



IPO Details		Company Background					
<b>Opening Date</b>	Jan 19, 2024	<ul style="list-style-type: none"> <li>○ Addictive Learning Technology Limited was originally incorporated in the year 2017 and had its registered office in City Delhi, India.</li> <li>○ The company is engaged in the business of providing professional upskilling and career services edtech platform which caters primarily to senior &amp; mid-career professionals, and in some cases to young professionals as well.</li> <li>○ The company offers a comprehensive range of professional upskilling courses and training programs which include Law, Finance, Compliance, Human Resources, Business Consulting, Artificial Intelligence, Content Writing and Data Science.</li> <li>○ As of 09<sup>th</sup> January 2024, the Company had 145 employees on its payroll.</li> </ul>					
<b>Closing Date</b>	Jan 23, 2024						
<b>Stock Exchange</b>	NSE SME						
<b>Lot Size</b>	1,000 Shares						
<b>Issue Price</b>	₹ 133 to ₹ 140 per share						
<b>Issue Size</b>	Aggregating up to 60.16 Cr.						
<b>Fresh Issue</b>	Aggregating up to 57.92 Cr.						
<b>Offer for Sale</b>	Aggregating up to 2.24 Cr.						
<b>Application Amount</b>	₹ 1,40,000						
IPO Objective							
To meet the expenses for Unidentified and Identified Acquisitions, Investment in Technology, Development of new courses, and Branding & Marketing.							
Working Capital Requirements.							
General Corporate Purposes.							
To meet Public Issue Expenses.							
Pre-Issue Shareholding							
Category	No. of Shares	% of Total Shares					
Promoter & Promoter Group	1,06,72,070	90.65 %					
Public	11,00,662	9.35%					
Promoter of the Company							
1	Ramanuj Mukherjee						
2	Abhyudaya Sunil Agarwal						
Competitive Strengths							
1	Prioritizing skill development, with remote presence and a focus on Innovation.						
2	Synergistic AI Integration for Enhanced Customer Engagement.						
3	Strategic Collaboration with NSDC for Industry.						
4	Infusing Practical Industry Experience into Education by engaging industry expert.						
5	Diversified Courses Library.						
6	Strong Brand Equity.						
			Market Capitalization (In Cr.)				
			Pre-Issue	Post-Issue			
			₹ 165	₹ 223			
			Financial Summary (In Lacs)				
For the Period Ended	Mar-21	Mar-22	Mar-23	Aug-23			
<b>Total Assets</b>	65.05	103.11	920.64	1,324.95			
<b>Net Assets</b>	-1.75	-40.82	206.30	522.27			
<b>Total Borrowings</b>	-	-	15.73	-			
<b>Total Revenue</b>	677.77	1,859.34	3,354.47	2,482.36			
<b>Profit After Tax</b>	-0.55	-49.07	247.11	315.95			
			Tentative Timeline				
<b>Opening Date</b>			Jan 19, 2024				
<b>Closing Date</b>			Jan 23, 2024				
<b>Basis of Allotment</b>			Jan 24, 2024				
<b>Initiation of Refunds</b>			Jan 25, 2024				
<b>Credit of Shares to Demat</b>			Jan 25, 2024				
<b>Listing Date</b>			Jan 29, 2024				



## Company Background and Analysis

Addictive Learning Technology Limited was originally incorporated on September 12<sup>th</sup>, 2017. The company is a professional upskilling and career services edtech platform which caters primarily to senior & mid-career professionals, and in some cases to young professionals as well. The company offers a comprehensive range of professional upskilling courses and training programs which include Law, Finance, Compliance, Human Resources, Business Consulting, Artificial Intelligence, Content Writing and Data Science through three distinct brands LawSikho, Skill Arbitrage and Dataisgood.

Company's Business Verticals –

The business operates under a Business-to-Consumer B2C model. There are three distinct verticals –

1. Legal Courses Verticals – This vertical operates under “LawSikho”. It consists of Three sub-verticals which are described as follows: i) Legal Upskilling ii) Test prep iii) International Bar Exam.
2. Professional Upskilling Verticals – This vertical operates under “Skill Arbitrage”. The company offers a range of professional courses in the fields of Finance, Accounting & Bookkeeping, Human Resources, Business Consulting, Artificial Intelligence, Compliance, Content Writing and others.
3. Data Science and Analytics Vertical – This vertical operates under “DataisGood”. The company offers various courses under this vertical including data science, data analysis and cyber security programs. However, this vertical does not make any contribution to the revenue as of August 31, 2023.

The company's categories of courses are –

S.No.	Category Name	No. of courses
1.	Domestic Upskilling (Legal courses)	14
2.	International Upskilling (Legal courses)	8
3.	International Bar Exams (Legal courses)	3
4.	Test Prep Courses (Legal courses)	10
5.	Professional Upskilling (Skill Arbitrage Courses)	11
<b>TOTAL</b>		<b>46</b>

The company's major products and products revenue bifurcation are given below: -

(Amount in Lacs)

Particulars	Mar-21		Mar-22		Mar-23		Aug-23	
	Amt	%	Amt	%	Amt	%	Amt	%
Legal Courses Vertical	6,777.72	100.00	1,857.29	100.00	3,085.11	92.00	2,110.00	85.00
Professional Upskilling Vertical - Skill Arbitrage	-	-	-	-	268.32	8.00	372.36	15.00
<b>Total</b>	<b>6,777.72</b>	<b>100.00</b>	<b>1,857.29</b>	<b>100.00</b>	<b>3,353.43</b>	<b>100.00</b>	<b>2,482.36</b>	<b>100.00</b>

To conclude, Addictive Learning Technology Limited was incorporated in 2017 and has decent experience in the industry. Currently, the company derives most of its revenue from Legal Courses Vertical. The company is raising Rs. 2.24 Cr through Offer for Sale.



## Business Strategies

### 1. Global Expansion -

The company intends to expand internationally by offering its courses to international customers/students, fostering increased customer engagement and enhancing placement opportunities. This strategy involves thorough market research to identify promising international markets and crafting compelling marketing campaigns to effectively target them. To support international students, the company will provide multilingual assistance and culturally sensitive support.

### 2. Integrated Placement Initiative Platform -

This strategic initiative involves establishing an all-inclusive placement platform within its ecosystem. This strategy aims to provide a holistic solution, fostering a symbiotic relationship between aspiring professionals and companies seeking top-tier talent.

## Competitive Scenario and Peer Mapping

### Competition

The company operates in a significantly fragmented and competitive market. The company faces significant competition from local or regional players in the business segments and geographical markets in which it operates. The company is constantly exploring innovative approaches to attract and retain its customers while maintaining the quality of the courses. The industry in which the company operates has fewer barriers to entry. The bargaining power with the customers is low in the sector in which the company operates.

### Peer Analysis

**The comparison of the key performance indicators of the listed peers as of Mar-23 is given below -**

Particulars	Addictive Learning Technology Limited	CL Educate Limited	Career Point Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	7%	8%	14%
EBITDA Margin	10%	9%	18%
Return on Capital Employed	157%	5%	2%
Return on Equity	120%	8%	3%
EPS (INR)	98.42	4.09	6.57

**The comparison of the key performance indicators of the listed peers as of Mar-22 is given below -**

Particulars	Addictive Learning Technology Limited	CL Educate Limited	Career Point Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	-2.64%	6.70%	42.59%
EBITDA Margin	-2%	10%	56%
Return on Capital Employed	127%	4%	5%
Return on Equity	120%	5%	5%
EPS (INR)	2.93	2.46	12.48

**The comparison of the key performance indicators of the listed peers as of Mar-21 is given below -**

Particulars	Addictive Learning Technology Limited	CL Educate Limited	Career Point Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	-0.08%	-7.1%	0.0%
EBITDA Margin	0.3%	-5.5%	14.3%
Return on Capital Employed	-1.7%	-6.9%	0.6%
Return on Equity	31.4%	-5.3%	0.0%
EPS (INR)	6.49	-2.20	0.08

**Industry Overview**

Exhibit 1: Education Industry in India (US\$ billion).

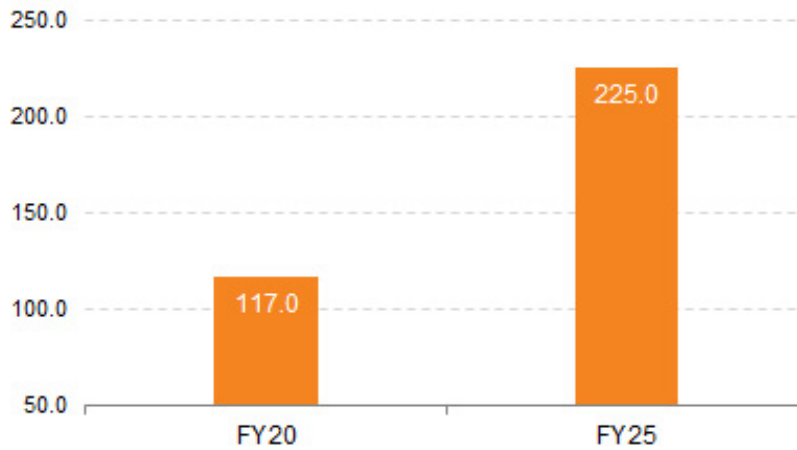
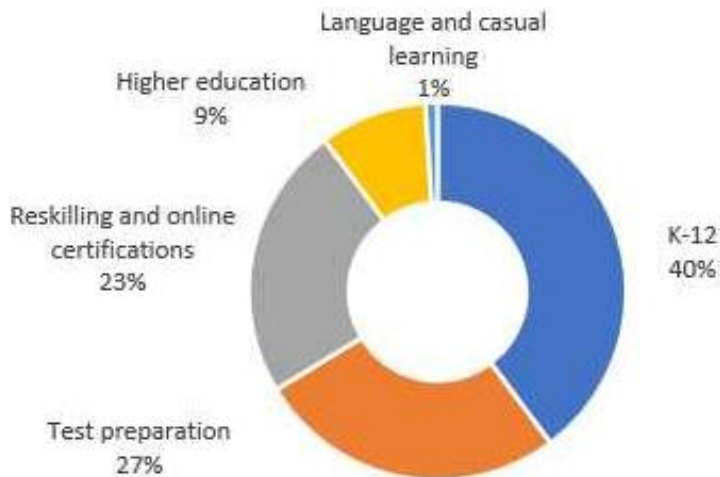


Exhibit 2: Indian Edtech Industry by Category (2020) US\$ 750 million.



(Source: ibef.org)



## **Indian Overview of Edtech Industry**

The use of the latest educational technology, or edtech, in school settings has increased dramatically around the world in an effort to support teaching and learning and enhance student learning outcomes. Education Technology has transformed the way people access and consume education all over the world. Today, learning has been made more obtainable, flexible, and personalized, enabling people across the spectrum to acquire new skills and knowledge anytime, anywhere.

In India, edtech has played an important role and contributed significantly to uplifting the standard of education over the last few years. The breakout of the Covid-19 pandemic has also initiated the growth of the e-tech industry in the country which was growing at a moderate pace and is expected to record an exponential growth of US\$ 30 billion by 2031. India has also become the second-largest market for e-learning after the U.S.

With the increasing adoption of AI, ML, IoT, and blockchain technologies, Indian EdTech is expected to hold an important position in the global education industry. The Indian education market is expected to be a US\$ 225B opportunity by 2025, with online/digital education growing faster (~27%) to reach US\$ 5.7B by 2025.

Indian EdTech start-ups found their way into the spotlight at the beginning of the pandemic in 2020. But with restrictions easing in 2022 and educational institutions reopening, hybrid learning became part of the 'new normal'. EdTech firms that adapted their business models to include hybrid learning comprising of online and classroom have not only survived the business woes of the pandemic but thrived in its aftermath.

Today, there are approximately over 4,450 Indian EdTech start-ups in India that are assisting over 300 million school students across the globe. In line with this momentum, the Indian central government has rolled out several programs to boost the growth of the distance education market, besides focusing on techniques such as e-learning and m-learning. The government's focus on bringing the digital revolution to the education sector is evident with initiatives under the National Education Policy as well as the Union Budget 23- 24 that propose an improvement of digital infrastructure and regular training for teachers to encourage online and hybrid learning. While government support together with an impressive inflow of funding has helped Indian EdTech firms to thrive and expand offshore, digital payments have also played a key enabling role.

The boom in Indian EdTech can be attributed to multiple factors such as an increase in online content consumption, high penetration of internet and smart devices, and the demand for skilled professionals in the global workforce.

The fast-growing popularity of mobile and online content consumption, coupled with digital-first lifestyles, has created a sustainable network of digital users leading to a massive opportunity for EdTech firms. A dynamic mix of educational content comprising textual, visual, and video formats, highly appeals to this set of digital users.

(Source: prospectus)



## Key Managerial Personnel

**Ramanuj Mukherjee**, aged 36 years, is one of the Promoters and Managing Director of the Company. He has over 12 years of experience in the field of legal education. He holds a law degree. His journey in the legal profession began as a freelancer. Thereafter, he Co-founded Addictive Learning Technology Limited with Mr. Abhyudaya Sunil Agarwal.

**Abhyudaya Sunil Agarwal**, aged 35 years, is one of the Promoters and Whole-Time Director of the Company. He has obtained his LLB degree. He has over 12 years of experience in the field of legal education. Mr. Abhyudaya Sunil Agarwal was one of the co-founders of Addictive Learning Technology Limited.

**Siddhant Singh Baid**, aged 38 years, is one of the Executive Directors and Chief Financial officer of the company. He has more than 14 years of experience in finance. He is an M.B.A. from Symbiosis Institute of International Business.

**Debolina Ghosh**, aged 36 years, is the Independent Director of the Company. She holds a degree of master's in law. Her primary role within the company is to provide valuable support to the board of directors, aiding in the efficient and effective operation of the board.

**Mohammed Sirajuddin**, aged 35 years, is the Independent Director of the Company. He has supported over 250 startups in their Reward-based Crowdfunding campaigns. He is instrumental in rendering professional advice in setting up startups. He actively advises multiple cricket Celebrities.

**Shruti Khanijow**, aged 33 years, is the Independent Director of the Company. She holds a master's degree in international law (LLM) and has over 5 years of expertise in the realm of International Law. her primary responsibility is to contribute to the efficient and effective operation of the board of directors.

To conclude, the company has 2 promoters, and they have good experience in the industry in which the company operates. The Directors of the company have good experience in fields which help in the growth of the company.



## Financial Snapshot

<b>Profit and Loss Statement</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Aug-23</b>
Revenue from Operations	677.77	1,857.29	3,353.43	2,482.36
Other Income	-	2.05	1.04	-
<b>Total Income</b>	<b>677.77</b>	<b>1,859.34</b>	<b>3,354.47</b>	<b>2,482.36</b>
<b>Expenses</b>				
Cost of Services	505.77	1,410.59	2,288.90	1,540.40
Employee benefits expense	56.81	99.47	136.90	66.82
Finance costs	-	-	-	-
Depreciation and Amortization expense	2.13	5.51	9.51	50.81
Other expenses	113.03	393.46	594.18	385.96
<b>Total Expenses</b>	<b>677.74</b>	<b>1,909.03</b>	<b>3,029.49</b>	<b>2,043.99</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>2.16</b>	<b>-46.23</b>	<b>333.45</b>	<b>489.18</b>
<b>EBITDA Margin</b>	<b>0%</b>	<b>-2%</b>	<b>10%</b>	<b>20%</b>
<b>Profit/(Loss) before exceptional items and tax</b>	<b>0.03</b>	<b>-49.69</b>	<b>324.98</b>	<b>438.37</b>
Prior period items	-	-	-	-
<b>Profit/(Loss) before tax</b>	<b>0.03</b>	<b>-49.69</b>	<b>324.98</b>	<b>438.37</b>
Tax Expense				
Tax Expenses for the current year	0.74	-	84.66	128.67
Deferred Tax	-0.16	-0.62	-6.79	-6.25
Total Tax Expense	0.58	-0.62	77.87	122.42
<b>Profit/(Loss) for the year</b>	<b>-0.55</b>	<b>-49.07</b>	<b>247.11</b>	<b>315.95</b>
<b>Net Profit Margin</b>	<b>0%</b>	<b>-3%</b>	<b>7%</b>	<b>13%</b>

<b>Balance Sheet</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Aug-23</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' funds</b>				
Share Capital	0.10	10.10	10.10	10.10
Reserve and Surplus	(1.85)	(50.92)	196.20	512.17
<b>Total Equity</b>	<b>(1.75)</b>	<b>(40.82)</b>	<b>206.30</b>	<b>522.27</b>
<b>Minority Interest</b>				
<b>Total Equity</b>	<b>(1.75)</b>	<b>(40.82)</b>	<b>206.30</b>	<b>522.27</b>
<b>2. non-current liabilities</b>				
Long Term Borrowings	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Current liabilities</b>				
Financial Liabilities				
Short-term borrowings	-	-	15.73	-
Trade payables				
Due to MSME				
Due to Others	1.53	95.73	35.22	133.20
Other Current Liabilities	64.53	48.20	580.28	458.20
Short-term Provisions	0.74	-	83.11	211.28
<b>Total Current liabilities</b>	<b>66.80</b>	<b>143.93</b>	<b>714.34</b>	<b>802.68</b>
<b>Total Liabilities</b>	<b>66.80</b>	<b>143.93</b>	<b>714.34</b>	<b>802.68</b>
<b>Total Equity and Liabilities</b>	<b>65.05</b>	<b>103.11</b>	<b>920.64</b>	<b>1,324.95</b>
<b>ASSETS</b>				
<b>1. non-current assets</b>				
Property, Plant and Equipment				



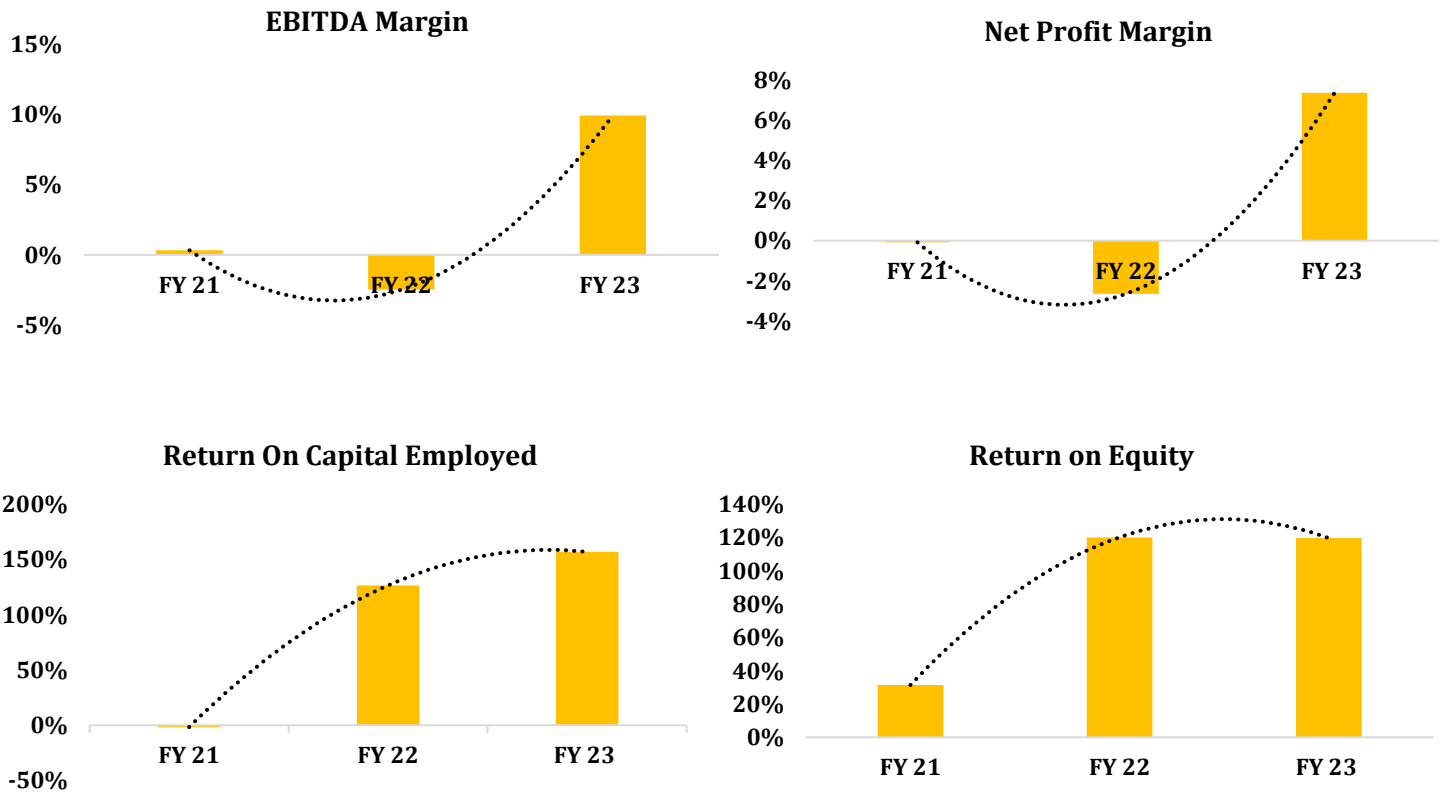
<b>Balance Sheet</b>					<b>(In Lacs)</b>
Tangible Assets	6.32	15.92	22.23	22.48	
Long term loans and advances	10.95	-	-	-	
Other non-current assets	1.06	-	-	-	
Deferred Tax Assets	0.33	0.95	7.75	14.00	
<b>Total Non-Current assets</b>	<b>18.66</b>	<b>16.87</b>	<b>29.98</b>	<b>36.48</b>	
<b>2. Current assets</b>					
Current Investments					
Inventories					
Trade receivables	0.86	0.01	2.41	11.80	
Cash and Bank Balances	43.82	30.42	170.80	457.21	
Short-term loans and advances	-	-	-	-	
Other Current Assets	1.71	55.81	717.45	819.46	
<b>Total Current assets</b>	<b>46.39</b>	<b>86.24</b>	<b>890.66</b>	<b>1,288.47</b>	
<b>Total Assets</b>	<b>65.05</b>	<b>103.11</b>	<b>920.64</b>	<b>1,324.95</b>	

<b>Cash Flow Statement</b>					<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Aug-23</b>	
Net Cash Flow from Operating Activities	45.85	-21.30	139.43	306.52	
Net Cash Flow from Investing Activities	-7.60	-2.11	-14.77	-4.39	
Net Cash Flow from Financing Activities	-	10.00	15.73	-15.73	

<b>Ratio Sheet</b>				
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Aug-23*</b>
<b>Per Share Data</b>				
Diluted EPS	-0.01	-0.98	4.94	4.95
BV per share	-0.01	-0.26	1.30	42.65
<b>Operating Ratios</b>				
EBITDA Margins	0.32%	-2.49%	9.94%	19.71%
PAT Margins	-0.08%	-2.64%	7.37%	13.21%
Debtor days	0.46	-	0.26	0.73
Creditor days	0.82	18.81	3.83	8.21
<b>Return Ratios</b>				
RoCE	-	-	157%	16%
RoE	-	-	120%	12%
<b>Valuation Ratios (x)</b>				
EV/EBITDA	-	1.54	0.15	5.39
Market Cap / Sales	32.86	11.99	6.64	3.74
P/E	-	-	28.34	28.29
Price to Book Value	-	-	107.97	3.28
<b>Solvency Ratios</b>				
Debt / Equity	-	-	0.08	-
Current Ratio	0.69	0.60	1.25	1.61
Quick Ratio	0.69	0.60	1.25	1.61
Asset Turnover	10.42	18.01	3.64	1.87
Interest Coverage Ratio	-	-	-	-

\*Ratio sheet for Aug-23 is annualized.



**Financial Charts****Key Risk Factors**

1. The company has outstanding litigation pending against the Promoters which amounting to Rs. 77.13 lakhs, if determined adversely, could affect the business, results of operations and financial condition.
2. The company has reported a restated loss after tax in some of the previous years and may incur additional losses in the future.
3. The company has had negative operating cash flow for FY ended 2022. Sustained negative cash flow could impact the growth and business.
4. The company's Subsidiary company and the group entities have incurred losses in the past and may incur losses in the future.



### Track Record of Lead Manager

The lead manager to the issue is Narnolia Financial Services Limited. A table has been set below highlighting the details of the IPO of the last 7 companies handled by the Lead Manager in recent times –

#### Narnolia Financial Services Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Akanksha Power and Infrastructure Limited	27.49	55.00	January 03, 2023	101.00
2.	Supreme Power Equipment Limited	46.67	65.00	December 29, 2023	166.00
3.	WomanCart Limited	9.56	86.00	October 27, 2023	141.00
4.	Inspire Films Limited	21.23	59.00	October 05, 2023	63.00
5.	Cellecor Gadgets Limited	50.77	92.00	September 28, 2023	312.00
6.	Yudiz Solutions Limited	44.84	165.00	August 17, 2023	147.00
7.	Drone Destination Limited	44.20	65.00	July 21, 2023	158.00

The company has had 7 mandates in the past three years including the current Year.

\*CMP for the above-mentioned companies is taken as of 16<sup>th</sup> January 2024.

As per the offer document, from the above-mentioned mandates, all the mandates have opened at premiums on the listing date.



### Recommendation

The company has been in the industry since 2017 and is relatively new to the industry. The company's management overview is satisfactory. The company also faces significant competition in the industry.

The P/E on an annualized and post-IPO basis is 90.14 times which seems to be aggressively priced by looking at the performance of the company and the sector. The Sector P/E is 43.6 times.

The company has seen an increase in the top line over the years but has had negative PAT for two consecutive years for FY 2021, and 2022. The company's margins do not seem to be sustainable. The company's financial outlook is not satisfactory. The business vertical in which the company operates has huge demand but, the company's performance over the years does not look attractive. Thus, at the current P/E one can **AVOID** to this IPO.



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