

CERTIFICATE IN CONNECTION WITH KEY PERFORMANCE INDICATORS (KPIs)

Date: February 05, 2025

To,

**The Board of Directors,
Excelsoft Technologies Limited**
1-B, Hootagalli Industrial Area,
Mysore-570018,
Karnataka, India

Re: Proposed initial public offering of equity shares of face value of INR 10 each (the "Equity Shares") of Excelsoft Technologies Limited ("Company" or "Offeror"), comprising a fresh offer of up to [●] Equity Shares, aggregating up to ₹ 2,100.00 Million, by the Company (the "Fresh Offer") and an offer for sale of up to [●] Equity Shares, aggregating up to ₹ 4,900.00 Million by Pedanta Technologies Private Limited up to [●] Equity Shares, aggregating up to ₹ 3,400.00 Million and Dhananjaya Sudhanva up to [●] Equity Shares, aggregating up to ₹ 1,500.00 Million (the "Promoter Selling Shareholders") (the "Offer for Sale", and together with the Fresh Offer, the "Offer" and such Equity Shares, the "Offered Shares")

Dear Sir/Madam,

1. I, Ramaswamy Vijayanand, Chartered Accountant, Statutory Auditor of the Company, have performed the procedures agreed with the Company and enumerated below with respect to the operational key performance indicators including business metrics and financial performance of the Company ("KPIs") as on respective dates and for the respective period mentioned against each annexure (the "Periods"), set forth in the accompanying schedules.
2. In connection with the proposed offer of equity shares (the "Issue") of the Company, the Company is required to obtain a report from the Statutory Auditors, with regard to the Key Performance Indicators ("KPIs") as identified by the Company for the purposes of disclosure in the Draft Red Herring Prospectus (the "Offer Document"), as required by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations").
3. The accompanying statement containing details of GAAP measures, Non-GAAP Financial measures and Non-Financial measures (part of financial reporting) as described in the Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents (herein, referred to as the "KPIs") identified by the Company as at and for six months period ended September 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 as per the requirement of Clause K(3)(c) of the ICDR Regulations (the "Statement") is prepared by the Management of the Company, which I have initialled for identification purposes only.



4. The preparation of the accompanying Statement in '**Annexure A**' is the responsibility of the Management of the Company. This responsibility includes designing, implementing, and maintaining adequate internal controls that were operating effectively and testing of such controls for ensuring the accuracy and completeness of information relating to KPIs including such accounting records relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Management is responsible for:
 - a. identification, definition, completeness, accuracy, relevance, appropriateness and sufficiency of the KPIs included in the Statement.
 - b. providing access to the accounting and other records to the reporting [auditor/ practitioner] including information and explanations required for reporting on the KPIs;
 - c. maintenance of the accounting and other records in relation to point (a) and (b) above; and
 - d. compliance with the ICDR Regulations, the Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents and other regulatory requirements.
6. Pursuant to the requirements of Clause K(3)(c) of the ICDR Regulations, it is my responsibility to obtain limited assurance and conclude as to whether (i) the financial details provided in the Statement are in agreement with the audited financial statements and Restated Financial Information (as applicable) [as at and for the six months period ended September 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022] and the underlying books of account maintained by the Company used for the purpose of preparation of the financial statements / Restated Financial Information and (ii) KPIs included in the Statement are mathematically accurate.
7. The audited financial statements referred to in paragraph [6] above, have been audited by me on which I have issued an unmodified audit opinion vide my reports dated February 05, 2025, July 29, 2024, September 02, 2023, and February 05, 2025. My audits of these financial statements were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, as amended (the "**Act**"). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. My audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
8. The restated financial information referred to in paragraph [6] above, have been examined by me on which I have issued my examination report dated February 05, 2025. My examination of these restated financial information was conducted taking into consideration the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the restated financial information and the requirements of Section 26 of Part I of Chapter III of the Act and the ICDR Regulations. My work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Technical Guide. My work was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.



9. I conducted my examination of the Statement in accordance with the Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents and Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which require that I comply with the ethical requirements of the Code of Ethics issued by the ICAI.
10. I have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
11. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent from a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had I performed a reasonable assurance engagement. Accordingly, I have performed the following procedures in relation to the Statement:
 - a. Obtained list of KPIs from the management and compared the specific components of KPIs as mentioned in the Statement to source of KPIs as maintained by management which includes books of account, audited financial statements and restated financial information (as applicable) maintained by the Company as described in the paragraph [6] above;
 - b. Recomputed the mathematical accuracy of the KPIs included in the Statement;
 - c. Reviewed the minutes of meetings of board and shareholders for the stub period and preceding three years to identify any KPIs shared with the investors;
 - d. Reviewed MIS prepared by the finance department of the Company.
 - e. Obtained details of acquisitions/ dispositions made by the Company during the six months period ended September 30, 2024, Fiscal 2022, 2023, 2024 and during the period from October 1, 2024 until December 31, 2024; and
 - f. Conducted relevant management inquiries and obtained necessary representation.
12. I have no responsibility for identification, definition, completeness, relevance, appropriateness and sufficiency of the KPIs included in the Statement.
13. The procedures I have performed do not constitute an audit or review made in accordance with generally accepted auditing standards. Furthermore, they will not necessarily reveal matters of significance with respect to any material misstatement of the information related to KPIs of the Company.
14. I also consent to the inclusion of this letter/ certificate as a part of "*Material Contracts and Documents for Inspection*" in connection with the Offer, which will be available for public for inspection from date of the filing of the DRHP until the Bid/ Offer Closing Date.



15. I confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

Inherent Limitations

1. My work and conclusion shall not in any way constitute advice or recommendations and I accept no liability in relation to any advice or recommendations regarding any commercial decisions associated with the Issue, including, in particular, but without limitation, any which may be taken by the Company, the Bankers/ Book Running Lead Managers or the Syndicate Members in the capacity of investor or in providing investment advice to their clients or the Company.
2. I, however, state that this is not an assurance as to the future viability of the Company or whether the KPIs have been considered / have a bearing for arriving at the basis for issue price. I further state that my reporting is based on the facts up to the date of the report and I neither give any guarantee nor any assurance that the KPIs reported will continue to perform and/or report in similar manner in future. It should be noted that the KPIs contained in the Statement may not be measures of operating performance or liquidity defined by generally accepted accounting principles. I make no comment about the Company's definition, methodology or presentation of the KPIs in the Statement or its usefulness for any purposes.
3. The KPIs included in the Statement should not be considered in isolation from, or as a substitute for, analysis of Company's historical financial performance, as reported and presented in the restated financial information of the Company included in the Offer Document. These KPIs (other than GAAP measures) are not defined in Indian Accounting Standards (Ind AS) notified under section 133 of the Act, are not presented in accordance with Ind AS and have limitations. These KPIs may differ from similarly titled information used by certain peer companies, who may calculate such information differently and hence their comparability with the measures used by the Company may be limited. Therefore, such KPIs should not be viewed as substitutes for measures of performance under Ind AS or as indicators of Company's financial position, financial performance or its cash flows.

Conclusion

Based on the limited procedures performed by me, as above, and the information and explanations given to me, nothing has come to my attention that causes me to believe that (i) the financial details provided in the Statement are not in agreement with the audited financial statements and [Restated Financial Information (as applicable) as at and for the six months period ended September 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022] and the underlying books of account maintained by the Company used for the purpose of preparation of the financial statements / Restated Financial Information and (ii) KPIs included in the Statement are not mathematically accurate.



This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (together the "Offer Documents"). I hereby consent to the aforementioned details being included in the Offer Documents and consent to the submission of this certificate as may be necessary, to the Securities and Exchange Board of India, any regulatory / statutory authority, stock exchange where the Equity Shares are listed, Registrar of Companies, Karnataka at Bangalore or any other authority as may be required and/or for the records to be maintained by the BRLM in connection with the Offer and in accordance with applicable law, and for the purpose of any defense the BRLM may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may be relied on by the BRLM, their affiliates and legal counsel in relation to the Offer.

I also consent to the inclusion of this Certificate as a part of "Material Contracts and Documents for Inspection" in connection with this Offer, which will be available for public for inspection

I undertake to update you in writing of any changes in the abovementioned position until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from me till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

All capitalized terms not defined hereinabove shall have the same meaning as defined in the Offer Documents.

Yours faithfully,



Ramaswamy Vijayanand
Chartered Accountant
Membership No.: 202118
UDIN: 25202118BMHZWF6491
Place: Mysore



Encl: As above

CC:

Anand Rathi Advisors Limited
11th Floor, Times Tower, Kamla City,
Senapati Bapat Marg Lower Parel,
Mumbai -400 013, Maharashtra, India

(Anand Rathi Advisors Limited referred to as the "Book Running Lead Manager" or the "BRLM")

Legal Counsel to the Offer

ALMT Legal
No. 2, Lavelle Road
Bangalore 560 001

ANNEXURE A

Key Performance Indicator [KPI]

(in ₹ million except percentages and ratios)

Key Financial Performance	For the six-month period ended September 30, 2024	FY 2023-2024	FY 2022-2023	FY 2021-2022
Revenue from operations	1,084.99	1,982.97	1,951.04	1,578.50
Gross Profit	670.62	1,142.11	1,191.82	1,013.08
Gross Profit Margin (%)	61.81	57.60	61.09	64.18
EBITDA	265.57	549.73	681.79	666.24
EBITDA Margin (%)	24.48	27.72	34.94	42.21
PAT	46.55	127.53	224.14	191.12
PAT Margin (%)	4.29	6.43	11.49	12.11
Net Worth	3,411.92	2,973.03	2,780.77	2,550.52
Net Debt	55.47	719.18	1,015.08	1,281.67
Net Debt Equity Ratio	0.02	0.24	0.37	0.50
ROCE (%)	5.54*	7.59	11.03	11.32
ROE (%)	1.46*	4.43	8.41	7.79

*Not Annualised

1. Revenue from operation means proceeds from sale of software and sale of services.
2. 'Gross Profit' is Revenue reduced by Direct Cost incurred on sale of services.
3. 'Gross Profit Margin' is calculated as Gross Profit divided by Revenue from Operations.
4. EBITDA means Profit before depreciation, finance cost, tax and amortization less other income.
5. 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.
6. PAT is Profit after tax after exceptional items
7. 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
8. Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve arising on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.
9. Net debt is calculated as long-term borrowings plus short-term borrowings less cash and cash equivalents and other bank balances (excluding Fixed deposits).
10. Net Debt Equity Ratio is calculated as Total Debt divided by Total Equity. Total debt is the sum of total current & non-current borrowings; Total Equity means Net worth.
11. RoCE (in %)- RoCE (in %) defined as EBIT divided by Capital Employed (Capital Employed is defined as total debt plus Net Worth as on the last date of the reporting period).
12. ROE (%) is calculated as PAT divided by average net worth.



The list of KPIs along with brief explanation of the relevance of the KPIs for the business operations of the Company is set out below:

Sl. No.	KPI	Explanation
1	Revenue from Operations	Revenue from operations is the revenue generated by the company and is comprised of (i) the sale of services, (ii) sale of software products, as set out in the Restated Consolidated Financial Information.
2	Gross Profit	Gross profit represents the difference between revenue from operations and the cost of sales which includes employee cost directly attributable to the revenue and other related direct costs. It provides insight into the efficiency of the delivery of service and the profitability of the core business activities.
3	Gross Profit Margin	Gross Margin is the ratio of gross profit to revenue, expressed as a percentage. It measures how efficiently a company is delivering and selling its software products, showing the percentage of revenue that exceeds the employee cost directly attributable to the revenue and other related direct costs.
4	EBITDA	EBITDA provides a comprehensive view of the Company's financial health as it considers Revenue from Operations.
5	EBITDA Margin	EBITDA Margin (%) is a financial percentage that measures the profitability as a percentage of its Revenue from Operations.
6	PAT	PAT represents the profit/loss that the Company makes for the financial year or during a given period It provides information regarding the overall profitability of the business.
7	PAT Margin	PAT Margin (%) is an indicator of the overall profitability of the business and provides the financial benchmarking against peers as well as to compare against the historical performance of the business.
8	Net Worth	It assesses the shareholder's funds.
9	Net Debt	It is the total amount of borrowings taken by the Company from banks, other parties etc adjusted with cash and bank balances including bank deposits.
10	Net Debt Equity Ratio	It is used to measure the net financial leverage of our Company and provides comparison benchmarks against peers
11	ROCE	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
12	ROE	ROE provides how efficiently our Company generates earnings from the average shareholders fund in the business.

