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

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

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

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

Dear Ma'am/Sir(s),

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation to our disclosures dated July 31, 2026, and August 05, 2026, please find enclosed the transcript of the earnings call held with the Analysts / Investors (public at large) on August 05, 2026.

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

Kindly take the above details on record.

Thanking You
For CL Educate Limited

ARJUN
WADHWA

Digitally signed by ARJUN WADHWA
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Arjun Wadhwa
Chief Financial Officer

Place: New Delhi
Date: August 10, 2026

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"CL Educate Limited Q1 FY 2027 Earnings Conference Call"

August 05, 2026

Management Attendees:

Mr. Satya Narayanan R	**–**	**Chairman, CL Educate Limited**
Mr. Gautam Puri	**–**	**Vice Chairman & Managing Director, CL Educate Limited**
Mr. Nikhil Mahajan	**–**	**Group CEO & Executive Director, CL Educate Limited**
Mr. Arjun Wadhwa	**–**	**CFO, CL Educate Limited**
Mr. Yatrik Vin	**–**	**Independent Director, CL Educate Limited**

Earnings Call Link: CL Earnings Conference Call Q1 FY27

Results Link:

- Consolidated Results – Q1 FY27
- Standalone Results – Q1 FY27

CL EDUCATE LIMITED
Q1 FY27 Investor / Analyst Conference Call Transcript

(Held on the Metaverse Platform – VOSMOS)

Opening Remarks

Arjun Wadhwa: Thank you for your patience and good afternoon once again, ladies and gentlemen, and welcome to CL Educate Limited's Q1 FY27 Analyst Call. My name is Arjun Wadhwa, I am the Group CFO of CL Educate and I will be your host today.

Welcome once again to our Metaverse platform called VOSMOS, now in its fourth year for our analyst calls. This call, as always, will be recorded, transcribed and made available in the investor zone on our website within the next 24 to 48 hours. Should you have any questions during the session, please feel free to type them in the chat box in the bottom right-hand corner of your screen. We will address them at the end of the session.

Joining me on this conference call today are Mr. Satya Narayanan R, the Founder and Chairman of CL Educate. Mr. Gautam Puri, Co-Founder, Vice Chairman and Managing Director — Gautam takes the direct reporting of the EdTech businesses, including our Test Prep business. Mr. Nikhil Mahajan, Executive Director and Group CEO of our Enterprise businesses — Nikhil anchors the MarTech business specifically. Mr. Yatrik Vin, he is the Chairman of DEXIT Global Limited and an Independent Director on the Board of CL Educate. Yatrik Sir is also the Chairman of our Group Strategic Finance Council, an internal body created nearly a year ago to provide strategic financial oversight, inputs and guidance on various governance and financial matters across the group, with an aim towards long-term value creation.

I would now like to hand over to Satya to say a few words, after which Nikhil will run you through the presentation. Satya Sir, over to you.

Satya Narayanan R: Thanks, Arjun. I hope I am audible.

Arjun Wadhwa: Yes, loud and clear.

Satya Narayanan R: Good afternoon, everybody. I will just take a couple of minutes to articulate two most important, perhaps, topics which are very loudly occupying our space. It has implications for us, both positive and negative. Hence, I thought I will spend a couple of minutes on this.

Number one is the entire NEET-led various controversies and actions that you have seen over the last 45 to 60 days, which has led to the decisive step of very strong policy intervention from the Honourable Prime Minister, with a Nandan Nilekani-headed task force created, which is going to look at broad examination reforms. It may not be broad education reforms, but definitely broad examination reforms based on the mandate. And here are some readings, if you will, that we hold for the next 12 to 24 months.

Number one is that the entire exam or assessment ecosystem will go more and more digital, and at a far more accelerated pace. So the first point is that the direction of assessments is going to be digital, number one. Number two, from an examination's point of view, there is going to be a significant amount of rationalization of exams which is likely to happen. Now, all of these are our readings. We do not have an inside view of what will come out, but as players in the market, as opinion leaders, as setters, we need to be in step with it. So these are our views.

And just to give you one or two illustrations for you to understand — about a decade and a half ago, there were as many engineering entrance exams as the number of states in the country. There was JEE, there was AIEEE, there was EAMCET by Andhra, there was UPSEE by UP, MHCET by Maharashtra, etc. They all got rationalized into becoming one exam called IIT JEE Mains. Similarly, medical entrance examinations, they all converged into NEET. While some of those have gone well, some of those have not gone well, but the direction is rationalization of exams, where a lot of exams will get merged and most exams will go digital. And in the beginning it could be a CBT, which is a computer-based test, static one, and multiple slots to de-risk the leakage problem, with normalization signs coming in for checking the robustness of the assessments. So that is the direction it will go. Much later will the computer adaptive test come into India. That is point number two.

Point number three is, as a result of which, both the assessments companies as well as the test prep companies will have to be alert. There will be newer opportunities that will come. At the same time, there could be some opportunities or some exams that are happening currently that might go away. Overall, the size of the market, overall, the number of assessment takers, they all will increase, but what will merge and what new opportunity will emerge is something that we would know only over the next few quarters. And the last point arising out of this is that there is a likelihood of consolidations playing out, both on the assessment side as well as the test prep side, over the next couple of years.

That is on the left-hand side. On the right-hand side, you are also closely following, I am sure, the AI, the proliferation of it, the opportunities coming out of it, and we are very deeply embedded in that. We are actively using it. What it is doing for those of us who are very proactive is that the speed of innovation has collapsed. What you could earlier do over a six-to-12-month period, perhaps you can do it now in a four to six week period. What that has done is that with the same bandwidth, there is a whole lot of concurrent projects which would otherwise have been in the long priority funnel or pipeline — more than one, more than two are becoming concurrent projects without investing more in your people bandwidth on the technology side.

Quantitatively speaking, and we are measuring it very, very digitally, actively every month and every quarter, almost 74% of our coding now is AI-enabled, AI-driven. And as you move in and see, we have done a lot of cost rationalizations. So, while the revenue growth is a bit of a challenge in a couple of places, what it has helped us is that we could rationalize costs and contribute to it significantly from the technology and AI pieces, without necessarily sacrificing on the ideas that could get us growth from the next three to six quarters. So those were the two broad commentaries I thought I will make at the overall context. I will pause here and hand it over to Nikhil to get into the business part. Thank you.

Financial Performance Overview

Nikhil Mahajan: Thanks, Satya, and welcome to all of you. I hope I am clearly audible. So let me give you a brief overview of the overall picture of the quarter which has just gone by.

As Satya said, while the revenue has been a little bit of a challenge, a slight abnormality, because of operational optimization as well as the cost optimization, we were able to drive in an EBITDA which is marginally higher than the first quarter of last year and is significantly higher quarter on quarter than the fourth quarter. This translates into roughly a 218 basis point increase in our EBITDA margin, to about

16.6%. However, despite a modest increase in the overall absolute EBITDA, because of the interest and the depreciation charge, at the after-tax profitability level we are still in the negative. But Quarter One is usually our leanest and the weakest quarter for our DEXIT digital assessments as well as the MarTech business, and as we roll into Q2 and Q3, I think there will be a significant bit of change in almost all the parameters as we roll out the Q2 and Q3 outcomes.

A couple of critical things which I would want to highlight is that on a full quarter basis, there has been a decline in revenue of about ₹ 17.5 crores, which was compensated by about ₹ 18 crore of cost optimization or operational optimization, which basically consists of two parts: service delivery cost rationalization of about ₹ 9.3 crores, and fixed overhead cost rationalization of about ₹ 8.7 crores. So while service delivery cost was a direct linkage to a slight decline of revenue or some deferment of certain project-related executions from Quarter One to Quarter Two, I think the critical parameter for all of you to note is that our overhead costs have gone down by about ₹ 8.7 crores this quarter as compared to Quarter One of last year.

I would also wish to reiterate that the cost optimization which was kickstarted by us in Q3 of last year broadly panned out over six months. So the overall full year cost rationalization will continue to reflect in the numbers over the previous 12-month previous quarters, in both Q2 and Q3, towards the end of the year, before they begin to taper off.

The finance cost has also declined, with the interest cost declining from ₹ 12.8 crores to about ₹ 10.6 crores. But the depreciation and amortization expenses have increased by about 28% from ₹ 11.2 crores, because of certain addition of fixed assets towards the end of Quarter Four, wherein the depreciation charge hit Q4 to the fullest extent.

Some of the other critical aspects which at a very high level I would want to bring out are that in the DEX business, we have won about nine new contracts with a total contract value of about ₹ 34 crore during the course of the first quarter, of which about ₹ 22 crores will get executed during the current year and the balance will be executed in the year after that, as some of these contracts are multi-year contracts. The MarTech revenue has increased by about 7%, which has translated into an EBITDA increase of about 35% over the same quarter previous year. We continue to add and sign up reasonably newer blue-chip customers in Singapore and Indonesia. On the EdTech side, I think one important aspect is that the EasyApply adoption has gone wider and deeper, and especially in the MBA segment now, except the IIMs, most of the well-known management institutes as well as the examinations are now on board our EasyApply platform.

The test prep headwinds continue to prevail, though we see the churn which was happening in the industry now stabilizing a bit. There are certain green shoots which are emerging in certain product segments, but one of the largest segment verticals for us, MBA, is going through a significant market churn, and I will delve deeper into it as we go along.

As I had stated earlier, Q1 is seasonally our lightest quarter for both MarTech as well as the digital assessments business, and for both these businesses Q2 and Q3 are the heaviest in terms of delivery and hence revenue and profitability. I think I have already covered this — basically the EBITDA bridge on reduction of service delivery expenses and the cost overhead optimization.

Segment Performance Overview

Nikhil Mahajan: Now let me give a slightly deeper depth into our vertical-wise business. The L&D business in our EdTech space has seen a revenue decline of about 15%, the largest chunk of which has come from the test prep business, as stated. EBITDA is slightly down at an operating level by about 13%.

On the digital assessment side, our revenue, as compared to Quarter One of last year, is down by about 17% and EBITDA is down by about 4.3%. However, I think that is not something to be too critically worried about, because this was driven by two critical parameters. Last year in Quarter One there were certain rollover exams which were earlier supposed to have happened in Q4 of FY25, did not take place in Q4 and got delivered in Q1. This was to the tune of about ₹ 6 crore. Usually those exams get executed in Q4 of the fiscal year. And the other part is that there is ₹ 4.7 crore of revenue which has not yet been recognized or is pending finalization, because there has been a certain delay in terms of the declaration of the results from the customer side. So I think going forward, at least this ₹ 4.7 crore issue is going to get resolved sometime in Q2, and the normal business contracts which we have already signed should bring the overall revenue for Q2 in line with what we have planned, as well as in line with what was achieved last year.

MarTech revenue, as I said, has increased by about 3.8% and EBITDA has increased by about 32%. As stated earlier, this is usually the leanest quarter, because the marketing budgets usually start getting released only from May or June onwards, and most corporates bring in their large events from July to December, mid-December, before they close down for Christmas. So I think Q2 and Q3 are the heaviest months, and we have a very reasonable, robust pipeline for this business as we go forward.

EdTech (Learning & Development) Business Update

Nikhil Mahajan: On the test prep side, as stated, we saw a revenue decline of about 15%, from ₹ 53 crore last year to about ₹ 45 crores. EBITDA was slightly lower by 13%, but it also still saw an EBITDA margin expansion by about 60 basis points. As Satya has also articulated, test prep is going through and facing a couple of challenges. One is that the structural readjustment in this sector is continuing to take place, which is being aided by much faster acceleration in deployment of AI technology and the availability of free online learning and training resources. Another key aspect is that our revenue mix also saw a certain realignment, with our franchise revenue beginning to contribute a slightly higher percentage versus our own central operations, which also enabled a push on the average realization. However, the decline in volumes because of the market churn was not adequately compensated by the price increase.

EasyApply has scaled up pretty well and is continuing to scale up as we get into the peak new admission season. I do not know if you recall, last year we had seen a 5X growth in our applications on the EasyApply platform. The previous year's admission cycle has just about ended, the new year's admission cycle has just got activated, and in the first 15 days I think we have seen an extremely positive traction, and we are extremely bullish and positive about the scale-up of this line over the next 12 months.

Q1 again is a slow quarter for our platform monetization business, because most institutions are busy in terms of closing their previous year's admission cycles and processes. The academic sessions usually kick off in the first week of August, and that is when their next year's admission processes begin to take off and kick in. Arjun, can we move to the next slide?

I think I have covered most of it at a macro-overview level. The decline in revenue in Quarter One was predominantly driven by the examination rollover which happened in the previous year, which added ₹ 6 crores in Q1 of FY26, and a deferred revenue of about ₹ 4.7 crore during the current quarter. We have been able to keep the overall overhead costs in control, which has pushed up our margin by about 338 basis, 340 basis points. And as the business scales up, depending upon the mix between the core business and the gateway business, there might be some movements on the EBITDA margin, but we will definitely continue to expand our EBITDA margin as compared to last year on a quarter-to-quarter basis. Arjun, we can move to the next slide.

MarTech Business Update

Nikhil Mahajan: On the MarTech side, again, I have broadly given you the outlook on the numbers. The business saw an expansion on EBITDA with even a modest revenue growth of ₹ 7 crore on a leaner quarter. Our EBITDA margin showed an expansion of about 180 basis points. Q2 is the biggest season in our event execution and business activation calendar, with some of our largest events and most of the marquee brands lined up for execution in September in India, Singapore and the US. And we have a reasonably robust pipeline for Q2 as well as Q3.

And we are extremely positive about the direction of this business. The contribution of the technology business, which was roughly around 10% last year in the overall revenue — we are expecting that to clip up to roughly around 13 to 15% in the current year, and that will also lead to a margin expansion during the current fiscal year. I think both VOSMOS and VIRSA have found great adoption and traction. VIRSA, our AI-driven agentic tool for an account-based marketing approach, has found — we have already successfully completed pilots and are now scaling it up for corporates like Salesforce, Dell and Infosys. Infosys is now scaling it up; they started with the Indian market and they are now scaling up for the APAC and the US markets. And I think if brands like Infosys and Salesforce have come on board over the last six months, we are now aggressively beginning to look for partners and press the accelerator for a much more accelerated growth in Q2 and Q3.

Corporate Action Update

Nikhil Mahajan: Arjun, I think this was the last slide, but before I close, I also wanted to give an update on corporate action. As you are aware, we had filed with the NCLT Bombay for the capital reduction scheme for the RPS which were transferred to us as a part of the DEX acquisition. I am happy to share that the NCLT approval came in the second week of July. The necessary ROC approvals have also been received, and we are hopeful that we should be able to wind up that transaction and complete the redemption of those preference shares within the month of August.

That would enable optimization and de-sizing of my balance sheet to a more optimal and a true reflection of the balance sheet size, and also take away some of the legacy loading which continues to plague our balance sheet as a part of the transaction. So hopefully by end of August, those would be done and dusted with. I think with that I come to the end of my presentation, and we are now happy to take questions.

Q&A

Arjun Wadhwa: Thank you so much, Nikhil. There are a couple of questions already waiting for us, and both of them are on the policy side. So, Satya, maybe I will throw them to you. Number one is, how is the rationalization of exams likely to impact our business? And can you share a little bit about the growth outlook for DEX in the near and medium term? Also from the same person, Mr. Rahul Bhansali, has asked — with so much public scrutiny and focus on the conduct of exams, how do we counter the risk that the NTA might develop in-house software and hardware to mitigate risks of malpractice?

Satya Narayanan R: So on the exam rationalization part, the multiplicity of exams in India, both at the undergrad and the postgrad levels, are actually far too many. And many of those are likely to get integrated — for instance, design, fashion, architecture, BBA, commerce, all of those. So there is a school of thought that the common exam might be more like a SAT at the UG level or a GMAT at the PG level or a GRE. So it can come down to three to four exams, which actually has already happened as far as engineering and medical is concerned, like I mentioned in the beginning.

Now, what does it do to any player is that some parts of it will morph into another exam, some new opportunities will come. So those who will go and grab that new opportunity will be able to benefit a lot from it. The movement is more and more likely towards aptitude and cognitive skills, which are domain agnostic, which are geography agnostic. So I think that is the broad direction it will take. But it is too premature for us to say anything more than that, whether it happens in 12 months or 24 months, if three steps are taken in one go. I think those things are better watched and studied carefully than jumping the gun. That is where I would pause.

The good thing is that the enrolments into higher education, from here where it is, have to grow by about 60% over the next nine years. So the addressable market is going to become large. That is the reason why a lot of these things are likely to happen, so that from a student's benefit point of view the exams will be on demand, any number of times, and digital, so that the cheating, the malpractices, etcetera, are all going to be minimized. For example, you would not have heard too much of it when it comes to a UPSC or an IIT or a CAT. So it is a lot about both technology and also the management of that examination.

On the scrutiny part, internally we look at it as a good opportunity, because today, if harder scrutiny were to be applied, both on the assessment side — especially on the assessment side — not more than a couple of companies, including DEXIT, will figure with the kind of robust technology, security, AI-enabled proctoring, live real-time remote proctoring of all the centers which are controlled from a control room. These are the things very few players will cross the threshold on. So we say that it is a good opportunity if you are a good brand, a trustworthy player, who can not only do quality service but can also scale up. But at that stage I will pause, and also request Yatrik Sir to come in and make a point or two specifically about DEXIT's opportunity in this context.

Yatrik Vin: Thanks, Satya. Just wanted to supplement what Satya very well articulated. The entire assessment business or the DEX business, moving forward from here to the next three to five years — two or three contours are very important. One is, as he alluded, the robust technology. And when we think of technology as required in the assessment space, more particularly with the kind of experiences in very recent months that India has actually had, is that we need to actually have a very robust and very, very foolproof proctoring system. And the way DEXIT technology today is, we are confident that it meets not only today's requirements, but it is very futuristic, because a lot of AI ingredient has been put into this remote proctoring element of our assessment.

Having said that, when we slightly look at how do we scale up this DEX business in the next two to three years — one is obviously our technology needs complete robustness. We need to rewrite part of the technology. And members may kindly recall that when we had the earnings call ended March, sometime in the middle of May, I had alluded that there are a lot of technology projects which are underway in terms of their rollout and implementation. And I am happy to say that almost 60 to 70% of the projects that as a team for FY26-27 we had undertaken are almost complete. The entire examination engine, the way we organize our cyber and IT security, the way we organize our entire network layer, and expanding the nodes across the country, are the very high-level strategic meaty projects that we are undertaking in the current financial year.

The second important aspect for the entire DEX business, or in general the education business, is how do we actually democratize the entire education pan India or pan globe. So our aspirations obviously do not end with India, but we have global aspirations also. And one important ingredient that we have actually rolled out is BYOD, which is Bring Your Own Device. And the moment that BYOD becomes a successful tool in the hands of both DEXIT and in the hands of the universities, colleges, schools and the candidate, then it is anywhere, anytime, any exams at the choice of the student, and it could be online, real-time, pan globe. So this is the way — if we democratize the entire assessment and education piece, then I think it will be a very important revenue lever.

Arjun Wadhwa: I am sorry, I believe Yatrik Sir has dropped out of the call for some reason for a second. We are just trying to get him back. Yatrik Sir, the last word you said was “lever”, that was audible.

Yatrik Vin: Yes, okay. So the third important lever, and as Nikhil mentioned, Q1 has been a mixed bag. But if you carefully notice that while some of the businesses, or especially one business, has its own headwinds in terms of Q1 revenues and the profits, the good and the encouraging piece is that as a team we have ensured that our costs remain completely and tightly controlled. And therefore, in all the businesses we are actually closing the quarter with positive EBITDA, even the one which had significant headwinds. Also, the MarTech and the DEX businesses operate at 25 to 30% of EBITDA margin, which itself is a very, very encouraging sign. And as Nikhil explained, there is cyclicality in all the businesses. Q2 and Q3 would look encouraging for the MarTech and DEX businesses for sure, and that would actually cope up and bring on line both the revenue growth and the profit growth. So when we look at the year as a whole, and when we look at the next two years or three years, we are very confident as a team that we will be able to deliver very robust financial and business growth, and we would have expanded to multiple areas and multiple geographies for sure.

Arjun Wadhwa: Thank you, Yatrik Sir. I will next take the question from Mr. Aditya Deora, where he has asked for an explanation on the difference between the EBIT, that is the segment results, and the EBITDA that we have shown in our presentation, with specific reference to DEX. Aditya, in DEX our other income in Q1 of last year was about ₹ 3 crores; it is about ₹ 4.5 crores this year. And of course, as you are aware, the depreciation last year in the first quarter was about ₹ 2.3 crores versus about ₹ 3.5 crores this year, which is why you see the difference in the numbers in terms of the segment results versus the EBITDA that is used in the results that are published versus our presentation.

I will now move on to a quick question on the test prep business. Gautam, maybe I can throw this to you. How is the BBA and IPM business doing specifically this year? And what is the impact of brands like PhysicsWallah, who have done a lot of pilot work in AI in terms of content creation, impacting the test prep business specifically? This question is from Mr. Henil Bagadia.

Gautam Puri: First of all, BBA and IPM — the segment is doing fairly well. It has been a growth segment for us, and we expect this to grow further, given that a larger number of institutes have started offering five-year MBA kind of programmes, and a large number of MBA institutes, if they are not offering IPM, if they are not offering a five-year programme, have started looking at a three-year or four-year programme also. So this will be a growth segment. And if you look at the previous quarter also, this number has only grown, and we expect it to grow further.

Regarding the use of AI, we are already using AI for content generation. It has been a part of what we do, I will say, maybe for about a year and a half or two years. So it has been a regular part of our business; it is not a new item for us as such. Now, the impact of PhysicsWallah, from our point of view, is not in terms of content. I am sure everyone today is using AI for content generation. The key thing is what is the quality of content you are creating and how is it being accepted in the market, and there I think we are doing fairly well.

Secondly, PhysicsWallah by nature, from a business perspective, has been targeting the lower end of the market. And while we are in the middle to top — while we are offering programmes at the lower end also, the focus by and large has been on the middle and the upper end of the segment. Arjun, over to you.

Arjun Wadhwa: Thank you, GP. Yatrik Sir, if I may throw another question your way, Henil has also inquired about our DEX business in terms of how we are using proctoring, and specifically AI in proctoring development going forward, and does DEX have a suite available to deal with how technology can impact proctoring of exams, especially in the context of what all is happening currently with the NTA and the NEET fiasco?

Yatrik Vin: Sure. So thanks. Just a very quick summarization is that even before NEET could happen, the moment you talk about computer-based exams — CBT, as we call it, computer-based testing — the proctoring and remote proctoring both become very important elements to it. So, as Mr. Satya was alluding, we have both very robust proctoring when actually on ground when the examinations are getting conducted, which is an element of technology-enabled, technology-based proctoring at the desk of the child who actually takes that particular examination, through our software and through our network and through our computer. Also at the entry gates and entry points, we have a very tight physical security of frisking and other elements to deal with the proctoring part on the centers.

In addition to that, the second and the important layer is that regardless of the robustness of the physical proctoring that we have at the center, we also have centralized monitoring — NOC and SOC. This NOC-SOC is one at a network layer and the other one is at a security layer, and we have added a third layer which is at the center layer. And there is a group of people who, in our headquarters in Mumbai, Andheri, actually have a very large screen — very similar to how typically a capital market or a stock exchange does the surveillance for all the market participants. Very similar technology we have developed, which sits as a top layer to our matching engine, and every time an examination is going on you can zoom in and zoom out to every center, and within a center to every desk. So sitting in Mumbai, we can go and monitor a child who is in Guwahati; if she or he is trying to do something inappropriate, it gets captured by us. Not only captured by us, it gets recorded. Also, not only does it get recorded, we have the authority to go and kill that particular student's computer if the activities persist beyond a particular number of seconds.

The AI layer that we have added on top of it has the capacity to capture the iris, the facial movement, even the smallest of the sound bite. So if somebody walks into the room, or if somebody whispers, even that gets captured through our AI engine, and the warning signal goes on that particular student's desktop. And if things do not resolve, we just kill that particular student's session. So there is a very, very sophisticated layer that we have created for our remote proctoring and AI-based proctoring, which is very similar to that you can imagine can happen in a capital market business. And as Satya mentioned, very few institutions in this country or in the world have this kind of solution available for their digital assessment needs. Over to you, Arjun.

Arjun Wadhwa: Thank you so much, Yatrik Sir. I am sure that would have addressed any concerns that the investors had in terms of how we leverage technology with regards to the major exams that we conduct. There are also follow-up questions on the NTA specifically, in terms of how the impact of the postponement of several exams which the NTA was handling previously is likely to impact us specifically, given that the Nilekani Committee has been set up and the global environmental changes that are happening in the marketplace right now. Yatrik Sir or Satya, if either of you would like to take this. Yatrik Sir, you want to go?

Yatrik Vin: Yeah, okay, sure. So, I mean, thank you for that very important question, and I must summarize or mention that every incident and every context creates both opportunity — opportunity to do something more and better in your business — and it also gives up some opportunity as to how you mitigate the risk. So this entire NTA experience, whatever has happened, it only has further put that much more stress on why the robustness in conducting the exam and the ultimate students' interest is at the core of the assessment business. And this is what potentially for the last more than two decades DEXIT is having in their overall vision statement — that ultimately, regardless of the revenue, regardless of the profit, regardless of who is the client, for us the end customer, end client is the student. And the career of that student is most important and dear to us when we are into this particular business. So we have all possible technology, all possible precautions, all possible skills, all possible wherewithal to ensure that student interest is protected.

So the way I look at it, this entire NEET issue, or the entire committee that is appointed under Mr. Nilekani, are the ones which are going to open the doors for DEXIT as we move forward, and in the near term these are going to only help us in terms of galvanizing our business. The only thing is, yes, it is not that easy a business, it is a risky business. But if you do your things well, if you put your acts in a proper shape, I think you definitely come out to be a winner. So over to you, Satya, if you have something to add to this.

Satya Narayanan R: No sir, I think you have covered it, both on the BYOD which Yatrik Sir was mentioning earlier, and also the on-device app-based testing — those are the two things that are getting rolled out, and those also will mean a lot in creating additional business modes for DEXIT. I will pause there.

Arjun Wadhwa: Thank you, Yatrik Sir. Thank you, Satya. Nikhil, there is a question on our debt reduction plans over the next couple of years. Maybe you would like to take that.

Nikhil Mahajan: Yes. So we had stated that we wanted to go back to a state of close to zero debt position in the next three years, and we continue to work towards that. We are also working towards — there are certain ongoing strategic discussions right now with large global and Indian players, and we would share whenever there is an appropriate development and it is worthy of sharing. Maybe something would emerge over the next two quarters or something like that. Other than that, the current debt repayment plan is on schedule and we will continue to follow that standard acceptable schedule. And if at any point there is extra cash on our balance sheet which we do not require in the short run for business acceleration or growth, we would evaluate and, if required, do an accelerated repayment. But based on the growth plans of various businesses, especially MarTech and DEX, both of which will require cash for market expansion and market development — so at this stage there is nothing specific more than what we have outlined as a plan, that in the next 36 months we again wish to become a net zero debt company, and we are working towards that.

Yatrik Vin: If I could just augment what Nikhil said — one is that obviously we are completely seized of the goal and very focused that we should come back to zero debt status; that is a very important goal for all of us. Having said that, the parallel goal that we are also pursuing is that we must focus on profitable growth. So as you have been observing, and you will see, that while we will grow the businesses, we also want to continuously keep our eye on profitability. This profitability has two important numbers. One is the EBITDA margin that we generate. The second one is the return on capital. So we are very focused on return on capital employed, and we want to, quarter on quarter, improvise on those two numbers, those two parameters. And as I said, repayment of debt, or always ensuring that the debts are within our limit, is also one of the important ones. So we are balancing the growth, the returns and the zero debt status — these three elements we are continuously balancing with each other.

Arjun Wadhwa: Right. Thank you, Nikhil, and thank you, Yatrik Sir. Just in terms of numbers, investors will recall that we had taken a ₹ 210 crore loan for the acquisition financing of DEXIT. That quantum is now down to ₹ 174 crores, after our repayments are going as per schedule. Yatrik Sir, while I have you, there is a question from Mr. Manu Jindal on how the pricing strategy in DEX works and how do we charge the examination bodies. Do we charge on a per seat basis, a per center basis, and how sensitive is that business to price increases?

Yatrik Vin: Yes. So, yes, we charge on a per seat or per candidate basis — that is the response to number one. The second response is that a large part of our business…

Arjun Wadhwa: I have a feeling we have lost Yatrik Sir again at an inopportune time. I will just try and get him back at the earliest. It will probably just take a few seconds.

Yatrik Vin: I am sorry, the network is, I think, coming and going. So I am back. Is that okay? Second, this thing is because more than 60% of our business is government, both central and state government. Those are by default tenders, and every time the tender gets opened up, we participate along with two, three, four other service providers. Tenders are techno-commercial in nature. And as Satya mentioned a couple of minutes back, in terms of technology I think we are there. We have the best of technology, cutting-edge technology, long credentials, proven track record. So we always score on technology as T1. L1 is something that sometimes we do not get qualified on, essentially because somebody may just want to put a number which is so low that large players like us or somebody else may not be able to meet up to those expectations. But it is 60 to 65% tender business; 30 to 35% is not tender business, and I think that is quite a steady, predictable and sustained revenue to us.

Arjun Wadhwa: Right. Thank you, Yatrik Sir. Nikhil, if you are there, there is a question on VIRSA. I just want to reconfirm — Nikhil, are you with us? Your video has gone for a second.

Satya Narayanan R: Maybe you can move to the next question, Arjun.

Arjun Wadhwa: Yes, I will just move forward. Yatrik Sir, there are also questions in terms of how revenue is recognized in DEXIT. Maybe you would also like to take that.

Yatrik Vin: Yes. So revenue recognition in DEXIT happens — A, as I said, it is on a per seat, per candidate basis. B, it is on an exam-to-exam basis, contract-to-contract basis. C, it is divided typically into two or three milestones. One is at the time of examination — so once you conduct the examination, you get certain money — and sometimes it is post declaration of the results. So either it is immediately after the examination, or it is examination plus actual announcement of the results. Generally, we do not get any money in advance.

Arjun Wadhwa: Right. Thank you, Yatrik Sir. Last question, Nikhil — this is on VIRSA specifically. If you could share a little bit more in terms of how this is progressing in different markets, especially Singapore and North America.

Nikhil Mahajan: Yes, as I shared, we launched VIRSA commercially about two to two and a half quarters back, and initially we started with pilots with Salesforce and Dell. Those pilots have gone pretty well, and we have scaled them up now to more or less recurring activations and campaigns across the year, integrating them with most of their outreach events. We did a pilot with Infosys in India, and Infosys was pretty impressed by what it delivered to them, and they are now scaling up from a pilot stage to multiple division implementation starting in India. Our empanelment for Singapore and the US is currently underway. Usually empanelment processes are slightly longer and take about 90 to 150 days. So we are hopeful that by the end of Q2 or early Q3 that empanelment process should be done and we should be able to scale this up in a significant manner.

We are also currently in the process of doing small pilots with a couple of other large organizations, including Deloitte, PwC, Elastic and AWS, for a small division of theirs, before they begin a large-scale adoption. So I think based on the success we have achieved in the pilots in the last six months, which have now scaled up to a larger deployment of the pilots which we are doing to a larger outreach consumer base, I think we are progressing in the right direction. And as I had shared, I think we should be able to achieve 45 to 50% overall revenue growth for this business during the whole of the year.

Closing Remarks

Arjun Wadhwa: Right. Thank you so much, Nikhil. On that note of positive optimism, I would like to wrap up this session. Thank you, Satya Sir, Gautam Sir, Yatrik Sir and Nikhil Sir, for joining us today. And thank you so much to all our investors who logged in. We will see you in three months' time. Have a good day ahead. Thank you. Bye-bye.

Satya Narayanan R: Thank you.

Gautam Puri: Thank you. Bye. Thank you.

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