

# CAREER POINT LTD.

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# COMPANY PROFILE



**FUTURE<sup>®</sup>**  
MULTI BAGGER STOCK

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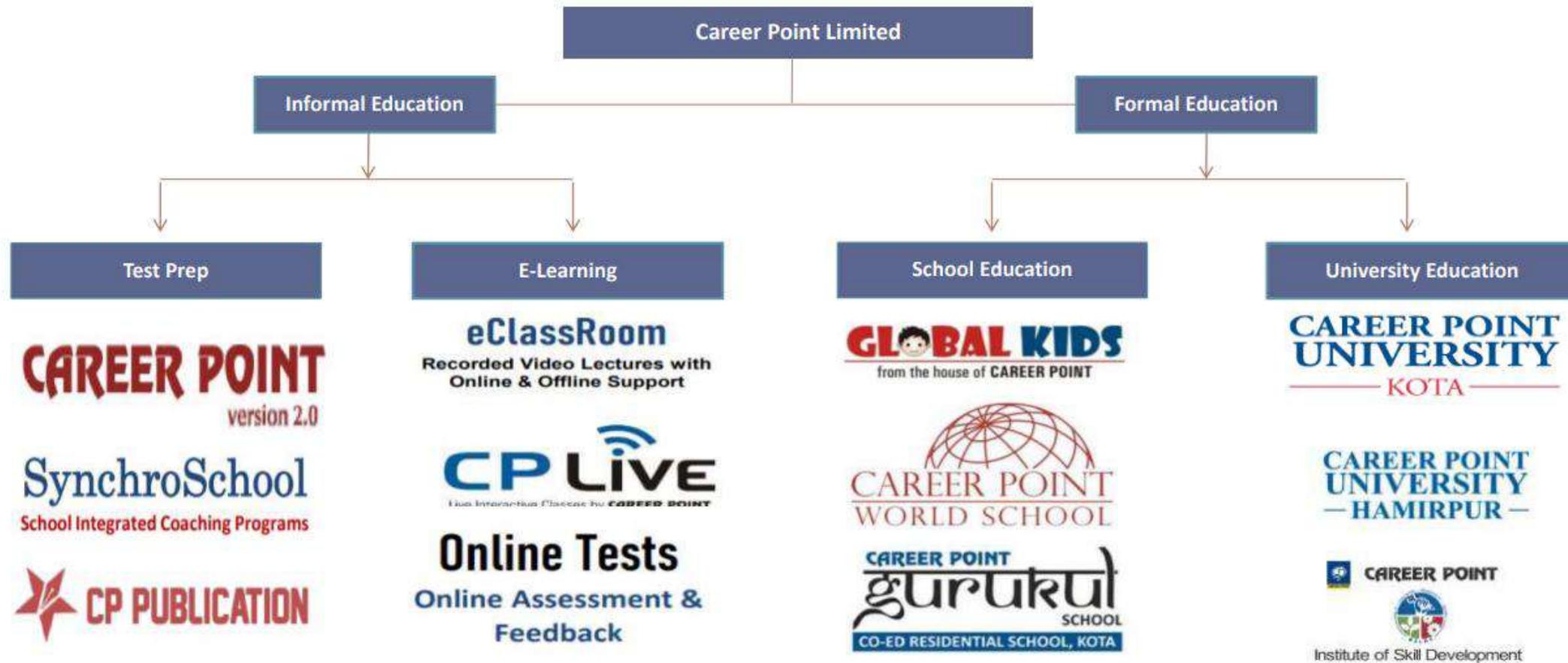
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A person's hand is shown holding a pen, poised to write on a document. The document features several charts and graphs, including a bar chart and a pie chart. The entire scene is overlaid with a semi-transparent blue filter. In the background, a laptop and a smartphone are visible on a desk.

# 1. COMPANY OVERVIEW

# COMPANY OVERVIEW

## 1.1 Business Services and Offering (1/2)



## 1.1 Business Services and Offering (2/2)



### Test Prep

- Company has physical network of company operated learning centers, franchise operated centers and school associations for the delivery of its courses.
- **Company Branches:** Branch campuses are mix of owned & leased mode. Company operated learning centers also enable Career Point to test and refine new instructive projects, promotion plans and standard operating procedures before offering these programs to its franchisees.
- **Franchise:** Career Point receives a fixed license fee from franchisees, in addition it also receives an on-going variable royalty along with revenue generated from sale of books and study material.
- **School Associations:** By synchronizing school education and competitive exam preparation, this integrated delivery format adds value to school system. Schools provides a captive student base and existing infrastructure that results in increased profit margins and augmented student base.



### E-Learning

- Under its 'Direct to Home' EdTech initiatives, Career Point provides coaching services with all features of classroom coaching online. It expands company's reach to students all over the globe. Under this format, company securely provides Online Live Tutoring, Recorded Video Lectures and other digital content on USB drive, SD Card and online streaming using technological solution.
- Career Point eLearning Division product catalogue has a mix of different categories to serve the masses as per individuals affordability which include CPLive, CPeDLP, CPeTest, CPeTutor and eCareerPoint app.



### Schools Education

- The Company has a strong presence in school education by offering services to K-12 Schools in multiple geographies.
- The Company has majorly has 2 school divisions apart from pre schools, the residential campuses under the brand 'Career Point Gurukul' are positioned as premier integrated schools and "Career Point World Schools" the day-boarding school campuses



### University Education

- Career Point provides services to Universities under its higher education division. The course offerings by these Universities varies from professional development to under-grad, post-grad degree-awarding courses in various streams.
- The Company has majorly 2 universities under the brand of "Career Point university" and 1 Vocational Training and Skill Development Center

## 1.2 Future Strategies

### Career Point Limited – Future Strategies



- The company is focusing on reaching distant geographies using eLearning and digital solutions
- In offline mode, the company is putting emphasis on expansion via franchisee offerings and school associations for both formal and informal education division.

## 1.3 New Education Policy

### Overview of National Education Policy<sup>1</sup>



#### Overview

- On 29 July 2020, the Union Cabinet announced a new National Education Policy.
- The policy was launched with an aim to introduce several changes in the Indian education system - from the school to college level. The NEP 2020 aims at making "India a global knowledge superpower".



#### Implementation

- The NEP only provides a broad direction and is not mandatory to follow. Since education is a concurrent subject (both the Centre and the state governments can make laws on it), the reforms proposed can only be implemented collaboratively by the Centre and the states.
- This might not happen immediately. The incumbent government has set a target of 2040 to implement the entire policy. Sufficient funding is also crucial; the 1968 NEP was hamstrung by a shortage of funds
- The government plans to set up subject-wise committees with members from relevant ministries at both the central and state levels to develop implementation plans for each aspect of the NEP. Planning will be followed by a yearly joint review of progress against targets set.



#### Gross Enrolment Ratio

- 56% the GER for Grades 11-12 in India. It indicates a huge obstacle to overcome in 10 years.
- From 91% GER for Grades 6-8 to 79% GER for Grades 9-10 to 56% GER in Grades 11-12 showing significant student dropout with course progress!
- GER for Grades 6-8

### Key Highlights of National Educational Policy



- The Ministry of Human Resource and Development (MHRD) renamed as the Ministry of Education



- Phasing out the Affiliation System in 15 years



- Common norms for private and public higher education institutions under the Central government's new education policy



- All higher education institutions, except legal and medical colleges, will be governed by a single regulator.



- There will be holistic and multidisciplinary education in terms of flexibility of subjects.



- Academic, administrative and financial autonomy will be given to colleges, on the basis of the status of their accreditation

## 1.4 Key Highlights (1/2)

### Key Highlights



#### Education Industry Overview

- India has over 250 million school going students. It also has one of the largest networks of higher education institutions in the world.
- Number of colleges and universities in India reached 39,931 and 993, respectively, in FY19. India had 37.4 million students enrolled in higher education in 2018-19.
- Gross Enrolment Ratio in higher education reached 26.3 per cent in FY19.



#### Career Point- Overview

- Career Point Limited is an Indian education company that provides integrated solutions across the education value chain.
- Career Point operates in both the Formal and Informal education streams including Pre-school, School Education, Test-Prep, e-Learning, Higher Education and Vocational Education
- By 31 March 2020, the Company had total number of employees of 460 along with a student base of 25,623.



#### Career Point- Recent Developments

- On April 22<sup>nd</sup> 2020, Career Point announced the launch of 'eCareerPoint' app, an online learning platform in order to provide learning solutions during lockdown.
- In 2019, the company's bid to acquire School Net India from IL&FS was approved. However, the deal was not closed due to some investor unwilling to sell their shares

## 1.4 Key Highlights (2/2)

### Career Point Limited – Key Highlights



#### Business Overview

- Career Point Limited was started as a tutorial centre to provide tuitions for competitive exams such as AIEEE, IIT-JEE, and PMT(Now NEET)
- The company was founded in 1993 in Kota, Rajasthan
- It started as proprietorship firm and was reconstituted as a public limited company in March 2000; which subsequently got listed in October 2010 on the Bombay Stock Exchange and the National Stock Exchange.

#### Business Strategy

- Over the years, the group grew by expanding its operations by opening up new ventures and has become an integrated education service provider in segments i.e. play schools, test-preparations, formal schools, university education, e-learning, and skill development

#### Human Resource

- As of 31<sup>st</sup> March 2020, the Company had total of 460 employees including 73 women employees. There was a decrease of 15.2% in total number of employees as compared to 2019 (543 employees in total)
- The company has 600+ faculty members PAN India as of FY 2019-20.
- In FY 2019-20, the median remuneration was ₹ 17,500.

### Career Point Limited – Infrastructure<sup>1</sup>

Type of Center	Units	Major Locations
<b>Branches</b>	4	Kota, Jaipur, Alwar, Jodhpur (Rajasthan)
<b>Franchise</b>	23	Bhagalpur (Bihar), Bilaspur (MP), Bhubneshwar (Orisa), Guwahati (Assam), and Others
<b>School Associations</b>	20	Coimbatore – 2 (TN), Pilani -3 (Raj.), Gwalior (MP), Indore (MP), Kishangarh (Raj.), and Others
<b>Schools</b>	6	Rajsamand (Rajasthan), Mohali (Punjab), Kota (rajasthan)-2, Jodhpur (Rajasthan), Bilaspur(Chattisgarh)
<b>Universities</b>	3	Kota (Rajasthan)-2, Hamirpur (Himachal Pradesh)-1

### Career Point Limited – Student Base



- As of FY'2020, Career point had a enrollment of 13,024 students in **the tutorial division** with a CAGR of **-10.3% (FY'15-20)**
- There were 11,814 students in **formal education** division growing with a **CAGR of 19.0% (FY'15-20)**
- **Pre school enrolments** stood at 785 in FY'20 with a **y-o-y growth of 10.9%**
- The total number of student for all segment amounted to 25,623

## 1.5 Key Developments

Year	Type	Description	Impact
2020	Product Launch	<ul style="list-style-type: none"> <li>• Career Point announced the launch of 'eCareerPoint', an online learning in order to cater the learning demand of students during the lock down.</li> <li>• The App features Live Interactive Classes, Online Test Series, Doubt Removal, Video Lectures, Live Seminars and eBooks. As of October 2020, the app had 100,000+ downloads.</li> <li>• The company launched this app for The classes of new academic session 2020-21 for NEET, JEE in order to capture their market share of enrollments for the session.</li> </ul>	<ul style="list-style-type: none"> <li>• Career Point Achieved top position across all coaching institutes in e-learning in Kota.</li> </ul>
2020	Acquisition (Incomplete)	<ul style="list-style-type: none"> <li>• In 2019, the committee of creditors (CoC) of IL&amp;FS approved the sale of the group's education arm, School net India, to Career Point Publications for 80% shareholding rights.</li> <li>• However in 2020, one of the investor were unwilling to sell their stake after they were unhappy with the terms of purchase.</li> <li>• As a result of same Lexington equity acquired the company by paying a small equity to IL&amp;FS to the tune of ₹7.36 crore and deferred purchase consideration of ₹6.29 crore</li> </ul>	<ul style="list-style-type: none"> <li>• Career Point already has a potential upside in the e-learning business with nil downside through the transaction.</li> </ul>
2019	Acquisition	<ul style="list-style-type: none"> <li>• In 2019, Career Point executed acquisition transaction with Mumbai based Ed-tech company Planceess Edusolutions that developed advanced technology based e-Learning content including video solutions, assessment platform and study material for various entrance examination.</li> <li>• Career Point's ed-tech portfolio has already been strengthened post our acquisition of Planceess Edusolutions</li> </ul>	<ul style="list-style-type: none"> <li>• Planceess Edusolution's digital products coupled with Career Point brand &amp; market reach certainly make a perfect combo to tap the large e-Learning opportunity in India.</li> <li>• In addition, this transaction has also both digital and print publication division that is growing across geographies</li> </ul>
2019	Product Launch	<ul style="list-style-type: none"> <li>• The company launched Career Point Version 2.0 initiative for both offline and online Test Prep business to make education delivery more effective, flexible, affordable and relevant</li> <li>• One of the key features is the flexibility with students to choose their faculty and subjects. The students can choose faculty from the pool of experts to ensure best learning of the subject.</li> </ul>	<ul style="list-style-type: none"> <li>• A remarkable improvement of 1517 basis points was reported in EBITDA margin in FY'2019-20 against previous year is a result of initial outcomes from successful launch of Coaching version 2.0</li> </ul>

# COMPANY OVERVIEW

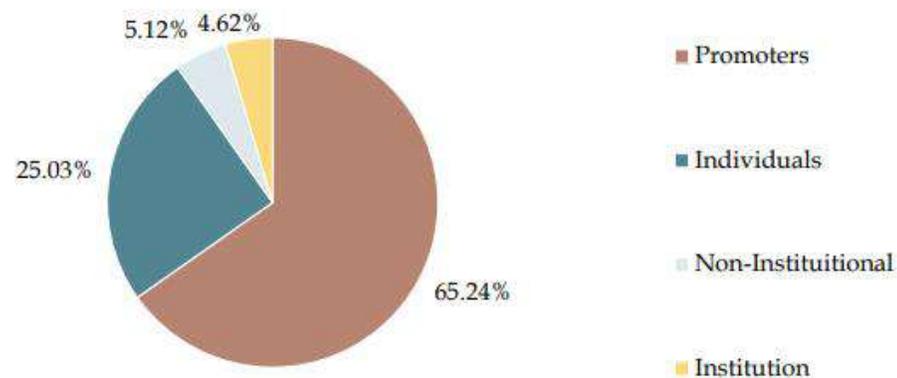
## 1.6 Career Point – Subsidiary Companies



## 1.7 Management Profile

### Career Point Limited – Key Non Promoter<sup>1</sup>

Name	Shares Held
Mr. Manish Jain	4.72%
Ms. Gita Kirti Ambani	1.60%
Vibgyor Investors	0.96%
Navneet Education Limited	0.96%
Others	2.64%
<b>Total</b>	<b>10.89%</b>



### Career Point Limited – Management's Profile



- Mr. Pramod Maheshwari is the **Founder, Chairman, Managing Director and CEO** at Career Point Limited.
- He started the company in 1993 to offer test preparation service for entrance examinations
- He is a B.tech graduate from IIT Delhi
- **Shares Held: 11.50%**



- Mr. Om Prakash Maheshwari is **Executive Director and CFO** at Career Point Limited.
- He is responsible for overall project implementation and overseeing all financial and legal matters
- He holds a Bachelor's Degree in Mechanical Engineering from University of Rajasthan
- **Shares Held: 7.63%**



- Mr. Nawal Kishore Maheshwari is **Executive Director** at Career Point Limited.
- He is in charge of the day-to-day affairs of the Company, being responsible for several key functions
- He holds a Bachelor's Degree in Commerce from Maharshi Dayanand Saraswati University, Ajmer
- **Shares Held: 7.63%**

A person's hand is shown holding a pen, poised to write on a document. The document features several charts and graphs, including a bar chart and a pie chart. The entire scene is overlaid with a semi-transparent blue filter. In the background, a laptop and a smartphone are visible on a desk.

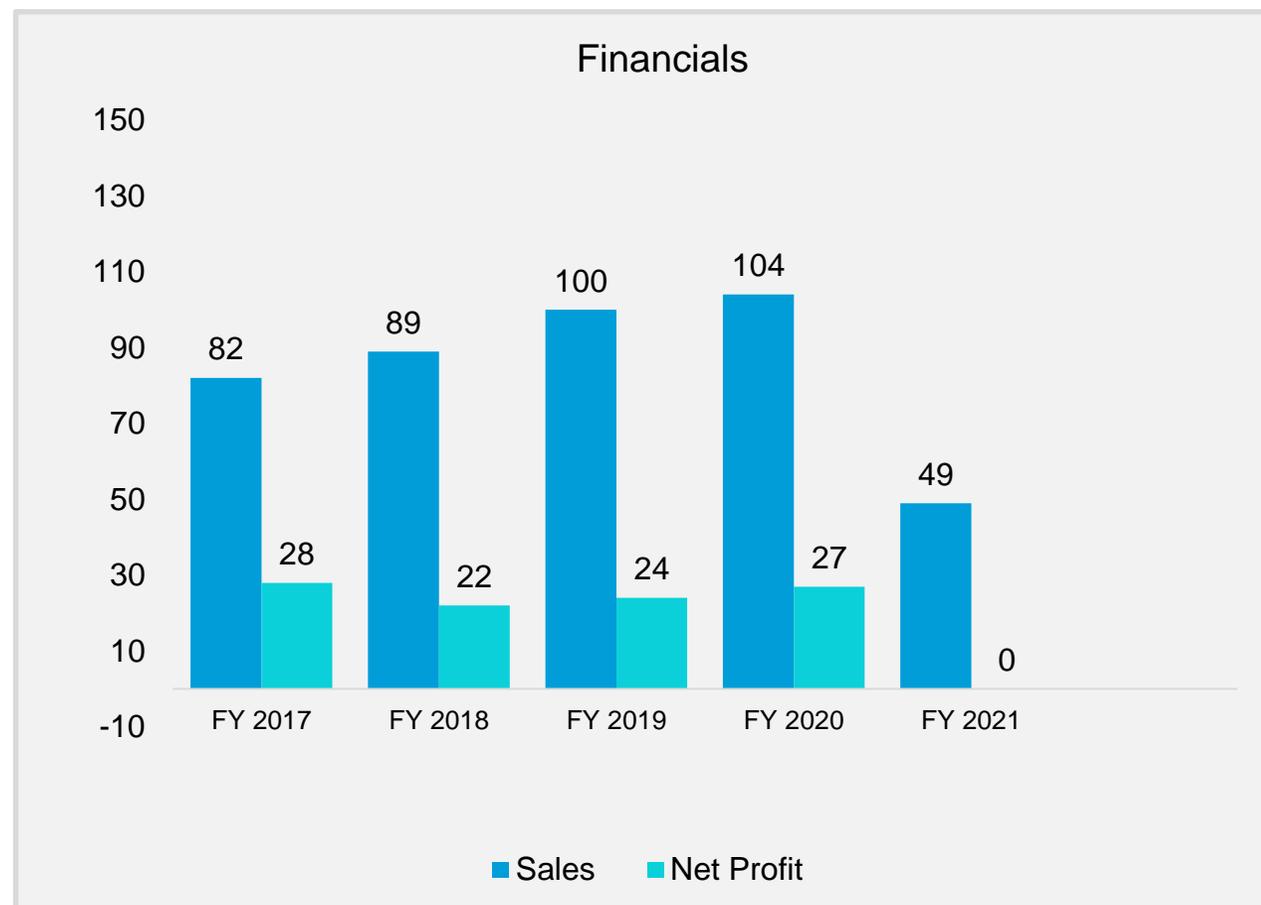
## 2. FINANCIAL OVERVIEW

# FINANCIAL OVERVIEW

## 2.1 Consolidated Financial Projections

Particulars	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Sales	49	104	100	89	82
Other Income	8	5	6	10	12
Total Income	57	109	107	100	95
P/L Before Tax	46	65	68	63	59
Interest	5	6	6	6	5
Tax	5	10	7	7	8
Net Profit	0	27	24	22	21

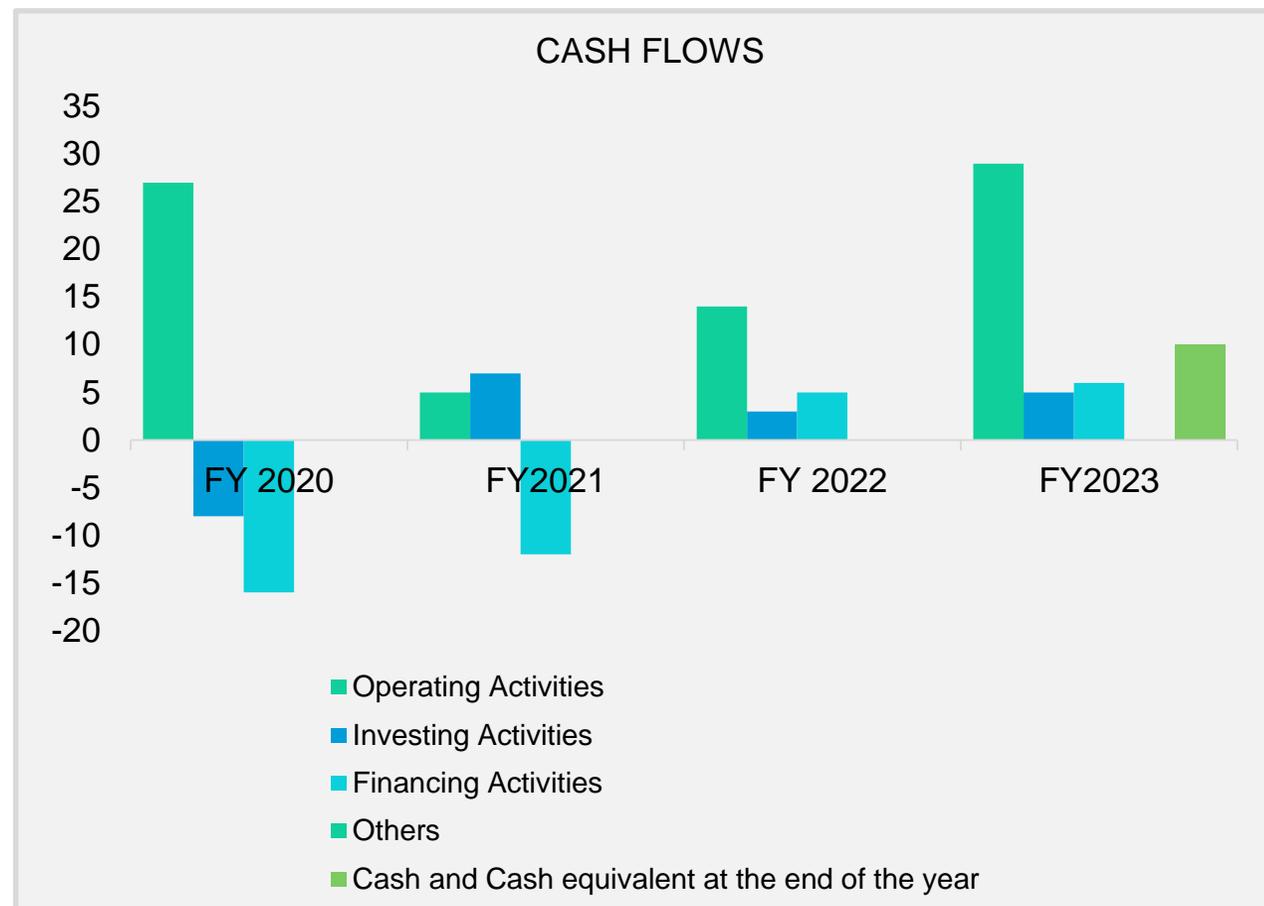
Values in Rs crores



## 2.2 Cash Flows Estimate (2020-2023)

Particulars	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Operating Activities	5	27	19	97	-4
Investing Activities	7	-8	-2	-45	-64
Financing Activities	-12	-16	-20	-49	74
Others	0	0	0	0	0
Cash And Cash Equivalents End Of Year	0	2	-2	2	5

Values in Rs crores



## 2.3 Future Cash Flow and Revenue Estimate

Values in Rs lakhs

### Career Point Ltd. - 3-year Total Revenue Estimate

Parameter	2021	2022	2023
Total Revenue	11,494.0	11,989.0	12,485.0
PBDIT Margin (%)	25.9	26.7	27.3
PAT (in ₹ Lakhs)	2,976.9	3,201.0	3,408.41
EBITDA Margin	45.2%	46.6%	47.3%
EBITDA (in ₹ Lakhs)	5,195.2	5,586.8	5,905.4

#### Assumptions:

- Revenue from operations is expected to grow due to digitalization
- The profit margins are expected to increase due to increasing competitive pricing set by the competitors and also the benchmark pricing set by the government.
- Revenue was slightly impacted due to the global lockdown in 2020
- The interest rate would remain same as we have assumed that there would be no new debt raise by the company.
- If a company grows at a different rate, or if its cost of equity or risk free rate changes sharply, the output can change.

## 2.4 Balance Sheet (1/3)

Consolidated Balance Sheet	----- in Rs. Cr. -----				
	Mar 21	Mar 20	Mar 19	Mar 18	Mar 17
	12 mths	12 mths	12 mths	12 mths	12 mths
<b>EQUITIES AND LIABILITIES</b>					
<b>SHAREHOLDER'S FUNDS</b>					
Equity Share Capital	18.19	18.16	18.16	18.16	18.13
<b>Total Share Capital</b>	<b>18.19</b>	<b>18.16</b>	<b>18.16</b>	<b>18.16</b>	<b>18.13</b>
Reserves and Surplus	429.56	430.63	409.86	385.64	362.85
<b>Total Reserves and Surplus</b>	<b>429.56</b>	<b>430.63</b>	<b>409.86</b>	<b>385.64</b>	<b>362.85</b>
Employees Stock Options	0.07	0.12	0.12	0.12	0.18
<b>Total Shareholders Funds</b>	<b>447.82</b>	<b>448.91</b>	<b>428.15</b>	<b>403.93</b>	<b>381.16</b>
Minority Interest	0.14	0.14	0.12	0.13	0.11
<b>NON-CURRENT LIABILITIES</b>					
Long Term Borrowings	21.45	26.06	25.56	29.62	9.99
Deferred Tax Liabilities [Net]	6.99	8.01	5.39	7.22	5.29
Other Long Term Liabilities	0.00	0.00	0.00	1.21	0.32
Long Term Provisions	5.42	1.20	1.22	1.14	0.75
<b>Total Non-Current Liabilities</b>	<b>33.86</b>	<b>35.26</b>	<b>32.16</b>	<b>39.19</b>	<b>16.34</b>
<b>CURRENT LIABILITIES</b>					
Short Term Borrowings	44.51	41.15	44.79	54.98	117.39
Trade Payables	0.06	0.21	0.38	0.34	0.30
Other Current Liabilities	16.91	17.89	23.37	22.32	19.98
Short Term Provisions	0.03	0.07	0.06	0.05	0.03
<b>Total Current Liabilities</b>	<b>61.51</b>	<b>59.32</b>	<b>68.59</b>	<b>77.69</b>	<b>137.71</b>
<b>Total Capital And Liabilities</b>	<b>543.33</b>	<b>543.64</b>	<b>529.01</b>	<b>520.94</b>	<b>535.32</b>
<b>ASSETS</b>					

Values in Rs crores

## 2.4 Balance Sheet (2/3)

Values in Rs crores

<b>NON-CURRENT ASSETS</b>					
Tangible Assets	187.30	191.97	188.95	182.67	175.97
Intangible Assets	0.13	0.09	0.00	0.03	0.04
Capital Work-In-Progress	3.69	2.52	2.24	2.10	8.12
<b>Fixed Assets</b>	<b>191.11</b>	<b>194.59</b>	<b>191.20</b>	<b>184.81</b>	<b>184.13</b>
Non-Current Investments	3.69	16.28	29.93	18.04	21.19
Deferred Tax Assets [Net]	0.00	0.00	0.00	1.66	0.00
Long Term Loans And Advances	90.09	77.70	64.87	73.56	16.14
Other Non-Current Assets	5.12	5.47	6.74	5.12	5.02
<b>Total Non-Current Assets</b>	<b>290.01</b>	<b>294.04</b>	<b>292.73</b>	<b>283.18</b>	<b>226.48</b>
<b>CURRENT ASSETS</b>					
Current Investments	25.19	14.05	9.42	47.84	54.44
Inventories	3.54	5.01	2.44	3.45	76.41
Trade Receivables	42.16	49.45	51.31	45.21	40.02
Cash And Cash Equivalentents	11.92	10.75	8.29	10.42	8.88
Short Term Loans And Advances	165.45	163.37	162.43	130.63	127.54
OtherCurrentAssets	5.06	6.97	2.40	0.21	1.55
<b>Total Current Assets</b>	<b>253.32</b>	<b>249.60</b>	<b>236.28</b>	<b>237.76</b>	<b>308.84</b>

## 2.4 Balance Sheet (3/3)

Values in Rs crores

<b>Total Assets</b>	<b>543.33</b>	<b>543.64</b>	<b>529.01</b>	<b>520.94</b>	<b>535.32</b>
<b>OTHER ADDITIONAL INFORMATION</b>					
<b>CONTINGENT LIABILITIES, COMMITMENTS</b>					
Contingent Liabilities	56.96	61.43	55.72	45.80	49.52
<b>BONUS DETAILS</b>					
Bonus Equity Share Capital	11.29	11.29	11.29	11.29	11.29
<b>NON-CURRENT INVESTMENTS</b>					
Non-Current Investments Quoted Market Value	2.71	15.33	29.00	0.00	0.00
Non-Current Investments Unquoted Book Value	0.93	0.95	0.93	0.00	0.00
<b>CURRENT INVESTMENTS</b>					
Current Investments Quoted Market Value	25.19	14.05	9.42	0.00	0.00

**Source : Dion Global Solutions Limited**

## 2.5 Balance Sheet for Equities and Liabilities

Values in Rs crores

Particulars	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Share Capital	18.19	18.16	18.16	18.16	18.13
Reserves & Surplus	429.56	430.63	409.86	385.64	362.85
Current Liabilities	61.51	59.32	68.59	77.69	137.71
Non Current Liabilities	33.86	35.26	32.16	39.19	16.34
Total capital and liabilities	543.33	543.64	529.01	520.94	535.32

## 2.6 Balance Sheet for Assets

Values in Rs crores

Particulars	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Fixed Assets	191	194	191	184	184
Current Assets	253	249	236	237	308
Total Non Current Assets	98	99	101	98	42
Total assets	543	543	529	520	535
Contingent Liabilities	56	61	55	45	49

Source : moneycontrol

## 2.7 Consolidate Statement of Profit and Loss (1/2)

Values in Rs crores

	Mar 21	Mar 20	Mar 19	Mar 18	Mar 17
	12 mths	12 mths	12 mths	12 mths	12 mths
<b>INCOME</b>					
<b>Revenue From Operations [Gross]</b>	<b>49.20</b>	<b>104.61</b>	<b>100.53</b>	<b>89.59</b>	<b>82.96</b>
<b>Revenue From Operations [Net]</b>	<b>49.20</b>	<b>104.61</b>	<b>100.53</b>	<b>89.59</b>	<b>82.96</b>
<b>Total Operating Revenues</b>	<b>49.20</b>	<b>104.61</b>	<b>100.53</b>	<b>89.59</b>	<b>82.96</b>
Other Income	8.06	5.32	6.53	10.70	12.36
<b>Total Revenue</b>	<b>57.26</b>	<b>109.93</b>	<b>107.06</b>	<b>100.29</b>	<b>95.31</b>
<b>EXPENSES</b>					
Cost Of Materials Consumed	1.36	20.17	4.13	7.45	2.65
Changes In Inventories Of FG,WIP And Stock-In Trade	1.35	-1.88	1.22	-1.83	0.19
Employee Benefit Expenses	8.54	28.42	38.56	34.31	35.58
Finance Costs	5.00	6.65	6.42	6.55	5.87
Depreciation And Amortisation Expenses	4.23	4.41	4.46	4.60	5.25
Other Expenses	31.03	14.35	20.57	19.11	15.94
<b>Total Expenses</b>	<b>51.50</b>	<b>72.12</b>	<b>75.35</b>	<b>70.19</b>	<b>65.47</b>
<b>Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax</b>	<b>5.76</b>	<b>37.81</b>	<b>31.71</b>	<b>30.11</b>	<b>29.84</b>
<b>Profit/Loss Before Tax</b>	<b>5.76</b>	<b>37.81</b>	<b>31.71</b>	<b>30.11</b>	<b>29.84</b>

Source : moneycontrol

## 2.7 Consolidate Statement of Profit and Loss (2/2)

Values in Rs crores

<b>Tax Expenses-Continued Operations</b>					
Current Tax	7.12	8.70	8.42	7.50	7.90
Less: MAT Credit Entitlement	0.70	0.30	0.94	0.61	0.59
Deferred Tax	-0.42	1.94	-0.04	1.07	1.36
Tax For Earlier Years	-0.38	0.34	0.16	-0.14	0.12
<b>Total Tax Expenses</b>	<b>5.61</b>	<b>10.68</b>	<b>7.60</b>	<b>7.83</b>	<b>8.79</b>
<b>Profit/Loss After Tax And Before ExtraOrdinary Items</b>	<b>0.15</b>	<b>27.13</b>	<b>24.11</b>	<b>22.27</b>	<b>21.05</b>
<b>Profit/Loss From Continuing Operations</b>	<b>0.15</b>	<b>27.13</b>	<b>24.11</b>	<b>22.27</b>	<b>21.05</b>
<b>Profit/Loss For The Period</b>	<b>0.15</b>	<b>27.13</b>	<b>24.11</b>	<b>22.27</b>	<b>21.05</b>
Minority Interest	0.00	0.00	0.01	-0.02	-0.01
Share Of Profit/Loss Of Associates	0.00	0.05	0.02	-0.06	-0.08
<b>Consolidated Profit/Loss After MI And Associates</b>	<b>0.14</b>	<b>27.19</b>	<b>24.14</b>	<b>22.19</b>	<b>20.96</b>
<b>OTHER ADDITIONAL INFORMATION</b>					
<b>EARNINGS PER SHARE</b>					
Basic EPS (Rs.)	0.00	15.00	13.00	12.00	12.00
Diluted EPS (Rs.)	0.00	15.00	13.00	12.00	12.00
<b>DIVIDEND AND DIVIDEND PERCENTAGE</b>					
Equity Share Dividend	1.82	5.45	0.00	0.00	0.00
Tax On Dividend	0.00	1.12	0.00	0.00	0.00

Source : moneycontrol

## 2.8 Statement of Cash Flows

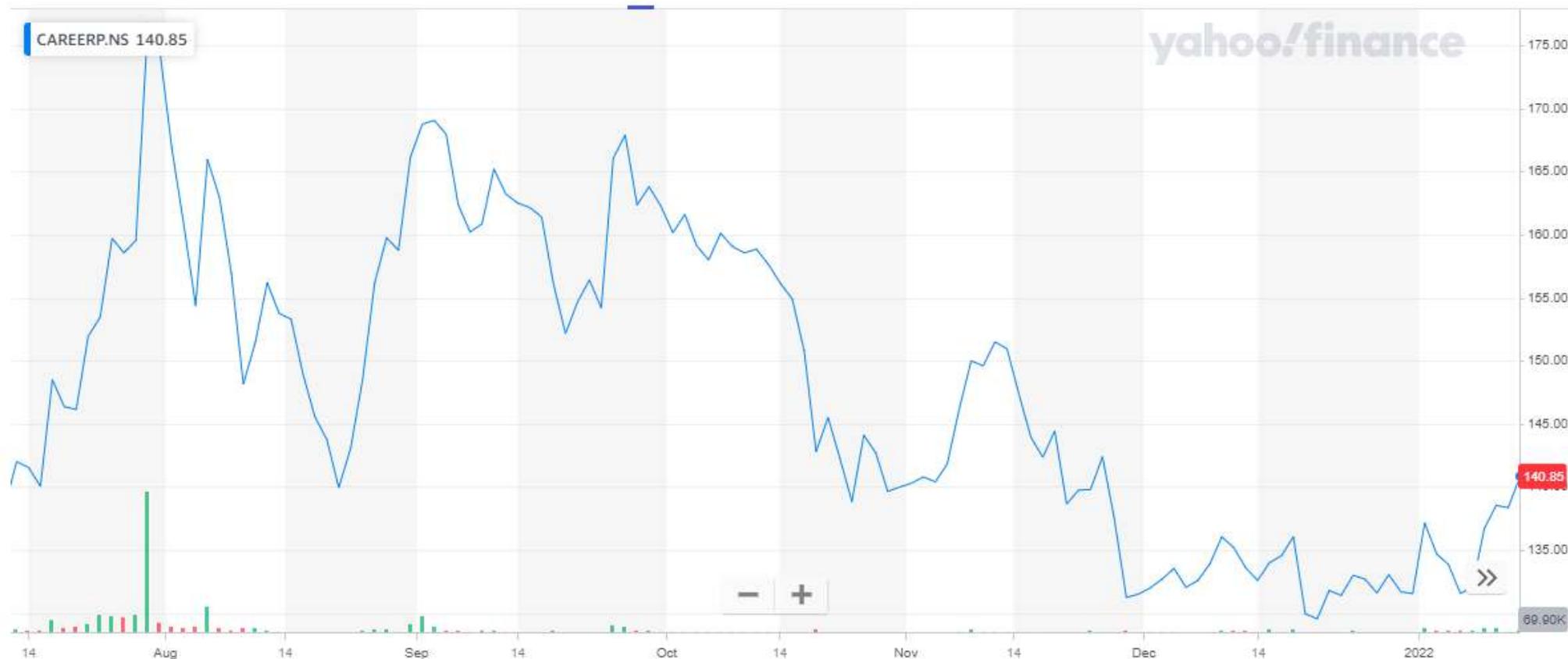
Values in Rs crores

PARTICULARS	MAR 21	MAR 20	MAR 19	MAR 18	MAR 17
Net profit/loss before extraordinary items and tax	15.64	20.58	12.53	18.57	24.48
Net cash flow from operating activities	6.20	-1.11	-3.17	6.68	17.36
Net cash used in investing activities	4.06	20.95	4.02	-45.90	-25.61
Net cash used from financing activities	-10.53	-19.05	-3.49	39.68	9.83
Foreign exchange gains / losses	0.00	0.00	0.00	0.00	0.00
Adjustments on amalgamation merger demerger others	0.00	0.00	0.00	0.00	0.00
Net inc/dec in cash and cash equivalents	-0.28	0.79	-2.64	0.46	1.58
Cash and cash equivalents begin of year	1.09	0.30	2.94	2.48	0.90

Source : Company Website

## 2.9 Share Market Prices

Values in Rs



Source: yahoofinance

Duration: 14th July 2021 To 10th Jan 2022

## 2.10 Historical Share Market Prices (1/4)

Values in Rs

Date	Open	High	Low	Close*	Adj Close**	Volume
Jan 01, 2022	132.80	144.00	130.20	138.35	138.35	710,664
Dec 01, 2021	134.40	142.90	128.85	131.55	131.55	847,201
Nov 01, 2021	140.25	154.90	130.00	131.50	131.50	614,871
Oct 01, 2021	159.20	165.00	137.50	140.00	140.00	672,661
Sep 01, 2021	169.75	177.80	150.00	162.25	162.25	1,703,712
Aug 01, 2021	174.55	178.00	138.00	166.15	166.15	2,520,082
Jul 01, 2021	135.00	184.50	134.10	174.55	174.55	7,693,422
Jun 01, 2021	130.20	165.60	127.00	134.55	134.55	5,209,199
May 01, 2021	119.90	142.90	119.85	129.85	129.85	1,257,183
Apr 01, 2021	131.90	143.15	117.50	119.25	119.25	662,150
Mar 01, 2021	153.00	154.90	129.60	130.45	130.45	560,096
Feb 25, 2021	<b>1</b> Dividend					
Feb 01, 2021	158.45	167.00	150.00	153.70	152.70	607,660
Jan 01, 2021	162.65	191.00	156.45	158.45	157.42	2,043,761

## 2.10 Historical Share Market Prices (2/4)

Values in Rs

Dec 01, 2020	163.00	183.95	156.80	159.55	158.51	1,308,578
Nov 01, 2020	167.25	181.40	151.00	164.50	163.43	875,025
Oct 01, 2020	173.35	185.25	160.10	166.55	165.47	1,395,723
Sep 01, 2020	142.50	183.40	140.10	171.15	170.04	1,925,356
Aug 01, 2020	138.10	171.80	132.00	145.95	145.00	2,108,481
Jul 01, 2020	141.90	156.80	121.05	138.20	137.30	1,726,142
Jun 01, 2020	159.00	167.40	136.60	138.90	138.00	1,188,169
May 01, 2020	163.70	177.40	140.20	157.55	156.53	900,435
Apr 01, 2020	122.00	202.95	120.10	163.70	162.64	2,091,897
Mar 01, 2020	144.10	149.00	96.00	122.90	122.10	1,195,677
Feb 25, 2020	<b>1</b> Dividend					
Feb 01, 2020	120.10	158.70	111.25	142.40	140.55	2,244,770
Jan 01, 2020	111.75	133.00	105.45	118.65	117.10	837,455

## 2.10 Historical Share Market Prices (3/4)

Values in Rs

Dec 01, 2019	112.05	125.85	104.50	109.90	108.47	330,970
Nov 25, 2019	1 Dividend					
Nov 01, 2019	117.00	136.75	111.25	113.00	110.57	1,147,776
Oct 01, 2019	96.25	119.75	81.30	112.50	110.09	569,467
Sep 01, 2019	74.80	111.80	72.00	96.25	94.18	971,060
Aug 21, 2019	1 Dividend					
Aug 14, 2019	1 Dividend					
Aug 01, 2019	54.85	83.10	50.25	74.80	71.03	803,416
Jul 01, 2019	69.75	69.75	48.30	54.00	51.28	326,017
Jun 01, 2019	71.30	73.80	63.40	69.00	65.52	257,543
May 01, 2019	69.35	81.75	65.20	71.35	67.75	614,812
Apr 01, 2019	71.00	77.00	67.55	69.35	65.85	160,659
Mar 01, 2019	67.15	79.75	66.65	69.70	66.19	190,594
Feb 01, 2019	70.05	72.00	63.00	67.15	63.76	143,013
Jan 01, 2019	80.85	80.85	67.60	69.30	65.81	111,669

## 2.10 Historical Share Market Prices (4/4)

Values in Rs

Dec 01, 2018	74.40	84.90	68.30	79.70	75.68	445,430
Nov 01, 2018	73.00	83.10	70.15	74.00	70.27	215,392
Oct 01, 2018	69.05	77.70	65.30	72.55	68.89	395,099
Sep 01, 2018	86.45	87.00	67.70	69.75	66.23	601,805
Aug 01, 2018	101.00	105.00	84.35	85.40	81.09	722,319
Jul 01, 2018	92.95	104.00	81.10	100.75	95.67	357,802
Jun 01, 2018	108.50	110.85	92.10	93.85	89.12	609,337
May 01, 2018	127.00	131.00	102.00	108.95	103.46	1,324,234
Apr 01, 2018	110.90	129.10	109.00	127.00	120.60	920,850
Mar 01, 2018	127.75	128.50	104.10	109.65	104.12	1,222,695
Feb 01, 2018	124.30	138.60	110.00	126.50	120.12	1,822,020
Jan 01, 2018	132.25	152.25	121.00	122.85	116.66	4,001,454

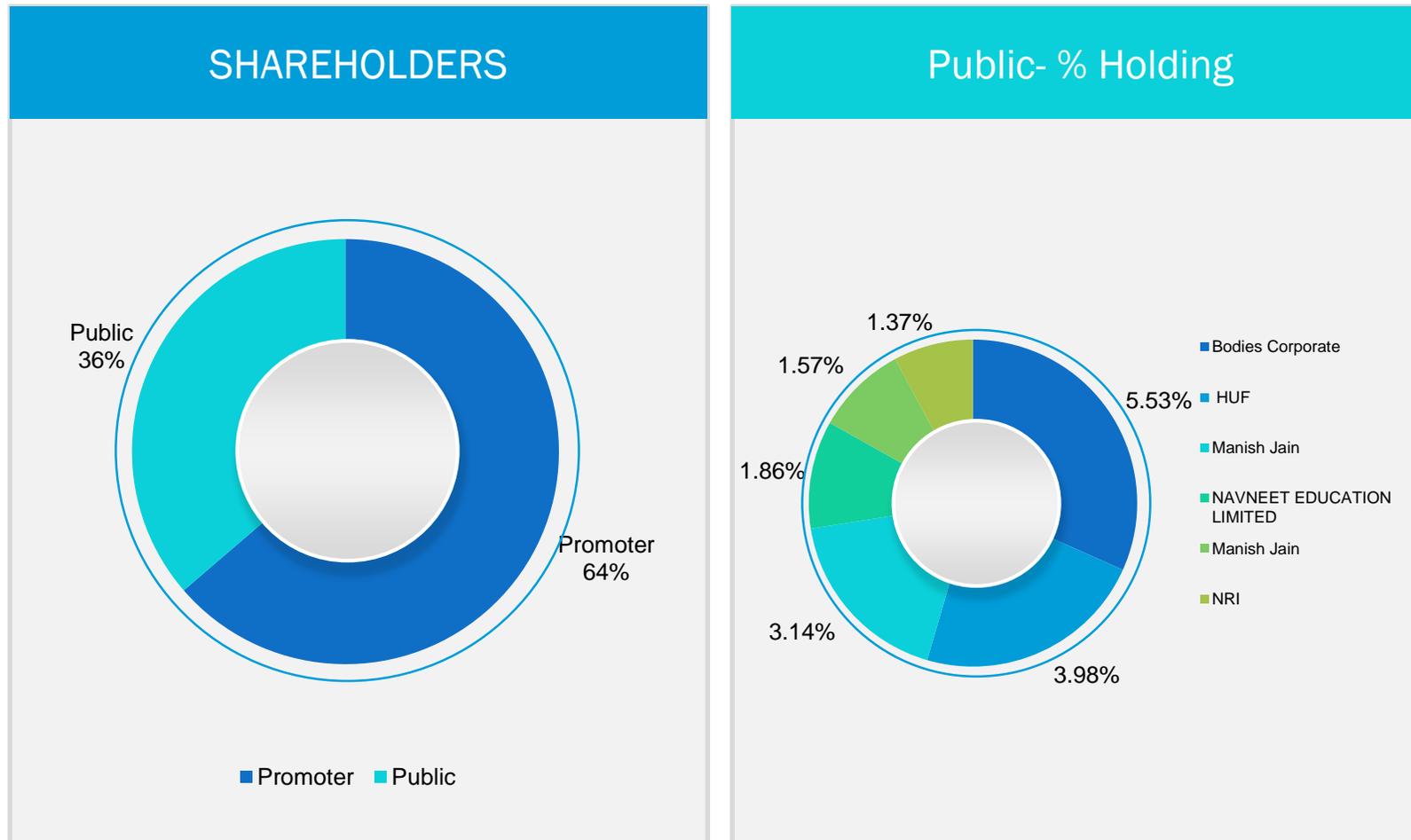
## 2.11 Price Performance

Values in Rs



Source: Moneycontrol

## 2.12 Shareholding



### 3. NEW UPDATES

A person's hand is shown holding a pen, poised to write on a document. The document features several charts and graphs, including a bar chart and a pie chart. The entire scene is overlaid with a semi-transparent blue filter. In the background, a laptop and a smartphone are visible on a desk.

## 3.1 Risk Checks (1/2)

**PASS**

Whilst currently unprofitable, they have been profitable on average for the past 5 years

Debt level is low and not considered a risk

Share price has been stable over the past 3 months

At least 3 years of financial data is available



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**FAIL**

Earnings have declined by 9% per year over past 5 years

Dividend of 2.17% is not well covered by earnings

Does not have a meaningful market cap (₹3B)

### 3.1 Risk Checks (2/2)

**PASS**

No concerning events detected

**PASS**

Revenue is meaningful (₹462M)

Shareholders have not been meaningfully diluted in the past year  
listed



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CAREERP does not have negative shareholders equity.

## 3.2 Key Takeaways | Analyst Observations | Facts and Figures (1/4)

### Return vs Industry



CAREERP underperformed the Indian Consumer Services industry which returned 75.7% over the past year.

### Return vs Market



CAREERP underperformed the Indian Market which returned 33.3% over the past year.

### Stable Share Price



CAREERP is less volatile than 75% of Indian stocks over the past 3 months, typically moving +/- 4% a week.

### Volatility Over Time



CAREERP's weekly volatility (4%) has been stable over the past year.

## 3.2 Key Takeaways | Analyst Observations | Facts and Figures (2/4)

Below Fair Value



CAREERP (₹138.35) is trading below our estimate of fair value (₹1923.23)

Significantly Below Fair Value



CAREERP is trading below fair value by more than 20%.

PE vs Industry



CAREERP is unprofitable, so we can't compare its PE Ratio to the Indian Consumer Services industry average.

PE vs Market



CAREERP is unprofitable, so we can't compare its PE Ratio to the Indian market.

### 3.2 Key Takeaways | Analyst Observations | Facts and Figures (3/4)

Quality Earnings



CAREERP is currently unprofitable.

Growing Profit Margin



CAREERP is currently unprofitable.

Debt Level



CAREERP's net debt to equity ratio (4.4%) is considered satisfactory.

Reducing Debt



CAREERP's debt to equity ratio has reduced from 15.4% to 9.7% over the past 5 years.

## 3.2 Key Takeaways | Analyst Observations | Facts and Figures (4/4)

### Debt Coverage



CAREERP's debt is well covered by operating cash flow (140%).

### Interest Coverage



Insufficient data to determine if CAREERP's interest payments on its debt are well covered by EBIT.

### Earnings Trend



CAREERP is unprofitable, and losses have increased over the past 5 years at a rate of 9% per year.

### Accelerating Growth



Unable to compare CAREERP's earnings growth over the past year to its 5-year average as it is currently unprofitable

### 3.3 Recent News and Announcement (1/2)

Date	Recent News & Announcement	Impact Analysis
Dec 06, 2021	Insufficient new directors	<p>There is 1 new director who has joined the board in the last 3 years. The company's board is composed of:</p> <ul style="list-style-type: none"> <li>1 new director.</li> <li>2 experienced directors.</li> <li>7 highly experienced directors.</li> </ul> <p>Independent Non-Executive Director Divya Sodani was the last director to join the board, commencing their role in 2020. The company's insufficient board refreshment is considered a risk according to the Simply Wall St Risk Model.</p>
Nov 15, 2021	Second quarter 2022 earnings released: EPS ₹3.06 (vs ₹4.39 in 2Q 2021)	<ul style="list-style-type: none"> <li>The company reported a poor second quarter result with weaker earnings, revenues and profit margins.</li> <li>Second quarter 2022 results:               <ul style="list-style-type: none"> <li>Revenue: ₹132.2m (down 12% from 2Q 2021).</li> <li>Net income: ₹55.7m (down 30% from 2Q 2021).</li> <li>Profit margin: 42% (down from 53% in 2Q 2021).</li> </ul> </li> <li>Over the last 3 years on average, earnings per share has fallen by 40% per year but the company's share price has increased by 25% per year, which means it is well ahead of earnings.</li> </ul>
September 27, 2021	The Returns On Capital At Career Point (NSE:CAREERP) Don't Inspire Confidence	<ul style="list-style-type: none"> <li>Yet despite these concerning fundamentals, the stock has performed strongly with a 69% return over the last five years, so investors appear very optimistic. In any case, the current underlying trends don't bode well for long term performance so unless they reverse, we'd start looking elsewhere.</li> </ul>

### 3.3 Recent News and Announcement (2/2)

Date	Recent News & Announcement	Impact Analysis
August 18, 2021	First quarter 2022 earnings released: EPS ₹3.59 (vs ₹4.14 in 1Q 2021)	<p>The company reported a soft first quarter result with weaker earnings and profit margins, although revenues improved.</p> <p>First quarter 2022 results:            Revenue: ₹144.3m (up 4.5% from 1Q 2021).            Net income: ₹65.0m (down 14% from 1Q 2021).            Profit margin: 45% (down from 54% in 1Q 2021). The decrease in margin was driven by higher expenses. Over the last 3 years on average, earnings per share has fallen by 22% per year but the company's share price has increased by 17% per year, which means it is well ahead of earnings.</p>
July 29, 2021	We Think Career Point (NSE:CAREERP) Is Taking Some Risk With Its Debt	<ul style="list-style-type: none"> <li>Both Career Point's EBIT growth rate and its interest cover were discouraging. But at least its level of total liabilities is a gleaming silver lining to those clouds. We think that Career Point's debt does make it a bit risky, after considering the aforementioned data points together. Not all risk is bad, as it can boost share price returns if it pays off, but this debt risk is worth keeping in mind. There's no doubt that we learn most about debt from the balance sheet. However, not all investment risk resides within the balance sheet - far from it.</li> </ul>
Jul 04, 2022	Full year 2021 earnings released: EPS ₹0.08 (vs ₹14.97 in FY 2020)	<ul style="list-style-type: none"> <li>The company reported a poor full year result with weaker earnings, revenues and profit margins.</li> <li>Full year 2021 results:            Revenue: ₹572.6m (down 45% from FY 2020).            Net income: ₹1.44m (down 100% from FY 2020).            Profit margin: 0.3% (down from 26% in FY 2020). The decrease in margin was driven by lower revenue.</li> <li>Over the last 3 years on average, earnings per share has fallen by 6% per year but the company's share price has increased by 16% per year, which means it is well ahead of earnings.</li> </ul>

A person's hand is shown holding a pen, poised to write on a document. The document features several charts and graphs, including a bar chart and a pie chart. The entire scene is overlaid with a semi-transparent blue filter. In the background, a laptop and a smartphone are visible on a desk.

## 4. ANALYST RECOMENDATIONS

# ANALYST RECOMENDATIONS



## Targeting Female Aspirants

- Registration for the January 2020 Joint Entrance Examination (JEE) saw an increase in the number of female candidates.
- While the number of female candidates has increased by over 15,247 from 2019, the number of male candidates has decreased by around 20,000. Overall, 11.19 Lakh candidates have registered for the JEE Main Exam 2020, which has increased as compared to last year.
- Offering discounts and scholarships to girl students may not only bring new students but can also bring back students who drop an year for second attempt.



## Penetration into Rural Areas

- A considerable amount of students who crack IIT/NEET come from rural areas. Majority of which rely on self study.
- Career point has primary focussed on expanding its operations in Tier-1 and Tier-2 cities.
- By expanding itself to rural areas the company can help these students. This will in turn build a brand image once the students get through.
- For this, the organisation can launch micro centres with affordable fees and Hindi medium teaching if necessary



## Increased Focus on Company owned Branches

- The company generates revenue from company owned as well as franchises.
- Franchisees are required to maintain quality standards and going forth the Company would look to renew licenses for only those franchisees that adhere to the most stringent standards.
- However, the degree of control that the parent company has over franchise is very less
- As a result ,the company is at high risk of damaging their reputation and must increase the number of company owned company operated branches.



## Diversifying Product Portfolio

- Career Point has focussed on the Test Pre for NEET and JEE since its inception and this has helped the company build a decent brand equity in the Indian Education Industry.
- However, under the ambit of National Educational Policy, the exams are to be clubbed as one for all the entrance exam(Optional for the time being) conducted by the National Testing Agency.
- This will lead to decrease in the number of JEE aspirants in the Future. To combat the same the company can focus on preparation of International entrance exams such as TOEFL, IELTS, DELF and others



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THANK YOU