

LawSikho ADDICTIVE LEARNING TECHNOLOGY LIMITED

Corporate Identification Number: U74110HR2017PLC118029
Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of 'Addictive Learning Technology Private Limited' bearing Corporate Identification Number U74110DL2017PTC323508 dated September 12, 2017, issued by the Registrar of Companies, Delhi.

Registered Office: Space Creators Heights, 3rd floor, Landmark Cyber Park, Golf Course Extension, Sector 67, Gurgaon, Haryana - 122102 | Tel: +91 124 4143608 | Fax: N.A. | Website: https://lawsikho.com/ | E-mail: compliance@lawsikho.in |
Company Secretary and Compliance Officer: Ms. Komal Shah

PROMOTERS: RAMANUJ MUKHERJEE AND ABHYUDAYA SUNIL AGARWAL

THE ISSUE

INITIAL PUBLIC OFFERING UP TO 42,97,000 EQUITY SHARES OF RS. 10/- EACH ("EQUITY SHARES") OF ADDICTIVE LEARNING TECHNOLOGY LIMITED ("ALT" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ [●] /- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ [●] LAKHS ("THE OFFER"), COMPRISING A FRESH ISSUE OF UP TO 41,37,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 1,60,000 EQUITY SHARES BY MR. RAMANUJ MUKHERJEE, MR. ABHYUDAYA SUNIL AGARWAL, ("THE PROMOTERS" OR "SELLING SHAREHOLDERS") MS. KOMAL SHAH AND MR. HARSH JAIN ("THE PROMOTER GROUP" OR "THE SELLING SHAREHOLDER") AGGREGATING TO ₹ [●] LAKHS ("OFFER FOR SALE").

ALLOCATION OF THE ISSUE

- QIB PORTION (EXCLUDING ANCHOR INVESTOR): NOT MORE THAN 7,95,000 EQUITY SHARES
• ANCHOR INVESTOR PORTION: NOT MORE THAN 11,92,000 EQUITY SHARES
• RETAIL PORTION: NOT LESS THAN 13,95,000 EQUITY SHARES
• NON-INSTITUTIONAL PORTION: NOT LESS THAN 5,99,000 EQUITY SHARES
• MARKET MAKER PORTION: UPTO 3,16,000 EQUITY SHARES

PRICE BAND: ₹ 133/- TO ₹ 140/- PER EQUITY SHARE
THE FLOOR PRICE IS 13.3 TIMES THE FACE VALUE AND CAP PRICE IS 14 TIMES OF THE FACE VALUE OF THE EQUITY SHARES
BIDS CAN BE MADE FOR A MINIMUM OF 1,000 EQUITY SHARES AND IN MULTIPLES OF 1,000 EQUITY SHARES THEREAFTER.

THIS ISSUE IS BEING MADE THROUGH BOOK BUILDING PROCESS, IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED READ WITH RULE 19(2)(B) OF SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED.

FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 323 OF THE RED HERRING PROSPECTUS. A COPY OF THE RED HERRING PROSPECTUS IS BE DELIVERED FOR REGISTRATION TO THE REGISTRAR OF COMPANIES, DELHI AS REQUIRED UNDER SECTION 26 OF THE COMPANIES ACT, 2013.

THEREAFTER, THE REGISTERED OFFICE OF THE COMPANY HAS BEEN SHIFTED FROM THE NCT OF DELHI TO THE STATE OF HARYANA BY RECEIPT OF THE ORDER OF REGIONAL DIRECTOR, NORTHERN REGION DATED DECEMBER 05, 2023, PURSUANT TO WHICH A NEW CERTIFICATE OF INCORPORATION DATED JANUARY 12, 2024, HAS BEEN ISSUED BY THE REGISTRAR OF COMPANIES, DELHI BEARING CIN: U74110HR2017PLC118029. AS ON DATE THE REGISTERED OFFICE OF THE COMPANY IS SITUATED IN HARYANA.

BID OFFER PROGRAMME ANCHOR BID OPENS ON JANUARY 18, 2024
BID OFFER OPENS ON JANUARY 19, 2024 | BID OFFER CLOSES ON JANUARY 23, 2024

ASBA* Simple, Safe, Smart way of Application- Make use of it!!!
Mandatory in Public issues. No cheque will be accepted
UPI-Now available in ASBA for Retail Individual Investors ("RII")** Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI - Now available in ASBA for Retail Individual Bidders applying through Registered Brokers, DPs & RTA. Retail Individual Bidders also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.

*ASBA has to be availed by all the investors except Anchor Investors (if any). UPI may be availed by RIIs.
For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 323 of the Red Herring Prospectus. The process is also available on the website of SEBI and Stock Exchanges in the General Information Document. ASBA Forms can be downloaded from the website of Emerge platform of NSE ("NSE Emerge" or "Stock Exchange") and can be obtained from the list of banks that is displaying on website of SEBI at www.sebi.gov.in.
** List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI Apps and Banks live on IPO, please refer to the link: www.sebi.gov.in. YES Bank Limited has been appointed as Sponsor Bank for the Issue in accordance with the requirements of the SEBI Circular dated November 1, 2018, as amended.

IN TERMS OF THE CIRCULAR NO. CIR/CFD/POLICYCELL/11/2015 DATED NOVEMBER 10, 2015, AND ALL POTENTIAL INVESTORS PARTICIPATE IN THE ISSUE ONLY THROUGH APPLICATION SUPPORTED BY BLOCKED AMOUNT (ASBA) PROCESS PROVIDING DETAILS ABOUT THE BANK ACCOUNT WHICH WILL BE BLOCKED BY THE SELF-CERTIFIED SYNDICATE BANKS (SCSBs) FOR THE SAME. FURTHER PURSUANT TO CIRCULAR BEARING NO. SEBI/HO/CFD/DIL2/CIR/P/2019/76 DATED JUNE 28, 2019, FOR IMPLEMENTATION OF PHASE II FOR UPI FACILITY, WHICH IS EFFECTIVE FROM JULY 01, 2019, ALL POTENTIAL BIDDERS (EXCEPT ANCHOR INVESTORS) ARE REQUIRED TO MANDATORILY UTILIZE THE APPLICATION SUPPORTED BY BLOCKED AMOUNT (ASBA) PROCESS PROVIDING DETAILS OF THEIR RESPECTIVE ASBA ACCOUNT OR CORRESPONDING UPI ID (IN CASE OF RIIs), IN WHICH THE APPLICATION AMOUNTS WILL BE BLOCKED BY THE SCSBs OR UNDER THE UPI MECHANISM, AS APPLICABLE.

FOR MORE DETAILS IN THIS REGARD, SPECIFIC ATTENTION IS INVITED TO THE "ISSUE PROCEDURE" ON PAGE NO. 323 OF THE RED HERRING PROSPECTUS. IN CASE OF DELAY, IF ANY IN UNBLOCKING/REFUND THE FUND, OUR COMPANY SHALL PAY THE INTEREST ON THE APPLICATION MONEY AT THE RATE OF 15% PER ANNUM FOR THE PERIOD OF DELAY.

1) Basic Earning per Share (EPS) as per Accounting Standard 20.
Table with columns: Period, Basic & Diluted EPS in ₹, Weights. Rows: 2022-23, 2021-22, 2020-21, 2020-21, Weighted Average EPS, August 31, 2023.

2) Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [●] per Equity Share of face value ₹ 10/- each fully paid up
Table with columns: Particulars, P/E Ratio at floor price, P/E Ratio at cap price. Rows: P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23, P/E ratio based on the Basic & Diluted EPS, as restated for FY 2021-22, P/E ratio based on the Basic & Diluted EPS, as restated for FY 2020-21, P/E ratio based on the Weighted Average EPS, as restated.

3) Return on Net Worth (RONW)
Table with columns: Period, Return on Net Worth (%), Weights. Rows: 2022-23, 2021-22, 2020-21, 2020-21, Weighted Average, August 31, 2023.

4) Net Asset Value per Equity Share
Table with columns: Particulars, Net Asset Value (NAV) in ₹. Rows: 2022-23, 2021-22, 2020-21, August 31, 2023, NAV after issue - At Floor Price, NAV after issue - At the Cap price, NAV after issue - At Issue Price.

5) Comparison with industry peers
Table with columns: Name of the company, Face Value (Per Share), CMP, EPS (Rs), P/E Ratio, RONW (%), NAV (₹ Per share), PAT (₹ in Lakhs). Rows: Addictive Learning Technology Limited, CL Educate Limited, Career Point Limited, Peer Group*.

Notes:
• Considering the nature and turnover of business of the Company the peers are not strictly comparable. However, the same has been included for broader comparison.
• The figures for Addictive Learning Technology Limited are based on the restated results for the year ended March 31, 2023.
• The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2023.
• Current Market Price (CMP) is the closing price of respective scrip as on January 04, 2024.

For further details see section titled Risk Factors beginning on page 29 and the financials of the Company including profitability and return ratios, as set out in the section titled Auditors Report and Financial Information of Our Company beginning on page 249 of the Red Herring Prospectus for a more informed view.

Key financial and operational performance indicators ("KPIs")
Our company considers that KPIs included herein below have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated October 23, 2023. Further, the KPIs herein have been certified by M/s K R A & Co., Chartered Accountants (FRN: 020266N), by their certificate dated October 23, 2023 vide UDIN 23503150BGWUJ7962. Additionally, the Audit Committee on its meeting dated October 23, 2023, has confirmed that other than verified and audited KPIs set out below, our company has not disclosed to earlier investors at any point of time during the three years period prior to the date of the Red Herring Prospectus.

For further details of our key performance indicators, see "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 29, 160 and 274 respectively. We have described and defined them, where applicable, in "Definitions and Abbreviations" section on pages 2. Our Company confirms that it shall continue to disclose all the KPIs included in this section "Basis for Offer Price", on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by

our Company as required under the SEBI ICDR Regulations.
Key metrics like revenue growth, EBITDA Margin, PAT Margin and low balance sheet ratio are monitored on a periodic basis for evaluating the overall performance of our Company.
KPI indicators

(Amount in lakhs except %)
Table with columns: Particulars, Period ended August 31st, 2023, Financial Year ended March 31st, 2023, Financial Year ended March 31st, 2022, Financial Year ended March 31st, 2021. Rows: Revenue from operations (1), Growth in Revenue from Operations (2), EBITDA (3), EBITDA (%) Margin (4), EBITDA Growth Period on Period (5), ROCE (%) (6), Current Ratio (7), Operating cash flow (8), PAT(9), ROE/ RONW (10), EPS (11).

- (1) Revenue from operations is the total revenue generated by our Company from its operation.
(2) Revenue CAGR: The three-year compound annual growth rate in Revenue. [(Ending Value/Beginning Value)^(1/(N))-1]
(3) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
(4) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
(5) EBITDA Growth Rate: The three-year compound annual growth rate in EBITDA. [(Ending Value/Beginning Value)^(1/(N))-1]
(6) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.
(7) Current Ratio: Current Asset over Current Liabilities
(8) Operating Cash Flow: Net cash inflow from operating activities.
(9) PAT is mentioned as PAT for the period.
(10) ROC/RONW is calculated PAT divided by shareholders' equity.
(11) EPS is mentioned as EPS for the period.

Comparison of KPI with listed industry peers: (Amount in lakhs except %)

Table with columns: Particulars, Addictive Learning Technology Limited, CL Educate Limited, Career Point Limited. Rows: Revenue From Operation (1), Growth in Revenue from Operation (2), EBITDA (3), EBITDA Margin (4), PAT (5), PAT Margin (6), Net Worth (7), ROCE (8), Current Ratio (9), ROE/ RONW (10), EPS (11).

**All the information for listed industry peers mentioned above are on a standalone basis and is sourced from their respective audited/ unaudited financial results and/or annual report

- Notes:
(1) Total Income includes Revenue from Operations and Other Income as appearing in the Restated Financial Statements/ Annual Reports of the respected companies.
(2) Growth in Total Income (%) is calculated as Total Income of the relevant period minus Total Income of the preceding period, divided by Total Income of the preceding period.
(3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost
(4) EBITDA Margin is calculated as EBITDA divided by Total Income
(5) EBITDA Growth Rate is calculated period on period.
(6) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.
(7) Current Ratio: Current Asset over Current Liabilities
(8) PAT is mentioned as PAT for the period.
(9) ROE/RONW is the calculated PAT divided by shareholders' equity.
(10) EPS is mentioned as EPS for the period.

RISKS TO INVESTORS:
• The average cost of acquisition per Equity Share by our Promoters and Selling Shareholder, i.e., Ramanuj Mukherjee, Abhyudaya Sunil Agarwal, Harsh Jain and Komal Shah at the date of Red Herring Prospectus are Nil, Nil, 0.94 and Nil respectively.

At the date of the Red Herring Prospectus, the Weighted Average cost of acquisition per Equity Share by our Promoters and Selling Shareholder, i.e., Ramanuj Mukherjee, Abhyudaya Sunil Agarwal, Harsh Jain and Komal Shah at the date of Red Herring Prospectus are Nil, Nil, 0.94 and Nil respectively.

Weighted Average Return on Net worth for Financial Year ending 2023, 2022 and 2021 is 14.63%.
1) Our company may, in consultation with the BRLM, consider participation by the Anchor Investor. The Anchor Investor Bid/Offer period shall be one working day prior to the Bid/ Offer opening date in accordance with SEBI ICDR Regulations, 2018.

2) Our company may, in consultation with the BRLM, consider closing the Bid/ Offer period for QIB one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2018.

The details of the Equity Shares held by our Promoters, which are locked in for a period of 3 years from the date of Allotment in the Offer are given below:

Table with columns: Name of the Promoter, No. of Equity shares, Face Value (in ₹), Percentage of post-issue paid-up capital (%), Lock in Period. Rows: Ramanuj Mukherjee, Abhyudaya Sunil Agarwal.

In case of revision in the price band, the bid/ Issue period shall be extended for at least three (3) additional working days after such revision in the price band, subject to the bid/issue period not exceeding a total of ten (10) working days any revision in the price band, and the revised bid/ issue period, if applicable shall be widely disseminated by notification to the Stock Exchange by issuing press release and by also indicating the change on the website of BRLM and by intimation to Self-Certified Syndicate Banks (SCSBs), the sponsor banks and the designated intermediaries, as applicable. In case of force majeure, Banking strike or similar circumstances, the company may for the reason recorded in writing, extend the Bid/ Issue period by at least three (3) additional working days subject to total bid/ Issue period not exceeding ten (10) working days.

The issue is being made in terms of Rule 19 (2)(b)(i) of the Securities Contract (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of SEBI ICDR Regulations, the issue is being made for at least 25% of the post issue paid up Equity Share capital of our Company. The issue is being made through the Book Building Process wherein not more than 50% of the issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs" and such portion to the "QIB Portion") provided that our company may in consultation with the BRLM may allocate up to 60% of the QIB portion to the Anchor Investor on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"). One third of the Anchor Investor Portion shall be reserved for the Domestic Mutual Funds, subject to valid bids being received from the domestic mutual funds or at above the Anchor Investor allocation price. Further, 5% of the QIB portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual funds only, and the remainder of the QIB portion shall be available for allocation on proportionate basis to all QIBs Bidders (other than Anchor Investors), including mutual funds, subject to valid bids being received at or above the issue price. Further, not less than 15% of the issue shall be available for allocation on proportionate basis to Non-Institutional Bidder and not less than 35% of the issue shall be available for allocation to the Retail Individual bidders in accordance with the SEBI ICDR Regulations subject to valid bids being received or above the issue price. All potential bidders, other than Anchor Investor, are required to mandatorily utilize the application supported by blocked amount ("ASBA") process providing details of their respective bank account (including UPI ID in case of RIIs) which will be blocked by SCSBs, or the bank account linked with the UPI ID, as applicable, to participate in the issue. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For Details, please see the section titled "Issue Procedure" on page 323 of the Red Herring Prospectus.

PROPOSED LISTING: The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle approval letter dated December 29, 2023 from National Stock Exchange of India Limited for using its name in this offer document for listing of our shares on the NSE Emerge. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the Offer Document was not filed with SEBI. In terms of the SEBI ICDR Regulations, SEBI shall not issue any observations on the Offer Document. Hence, there is no such specific disclaimer clause of SEBI. However, investors may refer to the entire "SEBI Disclaimer Clause" on 306 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (DESIGNATED STOCK EXCHANGE): It is to be distinctly understood that the permission given by the National Stock Exchange of India Limited ("NSE") should not in any way be deemed or construed that the contents of the Red Herring Prospectus or the price band at which the Equity Shares are offered for bidding has been cleared, solicited or approved by NSE nor does it certify the correctness accuracy or completeness of any of the contents of the Red Herring Prospectus. The investors are advised to refer to the Red Herring Prospectus for the full text of the "Disclaimer Clause of the Emerge Platform of the National Stock Exchange of India Limited" on page 306 of the Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE: This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the offer price is [●] times of the face value of the equity shares. The Issue Price (determined and justified by our Company in consultation with the Book Running Lead Manager as stated in "Basis for Issue Price" on page 124 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

Bidders/ Applicants should note that on the basis of PAN, DP ID And Client ID as provided in the bid cum application form, the Bidder/ Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic details of the Bidders/ Applicants as available on the records of the depositories. These Demographic details may be used, among other things, for or unblocking of ASBA account or for other correspondence related to an issue. Bidders/ Applicants are advised to update any changes to their demographic details as available in the records of the depository participants to ensure accuracy of records. Any delay resulting from failure to update the demographic details would be at the applicant's sole risk. Bidders/ Applicants should ensure that PAN, DP ID and the Client ID are correctly filled in the bid cum application form. The PAN, DP ID and the Client ID provided in the bid cum application form should match with the PAN, DP ID and the Client ID available in the depository database, otherwise the bid cum application form is liable to be rejected. Bidders/ Applicant should ensure that the beneficiary account provided in the Bid cum application form is active.

GENERAL RISK: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are