

Transcript of 22nd AGM of NIIT Learning Systems Limited

Good morning everyone, meeting will start in 1 minute.

Mr. Deepak Bansal: Good Morning everyone. We welcome you at the 22nd Annual General Meeting of NIIT Learning Systems Limited. I request Mr. R. S. Pawar, Chairman of the Company to start the meeting. You may please note that proceeding of this meeting is being recorded. Chairman.

Mr. R. S. Pawar: Dear shareholders, I welcome you to the 22nd Annual General Meeting of NIIT Learning Systems Limited. I hope all of you are in good health and spirits. This AGM is being held through audio video conference and is being recorded. We have the requisite quorum present and I call this meeting to order. Before we start the main proceedings of the meeting, I request my colleagues, officials and statutory auditors to introduce themselves for the benefit of our shareholders. Over to co-founder, Mr. Vijay Thadani.

Mr. Vijay Thadani: Namaskar, I am Vijay Kumar Thadani, Vice Chairman and Managing Director of the Company. Over to Sapnesh.

Mr. Sapnesh Lalla: Namaskar, I am Sapnesh Lalla, Executive Director & Chief Executive Officer of the Company. Over to Ravinder.

Mr. Ravinder Singh: Namaskar, I am Ravinder Singh, Independent Director, Chairman of the Nomination and Remuneration Committee, the Chairman of the Stakeholder Relationship Committee and also Chairman of the Corporate Social Responsibility Committee. Over to Partha.

Mr. V. S. Parthasarathy: Namaskar, I am V.S. Parthasarathy, Independent Director and Chairperson of the Audit Committee and the Risk Management Committee. Over to Leher.

Ms. Leher Thadani: Namaskar, I am Leher Vijay Thadani, Non-Executive, Non-Independent Director. Over to Sanjay.

Mr. Sanjay Mal: Namaskar, I am Sanjay Mal, Chief Financial Officer. Over to Deepak.

Mr. Deepak Bansal: Thanks, Sanjay. Namaskar, I am Deepak Bansal, Company Secretary and Compliance Officer of the Company. Over to Ashok Arora.

Mr. Ashok Arora: Namaskar, I am Ashok Arora, Group Financial Advisor. Over to Sanjay Bachchani.

Mr. Sanjay Bachchani: Namaskar, I am Sanjay Bachchani. I am partner with S.R. Batliboi Associate, Statutory Auditor. Back to Chairman.

Mr. R. S. Pawar: The Secretarial Auditor, the Cost Auditor, Scrutinizer and other senior management personnel of the Company are also attending the meeting. I now request Deepak, our Company Secretary, to provide general instruction to the members regarding participation in this meeting and business to be transacted at this meeting. Over to Deepak.

Mr. Deepak Bansal: Thank you, Chairman. Dear shareholders, Directors on the Board, Statutory Auditor, Secretarial Auditor, Scrutinizer and other officials of the Company, good morning and very warm welcome to 22nd Annual General Meeting of NIIT Learning Systems Limited. Ministry of Corporate Affairs, Government of India and Securities Exchange Board of India have allowed companies to conduct the Annual General Meeting through video conferencing without the physical presence of members at the common venue. Accordingly, this meeting is conducted through video conferencing in compliance with the statutory provisions and physical attendance

of members has been dispensed with. Facility of proxy appointment is not available and representative of corporate shareholder is allowed to attend the meeting with proper authorization. The Register of Directors and key managerial person, the Register of Contract of Arrangement and other documents referred in AGM notice and annual reports are available for inspection by the members electronically. They were available before the AGM and they are also available during this AGM. The Company had provided a facility to members to pre-register themselves who desired to speak in the AGM. We have received few requests from the members. Accordingly, the floor will be open for those members to ask question or express their views during question and answer session when announced by the Chairman. In addition, members attending the meeting through live webcast have the options to post any query through ask the question tab available on their screen. The questions depending upon the availability of time and information required by them at this AGM may be responded at the AGM itself or may be responded separately. For smooth functioning of the meeting, all video and audio lines are on mute mode for all participants.

Company secretary shall open video and audio line of the speaker. If speaker video is not available on the screen, then he or she can continue with the audio line. The Company had provided facility to shareholders to cast their vote electronically through remote e-voting platform of NSDL, on all items mentioned in the AGM notice, during the voting period time starting from 9:00 am of September 19, 2024 until 5:00 pm of September 23, 2024. Members who have not cast their votes yet and participating in this meeting can cast their votes during the meeting through the e-voting system provided by NSDL. E-voting shall also be available for 15 minutes after the meeting. Mr. Milan Malik, practicing Company Secretary, is Scrutinizer to supervise the e-voting process in a fair and transparent manner. Members may refer to the instructions provided in AGM notice for a seamless participation in AGM through video conferencing. In case members face any difficulty, they may reach out to the helpline numbers provided in the notice. Notice of the 22nd AGM along with annual report comprising audited annual financial statements consolidated and standalone both for the financial year ended 31st March 2024. Report of the Board of Directors, reports of the auditors and other requisite documents are already available with the members. We shall take them as read with your consent. Statutory auditors S. R. Batliboi and Associates LLP and secretarial auditor P.I. and Associates have provided their audit report for the financial year ended on 31st March 2024. There is no qualification or reservation or adverse remark in their report. Accordingly, these reports are not required to be read at the meeting. Now I request Chairman to address the shareholders. Over to Chairman.

Mr. R. S. Pawar: Thank you Deepak. It is with great pride and a sense of responsibility that I present to you the second annual report of NLSL which is NIIT Learning Systems Limited. Over the past year, the Company further consolidated its position as one of the leaders in the managed training services market or MTS market as we call it. The financial year 23-24 which is its first year as an independent Company was marked by resilience, innovation and a continued commitment to delivering exceptional value to all stakeholders.

The de-merger completed during the year was a pivotal strategic move for the business enabling the business to sharpen its focus on the learning outsourcing market. This transition has allowed the Company to operate with greater agility, clarity and the commitment to its core business of empowering global enterprises through innovative learning solutions. During the year, the economic landscape continued to present challenges with persistent inflation, geopolitical tensions and technological disruptions impacting business environments globally. However, NLSL rose to the occasion demonstrating the strength of its business model and the trust clients place in its people and services. Our financial performance for the year was robust even as customers experienced sharp compression in their spending on *training*. The Company recorded a 14 percent year-on-year increase in revenue reaching *Rs. 15,535 million*. The growth was driven both by the expansion of its customer base and increasing share of wallet from existing customers. Notably, the Company added 11 new MTS customers during the year while maintaining a 100% renewal record with its existing customers. This underscores the tremendous value that the business delivers for its customers through its services that align to businesses. On the profitability front, EBITDA grew by 19% to *Rs. 3,762 million*, with margins

improving by 106 basis points and reaching 24.2%. This was achieved through a disciplined approach to cost management and a sharp focus on operational efficiency even as the Company continued to invest in growth initiatives. The net profit grew by 11% to Rs. 2,132 million, resulting in an EPS of Rs. 15.80.

Innovation continues to be a cornerstone of strategy at *NLSL*. During the year, the Company continued to make investments in advanced technology, particularly in automation and generative AI or Gen AI as it's popularly called. These technologies are transforming the way the Company delivers training, enabling it to offer more personalized, efficient and effective learning experiences. The early success of AI-assisted training pilots with several customers is a promising indicator of the potential that these technologies hold for the future.

The Company believes that Gen AI represents a game-changing opportunity to revolutionize the corporate learning landscape. By integrating Gen AI into its learning solutions, the Company is enhancing its customization and scalability of training programs, aligning them with individual learner needs and business goals. The teams are actively involved in several initiatives that leverage Gen AI to increase internal productivity, accelerate content development, simulate real-world scenarios and provide instant, contextually relevant feedback. These advancements not only improve learning outcomes, but also position NIIT learning systems at the forefront of the next wave of innovation in the learning industry. At *NLSL*, our commitment to environmental, social and governance principles or ESG principles is deeply embedded in the business strategy. The Company prioritizes ethical business practices, innovation, *and* sustainability to positively impact society and the environment. This year, the Company made significant strides in its ESG journey, including increasing its reliance on sustainable energy, with 30% of our primary offices' energy needs now met by in-house solar power and also by achieving 100% wastewater recycling. The Company also invested in the Green Technology Training Initiative and contributed to community development through scholarships and literacy programs. The strategic investment in EIT InnoEnergy in Europe during the year further underscores our commitment to sustainability and the global energy transition. By partnering with Europe's top impact investor in cleantech, we are positioning ourselves to play an important role in the upskilling and reskilling efforts needed to achieve global decarbonization goals. This partnership not only expands market reach, but also aligns the Company with one of the most significant opportunities of the century, the transition to net zero. The Company remains dedicated to diversity and employee well-being. The Company has a diverse workforce, representing 39 nationalities, *with over 45% women NIITians*. These efforts underscore our commitment to building a responsible and sustainable future. Looking forward, the outlook for the business remains positive. The global corporate training market is expected to continue its growth trajectory with spending overall projected to reach *\$460 billion* by 2027. *NLSL*, as one of the top global players, is uniquely positioned to capitalize on this expanding market. Our commitment to innovation, particularly in the area of *AI and technology-driven* learning solutions, will be a key driver for future success. The Company will continue to explore opportunities for organic and inorganic growth, leveraging its strong balance sheet to pursue strategic acquisitions that enhance capabilities and increase market reach. In conclusion, I want to extend my deepest gratitude to our shareholders, customers, and employees for their unwavering support and trust in *NLSL*. As we reflect on our achievements over the past two years, we are filled with optimism for the future. The successful de-merger has not only strengthened our operational focus, but has also imbued our organization with a renewed sense of purpose and ambition. As we look ahead, I am confident that *NLSL* will continue to deliver sustainable value to all our stakeholders, driving growth and innovation in the years to come. Thank you for your continued trust and confidence in NIIT Learning Systems Limited.

Now, we will take up the business to be transacted, as mentioned in the notice of the AGM. The Company Secretary will explain the same. Thereafter, we will open the floor for questions from our members. Over to Deepak.

Mr. Deepak Bansal: Thank you, Chairman. There are five items for consideration of the shareholders, as mentioned in the AGM notice.

Ordinary business:

- Item number one is for consideration and adoption of audited standalone financial statements of the Company for the financial year ended 31st March 2024 and the reports of the Board of Directors and auditors thereon and the audited consolidated financial statements of the Company for the financial year ended on 31st March 2024 and the report of the auditors thereon by passing an ordinary resolution.
- Item number two is for appointment of Mr. Rajendra Singh Pawar as a Director who retires by rotation and being eligible for himself for reappointment by passing an ordinary resolution.
- Item number three on the notice is for appointment of Mr. Vijay Kumar Thadani as a Director who retires by rotation and being eligible offers himself for reappointment by passing an ordinary resolution.
- Item number four on the notice is declaration of final dividend of Rs. 2.75 on equity share of the Company for financial year ended 31st March 2024 by passing an ordinary resolution

and there is a

Special business:

- Item number five that is for ratification of remuneration of cost auditors for the financial year 2023-24 by passing an ordinary resolution. Details are given in the notice as well as in the report.

Over to Chairman.

Mr. R. S. Pawar: We will now open the question and answer session for members. Deepak, you may please open the video and audio line of the pre-registered speakers one by one. We will first take all the questions from the speakers and then answer them to avoid any repetition. Back to you, Deepak.

Mr. Deepak Bansal: Sure, Chairman. Now, we will start with question and answers session. Our first speaker shareholder is Mr. Subhash Chandra Wadhwa, with DP Client ID IN 30011810082349. Mr. Wadhwa, you are requested to unmute yourself and start your video. Mr. Subhash Wadhwa, can you unmute yourself?

Mr. Subhash Wadhwa: Respected Chairman and Board of Directors, good morning. My name is Subhash Wadhwa and I have joined from New Delhi. I first of all congratulate Chairman Sir and entire management of NIIT Learning for doing very well during financial year 2023-24. I have gone through annual report of the Company that there is sufficient cash balance in the books of the Company and how Company is going to use these funds. Is there any plan of future buyback? I support all the resolution of the Company. I also want to know from Chairman Sir how the Company is planning to grow its business in the coming 3-4 years of time. Thank you, Sir.

Mr. Deepak Bansal: Thank you, Mr. Wadhwa. Our next speaker shareholder is Ms. Prakashni Ganesh Shenoy with DP Client ID 120323009783665. Ms. Shenoy, you are requested to unmute yourself. Ms. Shenoy, Ms. Prakashni Shenoy?

Mr. R. S. Pawar: You can take the next shareholder and then come back.

Mr. Deepak Bansal: Yeah, we are moving to next speaker shareholder. By that time she will settle down. Our next speaker shareholder is Mr. Saurabh Taneja with DP client ID IN30154952865583. Mr. Saurabh Taneja, you are requested to unmute yourself and start your video.

Mr. Saurabh Taneja: Yeah, good morning. Good morning, sir, and other esteemed members of the Board and Management. I would like to thank the Company's management for accepting my request to speak at this AGM, which is the second AGM held after the scheme of arrangement got approved. My question is about the widely discussed technology, which is a Gen AI. Regardless of the specific industry sector or business, Gen AI has impacted each one of us. I am interested in how the Company has utilized new technologies and AI to its advantage and the potential risk it may encounter. I'd like to understand the steps the Company is taking to the advantage of these opportunities presented by these developments and to minimize any associated risk.

Mr. Deepak Bansal: Okay. Thank you, Mr. Sourabh Taneja. We will answer you after taking up all questions. We will move to the next speaker shareholder.

Mr. R. S. Pawar: Unless Ms. Shenoy is back just check?

Mr. Deepak Bansal: No, sir she's not there.

Mr. R. S. Pawar: Okay, let's take the next person.

Mr. Deepak Bansal: Our next speaker shareholder is Ms. Meena Agarwal/ Mr. Vinod Agarwal with DP client ID IN30311610745291.

Mr. Vinod Agarwal, can you unmute your voice as well as your video? We can't hear you. Mr. Vinod Agarwal, are you there? I think there is some connection problem at the end of Mr. Vinod Agarwal who came in and then dropped out. In the interest of time, we would like to move to the next person. Ms. Prakashini Shenoy is back. Our next speaker shareholder, Ms. Prakashini Shenoy, she's back now.

Mr. Prakashini Shenoy: Yes, sir. Am I audible?

Mr. Deepak Bansal: You are audible. Your video is a little dark, but you can continue.

Mr. Prakashini Shenoy: Sir, I'm Prakashini Ganesha Shenoy from Bombay. Respected Hon'ble Chairman, Shri Rajendraji, other dignitaries on the Board, and my fellow shareholders, good morning to all of you. I received the AGM report well in time, which is informative, transparent, knowledgeable, and contains all the information as for the corporate governance. I thank the Company Secretary and his team for the same. The Chairman has given a beautiful picture regarding the company and its working in all parameters. Thank you, Chairman sir. I'm really glad to note that the Company has done robust performance in all categories. Sir, 14% increase year-on-year in revenue, EBITDA, etc., etc. At the outset, I'm glad to note that the Company has done outstanding work in the field of CSR activities. I am also thankful to the Board for recommended dividend financial year 2023-2024. Sir, I have one or two questions. My question is, number one, does the Company have any stock option scheme for the employees? My second question is, artificial intelligence has its own fame. How does it affect our Company? And my last question is, how do we see the impact of AI on our business? Chairman sir, last but not the least, my personal request to you, please continue with VC so that people all over will have an opportunity to express their views. For instance, I'm from Bombay and I'm able to express my views. I wish the Company good luck for a bright future and pray God that the profit of the Company shall reach the peak in due course.

Sir, I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Chairman sir.

Mr. R. S. Pawar: Thank you. Thank you, Ms. Shenoy. We'll answer all your questions.

Mr. Deepak Bansal: Thank you, Ms. Shenoy for your valuable questions and time. We will move to the next speaker shareholder, Ms. Urmila Jain with DP client ID IN30011810401292. Ms. Urmila Jain, you are requested to unmute your video and audio, please. Ms. Urmila Jain, Ms. Urmila Jain,

Ms. Urmila Jain: Haan ji awaaz aa rahi hai.

Mr. Deepak Bansal: Can you hear me?

Mr. R. S. Pawar: Yes aa rahi hai awaaz.

Ms. Urmila Jain: Chairman Sir, video bhi on karna chahti hoon.

Mr. Deepak Bansal: No problem. You can.

Mr. R. S. Pawar: Haan, video on kariye.

Mr. Deepak Bansal: Yes. Now, we can see you.

Ms. Urmila Jain: Ok Sir. Chairman Sir, Namaskar, mein Urmila Jain Delhi se aapki bahut purani shareholder hoon.

Mr. R. S. Pawar: Bilkul, bilkul, pehchan liya aapko.

Ms. Urmila Jain: Sir, 22nd AGM ka mein hardik abhinandan karti hoon, Sir aapki speech suni. Bahut accha laga. Aapne company ke vartman aur bhavishya ke baare mein bataya hai, Sir. Sir, mein aaj ke sabhi resolutions ka tahe-dil se samarthan karti hoon, Sir aaj hamare share Rs. 532 ke as paas chal raha hai. Aur dividend bhi hamari company de rhi hai. Ye sab hamein darshata hai ki hamari company bahut mazboot hai. Sir, aane wala future mein hamari company ka growth plan kya hai? Thoda vistar se batayein, aur Sir, inorganic growth ke baare mein hamari company kya vichar kar rhi hai? Ye sab hamare management, staff, aur poore board ki mehnat ka fal hai jo hamari company ke liye accha hai. Pawar sahab, aaj aapke netratv mein hamari company ka future aur accha nazar aa raha hai, Sir. Sir, Aap par poorn vishwas hai, jo decisions lenge accha lenge. Jo mehnat aur lagan se kaam karte hain Sir, jo mehnat aur lagan se kaam karte hain, unke liye manzilein door nahi hain. Aane wala time hamare liye sunehra rahe, mein bhagwan se prarthna karti hoon. Hamari company din doguni, raat chauguni tarakki kare. Sir, ham aaj bhi aapke sath hain aur kal bhi aapke sath rahenge. Dusshera aur Diwali ki hardik shubhkamnaon ke sath dhanyawad, Sir. Aapke pehchana, uske liye bhi dhanyawad, Sir.

Mr. R. S. Pawar: Shukriya. Shukriya. Bahut shukriya.

Mr. Deepak Bansal: Dhanyawaad Urmila Ji. We will move to next speaker shareholder, Mr. Narendra Singh Chauhan with DP client ID IN30467640002360. Mr. Narendra Singh Chauhan, you are requested to unmute your audio and video, please.

Mr. Narendra Chauhan: Hello, am I audible, sir?

Mr. Deepak Bansal: Yes, Mr. Chauhan, we can hear you. Can you hear me?

Mr. Narendra Chauhan: Yes, good morning to Chairman sir and all the management. First of all, I would like to thank you and I have heard this speech by Chairman sir and it was very impressive how the Company is doing. Sir, I just want to ask two simple questions like what is the plan of the Company like to increase its operation and further profits which will help us shareholder profit and so on. And the second question I would like to ask like what is the Company's long term goal in the cost cutting measures and is there any policy in the place for the same? At last, I want to say like I support all the resolutions, all the best, sir. Thank you very much.

Mr. R. S. Pawar: Thank you, sir. Thank you so much, Narendra ji. Deepak, we can check if Ms. Meena Agarwal/ Mr. Vinod Agarwal are there?

Mr. Deepak Bansal: Yes sir, there is one more shareholder.

Mr. R. S. Pawar: You have one more? Okay, go ahead.

Mr. Deepak Bansal: Yeah. Our next speaker shareholder is Mr. Yashpal Chopra with DP client ID IN30051382570454. Mr. Yashpal Chopra, can you unmute your video and audio line? Mr. Yashpal Chopra, can you hear me?

Mr. R. S. Pawar: Meanwhile, Deepak, why don't we check if Ms. Meena Agarwal/ Mr. Vinod Agarwal?

Mr. Deepak Bansal: Yes sir, Ms. Meena is not on the bridge right now. We are trying to reach out to both.

Mr. R. S. Pawar: All right.

Mr. Deepak Bansal: Mr. Yashpal Chopra, do you hear us? No, we can't hear you. Okay. Mr. Yashpal Chopra. Okay. I think we will try to reconnect in the meantime, in the interest of the time. We can take up the question, Mr. Pawar, if that is okay.

Mr. R. S. Pawar: Yeah.

Mr. Deepak Bansal: We can go ahead with the answering to the questions which we have received so far.

Mr. R. S. Pawar: So we have no other shareholder.

Mr. Deepak Bansal: Right now, we have no speaker shareholder.

Mr. R. S. Pawar: Okay. So first of all, thanks for all those who have raised relevant questions. I would ask Mr. Vijay Thadani, Vice Chairman and Managing Director to address these issues either directly or by requesting other members of the Board, so Vijay over to you.

Mr. Deepak Bansal: Vijay you are on mute, please unmute yourself.

Mr Vijay Thadani: Thank you Chairman and Thank you very much, dear shareholders, for your very encouraging words and very nice questions, which also make us think about some of the issues that you bring up. First of all, we enjoy being with you on this day. Your encouraging words and many times some guidance help us shape the future for the Company better. So I'm extremely thankful to you, each one of you for doing that. I'll try to answer the questions in a collective manner, and I'll also seek Executive Director & CEO, Mr. Sapnesh Lalla, to join in at an appropriate time to answer some parts of this question. There were some specific questions on a few issues, and then there was something to do with the generic part of the performance, the future strategy. I think there was a lot to do about growth strategy, cost-cutting measures, then a lot of interest in AI and new technologies. So on those parts, I will request Mr. Lalla to talk about. Let me address the specific questions. First was on the use of cash, that we have a lot of cash in the balance sheet, and we have a cash generating business. So how are we planning to do that? So just to summarize, as on June 30th 2024, the cash and equivalents in our balance sheet were Rs. 7,363 million, and the net cash of Rs. 6,489 million. There is, at this point of time, the cash position gets reviewed by the Board from time to time.

There was a question on issue of any proposal for a buyback, so I just want to say there is no imminent plan for a buyback, and as and when there will be, I think you would be the first to know. But I want to explain this in a context of how we manage the cash position, business plans, and capital allocation on a regular basis, and then take a decision of how to appropriate the cash available in the balance sheet in the interest of business and shareholders. So as stated earlier, the training outsourcing market is under-penetrated and has a very large headroom for growth. Your Company has a very strong market position, industry-leading growth, and very strong operating metrics. This sets the ground for your Company to take a leading position in this market, and we aim to be amongst the top three in the world in a short period of time. Your Company has a very strong win rate, 100% customer renewal, or contract renewal track record. All this puts the Company in a very, very strong position, and this balance sheet and the free cash flow generation that we have, the Company intends to utilize these for investing in the growth plans for both organic as well as inorganic initiatives, and also keep adequate liquidity in the balance sheet, because as we get larger contracts, the companies and our global customers insist on a strong cash position in the balance sheet. So I think all these collectively contribute to our decisions as we go from quarter to quarter and review the cash position. I hope that answers the part of the cash and its utilization, both for organic and inorganic.

There was a specific question on whether we have any stock options plan in the Company. So I do want to say yes, the Company believes and offers stock options to its employees to align incentives with the long-term value creation for the shareholders. So make sure that the Company's interest, the shareholders' interest, and the executives' interest are fully aligned.

The Company has two stock option plans at this point of time. One is the employee stock option plan NLSL ESOP-2023-0, which was pursuant to the composite scheme of arrangement of demerger that happened. In this, it was framed as a part of the plan to grant companies stock options to option grantees of NIIT Limited, the transfer Company, who held as many unexercised NIIT stock options on the effective date of the scheme.

Some of these employees were transferred to the transferee Company, which is NLSL, your Company, or its subsidiaries. These options were originally granted at the market price at the time of original grant. And therefore, at this point of time, at demerger, 91,20,107 stock options, the original exercise price of which was split into exercise price for NIIT Limited, as well as NLSL, in the ratio of 42.91% to 57.09%. These options are one set of options which the employees have, and these are live. But as per this scheme, no further options can be granted because this was a special one launched at the time of the demerger. The second stock option plan, which is called NLSL Employee Stock Option Plan 2024, ESOP 2024. In this case, the Company is going ahead with its policy of believing that equity-based compensation plans are an effective tool to align employee incentives with the long-term value creation. In this NLSL Stock Option Plan 2024, the stock options are granted to eligible employees of the Company and its subsidiaries. These were approved on January 31, 2024, and by the shareholders on May 10, 2024. 26,83,750 stock options were granted under this plan on July 1, 2024, at market price at the time of grant. The total pool size is 7.2 million stock options, of which 2.68 have been granted so far. I hope that adequately addresses the question. The next set of questions were to talk about the demerger and how that has played out.

I think all of you would agree, and that's visible both in the performance of the Company as well as the performance of the stock in the stock market, that the demerger, the original hypothesis on the basis of which it was done, has actually played out very well. Both businesses have had increasingly different and had unique market dynamics, and it was important that NLSL gets an independent capital allocation policy through its own Board, an Independent Board, and can chart its own trajectory for the future and pursue its growth plans. I think that is visible in both the businesses' performance, but in this case, NLSL's business performance, the margins, and despite very challenging times, I think the business has done well. Chairman referred to the 11 new logos that we have added during the year, and I think this is just the beginning of a growth curve for which there are ambitious plans for the future. I would now request my colleague, Mr. Sapnesh Lalla, who is the CEO and Executive Director of the Company, to talk more about the

performance in these challenging times, and more specifically about the growth strategy, especially the inorganic strategy as well, since one of the shareholders had that as a question. And based on that, we can further address these questions in case you have any remaining one in one-on-one conversations or talking to us at any point in time.

Mr. Sapnesh Lalla: Thanks, Vijay, and thanks for covering the preamble for the demerger and how NLSL has performed post-demerger. It's heartening to note that the business grew 14% to Rs. 15,535 million in revenue. The organic revenue was up 6% year-on-year despite sharp compression in spends across customer segments as well as the macroeconomic conditions that our customers find themselves in. The growth was driven by addition of new customers as well as by improving wallet share from existing customers. As you pointed out, the EBITDA margin improved to 24% versus 23% that was delivered last year. It was 106 basis point improvement year on year. The Company added 11 new MTS customers and maintained its track record of 100% renewals. The number of managed training services customers that we currently have is now 87 and the revenue visibility is \$335 million. So the Company has done well. However, I think the best is yet to come. The Company is on strong footing. It has a strong balance sheet and it continues to pursue growth opportunities. More specifically, growth opportunities as they pertain to adding more capability, more accelerated addition of new customers, as well as improved wallet share of the existing customers. We will do that by deriving two key approaches.

The first one, organic growth. And like I pointed out, that would be on the back of accelerated new customer addition, higher wallet share by way of adding new capabilities, as well as increased account penetration. On the other hand, we will use the growth capital that the Board has provided to add new capabilities, new markets, as well as address new market segments to achieve accelerated growth.

We have been over the last two years investing in a significant way in use of generative AI to make training as we service our customers more efficient, as well as more effective. We have been able to conduct a number of several experiments with key customers to create use cases that enable what we do to become significantly more efficient, as well as impactful. We've had a fair bit of success in doing AI projects for our customers.

However, we have also noticed that given AI and more specifically generative AI is a new technology, there is and continues to be some hesitation for adoption at the enterprise level for such a technology. We feel that while most of our customers are all in on AI, but they are currently focused more on solving their key business cases. For example, a bank would want to solve its customer service issues with generative AI and often investing in AI for learning and development tends to be later on from a time frame perspective.

With our investments, our customers are able to see an organization who is investing in generative AI on its own and bringing these solutions. So they're very receptive to the work we are doing. However, they have continued to have some hesitancy in enterprise-wide adoptions.

We have a dedicated team of over 150 professionals who are fully dedicated to using generative AI, both to improve efficiencies in how we do our work for our customers, as well as improving effectiveness in what training is able to achieve for our customers. We believe that generative AI will significantly change how training gets done. It will make training significantly more engaging as well as immersive.

And we expect that the investment that we have made will create great opportunity for the Company from its growth perspective. Thank you.

Mr. Vijay Thadani: So dear shareholders, we've tried to answer most of your questions and I think all of them. But if there are any others which are remaining, please don't hesitate to contact the Company Secretary and he would organize specific sessions to answer specific queries.

Mr. Deepak Bansal: We have just got back Yashpal Chopra. Is it okay if we try to bring him in for his question?

Mr. R. S. Pawar: Yes, please.

Mr. Deepak Bansal: Mr. Yash Chopra, Mr. Yashpal Chopra, can you hear us? Mr. Yashpal Chopra, sorry, I think there is some trouble. He joined back, but we can't hear him.

Mr. R. S. Pawar: Give it a few more seconds, if he's come back, he's trying, I'm sure.

Mr. Vijay Thadani: He is trying to.

Mr. Deepak Bansal: Not happening. So we will have one-to-one conversation with Mr. Yashpal Chopra for his question and we'll try to respond him separately, since he's not able to rejoin or join. Okay, over to Chairman.

Mr. R. S. Pawar: So voting is progressing on the NSDL platform as we speak and we'll continue for another about 15 minutes. Further, I authorize Mr. Deepak Bansal, our Company Secretary to declare the voting results. The resolutions as set forth in the notice shall be deemed to be passed today on receipt of requisite majority of votes. We're thankful to each one of you, our shareholders, for joining this meeting.

And with that, I declare this meeting as closed. Thank you very much.

Mr. Deepak Bansal: Thank you, chairman. On behalf of all the Members, Directors and other attendees, I propose a vote of thanks for the Chairman. Thank you everyone also for attending the 22nd annual general meeting of the Company. E-voting lines were open for shareholders to vote for the agenda items throughout the meeting and this will remain open for next 15 minutes. 15 minutes reverse countdown will start now. The meeting will be concluded after completion of e-voting. Thank you. Thank you very much.