



AUSTERE SYSTEMS LIMITED

CORPORATE IDENTITY NUMBER: U74900PN2015PLC155381

Our Company was originally incorporated as 'Austere Systems Private Limited' a private limited company under the Companies Act, 2013 at Pune, Maharashtra, pursuant to a certificate of incorporation dated June 12, 2015, issued by the Registrar of Companies, Maharashtra, Pune ("RoC"). Thereafter, name of our Company was changed from 'Austere Systems Private Limited' to 'Austere Systems Limited', consequent to conversion of our Company from private to public company, pursuant to a special resolution passed by the shareholders of our Company on March 18, 2024, and a fresh certificate of incorporation consequent to change of name was issued by the RoC on July 29, 2024. Our Company's Corporate Identity Number is U74900PN2015PLC155381. For details of change in Registered office of our Company, please refer to the chapter titled "History and Certain Corporate Matters" on page 130 of the Red Herring Prospectus.

Registered Office: Office 301-303, A Square, Plot No. 34 ADC Sector 26, Pradhikaran, Pune, Maharashtra, India, 411044
Tel: +91 97738 23372 Website: www.austeresystems.com
Contact Person: Ms. Shampa Juneja, Company Secretary and Compliance Officer; E-mail id: compliance@austere.co.in

PROMOTERS OF OUR COMPANY: MR. RAHUL GAJANAN TENI, MR. PIYUSH GUPTA AND MR. SHIKHIR GUPTA

INITIAL PUBLIC OFFER OF UP TO 28,30,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") OF AUSTERE SYSTEMS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT AN ISSUE PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING SECURITIES PREMIUM OF ₹ [•] PER EQUITY SHARE) ("ISSUE PRICE"), AGGREGATING UP TO ₹ [•] HUNDREDS (THE "ISSUE") OF WHICH 1,42,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH AGGREGATING UPTO ₹ [•] HUNDREDS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT AN ISSUE PRICE OF ₹ [•] PER EQUITY SHARE AGGREGATING UPTO ₹ [•] HUNDREDS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.01 % AND 25.65 % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

*Subject to finalization of basis of allotment.

DETAILS OF SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION: Not Applicable as the Entire Issue Constitutes Fresh Issue of Equity Shares.

PRICE BAND: ₹ 52/- TO ₹ 55/- PER EQUITY SHARE OF FACE VALUE ₹ 10/- EACH

THE FLOOR PRICE IS 5.2 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 5.5 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE TO EARNING RATIO BASED ON DILUTED EPS FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025 AT

THE FLOOR PRICE IS 9.72 TIMES AND AT THE CAP PRICE IS 10.28 TIMES.

BIDS CAN BE MADE FOR A MINIMUM OF 4000 EQUITY SHARES AND IN MULTIPLES OF 2000 EQUITY SHARES THEREAFTER.

BRIEF DESCRIPTION OF THE BUSINESS OF THE COMPANY

Founded in 2015, our company specializes in an extensive array of services, including software development, Software as a Service (SaaS), mobile application development, information technology solutions, database management, IT-enabled services, training and development, web development, web and portal operations, e-commerce platforms, ERP and MIS solutions, Data Analytics and AI Services, Process automation, Digital Transformation as well as data and document management storage. We also engage in reselling software products and providing business process outsourcing and knowledge management solutions, alongside IT consulting and advisory services. Strategically, we focus on global and Indian clients in which we serve both private and in government sector, in which we serve the largely underserved rural markets in India—an area often overlooked by other IT firms. By forging collaborative partnerships with state governments and gram panchayats across various regions, we are dedicated to delivering customized IT solutions that effectively address the unique needs and challenges faced by these communities. Our Company is an AWS public partner to provide cloud services to our clients. For further details, please refer to "Our Business" on page 100 of the RHP.

BID/ISSUE PROGRAMME

ANCHOR PORTION ISSUE OPENS/CLOSES ON: SEPTEMBER 02, 2025, TUESDAY *

BID/ISSUE OPENS ON: SEPTEMBER 03, 2025, WEDNESDAY*

BID/OFFER CLOSES ON: SEPTEMBER 08, 2025, MONDAY** ^

*Our Company may in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor shall Bid on the Anchor investor bidding date i.e. one Working Day prior to the Bid/Offer Opening Date.

**Our Company may in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.

THIS ISSUE IS BEING MADE THROUGH BOOK BUILDING PROCESS, IN TERMS OF REGULATION 229(2) OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED READ WITH RULE 19(2)(B) OF SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED. THE EQUITY SHARES OF THE COMPANY WILL GET LISTED ON SME PLATFORM OF BSE LIMITED (BSE). FOR THE PURPOSE OF THE ISSUE, BSE LIMITED SHALL BE THE DESIGNATED STOCK EXCHANGE

FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 216 OF THE RED HERRING PROSPECTUS. A COPY OF THE RED HERRING PROSPECTUS WILL BE DELIVERED FOR REGISTRATION TO THE REGISTRAR OF COMPANIES, MAHARASHTRA AS REQUIRED UNDER SECTION 26 AND 32 OF THE COMPANIES ACT, 2013.

ALLOCATION OF THE ISSUE

- QIB PORTION: NOT MORE THAN 50.00% OF THE NET ISSUE
- INDIVIDUAL INVESTOR PORTION: NOT LESS THAN 35.00% OF THE NET ISSUE
- NON-INSTITUTIONAL PORTION: NOT LESS THAN 15.00% OF THE NET ISSUE
- MARKET MAKER PORTION: UP TO 1,42,000 EQUITY SHARES OR 5.02% OF THE ISSUE

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST ONLY RELY ON THE INFORMATION INCLUDED IN THE RED HERRING PROSPECTUS AND THE TERMS OF THE ISSUE, INLCUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE ISSUE AVAILABLE IN ANY MANNNER.

In accordance with the recommendation of the independent directors and Audit Committee of our company, pursuant to their resolution dated August 21, 2025, the above provided price band is justified based on quantitative factors/KPIs disclosed in the "Basis for Issue Price" section beginning on page no. 82 of the Red Herring Prospectus vis-à-vis the weighted average cost of acquisition (WACA) of primary and secondary transaction(s) as applicable disclosed in the "Basis for Issue Price" section beginning on page no 82 of the Red Herring Prospectus and provided below in the advertisement.

RISKS TO INVESTORS

Summary description of key risk factors based on materiality

- The ever-changing technological changes in the industry heavily affect our business.
- Our Company, its Directors, its Promoters and Group Companies are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various forums and regulatory authorities. Any adverse decision may make us liable to liabilities/penalties and may adversely affect our reputation, business and financial status.
- Our lenders have charge over our movable, immovable properties in respect of finance availed by us.
- Our sales to government departments and agencies expose us to business volatility and risks, including government budgeting cycles and appropriations.
- We have experienced negative cash flows in the past and may continue to do so in the future and the same may adversely affect our cash flow requirements, which in turn may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.
- Delay in Receivables from Government Contracts and Capital Blocking in form of mandatory deposits.
- There have been certain instances in the past regarding certain discrepancies in fillings made to ROC as per Companies Act, 2013.
- Research and development in the software industry is a long and costly process which is subject to various uncertainties.
- We may not be able to sufficiently invest in the same or generate a timely return on our investment.
- Significant security breaches in our computer systems and network infrastructure and fraud could adversely impact our business.
- The Company may fail to Secure High-Scale Projects due to Competition from bigger players in the market.

Details of suitable ratios of the company for the latest full financial year

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

(post bonus effect)

	Basic & Diluted	
	EPS (in ₹)*	Weights
Financial year ending on March 31, 2023	2.52	1
Financial year ending on March 31, 2024	5.91	2
Financial year ending on March 31, 2025	5.35	3
Weighted Average (of the above three financial years)	5.07	

* After giving effect of Bonus Issue of 70,00,000 Equity Shares in the ratio of 700:1.

Note:

1. Basic EPS has been calculated as per the following formula:

Basic EPS (₹) = (Net profit/ (loss) as restated, attributable to Equity Shareholders)/(Weighted average number of Equity Shares outstanding during the year)

2. Diluted EPS has been calculated as per the following formula:

Diluted EPS (₹) = (Net profit/ (loss) as restated, attributable to Equity Shareholders)/(Diluted Weighted average number of Equity Shares outstanding during the year)

3. The figures disclosed above are based on the Restated Financial Statements of the Company.

4. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.

5. Basic and Diluted EPS calculations are in accordance with Accounting Standard –20 - "Earnings per Share", issued by the Institute of Chartered Accountants of India.

6. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statements as appearing in the section titled "Restated Financial Statements" beginning on page 154 of the Red Herring Prospectus.

2. Net Asset Value (NAV) per Equity Share

Financial Year	NAV* (in ₹)
NAV as at March 31, 2023	6.92
NAV as at March 31, 2024	12.84
NAV as at March 31, 2025	21.28
NAV per Equity share after the Issue	[•]
Issue Price per Equity Share	[•]

* After giving effect of Bonus Issue of 70,00,000 Equity Shares in the ratio of 700:1.

Note: NAV (book value per share) = Total Asset value less liabilities divided by number of equity shares outstanding at the end of the year.

3. Comparison of Accounting Ratios with Industry Peers

The following peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses –

Name of the Company	Latest Financial Year (on a consolidated basis)	Face Value (₹)	Current Market Price*	EPS (₹)		P/E Ratio*	RoNW (%)	Net Asset Value Per Share	Total Income (₹ in Hundreds)
Austere Systems Limited	March 31, 2025	10	[•]	5.35	5.35	[•]	24.66%	21.28	18,86,167.09
Peer Group									
ASM Technologies Limited	March 31, 2025	10	3537.45	21.13	21.13	167.41	15.18%	1.39	2,97,61,300.00
Moschip Technologies Ltd	March 31, 2025	2	169.2	1.76	1.70	99.53	10.20%	17.19	4,70,80,520.00
Infobeans Technologies Limited	March 31, 2025	10	675.2	15.59	15.51	43.53	11.43%	136.33	4,09,46,000.00
Onward Technologies Ltd	March 31, 2025	10	328.65	11.97	11.81	27.83	12.07%	10.00	4,98,52,920.00
3i Infotech Ltd	March 31, 2025	10	22.7	1.50	1.49	15.23	8.26%	18.09	7,51,80,000.00

Note:

1) Net Asset Value (NAV) is calculated as the closing net worth divided by the closing number of outstanding equity shares as of March 31, 2025. For the companies, the closing number of outstanding shares is computed by dividing the paid-up share capital by the face value per share as of March 31, 2025.

2) P/E Ratio has been computed based on the closing market price of the Equity Shares as on August 20, 2025 on (as available on www.bseindia.com or www.nseindia.com, depending on where the peer company's shares are listed), by the diluted EPS as on March 31, 2025.

RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as the aggregate of share capital, reserves and surplus. In case the net worth is negative for a particular year, the same has not been considered.

**CMP of our company is considered as Issue Price.

4. Key Performance Indicators (KPI) of our company

(in ₹ hundreds, except per share data)

Particulars	For the year ended March 31,		
	2025	2024	2023
Revenue from Operations	18,62,051.23	18,56,571.23	15,35,882.18
Growth in Revenue from Operations (%)	0.30%	20.88%	NA
Total Income	18,86,167.09	18,65,442.16	15,39,508.26
EBITDA	6,04,777.88	6,28,023.44	2,87,516.14
EBITDA Margin (%)	32.06%	33.67%	18.68%
Profit After Tax	4,01,325.53	4,14,526.71	1,76,984.12
PAT Margin (%)	21.55%	22.33%	11.52%
Net worth	16,27,151.98	8,99,832.46	4,85,305.75
Return on Equity ("RoE") (%)	31.76%	59.85%	44.33%
Return on Capital Employed ("RoCE") (%)	33.12%	60.05%	42.80%
Debt- Equity Ratio	0.03	0.05	0.16

*As certified by our Statutory Auditors pursuant to their certificate dated August 21, 2025

Note:

1. Revenue from Operations: This represents the income generated by the Company from its core operating operation. This gives information regarding the scale of operations.

2. Other Income is the income generated by the Company from its non-core operations.

3. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back interest cost, depreciation, and amortization expense.

4. EBITDA margin is calculated as EBITDA as a percentage of Total Income.

5. Profit for the year/period represents the restated profits of the Company after deducting all expenses

6. PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.

7. Net worth is calculated as sum of share capital and reserves & surplus.

8. Return on Equity is calculated as Profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by average equity. Average equity is calculated as average of opening and closing balance of total equity (Shareholders' funds) for the year.

9. Return on capital employed calculated as Earnings before interest and taxes divided by capital employed as at the end of respective period/year. (Capital employed calculated as the aggregate value of tangible net worth, total debt and deferred tax liability).

10. Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long-term and short-term borrowings. Total equity is the sum of share capital and reserves & surplus.

5. Weighted average return on net worth for the last 3 FYs, and return on net worth for any interim period for the issuer company

Return on Net Worth (RoNW):

Period / Year ended	RoNW* (%)	Weight
Financial Year ended on March 31, 2023	36.47%	1
Financial Year ended on March 31, 2024	46.07%	2
Financial Year ended on March 31, 2025	24.66%	3
Weighted Average (of the above three financial years)	33.77%	

* After giving effect of Bonus Issue of 70,00,000 Equity Shares in the ratio of 700:1.

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