"CL Educate Limited Q4 FY 2025 Earnings Conference Call"

May 15, 2025

<u>**Management:**</u>

Mr. Satya Narayanan R – Chairman, CL Educate Limited

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

Mr. Arjun Wadhwa – CFO, CL Educate Limited

Earnings Call Link: CL Earnings Conference Call Q4 FY25

Results Link:

- **Consolidated Results – Q4 FY25**
- **Standalone Results – Q4 FY25**

Investor Presentation: CL Investor Presentation Q4 FY25

CL Educate Limited: Earnings Conference Call – Q4 FY2025

Arjun Wadhwa: Good afternoon, ladies and gentlemen, and welcome to, CL Educate's Q4 FY25 analyst call. My name is Arjun Wadhwa, and I'm the CFO of CL Educate, and I'll be your host today. Welcome once again to our metaverse platform called VOSMOS, which we have been using for now, almost 40-42 odd months for our analyst call. This call as always will be recorded, transcribed, made available in the investor zone on our website within the next twenty-four to forty eight hours. Should you have any questions, I'd request you to just jot them down on the bottom right-hand corner of your screen on the chat window, and we'll take them up towards the end of the session.

Joining me on today's conference call is Mr. Satya Narayanan. He's the Founder and Chairman of CL Educate. Mr. Gautam Puri, Co-Founder, Vice Chairman and Managing Director. Gautam takes direct reporting of the EdTech business, including the test prep business. And Mr. Nikhil Mahajan, our CEO and Executive Director, anchors the MarTech business in addition to being the Executive Director for finance.

I'd like to start by inviting Satya to give a quick overview of our recently concluded DEX acquisition before handing over to Nikhil and Gautam, for finance and business updates. Satya, over to you, please.

Satya Narayanan R: Thank you, Arjun.

Good afternoon, everybody. I'm happy to share with you about the completion of the NSEIT (DEXIT Global Ltd.) acquisition that has been underway over the past three quarters. And here are a couple of broad observations or updates that I would like to give to you. Effective twentieth February, NSEIT, has become an integral part of CL Educate group. Congratulations to all of you. As you are aware, but those of you who might have missed it, the purchase price was Rs.231.8 crores. And two very important things, to mention, in the same breath is that we acquired this company by taking a debt of Rs.200 crores, which is a six-year debt.

And effective 01st Jan 2025, we have begun the servicing of the debt, as per the details given here. And, the repayment of, loan and interest, those process have already begun. But the wonderful thing is that we could do the entire transaction without affecting too much of our internal, financial, challenges without getting into any of that. And one of the things that we are looking forward to is, to put the plan in place to become a zero debt company again in thirty six months. Some necessary steps have been initiated already, and this will be the first full quarter of NSEIT with us.

For instance, the name change, etc, has been done. We have a one-year runway to, transition from an NSEIT to DEXIT completely. We have added imminent members on the board, which I covered last time. We've already created a board subcommittee under the chairmanship of Mr. Yatrik Vin to help us look at both strategic investments as well as an IPO road map in a twenty four to thirty six month period. And the other accompanying important thing also, you will hear more about it, in the business discussion, is that, we had to take a couple of important calls, including the debt one.

The other important call that we had to take as a business was to ensure that there is no apparent or there is no conflict of interest between the test prep practice and the assessments practice. And in order to do that, we have, discontinued a couple of lines of our businesses over the past three to four months. And, the details of which you will hear when, Nikhil and Gautam Puri (GP) talk about it in the in the finance as well as in the test-prep part. And, the summary of it, if you look at it, here, looks like this.

So, it is a 200-crore business doing an EBITDA of about 16%, and there is a scope to make it better as we move along. And DEXIT, as we are calling it, or NSEIT, comes from a very, very strong business mode coming out of its technology backbone, the distribution network for assessment centers, and we are the only player in the country who can do on demand assessments at scale, and that forms almost two thirds of our business. The entire leadership team is continuing with us. It is energized, and it is looking at achieving important landmarks over the next two to three years.

And we are working towards making DEX, being able to play in the entire large dam of almost nine crore individuals who undertake some assessment or the other in the country in India every year. So that's the large dam that we're talking about. And if we execute some of these very well, including synergies that it can build with, CL, the corporate synergies that it can build with Kestone. We believe that, DEXIT can become a very important player in the nation's digital public assessments infrastructure. That's the summary of DEXIT.

Arjun Wadhwa: Thanks, Satya. I'll now request Nikhil to step in.

Nikhil Mahajan: Good afternoon, everybody, and thanks, Arjun, for this.

I just want to spend a couple of minutes before doing a deep dive into the numbers. As you know, Satya articulated, this is the first quarter when, there is certain portion of DEX which is getting consolidated with our existing two lines of business, which is the EdTech business and the MarTech business. So going forward, we'll have three lines of businesses, DEX, EdTech, and MarTech. And as Satya articulated, at the conclusion or in the preparation to the conclusion and consummation of the DEXIT, acquisition, we had to take certain decisions in discontinuing certain product lines and product categories from our test prep business to avoid any potential seeming conflict of interest, in certain areas where test prep used to operate, specifically, JEE and NEET, which is a 50 lakh plus students appearing across the country, and the Bank SSC selection recruitment exams, which is roughly around one crore plus people.

These are two large, market opportunities, which, had some footprint, used to do some businesses, but in order to ensure non conflict potential conflict of interest in the future, CL decided to take a onetime, action of discontinuation of these product lines, which resulted in a loss of Rs.9.3 crores during the current year, because, as we were approaching the consummation of the transaction, we already, in a subtle manner, chose to stop enrollment, of the new and academic enrollment season. However, the expenses towards the delivery of the already enrolled students, continued and will also continue for certain couple of quarters in the current year. So this was a one one-time hit of Rs.9.3 crores, which is which is appearing as a, one time exceptional discontinued operations line item. In addition to this, there were significant amount of expenses which we incurred towards closing this transaction, including costs associated with legal and other, transaction related costs. And the acquisition related expenses of Rs.4.2 crores as per IndAS cannot be amortized, and they, have been accounted for as an exceptional item appearing in the P&L for this quarter.

In addition, we had to book additional incremental interest for about eight to ten weeks still pending the closure of the transaction, transfer of shares, and the payment of consideration. And this increased expense of Rs.2.7 crores also added to the impact on the bottom line without any commensurate business income or business profitability accruing to us. But these are all one-time exceptional line items, which have been accounted for as per accounting standards, and we expect that going forward, it's going to be business as usual. And none of these line items will get replicated, in the future.

Now coming to the specific financials, as stated earlier, the DEX transaction concluded on February 20. So as per IndAS, only about forty days of revenue and profitability actually accrued to us, which amounted to a revenue of about Rs.30 crores. So if you were to just include a stub period, our revenues have grown about 11% from Rs.332 Cr to Rs.368 Cr. But if you were to look at, continuing proforma basis, we would have probably seen Rs.332 crore going to Rs.544 crore accounting for the full year's revenue. Similarly, at the EBITDA level, against the last year EBITDA of Rs.37.9 Cr, the proforma EBITDA, is about Rs.63.4 Cr, while for the stub period, for the forty day, this is about Rs.32.6 Cr and has, some of these regular items relating to DEX also included besides, the exceptional items which are not accounted here.

We have seen an extremely good positive revenue growth in the MarTech platform monetization and the publishing business. However, we had seen, test-prep being negatively impacted not just due to a discontinued business, but also due to, what I will call re-flickering in the test prep market. More details of which will be covered by Gautam in the

EdTech update. Earlier, we were anticipating the DEX transaction to get closed somewhere in November-December 2024, and we were hoping to be able to get three, four months of revenue stub period revenue accounting to us, but, it took much longer than anticipated, and, we only got about forty days. As I've already shared, the discontinued operations for product lines of engineering, medical, Bank SSC, and CA, which are large examination markets, from NTA and from DEXIT market opportunity potential.

Other items I've already covered in the previous slide including acquisition related expenses as well as, interest cost, which was incurred, because the loan disbursement happened earlier, and the actual closure of the transaction took about six to eight weeks longer than we had originally planned. Now getting into more specific details, let me first jump into the MarTech business. MarTech business last year grew by about 22% in terms of revenue from about Rs.123 crores to about Rs.150 crores, of which, international revenue was about Rs.43.5 crores, in FY25 as compared to Rs.32 crores the year before, indicating a roughly a 35% revenue growth. India revenue increased from about Rs.90 crores to Rs.106 crores, indicating roughly a 16-17% growth rate. As I've been sharing for the previous investor calls, last two to four quarters, we have seen, our margins slightly impacted, largely by environmental factors where our customers have been asking for more stricter pricing, as a result of which our margins have been negatively impacted, and delivery cost have also slightly marginally increased across geographies.

However, as we see, we are also working towards reengineering our supply side, to be able to optimize on the cost of delivery as well as be able to extract a slightly better pricing from our customers to be able to minimize the impact of margins. The new client acquisition has been gaining extremely positive traction, over the last twelve to eighteen months. We have added 12 new customers in various verticals, and we expect that over the next four to eight quarters, not only will the revenue contribution from these new accounts increase significantly, but the newer accounts itself will increase significantly. Another critical thing is which we are working is to significantly expand our international delivery capability by enhancing our team sizes, and of across all three international geographies as Singapore, Indonesia, and The US. And now I think we, have adequate resource base to scale up to a level, significantly greater than what has been achieved, and we expect that the existing growth momentum in those markets will continue. I'll hand it over to Gautam to cover the EdTech portion.

Gautam Puri: Thank you, Nikhil.

If you look at the last one year, the compared to the previous year when we had done about Rs.200 Cr of the revenue, we are down to about Rs.189.5 Cr. Decline of about 7%, and this has obviously resulted in the EBITDA also coming down, from Rs.22 Cr to a Rs.15.6 Cr. As I mentioned in the last investor call also, there's a period when test prep is, witnessing a structural churn. The student habits are changing, and in the last few years, what we have seen is there's been a greater shift towards self prep. And then when I say self prep, self prep is a omnibus term which we use or which students use for large range of preparation process.

To put it very simply, anything which is outside the classroom, if I'm not attending a regular classroom program, whether offline or online, by and large, it is counted as self prep. So it could be as simple as, let's say, just, purchasing study materials or purchasing a book from GKP, or it could be purchasing a book, doing some, couple of online programs for different segments. And, in addition, doing test series also by and large. So that's the kind of range we have. And the last two, three years, we have seen this to be a very much stronger thing when, students who are good in the academics typically tend to go towards self prep, because they think they can go to their own.

And the students who are not so good at the bottom of the, ladder, I would say, many of them don't want to spend too much money. And, which is resulting in if you look at the MBA part, while we have been able to hold on to the market share, the billing has come down. This has come down because, essentially, students who are earlier taking a full-fledged program, are now shifting more towards either taking smaller products, which are low value products comparatively or cheaper products or not taking anything. However, when it's still not taking anything, please check that with the pictures on a large number of serious students. They will definitely take a test series while there'll be a significant population who will not take anything, but a test series kind of product is something that you always take.

And here also we find a difference in the behavior of the product. While in India, this trend is much more stronger strongly pronounced of is pronounced strongly when strong start moving towards self preparation and looking at saving money in terms of preparation. We don't see that in a similar strong way when it comes to the school products, which is Law, BBA, IPM. And the only reason can be that, where the parents are involved, parents are paying, there you find them to be wanting to be sure and not wanting to take chance with this with the careers of their children.

When it comes to CUET, I would say CUET has not lived up to expectations. When CUET came, we were very gung-ho about it. We felt this could make a difference. But, unfortunately, due to multiple reasons, it has not emerged as a serious product segment.

And, you would have seen that even in newspapers because every year we find glitches in terms of the way it is, conducted. And which mean that the students and the parents are not confident of CUET as such and intend to hedge their bets. And, in any case, for many places, not Delhi University, but for many colleges, private colleges especially, CUET is only one of the many ways of getting into the college. And, hence, students look at multiple options.

Secondly, the way the paper has been structured, which mean it is a board plus kind of a thing, means very clearly the focus will be more on the boards part or the academics or school part, and the plus part, which is the aptitude, is only an afterthought. So, till the time there's some serious rethinking in the NTA and the associated circles about the structure of the program, while it will stay there, I don't see it becoming a major product segment, at least not for us. So for in the coaching segment. Maybe in the tuition part, it might be, but not a major segment. As far as law is concerned, the billing numbers, again, we have been able to hold on to it, similar numbers.

But the but the segment which seems to be growing is the BBA IPM segment. This is a segment where we are talking about, all five year management programs at the undergraduate level. And most of these five year programs are structured in a way, that the student after three years can opt out or continue with it. This is a program which seems to be going faster than the others, and to me, it is absolutely logical. Because, it's a very, very niche area.

Management is a much more broader area, and it is essentially building on BBA. At this point of time, the BBA IPM or the IPM, or if I say the five year MBA programs, are not, bigger than law. But I think that this is a segment which will go faster. The interesting thing is the older IIMs, IIM-Indore started it, Kozhikode has joined, while A,B,C,L have still not come onto the bandwagon. But Shillong has started Kozhikode has started a four year program. And this is a segment which will do good. And, this is a segment in which we should be able to do much better than the others purely because of the management background that we have with respect to the examination. However, when I look at the overall scenario with respect to test-prep, I would say this is a churn which is likely to cut you for at least another one year, maybe a year and a half. And then we will have to go through this cycle, and, essentially look at ensuring that our numbers don't fall while the revenue is something that we will be, obviously, trying to grow.

But my focus would be to ensure that the numbers grow, more than anything else. And, while I talk about the initiatives in a minute, when it comes to the Platform Monetization, we help institutes and colleges reach out to students. We act as a bridge between these students and the various MBA, Law, BBA, IPM, and engineering institutes. This is a segment which has been growing. We have been able to do a good job of it, and not only has the revenue gone up here, even the margins are good out here. Publishing has an improvement in terms of margin. But in terms of numbers, in terms of revenue, we are by and large flat, as far as publishing is concerned.

Now with respect to this test-prep issue a certain step that we have taken. In this scenario where the market is looking at cost of price or saying that maybe that's something that I need, we have launched something which is called Attend From Anywhere (AFA). We have started this process. We did this experiment about three months ago, and it seems to be very, very promising. And we are looking at expanding it to others.

Very briefly, what is Attend From Anywhere? Typically, a student attends either online program or offline program, which means goes to a physical Career Launcher center and goes for the program, attends classes at the center. Or goes online attends the Career Launcher program, completely online. Now this is a program where we are saying, especially in the metros, that many times students find it difficult to travel. Many times students have their college exams, school exam, etc. And, hence, for a two hour class, they would not want to travel for another two to three hours. So what we are doing is we are beaming the live class of the session, and the student has the flexibility of either attending the sessions or the class from the center or in case of, in case the student cannot attend it from the center, he or she can attend the same session online because the live class is being beemed. Which ensures that the student does not lose out and also, also ensures that, from a student's perspective, the school or the college requirements are also taken care of.

To take care of the self-prep issue, which is becoming a very, very important segment. We launched a self prep platform. I think I talked about it last time, but I would just like to highlight it again. Self-prep platform for MBA, which is called Open CAT. Here, by and large, a student can do all the self-prep by himself/ herself. And, also, there are opportunities for them to enroll for specific segments. For example, the student will prepare here, but wants to have a test series. They have an opportunity to enroll for Career Launcher test series. They think they're not good in one particular section, one particular domain, they can enroll only for that. So we have those self prep programs. So while the base is available to the student, if they want any value added service, that is something that they will have to pay for and enroll for it.

We are also looking at developing our own platform for adaptive testing because we think going forward, adaptive testing is likely to happen. NMAT, in fact, used to do it. It was a not a very strong product, but nevertheless, it is something which is likely to happen. And even if adaptive testing does not happen, it is still required, I would say, for us for the simple reason that adaptive testing will help the students prepare better. So we'll be able to serve the student the right level of questions.

So if I'm weak in a particular area, I will be able to give the student the right level of questions so that, incrementally, they can keep going up. And similarly, a strong student, student is good in a particular domain will get correspondingly high level of difficulty questions. So while, adaptive testing is not there in Indian exams as I said, by and large, except NMAT does it in a small way. This is still a very important component from my point of view as far as the preparation is concerned.

One other thing that we have been looking is what Satya also talked about that there are synergies between test-prep and DEX, and we are working together to bring out, a few program that can be delivered on DEX platform. And there are couple of the initiatives that we are taking when the CL program will be available on DEX platform itself. So that's broadly what we are looking at.

Arjun Wadhwa: Thank you so much, GP. I'll take you through the next segment, which is a little bit of an overview of the DEX business. As Satya mentioned, we picked up this business on 20th Feb. So from a reflection on our financials, it is from a forty day perspective. But, obviously, we're looking at it from a long term perspective, and, we thought though we've done an investor call for each of you where we've covered DEX in detail, it's always useful for new investors and for people who are logging in for the first time to get a little bit of an understanding of this business.

DEX has been in the assessment business now for the better part of twenty plus years and is currently the number two player in this market space behind TCS iON. The organization has built a network of 237 company managed centers and has an, elastic network across schools, colleges, which allows it to deliver exams, as Satya mentioned, across all 780 districts of India. This is delivered through a thousand plus members field force, which works this platform, and, this includes both full time and part time employees. From an operational standpoint, we have a truly world class technology infrastructure to deliver these exams, including our own operating system, which includes six copyrights and two patents. We also, you know, have the experience of having delivered one lakh plus, concurrent students, taking an exam in a single session as well as having delivered 73 lakh students across a single examination, when we did the railway police recruitment in 2019.

As Satya mentioned earlier, the ability of DEX is to also deliver on demand exams anytime, anywhere, as well as doing event based exams, which could be of the nature of an RRB or an SSC and so on and so forth. Just to give you a little bit of an overview into, you know, the nature of work done, 55 million plus, examinations have been delivered over the last twenty years, by, DEX. And, the exams listed on the top half of the page are predominantly those, that are delivered to the company managed locations, which are largely on demand exams. In the DEX lingo, we call this our core business, and the exams on the bottom half of your screen are largely the event based exams, which happen through a mix of, the of the company locations and a huge number of the elastic locations. The ones on the bottom half of the page could be delivered over one day, over one week, over one month, depending on the nature of the exam.

In terms of, vintage, you'll notice that IRDAI is one of our oldest and largest clients. More than 20 million exams delivered for them over a seventeen year period, whereas UIDAI, NISM, IIBF, all nine year plus. So, you know, in terms of regulators and other market bodies that the DEX team has worked with, it's a fantastic set of customers who have been serviced over a long period of time. Moving ahead into, you know, the business updates for this year specifically, the business has been largely flat, moving from a Rs.199 crores to Rs.205 crores from a revenue perspective, and the operating EBITDA has been, has dipped marginally from Rs.39 crores to about Rs.34-35 crores. This is largely on account of the transition that happened over this time period where as per the mandate of the organization, it was to continue business as usual, not go after any major new accounts, and to largely stick with managing the show as it was during the transition period.

As Satya mentioned earlier, our acquisition also got delayed from an earlier envisage period of November to actually getting consummated in February. And, obviously, that uncertainty percolated down into the business teams in terms of delivery and so on. In terms of the core business itself, the growth has been, very solid. This business has grown about 16% over the previous year. This is pretty much our on-demand annuity business, which continues, to grow year on year on an incremental basis from the existing set of clients that are exclusively managed by DEX. This business accounts for more than hundred crores of the top line. In terms of, what, didn't work out as well as we had hoped this year, the NTA specific business had dipped, a little bit after the NEET exam, paper leak, which resulted in a postponement of a whole set of other exams, that would have flowed through NTA. And NTA also introduced certain structural changes in terms of the way exams need to be managed and delivered going forward, which resulted in us in an increase in the operational delivery costs of actually running those exams and managing those centers which delivered those exams. We'd also hope that over the course of the year, the AYUSH and DRDO exams would come our way in FY25, but, both of those have got postponed to the next financial year. Happy to share that the AYUSH order is now with us, and the work is underway in terms of, delivering and servicing that. DRDO, we hope, will happen later on this year. In terms of client additions, we had shared again in our investor call through a case study about the addition of ICAI, as a client. Happy to share that, we had mentioned at that time that we were expecting about a 75 crore business from this over the next three years. The first year has indeed delivered in excess of 25 crores, and we hope to add to this over the years ahead.

In terms of specific initiatives that, CL as a group and and the DEX team, are focusing on, to grow this business, some of the, some of the specific areas we will focus on, Gautam spoke about it in in his slides also, is to look for more synergies in the entities and introduce more projects that will be able to ensure that, you know, there's not a linear growth from DEX's addition to our portfolio, that it's not one plus one equal to two, but we'll be able to derive synergies both from a revenue growth perspective in terms of product lines and also from a cost perspective in terms of leveraging the 200 plus, CL study centers that we have across India and 130 odd study centers that DEX has across the country.

We also spoke about the breadth of segments that DEX currently, caters to. Again, in our session, we had covered that there are seven opportunities in the assessment space, and currently, DEX only caters to maybe two, two and a half of those. We're happy to share that already during the stub period and the month that has followed, we've been able to expand this into new areas, including adding university semester exams and private university entrance exams to the DEX revenue stream. A couple of wins that we've had in this space is the addition of IIM Bangalore as a marquee client for university semester exams and the GITAM Group of Institutes for private university entrances. Other initiatives that we will be focusing on over FY26 includes, significant captive capacity enhancement, looking to build capacity to be able to cater to larger exams like, JEE, NEET when it goes online, Bank SSC that Nikhil spoke about earlier, areas that we have discontinued from our test prep product lines. But, you know, exams that will require significant captive capacity at distinct locations, as per the new NTA guidelines to be able to participate in the RFPs for these exams. So we'll share more details about, the OPEX costs and so on related with our capacity enhancements, but we're looking to add 25,000 seats of captive capacity over the next 18 to 24 months. That's it from us in terms of a brief overview of all our businesses and how they've shaped up over the course of this year. We'll now throw the floor open to your questions and , you know, take them up over the next fifteen minutes or so.

There's a question from one of our, usual candidates about, DEX, one of our regular investors. Sameer has asked, how is Q1 FY26 shaping up for DEX, and is the revenue distributed across the four quarters, or is there some amount of seasonality involved? Yes, Sameer. As you rightly guessed, there is some seasonality involved in the DEX business. That depends on two factors. For the exams, which are of a core nature, which are, on demand, it tends to be pretty uniform over the course of the year. But for exams which are event based, which are, you know, conducted over a month or over a week, the revenue then tends to also be classified, relevant to the quarter in which the exam is delivered. There are portions which are milestone driven payments, and the revenue accrues accordingly as well. But, largely, that would then, reflect in those relevant quarters and would not be even across the four quarters. If I were to take last year as an example, Q1 and Q4 tend to be a little bit lower, and Q2 and Q3 tend to be a little bit higher for DEX, in terms of the way revenue tends to be spaced out.

There's a question from Hemant Shah, again, one of our regular investors, asking about why the cost of the DEX acquisition has increased, from the 230 that we had initially said, 230 plus 75, and, why is it reflecting higher than that on our balance sheet? Hemant, we had mentioned this in our last investor call also. And just to clarify, one of the reasons why the acquisition got delayed from November to, February was on account of, certain cash that had been, left behind on the formerly NSEIT limited, balance sheet as a result of their sale of the digital business, to Investcorp. Just to take two steps back for people who, are joining in for the first time, NSE, the exchange has a subsidiary called NSE Investments Limited, and then that has a subsidiary called NSEIT Limited. NSEIT Limited used to run two lines of business, digital and digital examinations. We have bought the company which, housed the digital examination business. The digital business was sold by NSE Investments to a company called Investcorp. The cash from that sale was about Rs.800 crores, of which Rs.600 odd crores they were able to upstream, immediately, and about a Rs.180 odd crores of that cash was left on the balance sheet, which could not be upstream because of insufficient reserves being present on the books of NSEIT Limited. To be able to upstream that at a later point in time, certain redeemable preference shares, stood on the books of the company, which we have acquired, for a deferred consideration, which is the cash amount that has been left on the balance sheet. So it's a little complicated, and I'd be happy to explain it to you on a call separately.

But, just to cut a long story short, our acquisition cost is Rs.230 crores. There is no additional cost that will go out from CL Educate on account of, the transaction. The Rs.180 crores of cash that they've left behind will go back to them, as a deferred consideration for the RPS that they had left behind.

Again, one of our regular investors, Aditya Deorah, is asking what is the plan to reduce the debt? Do you wish to pay it organically, or are you looking at some fundraising options in the pipeline?

Aditya, as Satya mentioned right at the start, you know, we would, ideally like to, go back to being a zero debt company in a period of three years, and we will look to reduce the debt, over this time period as fast as we can. We will look at a couple of specific ways to do that, including, potentially a strategic, stake sale from DEX and an IPO, also in the future. And, of course, over and above that, any internal accruals that we can use to retire the debt earlier, both from generated from DEX or from, the CL business, we will obviously leverage that as well. And any land assets that we have currently on our books, which we can, potentially liquidate over the next two to three years, will also be used strategically to reduce the debt over a period of time. Satya, anything you'd like to add to that?

Satya Narayanan R: I'm okay, Arjun. I think that's good enough.

Arjun Wadhwa: Thank you. There are questions about, our guidance for the future for the first quarter and the full year. Again for people who've been with us for a while know that we don't give a specific guidance, outlook for, you know, each business line and for the company as a whole. But, as, Gautam mentioned specific to the test prep business, it is going through a little bit of churn, and it has been, a bit of a challenging period for that. On the MarTech side, Nikhil mentioned that the revenue has grown 22%, and we will continue to look to expand on that and, try and improve margins significantly over the quarters ahead. And from the DEX business perspective, from next year onwards, the entire amount will come to us as Nikhil has showed you from a proforma perspective. And, obviously, we will look to leverage both our management expertise and, look at new opportunities which would help grow that business significantly over the months and quarters ahead.

There's a specific question from Sameer on, the additional Rs.75 crores that is to be paid against achievement of specific, business related goals that we had mentioned at the time of the DEX acquisition.

Sameer, a formal process to that effect will be carried out now that our financials are closed, to evaluate that. But from a first glance perspective on the numbers, we can share with you that we're not envisaging, any additional payout, from, CL for the DEX acquisition. But in terms of a formal process, we will go through, doing that and completing that process over the next quarter, next quarter and a half.

Gautam, there's a question on the EdTech business and, how we expect it to move over the coming quarters, given the strategic the churn that you spoke about. Could you throw a little bit more light on that, GP?

Gautam Puri: As I said that, as far as MBA is concerned, by and large, I would look at a greater focus onto the self-prep products, quite a few of which we have launched the last couple of years, and test series. And that to me is going to be the defining market from our point of view. Classroom, as I said, we have tried to do a value add by giving students the flexibility of attending the sessions both from home or from anywhere else for that matter and, the classroom. Because we believe that in such a market, it will be also helpful to give flexibility or to add value to the product, so that you can, at least charge higher or at least charge the same amount if not higher.

As far as the other products are concerned, Law, BBA IPM is the one which is likely to grow, and, two reasons for that. One, the base is small at this point of time. So as more and more students become aware of it, rather than going for MBA after graduation, after 12 becomes a much better option because the competition is much lower at this stage. Secondly, with today, there are about seven or eight IIMs which are offering this program, which is also adding to the attraction of this particular product. In addition to this, we have relaunched CSAT, this being the first year of the relaunch.

We had stopped doing it if I correctly remember around 2017-18. 2015, the paper became from a compulsory paper to a, qualifying paper, which meant you needed only one third or 33% marks, which meant that the market completely vanished. And in the last few years, especially 2021 onwards, the paper has become fairly difficult, and the market seems to be reviving for the product. So that is another thing we are looking at. So going forward, I would say is that by and large, as far as the graduate program, which is MBA and the civils are concerned, the focus will be primarily on numbers and on the self-prep programs. As far as the school programs are concerned, we will continue with the same rigour as far as the classroom programs are concerned because as I said there, the parent is the by and large the decision maker, and does not want to take chances. While we think that we have been seeing in the last couple of years is both for law and IPM that the market, fortunately, it seems to be shifting more towards the longer program or two year program, which is for what we would be required for the student also because the one year program, because of the board exams in between, does not give students sufficient time to prepare. So that's by and large going to be the plan going forward, at least for the next one, one and a half years.

Arjun Wadhwa: Thanks, GP. There's a question from Rahul Bhansali on, how many new test centers we plan to open going forward, and what is the road map for the next couple of years?

Gautam Puri: The number of test centers is a function of the product range that we have. For the last couple of years, we are looking at in season test centers because of CUET, because CUET as a product, which is a 15 lakh market, had the potential to go to smaller towns and villages. With CUET not picking up as expected due to the structural issue with CUET as such, that number has been scaled down significantly. In the last one year, I think we added we added about 20 odd new centers. And going forward, it's going to be similar until unless we are able to get, the product, which is going to cater two tier- three tier cities also. So going forward, I'll say about 15-20 new centers on an annual basis what we can safely assume with the current product range.

Arjun Wadhwa: Thank you, GP. I don't see any more questions from our participants, so I'll take this opportunity to thank everyone who logged in.

Thank you so much for participating in this analyst call. We look forward to catching up with you, when we do our next analyst call at the end of Q1. Thank you all once again, and, have a good weekend ahead.

Satya Narayanan R: Thank you.

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