

BASIS FOR ISSUE PRICE

The Price Band and the Issue Price will be determined by our Company in consultation with the BRLM, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue Price is 9.6 times the face value at the lower end of the Price Band and 10.00 times the face value at the higher end of the Price Band. Investors should refer to “Risk Factors”, “Our Business”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 22, 86, 127 and 174, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

- Highly experienced Promoters and Technically Sound Operational Team
- Domain expertise
- Track record of growth and profitability
- Long term relationship with clients and repetitive business

For further details, see “Risk Factors” and “Our Business” on pages 22 and 86, respectively.

Quantitative Factors

The information presented in this section is derived from our Restated Financial Statements. For details, see “Restated Financial Information” on page 127. Investors should evaluate our Company and form their decisions taking into consideration its earnings, and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue price are as follows:

1. Basic and Diluted Earnings per Share (EPS), as adjusted for changes in capital

Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
FY 2020-21	1.35	1.35	1
FY 2021-22	1.02	1.02	2
FY 2022-23	6.68	6.68	3
Weighted Average	3.91	3.91	
Half year ended September 30, 2023	3.12	3.12	-

Note:

The ratios have been computed as under:

1. Basic and diluted EPS: profit for the year attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the period. Basic and diluted EPS are computed in accordance with AS 20 – Earnings per share after adjusting for Bonus shares issued on 12-01-2023;
2. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights
3. Basic and diluted EPS for the half-year ended September 30, 2023, not annualized.

2. Price / Earning (P/E) Ratio in relation to Issue Price of ₹ 96 to ₹ 100.00 per Equity Share

Particulars	P/E at the lower end of the price band (no. of times)	P/E at the higher end of the price band (no. of times)
a) P/E ratio based on Basic and Diluted EPS of ₹ 6.68 as at March 31, 2023	14.37	14.97
b) P/E ratio based on Weighted Average EPS of ₹ 3.91	24.58	25.61

3. Industry Price / Earning (P/E) Ratio

Particulars	P/E Ratio
Highest	31.24
Lowest	29.35
Average Industry P/E	30.30

(1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see “- Comparison with listed industry peers”

(2) Source: Respective audited financials of the Company, as available, for the Financial Year 2023. Information on industry peer is on a standalone basis.

(3). Infobeans Technologies Limited and Xchanging Solutions Limited data are used for comparison.

Net worth = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

Basic earnings per share (₹.) = $\frac{\text{Net profit after tax as restated for calculating basic EPS}}{\text{Weighted average number of equity shares outstanding at the end of the period or year}}$

4. Return on Net Worth (RONW):

Year ended	RoNW (%)	Weight
FY 2020-21	10.04%	1
FY 2021-22	7.10%	2
FY 2022-23	31.62%	3
Weighted Average	19.85%	
Half year ended September 30, 2023	12.85%*	-

* not annualized.

Return on net worth (%) = $\frac{\text{Net profit after tax as restated, attributable to the owners of the company}}{\text{Net worth as restated, including share capital and reserves and surplus, as stated at the end of the year}}$

Net worth = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

5. Net Asset Value* (NAV) per Equity Share

Particulars	₹.
As of March 31, 2021	13.42
As of March 31, 2022	14.44
As of March 31, 2023	21.12
As at September 30, 2023	24.24
NAV post issue:	
At the lower end of the price band of ₹96/-	47.98
At the higher end of the price band of ₹ 100/-	49.30
Issue price per share	49.30

(Net Asset Value* (NAV) calculated Post Dilution & Bonus Shares)

Net asset value per equity share = $\frac{\text{Net worth as restated, including share capital and reserves and surplus, as restated at the end of the year}}{\text{No. of equity shares outstanding at the end of the year*}}$

Basic earnings per share (₹.) = $\frac{\text{Net profit after tax as restated for calculating basic EPS}}{\text{Weighted average number of equity shares outstanding at the end of the year*}}$

* No. of equity shares outstanding at the end of the year is adjusted for the Bonus Issue made on January 12, 2023

6. Comparison of Accounting Ratios with Industry Peers

Sr. No.	Name of Company	Face Value (₹)	Total income (₹ in Lakhs)	For Fiscal 2023		P/E (based on Diluted EPS)	RoNW (%)	NAV per share (₹)
				Basic EPS (₹)	Diluted EPS (₹)			
1.	Euphoria Infotech (India) Limited	10	737.56	6.68	6.68	-	31.62%	21.12
Peer Group*								
2.	Infobeans Technologies Limited	10	39,884.00	14.83	14.83	31.25	13.24%	111.97
3.	Xchanging Solutions Limited	10	18,592.00	4.03	4.03	29.35	19.54%	60.70

* Source: Respective audited financials of the Company, as available, for the Financial Year 2023. Information on industry peer is on a standalone basis.

** Based on restated financial statements of the Company for Financial Year 2023

Based on closing market price as on March 31, 2023 on BSE and EPS for the year ended March 31, 2023, extracted from the respective annual report of the Company, as available on BSE website.

& EPS is calculated based after adjusting the no. of Bonus Shares issued on 12-01-2023.

7. The Issue Price is 10.00 times of the Face Value of the Equity Shares.

The price band/floor price/issue price will be determined by the issuer in consultation with the BRLM, on the basis of book-building on the basis of assessment of the market demand from investors for the Equity Shares and shall be justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with “Risk Factors”, “Our Business” and “Restated Financial Information” on pages 21, 86 and 127, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “Risk Factors” and you may lose all or part of your investments.

KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIs”)

Key Performance Indicators (KPIs) are imperative to the Financial and Operational performance evaluation of the company. However, KPIs disclosed below shall not be considered in isolation or as substitute to the Restated Consolidated Financial information. In the opinion of our Management the KPIs disclosed below shall be supplementary tool to the investor for evaluation of the company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 15, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the Prospectus. Further, the KPIs herein have been certified by M/s. Baid, Agarwal Singhi & Co., Chartered Accountants, by their certificate dated January 15, 2024.

The KPIs of our Company have been disclosed in the sections “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” starting on pages 86 and 174, respectively of the Prospectus. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” beginning on page **Error! Bookmark not defined.** of the Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations, 2018.

Set forth below are KPIs which have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals of the Company that have a bearing for arriving at the Basis for the Issue Price.

Some of the key performance indicators which may form the basis for computing the Issue Price are as follows:

(₹ in lakhs except percentages and ratios)

Key Performance Indicators	Six months period ended Sep 30, 2023 [#]	March 31, 2023 [#]	March 31, 2022 [#]	March 31, 2021 [#]
Revenue from Operations	365.48	736.73	465.16	554.81
EBITDA ⁽¹⁾	103.47	214.82	51.20	59.79
EBITDA Margin ⁽²⁾⁽³⁾	28.31%	29.16%	11.01%	10.78%
Profit After Tax for the Year / Period	60.49	129.69	19.90	26.17
PAT Margin ⁽⁴⁾	16.55%	17.58%	4.03%	4.71%
ROE ^{(5)*}	12.85%	31.62%	7.10%	10.04%
ROCE ^{(6)*}	14.73%	36.70%	11.94%	13.12%
Net Debt/ EBITDA ⁽⁷⁾	1.77	0.59	2.12	1.80

*Not annualised for the six months period ended Sep 30, 2023

[#]As certified by the Statutory Auditor vide their certificate dated January 15, 2024.

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on dated January 15, 2024.

Explanation for the Key Performance Indicators

1. EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, is calculated as profit before tax/ (loss) before extraordinary item for the period/year and adding back finance costs, and depreciation & amortisation expenses.
2. EBIT means Earnings before interest and tax, and is calculated as profit before tax/ (loss) before extraordinary item for the period/year and adding back finance cost.
3. EBITDA Margin is calculated as EBITDA as a percentage of Revenue from operations.
4. PAT Margin is calculated as profit after tax for the year / period as a percentage of Revenue from operations.
5. Return on Equity (ROE) is calculated as profit after tax for the year/period divided by Total Equity.
6. Return on Capital Employed (ROCE) is calculated as EBIT divided by Capital Employed. Capital Employed is calculated as total assets less total current liabilities as at the end of the period/year.
7. Net Debt/ EBITDA: Net Debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents and bank balances other than cash and cash equivalents as at the end of the period/year divided by EBITDA.

We shall continue to disclose these KPIs, on a half-yearly basis, for a duration that is at least the later of (i) three years after the listing date; and (ii) the utilization of the issue proceeds disclosed in the objects of the issue section of the Prospectus. We confirm that the ongoing KPIs would be certified by the statutory auditor of the Issuer Company.

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations (₹ in Lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
EBITDA (₹ in Lakhs)	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (₹ in Lakhs)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from average shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the average capital employed in the business.
Net Debt/ EBITDA (In Times)	Net Debt by EBITDA is indicator of the efficiency with which our Company is able to leverage its debt service obligation to EBITDA.

Comparison the Key Performance Indicators with our listed peers:

(₹ in lakhs) (As on March 31, 2023)

Key Performance Indicators	Infobeans Technologies Limited	Xchanging Solutions Limited
Revenue from Operations	38,532	17,442
EBITDA ⁽¹⁾	8,456	6,031
EBITDA Margin ⁽³⁾	21.95%	34.58%
Profit After Tax for the Year	3,596	6,277
PAT Margin ⁽⁴⁾	9.33%	35.99%
ROE ⁽⁵⁾	13.24%	9.28%

ROCE ⁽²⁾⁽⁶⁾	22.00%	7.00%
Net Debt/ EBITDA ⁽¹⁾⁽⁷⁾	0.71	0.02

Source: Annual Reports of the company / www.bseindia.com

As certified by the Statutory Auditor vide their certificate dated January 15, 2024.

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on dated September 8, 2023.

Explanation for the Key Performance Indicators

1. *EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, is calculated as profit before tax/ (loss) before extraordinary item for the period/year and adding back finance costs, and depreciation & amortisation expenses.*
2. *EBIT means Earnings before interest and tax, and is calculated as profit before tax/ (loss) before extraordinary item for the period/year and adding back finance cost.*
3. *EBITDA Margin is calculated as EBITDA as a percentage of Revenue from operations.*
4. *PAT Margin is calculated as profit after tax for the year / period as a percentage of Revenue from operations.*
5. *Return on Equity (ROE) is calculated as profit after tax for the year/period divided by Total Equity.*
6. *Return on Capital Employed (ROCE) is calculated as EBIT divided by Capital Employed. Capital Employed is calculated as total assets less total current liabilities as at the end of the period/year. Based on standalone data.*
7. *Net Debt/ EBITDA: Net Debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents and bank balances other than cash and cash equivalents as at the end of the period/year divided by EBITDA.*

COMPARISON OF OPERATIONAL KPIs OF OUR COMPANY AND OUR LISTED PEER:

The operational KPIs of the listed peer are not publicly available.

WEIGHTED AVERAGE COST OF ACQUISITION:

a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities).

There have been no issuance of Equity Shares, excluding shares issued as bonus shares, during the 18 months preceding the date of the Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of 30 days.

b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities).

There have been no secondary sale / acquisitions of Equity Shares or convertible securities, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Price per share based on the last five primary or secondary transactions;

Since there are no transactions to report to under (a) or (b) above, therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s), not older than 3 years prior to the date of the Prospectus, irrespective of the size of transactions is not required, are not applicable.

d) Weighted average cost of acquisition, floor price and cap price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price (₹96)	Cap Price (₹100)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	N.A.	N.A.	N.A.
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoters / promoter group entities or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	N.A.	N.A.	N.A.
Since there were no secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Prospectus, which are equal to or more than 5% of the fully diluted paid-up share capital of our Company, the information has been disclosed for price per share of our Company based on the last five secondary transactions where promoters /promoter group entities or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Prospectus irrespective of the size of the transaction.	₹50.00	1.92	2.00

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