



**AGRAWAL JAIN & GUPTA**  
Chartered Accountants

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### Certificate on Key Performance Indicators

Date: October 29, 2024

To,

**The Board of Directors**  
**Sagility India Limited**  
23 & 24, AMR Tech Park, Building 2A  
1<sup>st</sup> Floor, Hongasandara Village  
Off Hosur Road, Bommanahalli  
Bangalore 560 068  
Karnataka, India

Dear Sir/Madam,

**Re: Proposed initial public offering of equity shares of face value of ₹ 10 each of Sagility India Limited (the "Company") ("Equity Shares") an offer for sale by certain existing shareholders of the Company (the "Selling Shareholders" and such offer for sale, the "Offer")**

We, **Agrawal Jain & Gupta**, Chartered Accountants, have been informed that the Company proposes to file the red herring prospectus ("**RHP**") and the Prospectus ("**Prospectus**") with the Registrar of Companies, Karnataka at Bangalore ("**RoC**") and subsequently with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"), in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**").

In connection with the proposed Offer, the Company is required to obtain a report from an independent chartered accountant that holds a valid peer review certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (the "**ICAI**"), with regard to the key performance indicators as identified by the Company for the purposes of disclosure in the Offer Documents in accordance with the provisions of the ICDR Regulations.

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 issued by the ICAI (the "**Technical Guide**") identified by the Company as of and for the quarter ended June 30, 2024 and June 30, 2023 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 as per the requirement of Schedule VI, Part A (9)(K)(3) of the ICDR Regulations (the "**KPIs**", and such statement, the "**Statement**" 'Annexure-A'), is prepared by the management of the Company, which we have initialed for identification purposes only.

#### **Management's Responsibility for the Statement**

The preparation of the accompanying Statement 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 the 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.

The Management is responsible for:

- (i) Identification, definition, completeness, accuracy, relevance, appropriateness and sufficiency of the KPIs included in the Statement;
- (ii) Providing access to the accounting and other records to us including information and explanations required for reporting on the KPIs;
- (iii) Maintenance of the accounting and other records in relation to point (a) and (b) above; and
- (iv) Compliance with the ICDR Regulations, the Technical Guide and other regulatory requirements.

#### **Practitioner's Responsibility**

1. Pursuant to the requirements of Schedule VI, Part A (9) (K) (3) of the ICDR Regulations, it is our responsibility to obtain reasonable assurance and conclude as to whether: (i) the financial details provided in the Statement are in agreement with the audited standalone financial statements of the Company as at the end of and for the quarter ended June 30, 2024 and June 30, 2023 and for financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 and the audited consolidated financial statements as at the end of and for the quarter ended June 30, 2024 and June 30, 2023 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 (the "**Audited Financial Statements**") the restated consolidated financial statements of the Company as at and for the quarter ended June 30, 2024 and June 30, 2023 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, which was audited in accordance with the Companies Act, 2013, as amended and the rules framed thereunder, the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and restated by the statutory auditors of the Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**Restated Financial Statements**") and the underlying books of account maintained by the Company used for the purpose of preparation of Audited Financial Statements and Restated Financial Statements and (ii) KPIs included in the Statement are mathematically accurate.
2. The audited standalone financial statements for the quarter ended June 30, 2024 and June 30, 2023 and for financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 referred to in paragraph 1 above, have been audited by statutory auditors of the Company on which statutory auditors of the Company issued an unmodified audit opinion vide their reports dated October 14, 2024, June 25, 2024, September 19, 2023 and October 19, 2022, respectively. The audited consolidated financial statements for financial years ended June 30, 2024 referred to in paragraph 1 above, have been audited by statutory auditors of the Company on which statutory auditors of the Company issued an unmodified audit opinion vide their reports dated October 14, 2024. Their 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 they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Their audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
3. The Restated Financial Statements of the Company as at the end of and for the quarter ended June 30, 2024 and June 30, 2023 and for financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 referred to in paragraph 1 above, have been examined by statutory auditors of the Company on which statutory auditors of the Company issued their examination report dated October 14, 2024 and June 25, 2024 respectively. Their examination of these Restated Financial Statements 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 Statements and the requirements of Section 26 of Part I of Chapter III of the Act and the ICDR Regulations. Their 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. Their work was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
4. We conducted our examination of the Statement in accordance with the Technical Guide and Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which require that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

5. We 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.
6. A reasonable 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 we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:
  - i. Obtained understanding from the management of the Company with regard to KPIs which have been used by the management historically to analyse, track or monitor the performance of the Company;
  - ii. Obtained list of KPIs from the management and compared the specific components of the KPIs as mentioned in the Statement to source of the KPIs as maintained by management, which includes the Company's books of accounts, and Restated Financial Statements as described in the paragraph 1 above;
  - iii. Performed walkthrough of the process of extracting the identified KPIs by way of virtual meetings and its video recording where queries were executed based on the requirements of each KPI;
  - iv. For the identified KPIs which were extracted by way of queries, we have reviewed the query syntax, parameters, and data source to ensure that they meet the business requirements;
  - v. Reviewed the resolution of the audit committee dated October 14, 2024 to confirm that verified and audited details for all the KPIs pertaining to the Company that have been disclosed to the earlier investors at any point of time during the three years period prior to the date of filing of the RHP, are disclosed under the "Basis for Offer Price" section of the RHP;
  - vi. Recomputed the mathematical accuracy of the KPIs included in the Statement, including verifying their definitions;
  - vii. Conducted relevant management inquiries and obtained necessary representations.
  - viii. tracing financial data from BPAS (Business Process Automated System) records
  - ix. tracing numbers from the Company's billing and internal control systems; and
  - x. MIS prepared by the finance department of the Company.
7. We have no responsibility to update this report for events and circumstances occurring after the respective dates of the reports on the financial statements mentioned in paragraph 2 above. However, in case any changes to the information/confirmations contained in this Report are made available to us or we become aware of such changes, we undertake to communicate, in writing, such changes to the Company and the Book Running Lead Managers until the Equity Shares allotted in the Offer commence trading on the Stock Exchanges.
8. We have no responsibility for identification, definition, completeness, relevance, appropriateness and sufficiency of the KPIs included in the Statement.
9. The procedures we 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.
10. This report can be used, in full or part, for inclusion in the Offer Documents. We hereby consent (i) to our Firm name and the aforementioned details being included in the Offer Documents; and (ii) to the submission of this report to any regulatory / statutory/ governmental authority, stock exchanges, any other authority as may be required. We also give our consent to include this report as part of the section titled "Material Contracts and Documents for Inspection" in the Offer Documents which will be available to the public for inspection and on the website of the Company.

### **Inherent Limitations**

1. Our work and conclusion shall not in any way constitute advice or recommendations (and we accept no liability in relation to any advice or recommendations) regarding any commercial decisions associated with the Offer, 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the report and we 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.
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 Statements of the Company included in the Offer Documents. 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 procedures performed by us, as above, we confirm that: (i) the financial details provided in the Statement are in agreement with the Restated Consolidated Financial Statements as of and for the quarter ended June 30, 2024 and June 30, 2023 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, and/ or the underlying books of account maintained by the Company used for the purpose of preparation of the Restated Consolidated Financial Statements, as applicable; (ii) non-financial measures provided in the Statement are in agreement with the books of accounts and other relevant records maintained by the Company; or that (iii) the KPIs included in the Statement are mathematically accurate, and conform to their definitions provided by the management.

### **Restriction on Use**

1. This report is addressed to, and provided to, the Board of Directors of the Company for the limited purpose to comply with the requirements of ICDR Regulations and should not be used by any other person or for any other purpose. This report should not be relied upon by existing or prospective investors for their investment purposes and by the bankers/ book running lead managers involved in the Offer for their due diligence purposes. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.
2. The report is issued solely for the limited purpose to comply with the ICDR Regulations on KPIs. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India (including in the United States of America), and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by United States of America law and regulation or any other laws other than laws of India.

Yours Sincerely,

**For Agrawal Jain & Gupta**

ICAI Firm Registration No: 013538C

**Sarwan Kumar Prajapati**

**Partner**

Membership No. 199969

Peer Review Certificate No. 015239

ICAI UDIN: 24199969BKAKOW3999

Date: October 29, 2024

Place: Mumbai

Encl: Statement

**CC:**

**ICICI Securities Limited**

ICICI Venture House

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Prabhadevi

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Maharashtra, India

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Maharashtra, India

**IIFL Securities Limited**

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Maharashtra, India

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**Legal Counsel to the BRLMs**

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Maharashtra, India

**International Legal Counsel to the BRLMs**

**Sidley Austin LLP**

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**Legal Counsel to the Company**

**IndusLaw**

1502B, 15th Floor, Tower – 1C  
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Lower Parel, Mumbai 400 013  
Maharashtra, India

## Annexure A

### Key performance indicators (“KPIs”)

The tables below set forth the details of certain financial data based on the Restated Consolidated Financial Statements and KPIs. All the financial data based on the Restated Consolidated Financial Statements and the KPIs disclosed below have been used historically by the Company to understand and analyze its business performance, which helps the Company in analyzing the growth of various verticals in comparison with its peers.

Set forth below are the KPIs pertaining to the Company which are disclosed in the section “Basis for Offer Price”:

**A list of certain GAAP and Non-GAAP financial measures KPIs based on the Restated Consolidated Financial Statements, is set out below:**

KPI	Definition
Financial	
Revenue from Operations	Revenue from operations include revenue from providing comprehensive business process management (BPM) services including tech enabled solutions across the payers and providers in the US Healthcare industry. The payer value chain comprises of claims management, payment integrity, clinical management, provider network operations, and front-office services, among others. The provider value chain includes end-to-end Revenue Cycle Management, integrating patient access, A/R management, and clinical services with licensed professionals.
Y-o-Y growth in revenue from operations	Revenue of the current year/ period compared to revenue of previous year/ period.
Restated profit/(loss) before tax	Restated profit/(loss) before tax provides a view on the overall profitability of the company before taxes
Restated Profit/(loss) before tax margin	Restated Profit/(loss) before tax margin represents restated profit/(loss) before tax as a percentage of revenue from operations.
Restated Profit/(loss) after tax	Restated profit/(loss) after tax provides a view on the overall profitability of the company after taxes.
Restated Profit/(loss) after tax margin	Restated Profit/(loss) after tax margin represents restated profit/(loss) as a percentage of revenue from operations.
Adjusted PAT	Adjusted profit / (loss) (Adjusted PAT) represents restated profit /(loss) adjusted for amortization of other intangible assets acquired pursuant to business combinations, post-combination expenses in relation to earnouts payable under acquisition agreements, and for the tax impact of each of the adjustments. Adjusted PAT helps us evaluate the profitability, adjusted for certain cash and non-cash expenses incurred in relation to business combinations.
Adjusted PAT margin	Adjusted PAT margin calculates as Adjusted PAT divided by Revenue from Operations. (Adjusted PAT/Revenue from Operations *100). Adjusted PAT margin helps us evaluate the company’s overall operational and financial performance.
EBITDA	EBITDA stands for Earnings Before Interest expense, Tax, Depreciation and Amortization. It focuses on the profitability of the company from its core business operations, excluding effect of financing, tax, depreciation on property, plant and equipment and amortization of intangible assets and right to use assets
EBITDA margin	EBITDA margin represents EBITDA divided by Revenue from Operations (EBITDA/Revenue from Operations *100)
Adjusted EBITDA	Adjusted EBITDA represents EBITDA adjusted for post-combination expenses in relation to earnouts payable under the acquisition agreements. Adjusted EBITDA helps us evaluate the company’s overall operational performance.
Adjusted EBITDA margin	Adjusted EBITDA margin is calculated as represents Adjusted EBITDA divided by Revenue from Operations (Adjusted EBITDA/Revenue from Operations *100) Adjusted EBITDA margin helps us evaluate the company’s overall operational performance

**A list of certain GAAP and Non-GAAP financial measures KPIs based on the Restated Consolidated Financial Statements (Continued)**

KPI		Definition
Operational	Number of Client Groups	Number of Clients Groups associated with the company as on the 31st March of respective year/period. Clients' groups comprise client entities together with their affiliates.
	Top 5 Clients Revenue (Client concentration)	Revenue of Top 5 Client Groups as a proportion of the total revenue from operations for the respective year ended. This indicates the client concentration of the Top 5 Client Groups.
	Number of New Client Additions	Number of New Client Group additions during the respective year/period including clients acquired through acquisition. New client group is an entity which has not previously taken services but has taken services in the respective year/period.
	Number of clients contributing more than US\$ 1 million in revenues	Number of Clients Groups contributing more than US\$ 1 million revenues during the respective year/period
	Total Number of Employees	Total number of employees refers to the actual head count of permanent employees on the rolls of the organization on a certain date or period.
	Employee Voluntary Attrition rate (%)	Voluntary employee attrition refers to the attrition a. that is not forced or exits which are enabled . In cases of voluntary attrition, the employee may resign and exit due to various reasons such as better prospects, personal reasons, health reasons, shifts and abandonment of services to name a few. It does not involve exits attributed to non-performance/ behavioural issues or ramp downs. b. Post 90 days of joining Date.
	Number of global delivery sites	Global delivery sites refer to the facilities of the company across multiple locations, cities and countries from where employees of company offer their services.
	New Site additions	New site additions are used to indicate the number of new sites added by the company during the respective year/period. This metric indicates diversification of sites to boost service, resilience, and reach.

**Details of KPIs as at/for quarter ended June 30, 2024 and June 30, 2023 and the financial years ended March 31, 2024, March 31, 2023, and as at/for the period beginning July 28, 2021 to March 31, 2022:**

*(All amounts are in Indian Rupees millions, unless otherwise stated)*

Particulars of financial KPI	For the quarter ended June 30, 2024	For the quarter ended June 30, 2023	As for Fiscal 2024	As for Fiscal 2023	For period from July 28, 2021 to March 31, 2022 <sup>(1)</sup>
Revenue from Operations	12,233.28	11,160.93	47,535.57	42,184.08 <sup>(10)</sup>	9,234.07
<b>Revenue by Vertical split:</b>					
By Payer	10,900.96	9,985.10	42,904.18	38,254.26	8,447.42
By Provider	1,332.32	1,175.83	4,631.39	3,929.82	786.65
Growth in revenue from operations (%)	9.61% <sup>(11)</sup>	N/A	12.69% <sup>(12)</sup>	Not meaningful <sup>(1)</sup>	N/A
Restated profit/(loss) before tax	710.13	619.09	2,416.81	1,856.77	(18.54)
Restated profit/(loss) before tax margin (%) <sup>(2)</sup>	5.80%	5.55%	5.08%	4.40%	(0.20)%
Restated profit/(loss) for the year / period	222.94	424.99	2,282.66	1,435.72	(46.71)
Restated profit/(loss) margin (%)	1.82%	3.81%	4.80%	3.40%	(0.51)%
EBITDA <sup>(4)</sup>	2,183.74	2,751.44	11,160.37	10,448.64	2,105.72
EBITDA margin (%) <sup>(5)</sup>	17.85%	24.65%	23.48%	24.77%	22.80%
Adjusted EBITDA <sup>(6)</sup>	3,159.65	3,033.75	11,714.61	10,448.64	2,105.72
Adjusted EBITDA margin (%) <sup>(7)</sup>	25.83%	27.18%	24.64%	24.77%	22.80%
Adjusted PAT <sup>(8)</sup>	1,446.92	1,424.11	5,895.58	4,555.93	661.75
Adjusted PAT margin (%) <sup>(9)</sup>	11.83%	12.76%	12.40%	10.80%	7.17%

Notes:

1. The Company was incorporated on July 28, 2021; however, we acquired the business of the predecessor company on January 6, 2022, which is when the Company started commercial operations. Accordingly, all financial information for the Financial Year 2022 relates to the period from January 6, 2022 until March 31, 2022.
2. Restated profit/(loss) before tax margin represents restated profit/(loss) before tax as a percentage of revenue from operations.
3. Restated profit/(loss) margin represents restated profit/(loss) as a percentage of revenue from operations.
4. For a detailed calculation of EBITDA, see "Other Financial Information - Reconciliation of Non-GAAP Measures".
5. EBITDA margin represents EBITDA as a percentage of revenue from operations.
6. Adjusted EBITDA represents EBITDA adjusted for post-combination expenses in relation to earnouts payable under the acquisition agreements.
7. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Revenue from Operation (Revenue).
8. Adjusted profit / (loss) (Adjusted PAT) represents Profit After Tax (PAT) adjusted for post combination expense in relation to earnouts payable under acquisition agreements (net of tax impact) and amortization of other intangible assets acquired pursuant to business combinations (net of tax impact)
9. Adjusted PAT margin calculates as Adjusted PAT divided by Revenue from operations.
10. Growth in revenue from operation for Fiscal 2023 is not comparable to the previous period since previous period is beginning from January 6, 2022 (acquisition date) to March 31, 2022
11. Represents growth from quarter ended June 30, 2023.
12. Represents growth from the Financial Year 2023.

Particulars of operational KPI	For the quarter ended June 30, 2024	For the quarter ended June 30, 2023	As for Fiscal 2024	As for Fiscal 2023	For period from July 28, 2021 to March 31, 2022
Number of Client Groups*	42	37	44	35	31
Top 5 Clients Revenue (Client concentration)	78.69%	78.03%	79.16%	80.56%	82.96%
Number of New Client Additions	2	2	13	7	Nil
Number of clients contributing to more than US\$ 1 million in revenues#	25	25	24	23	13
Total Number of Employees	35,858	33,575	35,044	33,366	30,830
Employee Voluntary Attrition rate (%)**	27.34%	28.41%	25.28%	26.55%	***31.78%
Number of global delivery sites	31	27	30	27	25
New Site additions	1	-	4	2	-

Notes:

\*Clients groups comprise retail client entities together with their affiliates as at the end of the period described.

\*\*Attrition > 90 days

\*\*\*annualized

# It is calculated on the basis of the previous 12 months' revenue.