessimistic without having some data points in place, right?

I mean everybody is aware that there is a massive crunch of professionals in the IT space and people are eager to hire so we are doing a lot of stuff in Q2 around this, and we will be happy to share all the progress that we have made on this in Q3 and Q4. Right? I mean when we have the investor calls in those quarters.

Apurva Shah:

Right and one more question. How does the company plan to spend the surplus cash since the cash equivalent is like all time high? Are we anywhere close to some acquisition, adding new areas?

Anil Pant:

So, Apurva, see firstly, we have a very clear dividend policy and if you have seen our dividend policy even during COVID years we actually paid a dividend. Right? so we use part of the profits that we make or part of the operating profits that we make for paying dividends. You rightly said that we are in a very high kind of cash flow situation. I mean last year we had about 117 crores of cash on 31st March, and we will again generate a lot of cash this year. Now we are not in the space of acquisitions for the sake of acquisitions, we are always on the lookout for good opportunities. And I think now with the coming to earth reality of what has been happening in the Edtech space, there might be opportunities which will arise, we are in talks with people, and we will use the money judiciously. We are not going to go after crazily overvalued companies. We are going to look for value and wherever we find value we will be happy to look at acquisitions.

Apurva Shah:

Okay and any upward take on Pro Alley?

Anil Pant:

So, Anuj did share work on Pro Alley. We have been very clear right from day 1 when we launched it last year in September that unlike Edtech businesses which burn money to... the burn is disproportionate, we are not in that game. We will grow this business with extremely high-quality content, and I am happy to share with you we have reached 19 courses. The feedback that we have on the courses is incredible from user perspective. We are already getting about a 1,000 odd subscribers or people who pay to subscribe to these programs every month. The quality of feedback that we are getting about the quality of the programs is very high. We will build this business in a manner where we can afford the burn, but we are committed to it.

Apurva Shah:

Okay and by what quarter will this student delivery model last these figures.



Anil Pant:

I think it is a matter of about 6 to 8 quarters for it to get into a 100% accrual model. You have to understand that centers sign up on a particular date. So till that particular date whatever are the enrolments that they have made of students is recognized on the old royalty model and it is only from the date when the accrual model has been signed that the recognition of revenue moves into accrual for the newer students but a very large part of our business has already started coming under this and this is good for our organization simply because you know while it makes you completely compliant from a GST perspective and gives you extremely high control over the network and most importantly if some of you have been reading about what has been happening that was not our objective of doing and our objective was more to get into compliance and to get into absolute control on the network but it has been a damn good thing that we did this because if you have been reading about some of the larger Edtech players who have been recognizing revenue up front. There are differing views on that. I think we have taken a very proactive and a very good measure for the organization.

Apurva Shah: Okay. Thank you that is it from my side.

Saurabh Gada: Thank you Apurva. Whosoever wants to ask the question please raise your

hand and I will call out your name. Sunny, yeah.

Sunny Gosar: Thanks for the follow-up. If you can basically give some color on the

Institutional Business; we understand that there was lower revenue booking in this quarter, but how is the pipeline looking like and was there a similar impact even in the Institutional Business of the delay in the 12th standard

exams.

Anil Pant: Absolutely Sunny. Like I shared, we have a very good pipeline... forget our

pipeline, we have got a very good order book of close to about 100 crores already existing which has to be delivered in Q2, Q3, Q4. Now the delivery of this is dependent on many circumstances. For example, our largest customer is the National Testing Agency for whom the priority in Q1 was to get the JEE, the JEE Advanced, and the NEET exam out of the way. And it is going to now all the other business. I mean last year we did almost about 60 odd crores of business from one customer and we are likely to repeat that this year again from the National Testing Agency and that this would get

delivered over Q2, Q3, and Q4.



Sunny Gosar: Right. So, basically, can you help us understand what is the mix of business

between government and non-government, and how is the Corporate

Training piece of this segment coming around?

Anil Pant: See the Corporate Training piece is just work in progress right now okay

because the margins in that business were very low and the directive we had given to the team is that if we cannot get the margins up, we should exit the business. Fortunately, the team has used a very high degree of technology to up the margins even in the Corporate Training business. But that is again very small numbers. Nothing significant. It does not make any material impact. On the Testing front, most of the business is from the government, but the good part is that when you look at government, there are two types. Central and State government. State government we have more or less de-focused because the payment cycles are extremely long and I mean at times it takes two years, two and a half years to collect your money. The Central government contracts are much cleaner in nature and the realization of money happens typically anywhere between 6 and 9 months of execution and if you look at our... we had shared this even in our final this thing of... when we had given the annual numbers (FY2021-22 financials) against the 97 crores delivery that is revenue we have collected almost about 94.5 crores of cash in the last year. We are hopeful of repeating similar or better numbers this year. Does that answer your

question, Sunny?

Sunny Gosar: Yes. And in terms of our receivable as of March 2022 we had about 73 crores

of receivables can you give us some color in terms of how much of this is on the Global Retail and how much of this is Institutional (Business) and how...

Anil Pant: It is predominantly Institutional (Business). About 50 crores is Institutional

(Business) Sunny.

Sunny Gosar: Okay and how have been the recoveries in the last 3-4 months?

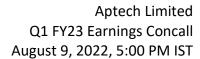
Anil Pant: Pretty decent.

Sunny Gosar: Okay, got it. Thanks, that is all.

Saurabh Gada: Thank you Sunny. Sidharth you can...

Sidharth A.: Good evening, Dr. Anil Pant. It is very nice to see you after a long time. And

thank you very much for a wonderful presentation to you and your entire team. Sir, just one question. Maybe I have asked you before also and maybe you would not choose to answer it, but what is your view of Aptech for the





next five years sir? Where do you see we are headed and what kind of scopes are there in the Institutional Business, primarily, sir? What kind of order book can we you know garner over the next 5 years over here?

Anil Pant:

So, more than the Institutional Business I am very excited about the Retail business, Sidharth. And the reason I am very excited about the Retail business is driven by the... I mean one is you get excited based on the potential. But here, more than the potential the Retail business is actually driven by jobs and if I look at the job scenario on Media & Entertainment while our numbers have been growing in Media & Entertainment so are the jobs and we are still in a situation where there are 3 jobs for every student. Now at some point of time because of all the work that we are doing and a lot of work that is being done by the government in terms of increasing awareness at the parent's level about career prospects for children in the AVGC industry, we expect that this number will actually start growing because like I said we have 2,700 recruiters who want to hire from us. Frankly, we are able to satisfy not more than 350 – 400 of them. Now for us to be able to really grow this business we need people to start looking at this as a career option and frankly we do not have the kind of advertising dollars to create a change in parent's mindset about a career option because the kind of money that costs is crazy and it is not justifiable at this point of time for your company to be spending that money. But I am actually going to get in Anuj Kacker who is now on the government task force for skill development in AVGC space who represents the industry to give you more clarity on this. Anuj over to you.

Anuj Kacker:

I am glad that you asked that question Siddharth. You know if you look at a 5-year picture, and do not look at the 5-year picture necessarily from Aptech perspective, just look at from the domain perspective that we are in and the domain in which we are a market leader by far. So obviously as the market grows, the natural fallout or gainers would be people like us. What is happening on the Media & Entertainment space. Now some of you may know that may recall that in the last budget the finance minister made a historic announcement in the budget speech where she focused on the AVGC sector by name and said that we want to set the government proposes to set up a task force to give an impetus and derive the government's policy towards the AVGC sector. AVGC is the acronym for the uninitiated is Animation, Visual Effects, Gaming, & Comics. Subsequent to that task force was set up under the aegis of the Ministry of Information & Broadcasting in collaboration with the Ministry of Skill Development and there is a body or a task force that is mandated and we had the second



meeting yesterday. I have the privilege of being part of the skilling committee of the task force and a lot of deliberation has been happening over the last few months. Also, it is not a typical committee, which is let us say a committee for the committee's sake. But here bulk of the discussion centers around how to get more people aligned to this industry itself. Spread the awareness of this industry and some of the initiatives which have been outlined very clearly in the policy which will get released very shortly is that the impetus has to start from the middle school level onwards. So once a person let's say in the class 8 and class 9 discovers their potential for the creative industry. The natural fallout of the person building a career in that industry, just the way a person who is good at Math or Physics tends to choose engineering or a person who is good at Biology tends to choose medicine, the government believes, and we all believe that that is the likely fallout for the creative industry. I am very proud that and we are happy that the government itself and all the industry bodies aligned to the government are working towards that direction. The prospects of the domain are extremely bright and as market leaders in that segment, obviously we believe that we have the first right of refusal of any potential increase which comes about. In short, this was a long answer, the short answer is extremely bullish.

Sidharth A.: Right sir. Thank you very much.

Saurabh Gada: Thank you, Siddharth. Apurva, you can please go ahead and unmute

yourself and ask your question.

Apurva Shah: One last question. How does the company plan to increase engagement

with shareholders? Because this quarter results were nowhere in media it was not even in ET nor Business standard only India Infoline and

Moneycontrol published this.

Anil Pant: Apurva, tomorrow we have an interaction with CNBC.

Apurva Shah: Okay. Good to see you back there.

Anil Pant: Tomorrow we have with CNBC and the fact that like I shared with you we

intend to do this every single quarter with shareholders. As we progress it will become bigger and bigger in terms of number of people attending and if you look at the quality of disclosures a lot of this has come from some of you who have shared your expectations with us in terms of numbers. So, if you look at the quality of disclosures that has gone into this investor



presentation, I am sure you will find many things that were not there in precious ones. Right?

Apurva Shah: Right.

Anil Pant: It will continue to improve, it will continue to be higher, and I mean happy

to again get more inputs from any of you in this forum in terms of what

would you like us to do.

Apurva Shah: Okay, good. Because this student delivery module is also quite confusing.

So, it will be good.

Anil Pant: But it is damn good for the company. It is very good for the company and

eventually Apurva what will happen is that this will completely even out your seasonality in numbers, right, because you will only be recognizing revenue on the basis of delivery so you will not have those crazy quarterly

swings.

It is extremely good for any long-term investor or for any person who is

trying to understand the company it will be an extremely good step.

Apurva Shah: Yes. Alright thank you.

Saurabh Gada: Thank you, Apurva. Since there are no further questions, we would like to

end this call. Thank you, everyone, for participating in the call today and we look forward to seeing you in the next call at the end of the next quarter.

Anil Pant: Yes, after the Q2 results. Thank you. Have a great day.