



# Career Point Ltd.

Investor Update – FY 2014-15

## Safe Harbor

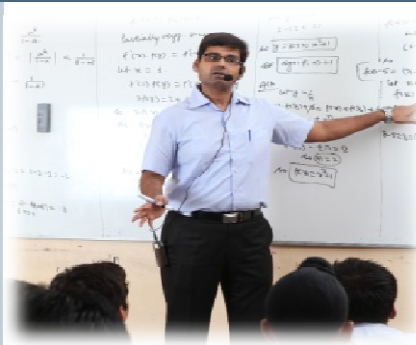
This presentation may constitute forward-looking statements. Although Career Point believes that the expectations contained in such forward-looking statements are reasonable, however, the Company makes no representation and assurance on the expectations. These statements may involve risks and uncertainties that could cause actual outcomes to differ materially from the expected outcomes. Such risks include, but are not limited to, the risk factors described in Career Point's Red Herring Prospectus and other periodic reports / filings made to the Securities Exchanges Board of India.

# Product Portfolio – KG to PhD



## Informal Education

### Tutorial Services



**CAREER POINT**  
Pre-Engineering, Pre-Medical & Pre-Foundation

**CAREER POINT**  
**gurukul**  
Residential Coaching and School Campus

**GATE ♦ IES ♦ PSU**  
GATE & Advanced Test Prep Division

### E-Learning Solutions



e-Learning by CAREER POINT  
**ONLINEPADO II**

**CP LIVE**  
a CAREER POINT edu-venture

**eCAREERPOINT**  
Online Test Series

## Formal Education

### School Education



  
**GLOBAL KIDS**

  
**GLOBAL**  
PUBLIC SCHOOL

  
**CAREER POINT**  
WORLD SCHOOL

### Higher Education



**CAREER POINT**  
UNIVERSITY  
Kota (Rajasthan)

**CAREER POINT**  
UNIVERSITY  
Hamirpur (H.P.)

**CAREER POINT**  
TECHNICAL CAMPUS  
Rajsamand - Udaipur

**Skillzone**

Integrated Solution Provider across Education value chain throughout the Life Cycle of a Student.

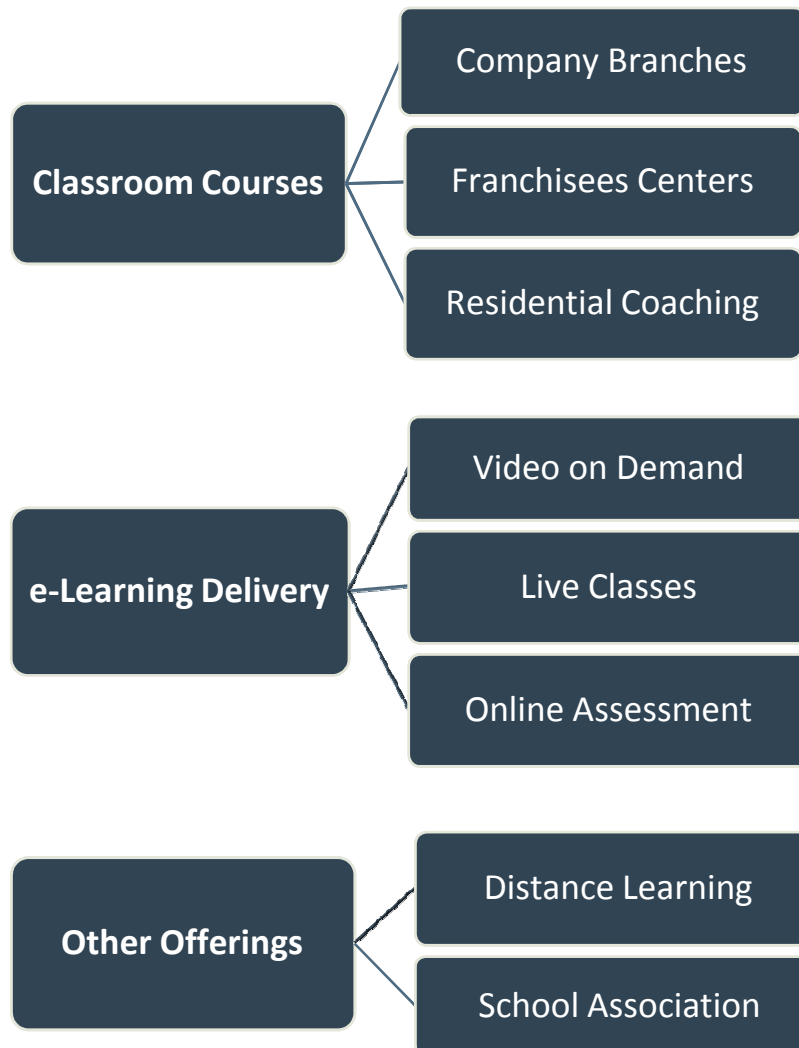


# Informal Education Division

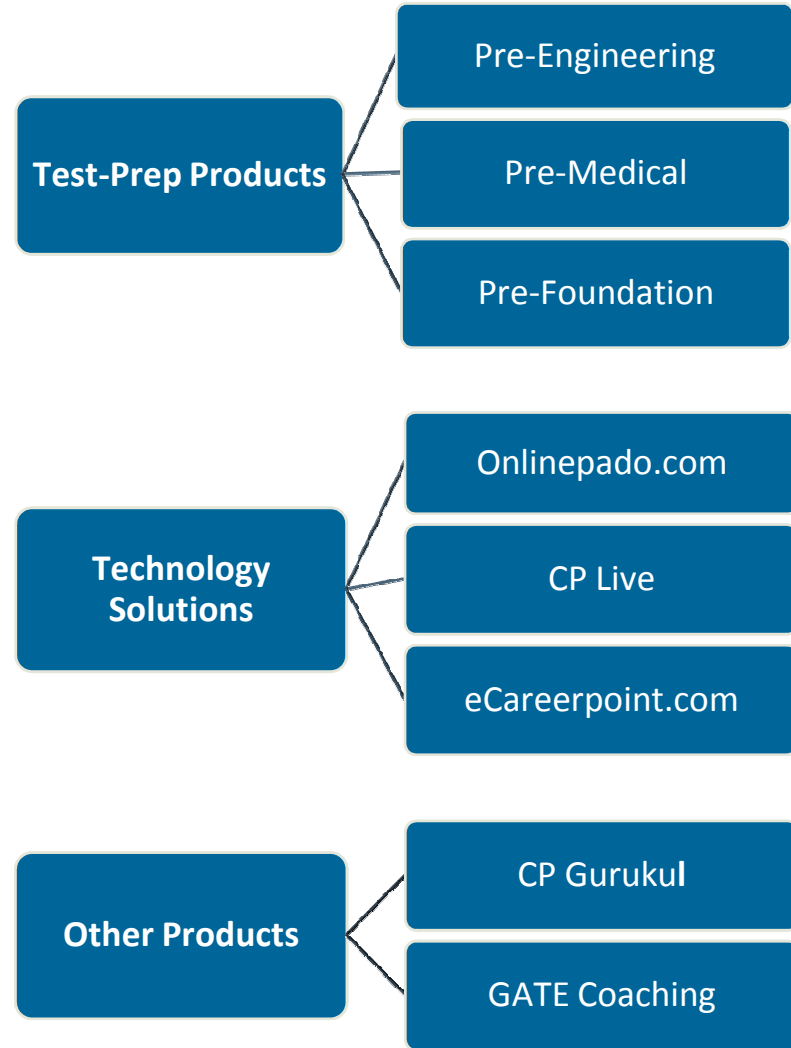
# Tutorial Services - Delivery Model



## Delivery Model



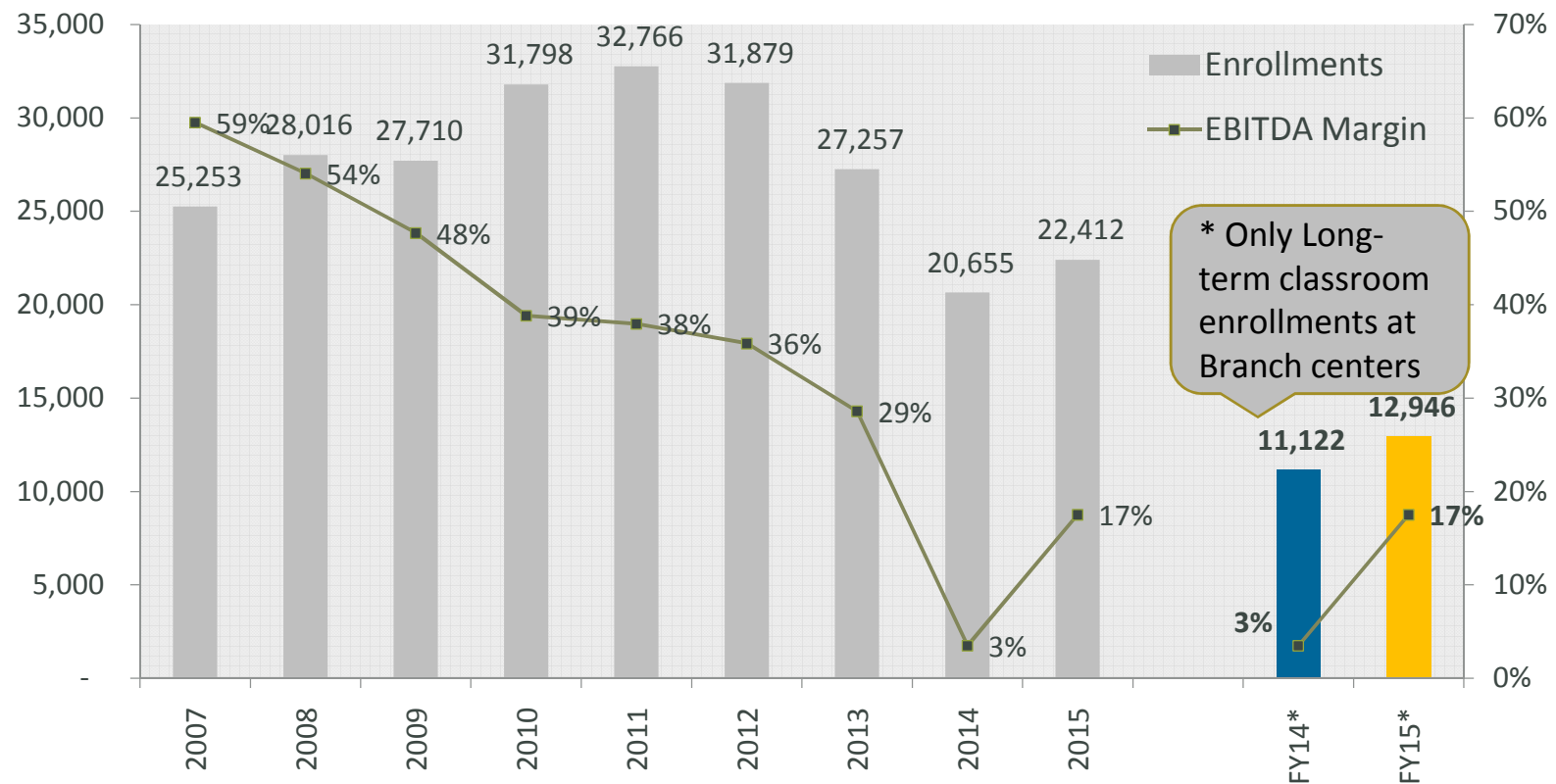
## Key Products



# Tutorial Enrollments

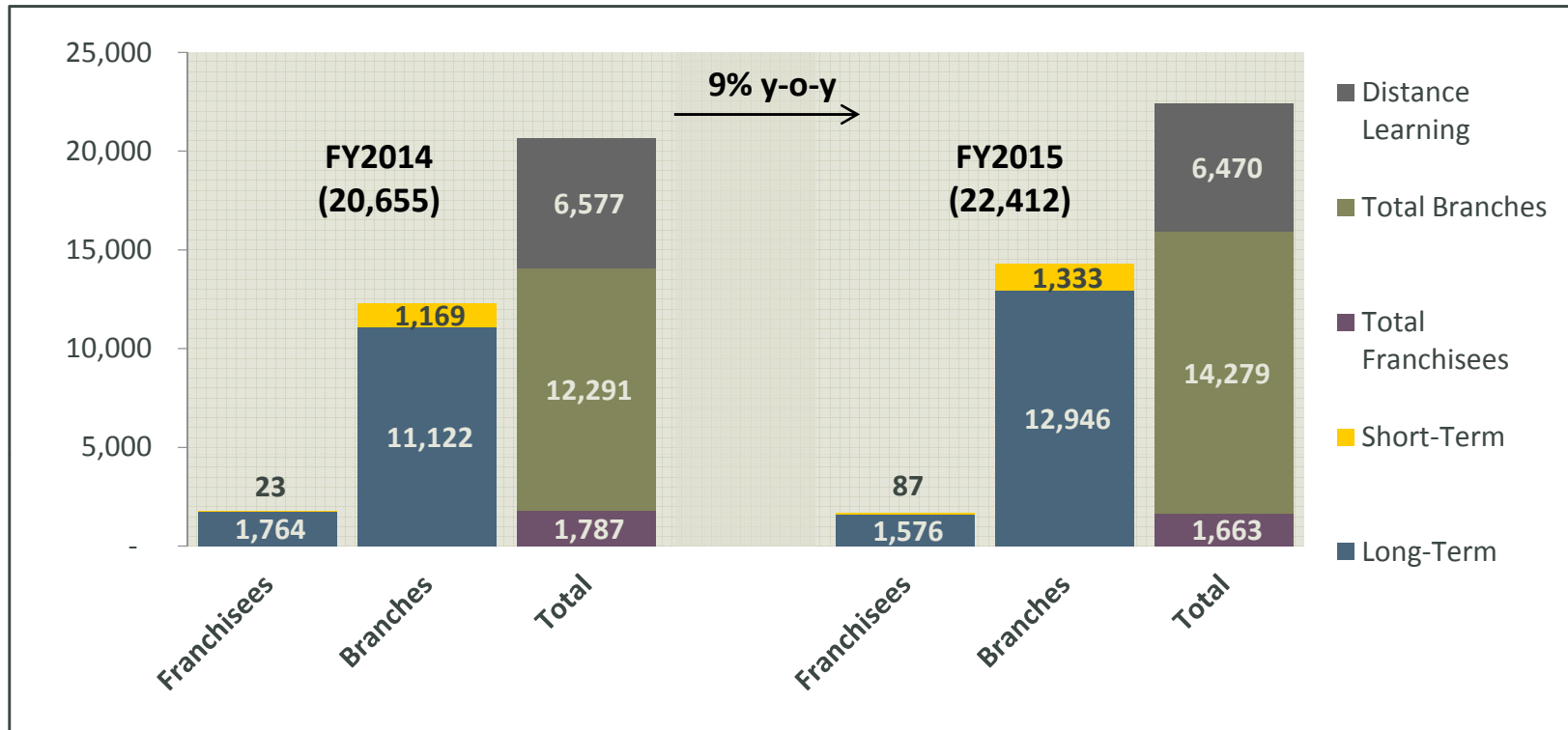


**FY2014: 20,655**  $\xrightarrow{9\% \text{ y-o-y}}$  **FY2015: 22,412**





# Enrollments Break-up



## Key Highlights

- ❑ Significant rise in two-years long-term classroom programs sets a platform for next year's enrollment growth in advance
- ❑ Contribution in growth is a mix of all the verticals including Pre-engineering, Pre-medical and Pre-foundation

# CP Gurukul - Residential Coaching and School Campus



## Academic facilities

- Coaching Campus
- CBSE School up to 12<sup>th</sup>
- Library & Reading Rooms
- Practical Labs
- Academic Assistance

## Living Experience

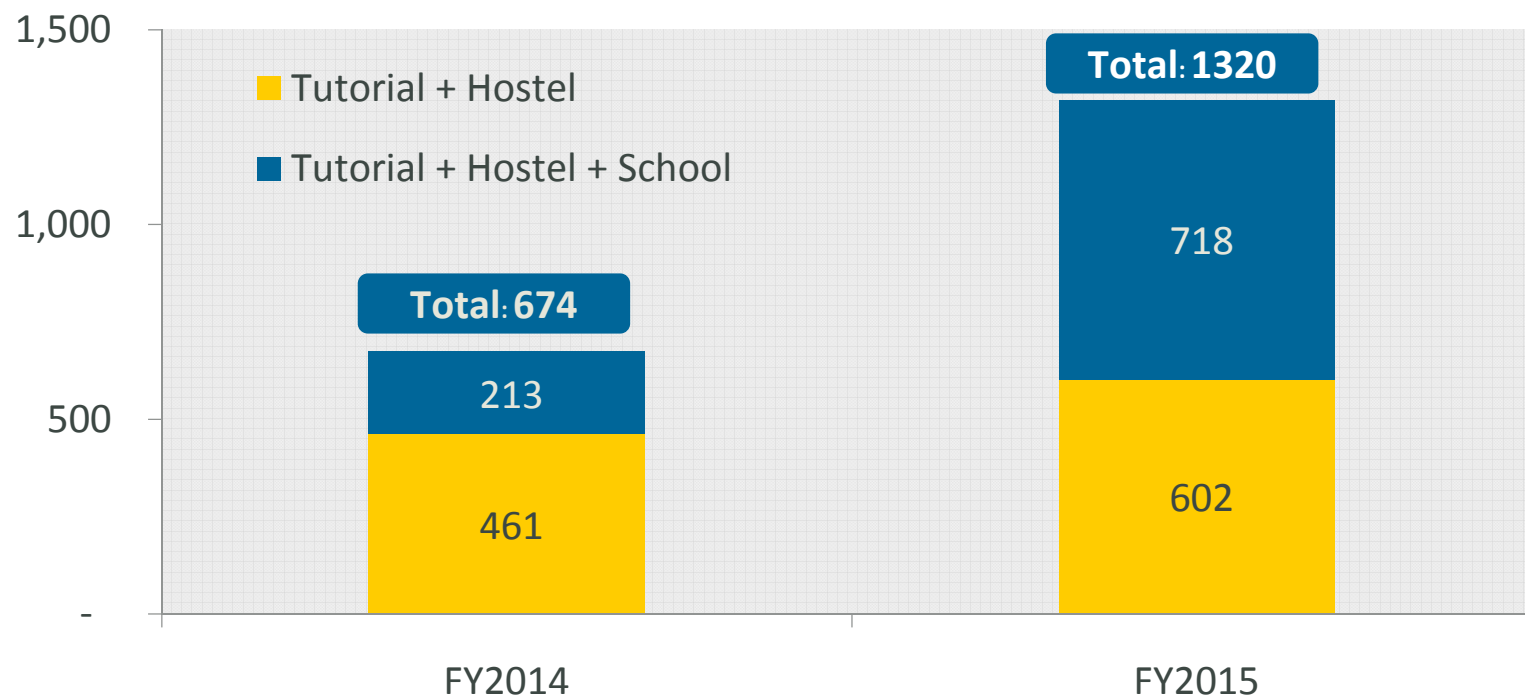
- Boys and Girls Hostels
- Guest house for relatives
- Apartments (1&2 BHK) for parents
- Staff residences
- Play Grounds

## Student Welfare

- Mess, Cafeteria and Food Court
- Health care Services
- Departmental Stores
- 24 Hrs Security



# CP Gurukul Campus Enrollments



## Key Highlights

- ❑ Academic session 2014-15 is second year of operations.
- ❑ Enrollments are almost doubled with students from more than 22 states of the country.
- ❑ Higher growth in students who avail both - school and tutorial services - against only tutorial results in to higher price realization per student

# e-Learning Solutions



## OnlinePado.com

- Online marketplace with experts' videos on demand
- Choice to students for anytime, any topic and anyplace learning on multiple devices.
- Video on-demand



## eCareerPoint.com

- Online assessment platform
- Provides personalized and relative feedback based on statistical techniques.



## CPlive.in

- Internet based solution which allows students to access live classes from remote locations.
- Real-time two-way video-interactive classes.





# Formal Education Division

# Formal Education Institutions



Career Point University  
Kota, Rajasthan



Career Point University  
Hamirpur, Himachal Pradesh



Career Point Technical Campus  
Rajsamand (Raj) & Mohali (Punjab)



Global Public School Kota (Rajasthan)  
JBS (Kota) & JJPS (Jodhpur)





# CP: Higher Education Institutions



## Career Point University Kota, Rajasthan

School of Engineering & Technology

School of Management & Commerce Studies

School of Basic & Applied Sciences

School of Computer Application & Tech.

School of Legal Studies and Law Governance

School of Vocational Studies

## Career Point University Hamirpur, H.P.

School of Engineering & Technology

School of Management & Commerce Studies

School of Basic & Applied Sciences

## Career Point Technical Campus, Rajsamand & Mohali

Department of Engineering and Technology

Department of Computer Application and Technology

Department of Polytechnic Diploma

### Courses offered

Engineering & Technology	B. Tech, M. Tech and PhD.
Computer Applications & Technology	BCA, MCA
Management and Commerce	BBA, MBA, B. Com, M. Com
Basic & Applied Sciences	B.Sc. and M.Sc.
Law and Governance	LLB, BA-LLB, BBA-LLB
Vocational Studies	Polytechnic Diploma etc.
Post PG	M.Phil, PhD



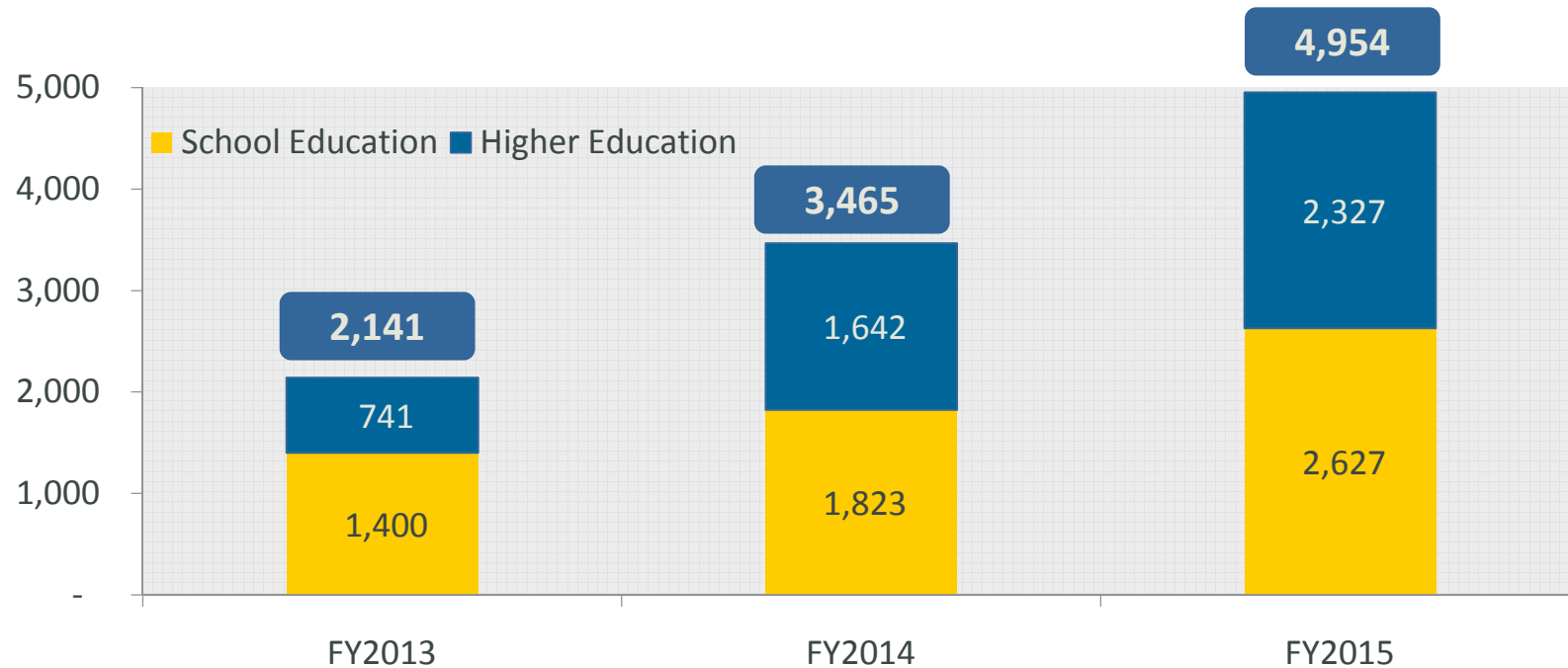
# CP: School Education



	Global Public School, Kota	JBS Childrens' Paradise, Kota	Jeevan Jyoti Public School, Jodhpur
Operational Since	Year 2003	July 2012	July 2012
Location	Kota	Kota	Jodhpur
Affiliation	CBSE	CBSE	CBSE
Category	Day-School	Residential	Day-School



# Formal Education Enrollments



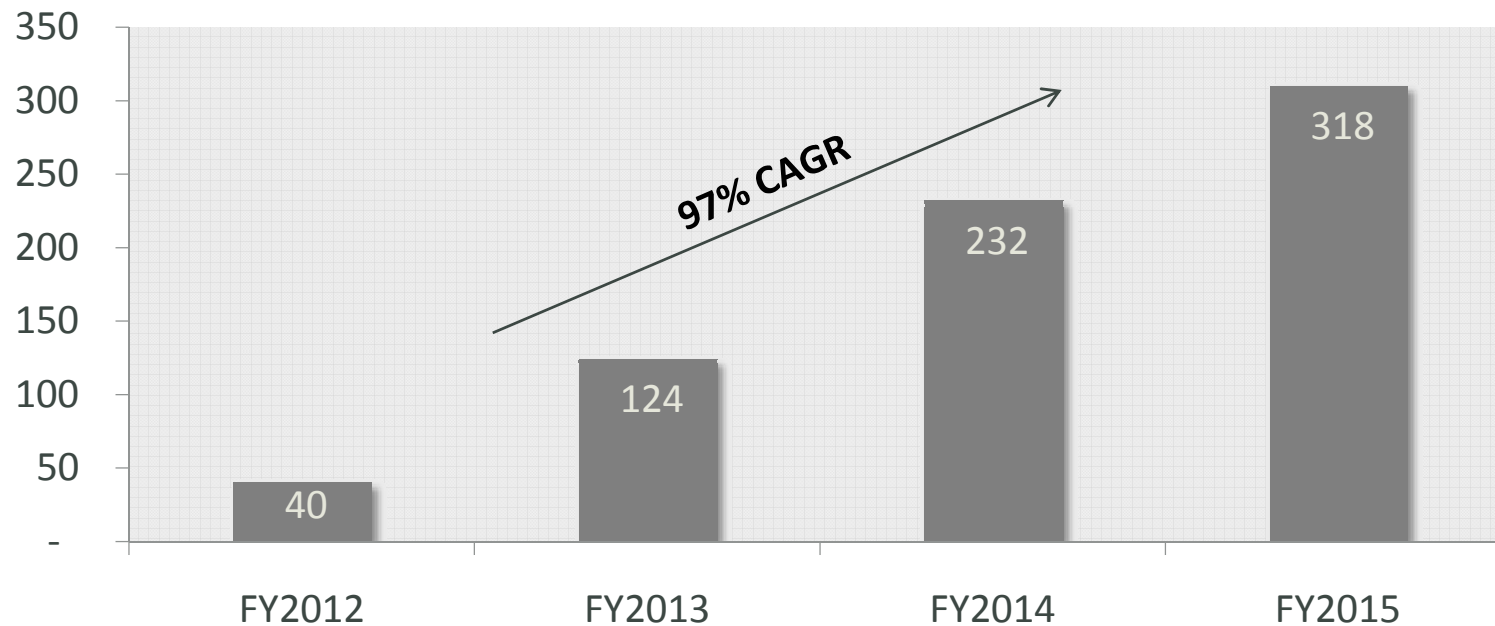
## Key Highlights

- ❑ Enrollment CAGR of over 50% for last two years (by end of academic session 2014-15)
- ❑ Universities & other Higher education institution just completed 3<sup>rd</sup> Year of operation. Two schools are in 2<sup>nd</sup> year of operation. Hence growth momentum will continue in subsequent years.

# Formal Education Income



Auxiliary Education Fee (Rs Lacs)



## Key Highlights

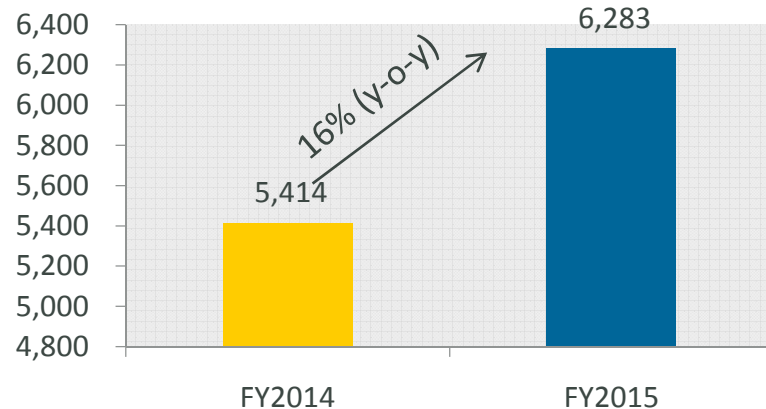
- ❑ New enrollments are resulted an increase of over 30% (y-o-y) in auxiliary education fee in fiscal 2014-15
- ❑ University projects are already out of gestation in their 3<sup>rd</sup> year of operations against industry trend of 5 to 7 years.

# Key Financial Update

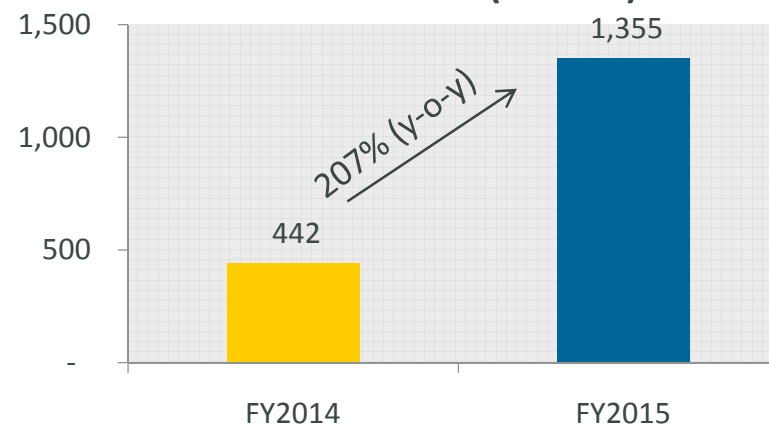
# Financial Update – Standalone (reported)



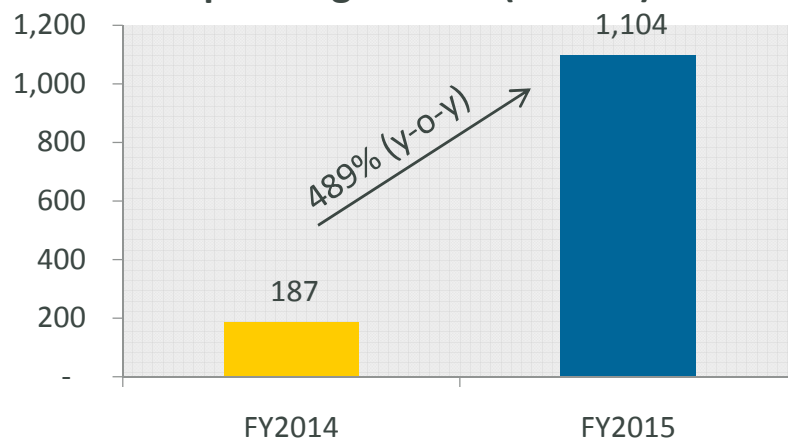
**Income from Operations (Rs Lacs)**



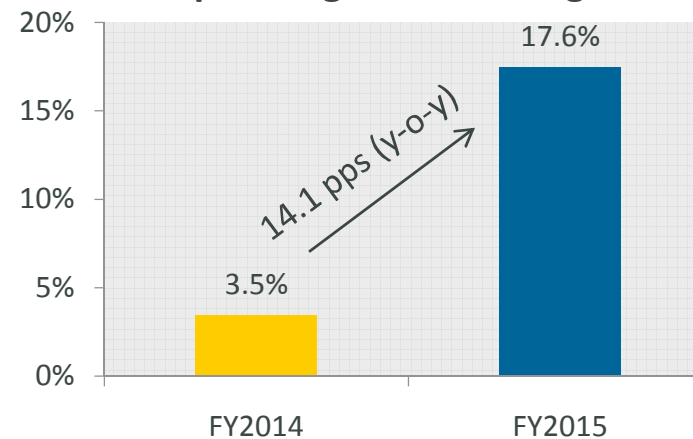
**Profit Before Tax (Rs Lacs)**



**Operating EBITDA (Rs Lacs)**



**Operating EBITDA Margins**

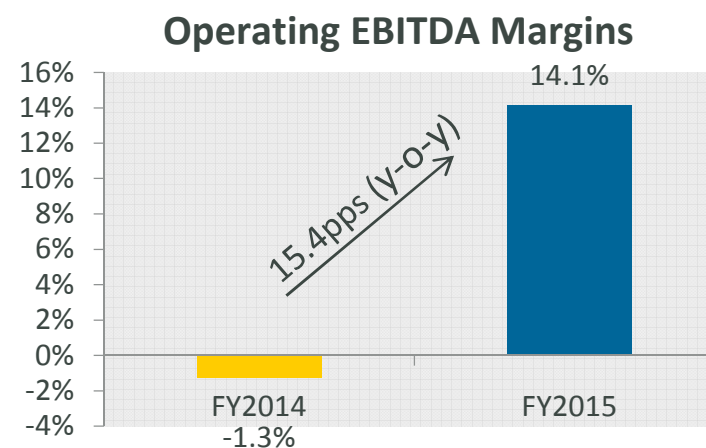
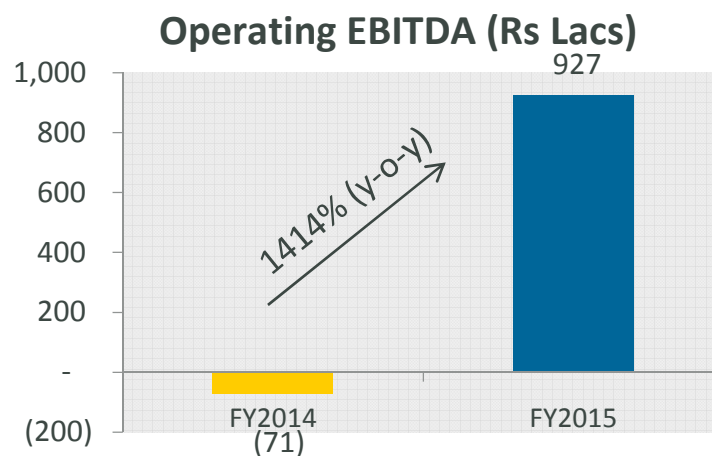
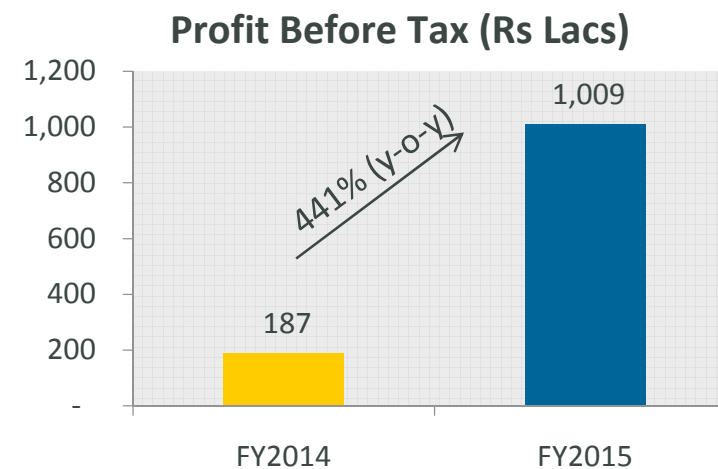
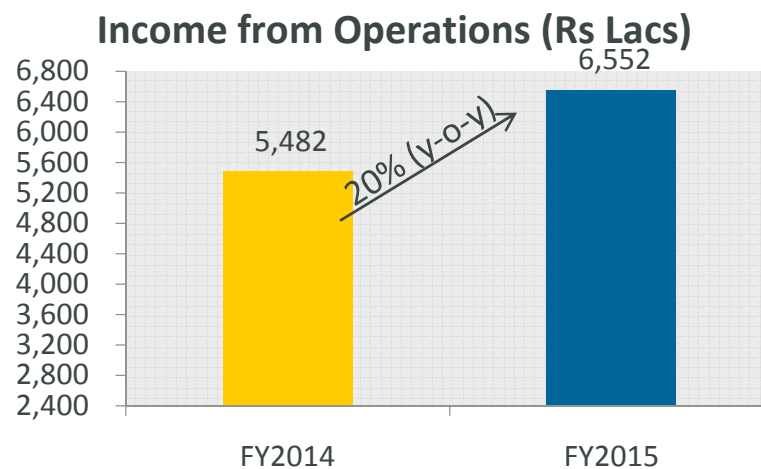




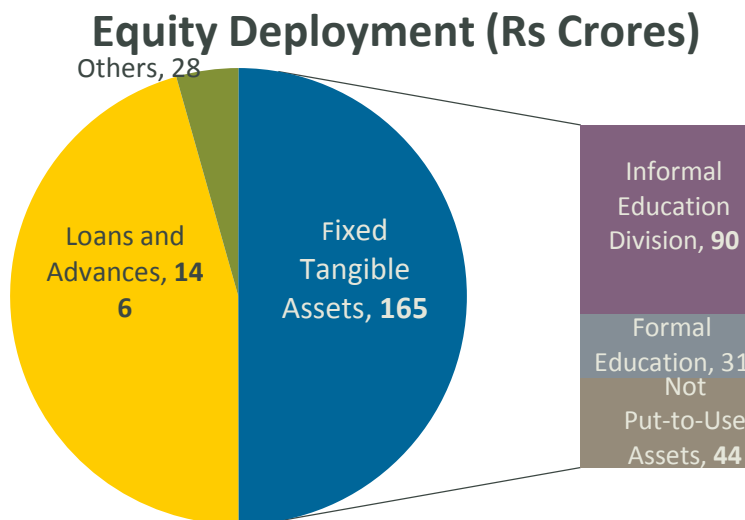
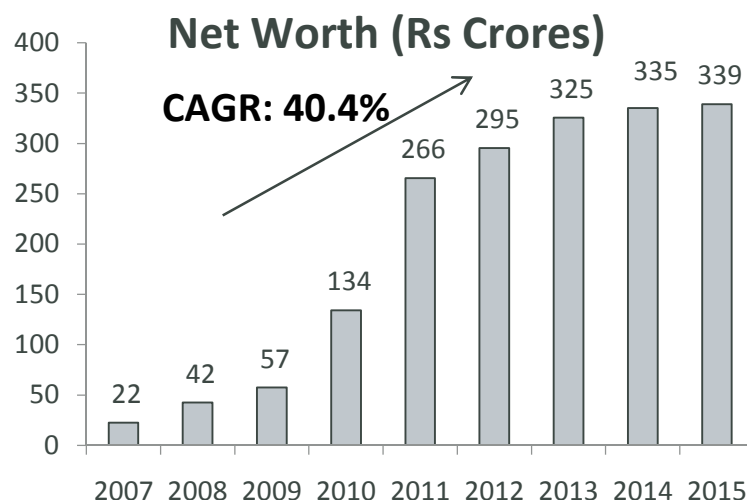
# Financial Update – Consolidate (Adjusted\*)



Adjusted for like to like comparison



# Balance Sheet Highlights



**Unleveraged:** The balance sheet is debt free. The borrowing of Rs 43 Crores essentially leveraged against the liquid investments of about Rs 50 Crores by 31 March 2015.

**Assets Appreciation:** The company holds tangible fixed assets of Rs 165 Cr including 'Not Put-to-Use assets' of Rs 44 Cr. The market value of these assets is significantly higher.

**Business Advances:** Second biggest component of balance sheet as Loans and Advances. These are incidental to formal education business division.

# Asset Sale Transaction (2QFY15)



## Overview

- Career Point Infra Ltd. , a wholly owned subsidiary of Career Point Limited, has executed the transaction to sell the fixed assets of higher education institutions.
- The transaction will simplify the overall structure and will be more financially efficient, for the company point of view with asset-light business model .
- The financial performance at consolidate level for FY2014-15 is impacted by extraordinary items as outcome of said transaction.

### Transaction Details

- Sale Price of Assets: Rs 7,029.2 Lacs
- BV as per Company Act: Rs 7,834.0 Lacs
- Extraordinary loss on BV: Rs 622.4 Lacs

### Related Information

- Lease Income earned in past: Rs 1,700 Lacs
- Value as per Income Tax : Rs 6,890 Lacs
- Certified Registered MV: Rs 6,950 Lacs

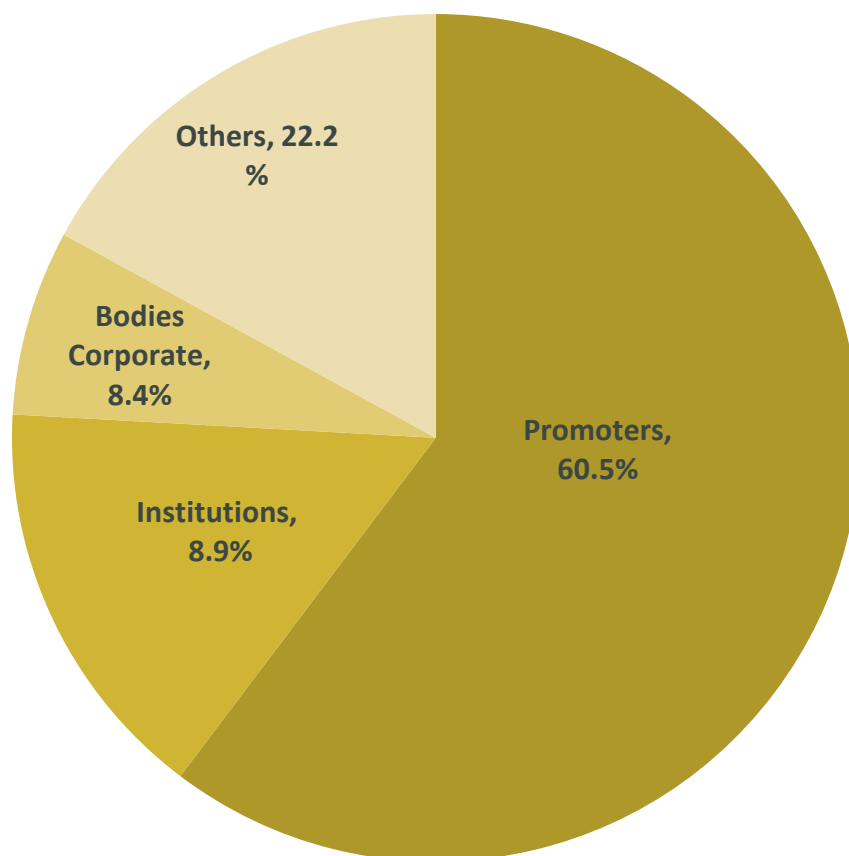


# Investment Prospect

# Shareholding Pattern



Stock exchange	Symbol
National Stock Exchange	CAREERP
Bombay Stock Exchange	533260



## Key Non-Promoters Ownership

Fidelity Investments	3.8%
ICICI Prudential	3.3%
Franklin Templeton	3.0%
Akash Bhanshali	2.5%
Nadathur Estates	1.9%
DSP Blackrock	1.6%
Enam Investments	1.1%
Vikas Singhi	1.1%
<b>Total</b>	<b>18.2%</b>

As on 31 Mar 2015



# Highlights



## Established Player with Integrated Solutions

With two decades history of providing quality education, Career Point enjoys a strong brand equity in the education sector; Leveraging on its established brand, Career Point now offering multiple product offering across Test-Prep, Schools, Colleges and Universities

## Strong Management Team

Career Point has a strong Promoter and rich experienced Management Team who continually explore new ventures to create shareholder value with Corporate Governance intact and accomplish Social Responsibilities

## Career Point Investment Proposition

## Philosophy of Excellence

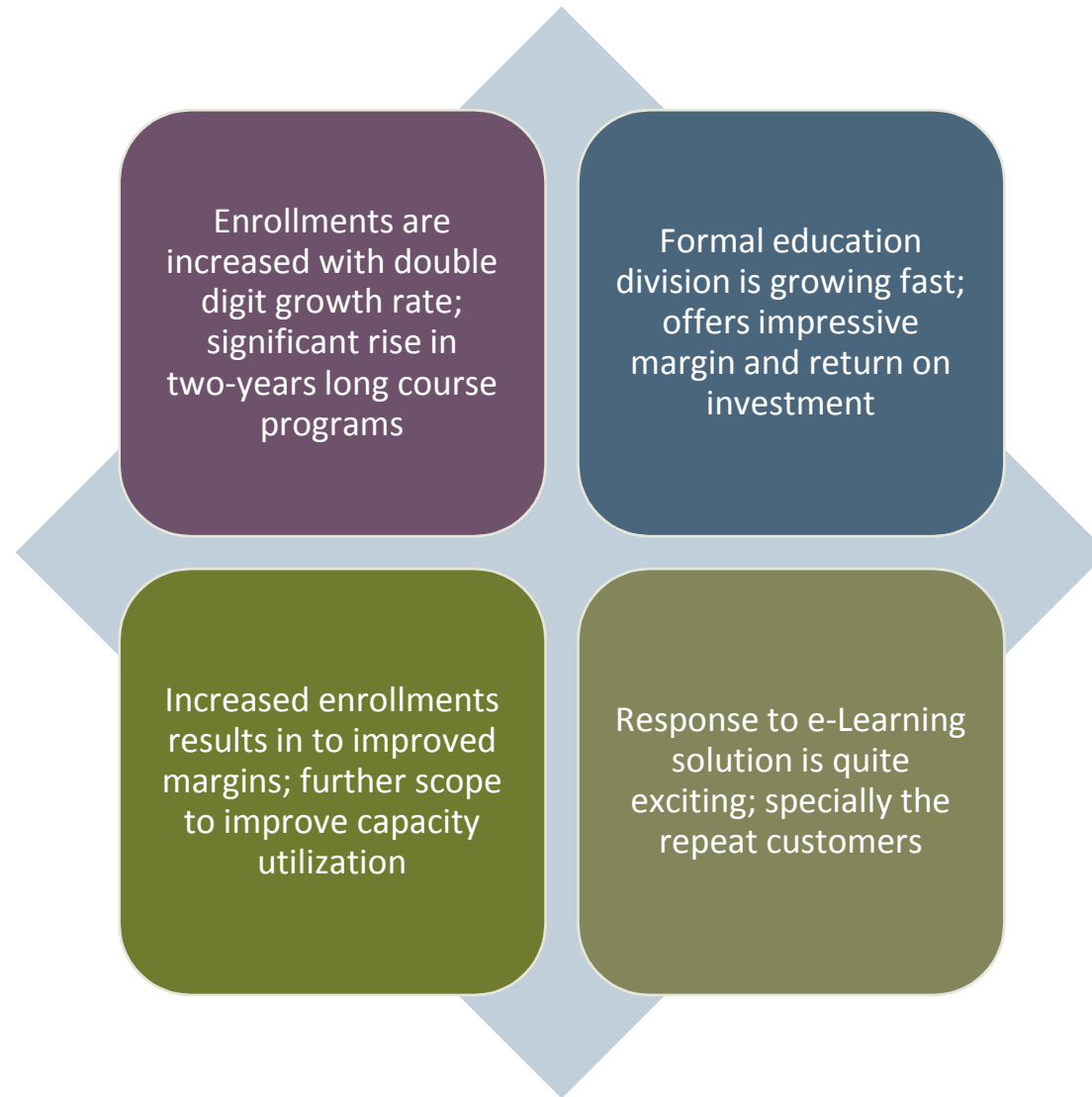
Career Point shares the vision to become global leader in providing exemplary education for betterment and empowerment of individuals through excellence in quality, methodologies and systems

## Strong R&D and Technology focus

Expansion through fast and cost-effective technology based solutions with maintaining a strong focus on R&D and content development, has allowed Career Point to cater to the challenges of ever-evolving world and emerge as a leader in its business domain

**With pyramid of strengths and deep-rooted foundation, Career Point is focused on creating a brighter future and delivering great value for each of the stakeholder**

# Key Business Indicators



# Investment Rationale



Presence in evergreen education business with diversified verticals across the industry value chain

New initiatives i.e. e-Learning, Vocational are fuelling growth without any significant capex

Major formal education projects are out of gestation and have start yielding returns

Ongoing restructuring efforts aiming for a asset-light business model and improved ROI

The value of tangible assets ensures significant value appreciation from current level

# Annexure 1: Latest Financials

# Financials – Income Statement (Standalone)



Income Statement	Standalone				
Rs Lakhs	4QFY15	4QFY14	3QFY15	FY2015	FY2014
<b>Income</b>					
Income from Operation	1,567.0	1,351.0	1,610.3	6,283.4	5,414.0
Other Income	187.6	143.0	218.1	827.2	835.0
<b>Total Income</b>	<b>1,754.5</b>	<b>1,494.0</b>	<b>1,828.4</b>	<b>7,110.6</b>	<b>6,249.0</b>
<b>Expenditure</b>					
Cost of Material	60.7	57.4	19.5	201.9	177.0
Employees Cost	793.6	906.8	818.6	3,348.8	3,536.0
G&A and other expenses	361.8	370.4	324.8	1,629.0	1,513.7
Dep. & Amort.	116.5	66.1	115.3	468.9	369.4
Finance Charges	25.3	26.8	25.8	106.7	211.3
<b>Total Expenditure</b>	<b>1,357.9</b>	<b>1,427.5</b>	<b>1,304.0</b>	<b>5,755.2</b>	<b>5,807.3</b>
<b>EBITDA</b>	<b>538.4</b>	<b>159.4</b>	<b>665.6</b>	<b>1,931.0</b>	<b>1,022.4</b>
EBITDA Margin	30.7%	10.7%	36.4%	27.2%	16.4%
<b>Operating EBITDA</b>	<b>350.9</b>	<b>16.4</b>	<b>447.4</b>	<b>1,103.7</b>	<b>187.4</b>
Op. EBITDA margin	22.4%	1.2%	27.8%	17.6%	3.5%
<b>Profit Before Tax</b>	<b>396.7</b>	<b>66.5</b>	<b>524.5</b>	<b>1,355.4</b>	<b>441.7</b>
PBT Margin	22.6%	4.5%	28.7%	19.1%	7.1%
<b>Profit After Tax</b>	<b>402.6</b>	<b>71.2</b>	<b>209.0</b>	<b>970.4</b>	<b>421.0</b>
PAT Margin	22.9%	4.8%	11.4%	13.6%	6.7%
<b>EPS (Rs)</b>	<b>2.22</b>	<b>0.4</b>	<b>1.2</b>	<b>5.35</b>	<b>2.3</b>



# Financials – Income Statement (Consolidated) – 1/2



Income Statement	Consolidated				
Rs Lakhs	4QFY15	4QFY14	3QFY15	FY2015	FY2014
<b>Income</b>					
Income from Operation	2,485.7	1,647.8	2,030.3	7,787.6	6,520.7
Other Income	279.3	275.6	296.3	1,116.2	1,280.8
<b>Total Income</b>	<b>2,765.1</b>	<b>1,923.4</b>	<b>2,326.6</b>	<b>8,903.8</b>	<b>7,801.5</b>
<b>Expenditure</b>					
Cost of Material	880.3	81.1	367.8	1,431.6	238.8
Employees Cost	858.2	954.4	888.1	3,587.7	3,695.5
G&A and other expenses	423.6	401.7	361.7	1,786.0	1,618.7
Dep. & Amort.	134.9	114.9	38.2	537.2	516.2
Finance Charges	133.2	121.9	124.3	496.5	507.5
<b>Total Expenditure</b>	<b>2,430.2</b>	<b>1,674.0</b>	<b>1,780.0</b>	<b>7,839.0</b>	<b>6,576.6</b>
<b>EBITDA *</b>	<b>602.9</b>	<b>486.2</b>	<b>709.1</b>	<b>2,098.5</b>	<b>2,248.6</b>
EBITDA Margin	21.8%	25.3%	30.5%	23.6%	28.8%
<b>Operating EBITDA</b>	<b>323.6</b>	<b>210.6</b>	<b>412.8</b>	<b>982.3</b>	<b>967.8</b>
Op. EBITDA margin	13.0%	12.8%	20.3%	12.6%	14.8%
<b>PBT before Extraordinary items</b>	<b>334.9</b>	<b>249.4</b>	<b>546.6</b>	<b>1,064.8</b>	<b>1,225.0</b>
PBT Margin	12.1%	13.0%	23.5%	12.0%	15.7%
<b>Profit After Tax #</b>	<b>362.7</b>	<b>181.5</b>	<b>178.6</b>	<b>582.1</b>	<b>978.3</b>
PAT Margin	13.1%	9.4%	7.7%	6.5%	12.5%
<b>EPS (Rs)</b>	<b>2.0</b>	<b>1.0</b>	<b>1.0</b>	<b>3.2</b>	<b>5.4</b>

\* EBITDA at FY15 declined against last year due to removal of Lease Rent income this year.

# PAT at FY15 declined against last year due to Extraordinary loss booked against asset sale.

# Financials – Income Statement (Consolidated) – 2/2



## Consolidate Financials (Comparable Business Performance) – FY2014-15

Revenue : +20% | EBITDA margins : +15.4 pps | Profit before tax : +441%

Income Statement	Consolidated (Like to Like Comparison)					
<u>Rs Lakhs</u>	4QFY15	4QFY14 (Adj.)	Change	FY2015	FY2014 (Adj.)	Change
<b>Income from Ops</b>	<b>1,619.1</b>	<b>1,374.9</b>	<b>18%</b>	<b>6,551.5</b>	<b>5,482.4</b>	<b>20%</b>
Operating Expenses	1,453.8	1,437.2	1%	5,624.8	5,552.9	1%
<b>EBITDA</b>	<b>165.3</b>	<b>(62.2)</b>	<b>366%</b>	<b>926.7</b>	<b>(70.5)</b>	<b>1414%</b>
EBITDA Margin	10.2%	-4.5%	14.7 pps	14.1%	-1.3%	15.4 pps
<b>PBT before E/O items</b>	<b>176.6</b>	<b>(23.5)</b>	<b>853%</b>	<b>1,009.2</b>	<b>186.6</b>	<b>441%</b>
PBT Margin	10.9%	-1.7%	12.6 pps	15.4%	3.4%	12.0 pps

### Business Performance Comparison (Like to like):

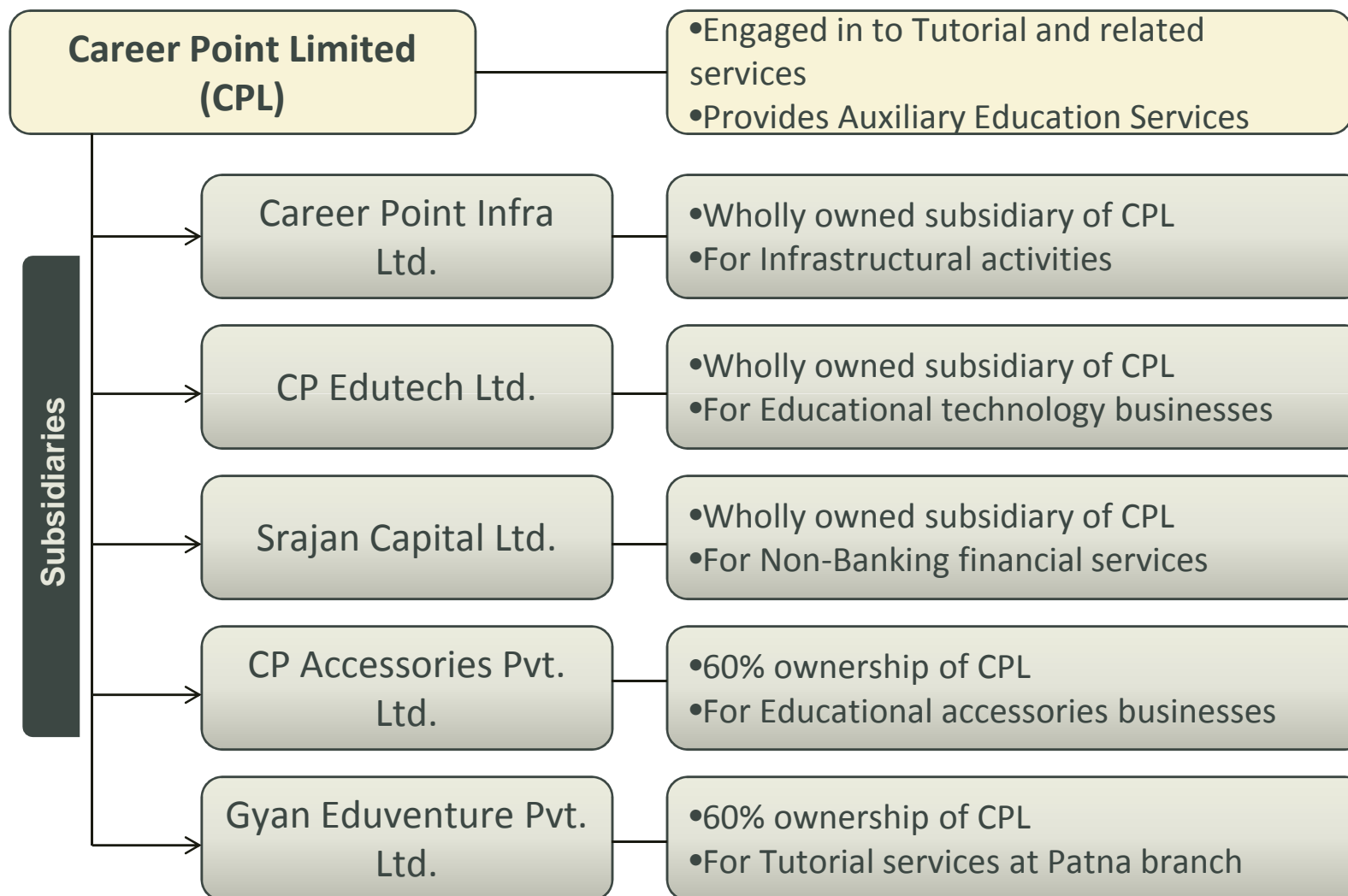
1. Adjustment of Lease rent income Rs 273 Lacs in 4QFY2014 and Rs 1038Lacs in FY2013-14
2. Adjustment of income and expenses from Kota Automobiles in FY2014-15
3. Extraordinary item Rs 622.4 Lacs set-off in FY2014-15
4. Adjustment of deferred taxes from the transaction of asset sales in 2Q/FY2014-15

# Financials – Balance Sheet



Balance Sheet	Standalone			Consolidated		
Rs Lakhs	31-Mar-2015	31-Dec-2014	31-Mar-2014	31-Mar-2015	31-Dec-2014	31-Mar-2014
<b>Liabilities</b>						
<b>Shareholders' fund</b>	<b>33,219</b>	<b>32,816</b>	<b>32,458</b>	<b>33,832</b>	<b>33,500</b>	<b>33,566</b>
(a) Share Capital	1,813	1,813	1,813	1,813	1,813	1,813
(b) Reserve and Surplus	31,406	31,003	30,645	32,019	31,687	31,753
<b>Non-current Liabilities</b>	<b>431</b>	<b>370</b>	<b>122</b>	<b>194</b>	<b>155</b>	<b>370</b>
(a) Def. Tax Liabilities	371	322	80	134	107	328
(b) Long Term Provisions	59	48	42	59	48	42
<b>Current Liabilities</b>	<b>1,460</b>	<b>2,133</b>	<b>1,200</b>	<b>1,580</b>	<b>2,612</b>	<b>1,436</b>
(a) Current Liabilities	1,366	2,007	1,102	1,479	2,470	1,321
(b) Provisions	94	126	98	101	141	115
<b>Borrowings</b>	<b>988</b>	<b>1,031</b>	<b>992</b>	<b>4,312</b>	<b>4,956</b>	<b>4,322</b>
<b>Total Liabilities</b>	<b>36,098</b>	<b>36,350</b>	<b>34,771</b>	<b>39,917</b>	<b>41,223</b>	<b>39,695</b>
<b>Assets</b>						
<b>Fixed Assets (inc. WIP)</b>	<b>12,799</b>	<b>12,645</b>	<b>12,190</b>	<b>16,476</b>	<b>16,813</b>	<b>22,985</b>
<b>Non-current Assets</b>	<b>17,950</b>	<b>20,797</b>	<b>15,954</b>	<b>10,098</b>	<b>11,457</b>	<b>7,202</b>
(a) Loans and Advances	239	3,360	2,098	6,468	6,654	7,141
(b) Investments	17,711	17,437	13,856	3,624	4,782	42
(c) Other Assets	-	-	-	6	21	19
<b>Current Assets</b>	<b>5,349</b>	<b>2,907</b>	<b>6,628</b>	<b>13,343</b>	<b>12,953</b>	<b>9,507</b>
(a) Inventories	191	233	238	234	853	301
(b) Sundry Debtors	408	361	144	8,124	8,692	1,498
(c) Cash & Bank Balances	205	148	398	246	499	668
(d) Current Investments	300	553	4,198	1,458	553	5,356
(e) Loans and Advances	4,244	1,613	1,650	3,282	2,357	1,685
<b>Total Assets</b>	<b>36,098</b>	<b>36,350</b>	<b>34,771</b>	<b>39,917</b>	<b>41,223</b>	<b>39,695</b>

# Annexure 2: Company Structure



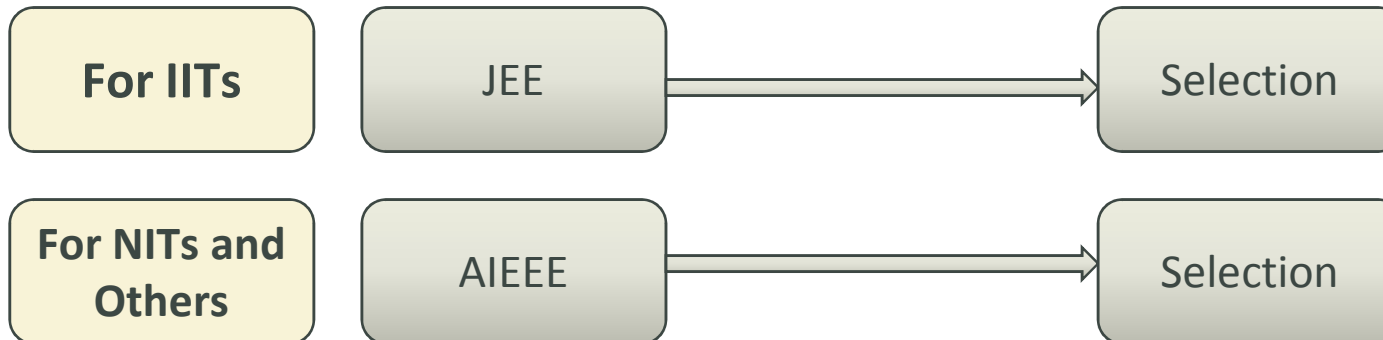
# Annexure 3: JEE Pattern Change



# About the change



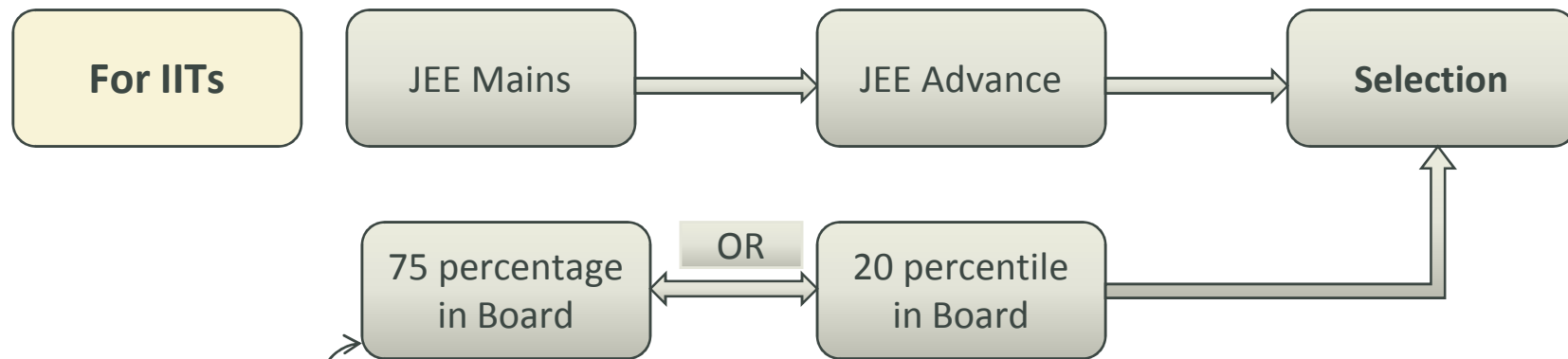
## Old Selection Procedure



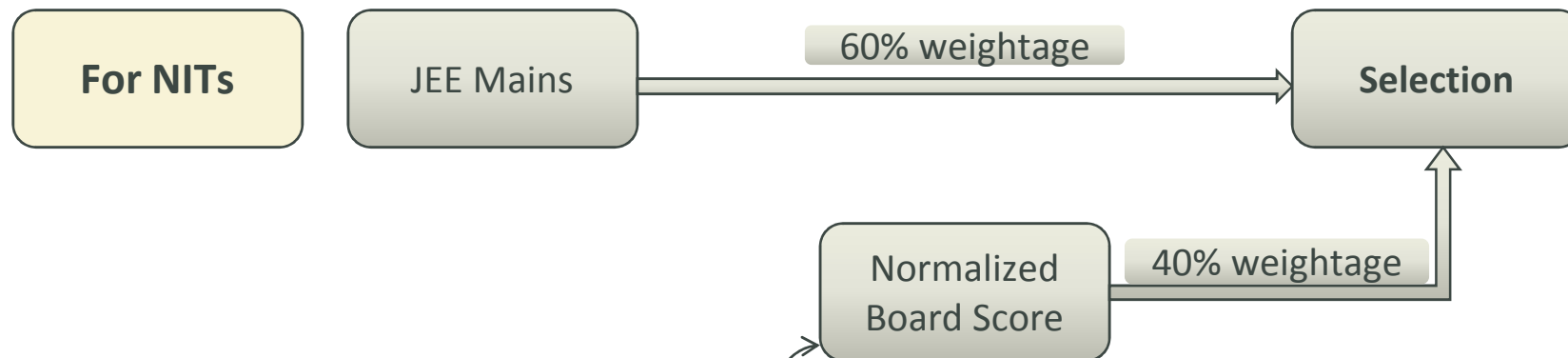
## New Selection Procedure

- **Introduction of board score:** Class 12 board score has also factored in for final selections in to IITs and NITs in different modes
- **Admission in IITs:** Screening based on JEE-Main score and selection based on JEE-Advance; subject to criterion of top 20 percentile in respective board
- **NITs and others:** Weight age of 60% to JEE-Mains score and 40% to Board percentile marks normalized against all boards set against JEE-Main score

# New Selection Procedure



New update announced on 22 Sep 2014 to ease the admission norms



Normalized among different board and set against JEE-Main Score

# Impact



- **Initial confusion:** The percentile measure of board marks and setting against JEE score was not clearly implicit initially in absence of any historical data and explanations by regulator.
- **Board Criterion:** In the new format, Board marks as filtering criterion for engineering admissions resulted in to decline of aspirants who used to take a drop after class XII examination.
- **Divisional shift:** A divisional shift is witnessed in students enrollments from only AIEEE focused preparation to JEE-Main + JEE-Advanced course studies.

# Thank You



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