

LODHA & CO

Chartered Accountants

GURU KIRPA NIWAS, GROUND FLOOR,
20/7, LALITHAPURAM STREET,
(Opp. GOUDHVA MUTT),
ROYAPETTAH, CHENNAI - 600 014, India.
Tel : (91-44) 43531312
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CERTIFICATE IN CONNECTION WITH KEY PERFORMANCE INDICATORS (KPIs)

The Board of Directors

Updater Services Limited

No.2/302-A, UDS Salai,
Off Old Mahabalipuram Road,
Thoraipakkam, Chennai - 600 097
Tamil Nadu, India

IIFL Securities Limited

10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West), Mumbai - 400 013
Maharashtra, India

Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower, Rahimtullah Sayani Road
Opposite Parel ST Depot,
Prabhadevi, Mumbai 400 025
Maharashtra, India

SBI Capital Markets Limited

1501, 15th Floor, A & B Wing, Parinee Crescendo,
BKC, Bandra (East),
Mumbai - 400 051, Maharashtra, India

(IIFL Securities Limited, Motilal Oswal Investment Advisors Limited and SBI Capital Markets Limited and are collectively referred to as the "Book Running Lead Managers" or the "BRLMs")

Re: Initial public offering of equity shares of face value of Rs. 10 each (the "Equity Shares" and such offering, the "Offer") of Updater Services Limited (the "Company")

We have performed the procedures enumerated below with respect to the key performance indicators including business metrics and financial performance ("Key Performance Indicators" or "KPIs") as on respective dates and for the respective periods mentioned against each annexure (the "Periods"). In relation to the Company, we, Lodha & Co, are an independent firm of chartered accountants.

We confirm that all Key Performance Indicators ("KPIs") as communicated by the Company to us, have been included in the sub-annexures under Annexure I. The agreed-upon-procedures and data provided for the KPIs and the definitions and assumptions in relation to these KPIs have been



mentioned in the respective Annexures, as outlined in the below table:

S.No.	Particulars
1)	Revenue from contracts with customers
2)	Total Income
3)	EBITDA
4)	EBITDA margin (%)
5)	Adjusted EBITDA
6)	Adjusted EBITDA Margin (%)
7)	EBIT
8)	Adjusted EBIT
9)	PAT
10)	PAT margin (%)
11)	ROE (%)
12)	ROCF (%)
13)	Adjusted ROCE %
14)	Net Debt
15)	Debt to Equity
16)	Net Debt to Equity

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and 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, issued by the Institute of Chartered Accountants of India. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India.

On the basis of the procedures set forth above and in the Annexures, forming part of this certificate, we certify that KPIs are true, accurate, valid and complete, and that the information in this certificate (including the Annexures) is true, correct, accurate, not misleading and without omission of any matter that is likely to mislead, and adequate to enable prospective investors to make an informed decision.

We hereby consent to, and have no objection to, the inclusion of our name **Lodha & Co**, Chartered Accountants and this report or any extract thereof in the updated DRHP, Red Herring Prospectus and the Prospectus ("Offer Documents") to be filed with the Registrar of Companies, Tamil Nadu at Chennai ("RoC") and thereafter to be filed with Securities and Exchange Board of India ("SEBI") and the stock exchanges where the Equity Shares are proposed to be listed (the "Stock Exchanges"), and the preliminary offering memorandum and final offering memorandum to be issued in connection with the Offer or any other document to be issued or filed in relation to the Offer, including in any corporate or investor presentation made by or on behalf of the Company. We also consent to the inclusion of this letter as a part of 'Material Contracts and Documents for Inspection' in connection with this Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/Offer Closing Date including through online means on the website of the Company.

This certificate is issued for the sole purpose of the Offer, and can be used, for submission as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be

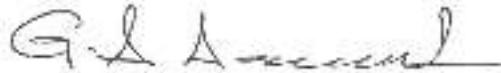


required and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law, and for the purpose of any defense the BRLMs may wish to advance in any claim or proceeding in connection with the contents of the offer documents. We also consent to be named as an "expert" in terms of Section 2(38) and Section 26 and any other applicable provisions of the Companies Act, 2013, as amended, in the Offer Documents in relation to the certificates delivered by us in connection with the Offer.

This certificate may be relied on by the BRLMs, their affiliates and legal counsel in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer.

We undertake to update you in writing of any changes in the abovementioned position, immediately upon us becoming aware, until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us 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.

For LODHA & CO.
Chartered Accountants
Firm Registration Number 0301051E



G. Subramania Sarma
Partner, M. No 021756
UDIN: 2302175613GZUQK1101

Place : Chennai
Date: 18-09-2023

Cc: Legal Counsel to the BRLMs

IndusLaw
#1502B, 15th Floor,
Tower - 1C,
"One World Centre"
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013

Legal Counsel to the Company

Khaitan & Co
Max Towers,
7th & 8th Floors,
Sector 16B, Noida,
Gautam Buddha Nagar 201 301
India



Annexure I
(₹ million unless specified otherwise)

Particulars	Updater Service Limited		
	For the year ended 31st March		
Year	2021	2022	2023
Revenue from Contract with Customers	12,100.32	14,835.52	20,988.87
Total Income ⁽¹⁾	12,141.92	14,918.86	21,060.66
EBITDA ⁽²⁾	702.24	865.36	997.71
EBITDA margin (%) ⁽³⁾	5.78%	5.80%	4.74%
Adjusted EBITDA ⁽⁴⁾	722.74	1,088.98	1,450.23
Adjusted EBITDA Margin (%) ⁽⁵⁾	5.95%	7.29%	6.89%
EBIT ⁽⁶⁾	652.38	700.02	627.31
Adjusted EBIT ⁽⁷⁾	572.88	921.62	1,079.83
PAT	475.61	573.69	346.05
PAT margin (%) ⁽⁸⁾	3.92%	3.85%	1.64%
ROE (%) ⁽⁹⁾	15.79%	16.24%	9.40%
ROCE (%) ⁽¹⁰⁾	22.59%	20.23%	14.17%
Adjusted ROCE % ⁽¹¹⁾	23.43%	26.63%	24.40%
Net Debt ⁽¹²⁾	(522)	(123.38)	114.44
Debt to Equity ⁽¹³⁾	0.04	0.17	0.46
Net Debt to Equity ⁽¹⁴⁾	(0.18)	(0.04)	0.03

Source: Financial information for our Company is derived from the Restated Consolidated Financial Information

Notes for Financial metrics:

- (1) Total Income = Total Income - Interest Income/Finance Income
- (2) EBITDA = Profit after tax + tax expense + finance cost + depreciation and amortisation - Interest income/Finance Income
- (3) EBITDA margin = EBITDA / total income
- (4) Adjusted EBITDA = EBITDA + Fair value changes in Liability payable/paid to promoters of acquired subsidiary + Employee stock option expense - Liability payable to promoters of acquired subsidiary no longer required written back.
- (5) Adjusted EBITDA Margin (%) = Adjusted EBITDA / Total Income
- (6) EBIT = EBITDA - Depreciation & amortisation
- (7) Adjusted EBIT = Adjusted EBITDA - Depreciation & amortisation
- (8) PAT margin = Restated PAT / Total income
- (9) ROE = Restated PAT attributable to equity holders of the parent / Total Equity attributable to equity shareholders of the parent (excluding non-controlling interest) as at the end of the year.
- (10) ROCE = EBIT / Capital employed as at the end of the year. Capital Employed is calculated as summation of Total Shareholder's Equity + Long term borrowings + Short term borrowings + lease liabilities - Cash & cash equivalent - Bank balance other than cash and cash equivalents
- (11) Adjusted ROCE % = Adjusted EBIT / Capital Employed as at the end of year. Capital Employed is calculated as summation of Total Shareholder's Equity + Long term borrowings + Short term borrowings + lease liabilities - Cash & Cash Equivalent - Bank Balance other than cash and cash equivalents)
- (12) Net Debt = Long Term Borrowings + Short Term Borrowings - Cash & Cash Equivalents - Bank balance other than cash and cash equivalents
- (13) Debt to Equity = Total Debt/Total Shareholder's Equity, Total Debt = Short term borrowing + Long term borrowings
- (14) Net Debt to Equity = Net Debt/Total Shareholder's Equity



Explanation for the KPI metrics

KPI	Explanations
Revenue from Contract Customers	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.
Total Income	Total Income includes the total revenue of the business after considering income from all sources and helps our Company to assess the scale of the business.
EBITDA	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 the business.
Adjusted EBITDA	Adjusted EBITDA provides information regarding the operational efficiency of our business after adjusting fair value changes in liability payable/paid to promoters of acquired subsidiary and ESOP expenses.
Adjusted EBITDA Margin (%)	Adjusted EBITDA Margin is a further indicator of the operational profitability and financial performance of our business after negating the impact of fair value changes in liability payable/paid to promoters of acquired subsidiary and ESOP expenses.
EBIT	EBIT provides information regarding the operational efficiency of the business after deducting depreciation and amortization cost.
Adjusted EBIT	Adjusted EBITDA provides information regarding the operational efficiency of our business after deducting depreciation and amortization cost business and after negating the impact of fair value changes in liability payable/paid to promoters of acquired subsidiary and ESOP expenses.
PAT	PAT refers to profit after tax and provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of the business.
Return on Equity (RoE) (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
Return on Capital Employed (RoCE) (%)	Return on Capital Employed provides how efficiently our Company generates earnings from the capital employed in the business.
Adjusted RoCE %	Adjusted Return on Capital Employed provides how efficiently our Company generates earnings from the capital employed in the business after negating the impact of fair value changes in Liability payable/paid to promoters of acquired subsidiary, ESOP expenses and finance income.
Net Debt	This is the absolute measure of the level of leverage in the company.
Debt to equity	This represent our financial leverage and is computed as total borrowings of the Company with total equity.
Net Debt to equity	This is the absolute measure of the level of leverage in the Company to total equity.

