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ADDICTIVE LEARNING TECHNOLOGY LIMITED



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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. Subsequently, our Company was converted into public limited company pursuant to a shareholders' resolution passed at an Annual General Meeting held on Tuesday, 19th September 2023 and name of our Company was changed to "Addictive Learning Technology Limited" and a fresh Certificate of Incorporation dated September 29, 2023, was issued by Registrar of Companies, Delhi. As on date of the Red Herring Prospectus, the Corporate Identification Number of our Company is U74110DL2017PLC323508. The company by passing a Special Resolution has approved the shifting of registered office of the company from Delhi to Haryana (outside the state but within the jurisdiction of the same ROC). The order of Regional Director, Northern region has been received dated December 05, 2023, and the Form INC-22 has been filed and approved. Pursuant to which a new certificate of incorporation has been issued by the Registrar of Companies dated January 12, 2024 bearing CIN: U74110HR2017PLC118029. For further details of incorporation please refer to section titled "Our History and Certain Other Corporate Matters" beginning on page 206 of the Red Herring Prospectus.

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 ("ALTL" 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"). OUT OF THE OFFER, 3,16,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. OFFER OF 39,81,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00/- EACH AT AN ISSUE PRICE OF ₹ [●] /- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HERINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE 27.01% AND 25.02%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

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!!!	*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below.	Mandatory in Public issues. No cheque will be accepted	UPI UNIFIED PAYMENTS INTERFACE	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.
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*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 (SCSB'S) 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 OF 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.

Period	Basic & Diluted EPS in ₹	Weights
2022-23	4.94	3
2021-22	(0.98)	2
2020-21	(0.01)	1
Weighted Average EPS		2.14
August 31, 2023		6.32

2) Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [●] per Equity Share of face value ₹ 10/- each fully paid up

Particulars	P/E Ratio at floor price	P/E Ratio at cap price
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	58.08	61.14
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2021-22	70.00	73.68
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2020-21	34.10	35.90
P/E ratio based on the Weighted Average EPS, as restated	62.15	65.42

3) Return on Net Worth (RONW)

Period	Return on Net Worth (%)	Weights
2022-23	119.79%	3
2021-22	-120.22%	2
2020-21	-31.17%	1
Weighted Average		14.63%
August 31, 2023		60.50%

4) Net Asset Value per Equity Share

Particulars	Net Asset Value (NAV) in ₹
2022-23	187.55
2021-22	(37.11)
2020-21	(17.50)
August 31, 2023	474.79
- NAV after issue - At Floor Price	45.20
- NAV after issue - At the Cap price	47.02
- NAV after issue - At Issue Price	●

5) Comparison with industry peers

Name of the company	Face Value (Per Share)	CMP	EPS (Rs)	P/E Ratio	RONW (%)	NAV (₹ Per share)	PAT (₹ in Lakhs)
Addictive Learning Technology Limited	10	●	4.94	●	119.79%	187.55	247.13
Peer Group*							
CL Educate Limited	10	106.10	2.41	32.56	4.96%	48.76	1330.75
Career Point Limited	10	188.70	12.20	15.41	4.96%	245.82	2219.35

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, have 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 %)

Particulars	Period ended August 31st, 2023	Financial Year ended March 31st, 2023	Financial Year ended March 31st, 2022	Financial Year ended March 31st, 2021
Revenue from operations (1)	2482.36	3353.43	1857.29	677.77
Growth in Revenue from Operations (2)	-25.98%	80.56%	174.03%	-
EBITDA (3)	489.18	334.50	-44.19	2.17
EBITDA (%) Margin (4)	19.71%	9.97%	-2.38%	0.32%
EBITDA Growth Period on Period (5)	46.24%	-856.98%	-2140.32%	-
ROCE (%) (6)	83.94%	157.53%	121.74%	-2.00%
Current Ratio (7)	1.61	1.25	0.60	0.69
Operating cash flow (8)	306.52	139.43	(21.30)	45.85
PAT(9)	315.96	247.13	-49.07	-0.54
ROE/ RONW (10)	60.50%	119.79%	120.22%	31.17%
EPS (11)	6.32	4.94	-0.98	-0.01

Notes:

- Revenue from operations is the total revenue generated by our Company from its operation.
- Revenue CAGR: The three-year compound annual growth rate in Revenue. $\left(\frac{\text{Ending Value}/\text{Beginning Value}}{\text{Time}}\right)^{\frac{1}{\text{Time}}}$
- EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- EBITDA CAGR: The three-year compound annual growth rate in EBITDA. $\left(\frac{\text{Ending Value}/\text{Beginning Value}}{\text{Time}}\right)^{\frac{1}{\text{Time}}}$
- ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.
- Current Ratio: Current Asset over Current Liabilities
- Operating Cash Flow: Net cash inflow from operating activities.
- PAT is mentioned as PAT for the period.
- ROE/RONW is calculated PAT divided by shareholders' equity.
- EPS is mentioned as EPS for the period.

Comparison of KPI with listed industry peers:

(Amount in lakhs except %)

Particulars	Addictive Learning Technology Limited			CL Educate Limited			Career Point Limited		
	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21
Revenue From Operation (1)	3,353.43	1,857.29	677.77	27,289.09	19,723.96	17,336.19	5,189.89	2,934.24	1,812.48
Growth in Revenue from Operation (2)	80.56%	174.03%	-	38.36%	13.77%	-	76.87%	61.89%	-
EBITDA (3)	334.50	-44.19	2.17	2,450.49	2,306.48	-323.36	3,357.27	2,030.58	2,334.33
EBITDA Margin (4)	9.97%	-2.38%	0.32%	8.98%	11.69%	-1.87%	64.69%	69.20%	128.79%
PAT (5)	247.13	-49.07	-0.54	1,330.75	928.38	-1,464.91	2,219.35	1,077.93	1,258.4
PAT Margin (6)	7.37%	-2.64%	-0.08%	4.88%	4.71%	-8.45%	42.76%	36.74%	69.43%
Net Worth (8)	206.30	-40.82	-1.75	26,852.19	26,691.28	25,737.64	44,722.29	42,861.80	41,786.17
ROCE (6)	157.53%	121.74%	-2.00%	5.65%	5.76%	-4.15%	6.70%	3.84%	4.51%
Current Ratio (7)	1.31	0.60	0.69	2.42	2.93	2.24	3.53	2.86	3.66
ROE/ RONW (10)	119.79%	120.22%	31.17%	4.96%	3.48%	-5.68%	4.96%	2.51%	3.01%
EPS (12)	4.94	-0.98	-0.01	2.41	1.66	-0.17	12.2	5.93	6.92

**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:

- Total Income includes Revenue from Operations and Other Income as appearing in the Restated Financial Statements/ Annual Reports of the respected companies.
- 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.
- EBITDA is calculated as Profit before tax + Depreciation + Finance Cost
- EBITDA Margin is calculated as EBITDA divided by Total Income
- EBITDA Growth Rate is calculated period on period.
- ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.
- Current Ratio: Current Asset over Current Liabilities
- PAT is mentioned as PAT for the period.
- ROE/RONW is calculated PAT divided by shareholders' equity.
- 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.

(Continued next page.)