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IPO note: Netweb Technologies India Limited - "SUBSCRIBE"

July 17, 2023

Impressive background and business model..

The Company is one of India's leading high-end computing solutions (HCS) provider, with fully integrated design and manufacturing capabilities. The Company's HCS offerings comprises (i) high performance computing (Supercomputing / HPC) systems; (ii) private cloud and hyperconverged infrastructure (HCI); (iii) AI systems and enterprise workstations; (iv) high performance storage (HPS / Enterprise Storage System) solutions; (v) data centre servers; and (vi) software and services for its HCS offerings. The Company is one of India's leading Indian origin, owned and controlled OEM in the space of HCS providing Supercomputing systems, private cloud and HCI, data centre servers, AI systems and enterprise workstations, and HPS solutions.

In terms of number of HPC installations, the Company is one of the most significant OEMs in India amongst others. Since the inception of the erstwhile sole proprietorship, one of its Promoters, Sanjay Lodha, M/s Netweb Technologies, which the Company had acquired in August, 2016, until May 31, 2023, the Company has undertaken installations of (i) over 300 Supercomputing systems, (ii) over 50 private cloud and HCI installations; (iii) over 4,000 accelerator / GPU based AI systems and enterprise workstations; and (iv) HPS solutions with throughput storage of up to 450 GB/ sec.

The Company caters to marquee Customers across various end-user industries such as information technology, information technology enabled services, entertainment and media, banking, financial services and insurance (BFSI), national data centres and government entities including in the defence sector, education and research development institutions (Application Industries) such as Indian Institute of Technology (IIT) Jammu, IIT Kanpur, NMDC Data Centre Private Limited (NMDC Data Centre), Airamatrix Private Limited (Airamatrix), Graviton Research Capital LLP (Graviton), Institute of Nano Science and Technology (INST), HL Mando Softtech India Private Limited (HL Mando), Dr. Shyam Prasad Mukherjee International Institute of Information Technology, Naya Raipur (IIIT Naya Raipur), Jawaharlal Nehru University (JNU), Hemvati Nandan Bahuguna Garhwal University (Hemvati University), Akamai India Networks Private Limited (Akamai), A.P.T. Portfolio Private Limited (A.P.T.), and Yotta Data Services Private Limited (Yotta), Centre for Computational Biology and Bioinformatics, Central University of Himachal Pradesh (CUHP University). The Company also caters to an Indian Government space research organisation and an R&D organisation of the Ministry of Electronics and Information Technology, Government of India which is involved in carrying out R&D in information technology and electronics and associated areas including Supercomputing.

The Company design, manufacture and deploy its HCS comprising proprietary middleware solutions, end user utilities and precompiled application stack. The Company develops homegrown compute and storage technologies, deploy supercomputing infrastructure to meet the rising computational demands of businesses, academia, and research organisations, particularly, under India's National Supercomputing Mission. Further, thus far, 3 of its supercomputers have been listed 11 times in the world's top 500 supercomputers.

The Company is compliant with the 'Make in India' policy of the Government of India and are also one of the few OEMs in India eligible to seek production linked incentives in terms of the Government of India's Production Linked Incentive Scheme for IT Hardware (IT Hardware PLI Scheme) for the manufacture of servers and the Production Linked Incentive Scheme for Promoting Telecom and Networking Products Manufacturing in India (Telecom and Networking PLI Scheme) for the manufacture of networking and telecom products.

The Company collaborates with various technology partners, such as Intel Americas, Inc. (Intel), Advanced Micro Devices, Inc. (AMD), Samsung India Electronics Private Limited, Nvidia Corporation (Nvidia), and Seagate India Private Limited to design and innovate products and provide services tailored to specific customer requirements. The Company also independently design and innovate its products and solutions offerings and provide services tailored to specific customer requirements.

Type of Issue	Fresh issue of equity shares aggregating upto ₹ 206 Crore Offer for sale: Upto 85,00,000 Equity Share aggregating to ₹ 425 Crore at the upper end of the price band
Issue size	₹ 631 Crore at the upper end of the price band
No. of shares	12,620,000 Equity Shares at upper end of the price band
Employee reservation	20,000 Equity Shares
Issue date	July 17, 2023 – July 19, 2023
Listing date	July 27, 2023
Price Band	₹ 475 - ₹ 500 (Face value: ₹2)
Employee discount	₹ 25 per share
Bid lot	30 equity shares and in multiple thereof
Issue structure	QIB: 50%, Non Institutional: 15%, Retail: 35%
Post issue shares	5.605 Crore equity shares at upper end of the price band
Promoters Public	Pre IPO: 97.80 % Post IPO: 75.45 % Pre IPO: 2.20 % Post IPO: 24.55 %
Post issue market cap	₹ 2,803 Crore at the upper end of the price band
BRLMS	Equirus Capital Private Limited, IIFL Securities Limited
Registrar to the issue	Link Intime India Private Limited

Key Performance indicators (₹ Crore)

Particulars	FY23	FY22	FY21
Revenue from operations	444.97	247.03	142.79
EBITDA	70.02	34.59	14.38
EBITDA (%)	15.74	14.00	10.07
Profit before tax	63	30.2	11.1
Profit after tax	46.94	22.45	8.23
PAT margin (%)	10.55	9.09	5.76
Equity share cap.	10.2	5.7	5.7
Networth	93.7	44.4	21.8
Total borrowings	35.60	34.48	30.54
Post IPO EPS (₹)	8.37	4.01	1.47
P/E (x)###	59.73	124.69	340.13
Asset Turnover (x)	17.69	22.69	21.68
RoE(%)	68.01	67.85	46.41
RoCE (%)	64.42	51.63	35.54

Source: Red Herring Prospectus (RHP), ### P/E calculated on the upper end of the price band at Post IPO EPS

Investment recommendation and rationale

At the upper end of the price band of ₹ 500 , the Company's IPO is valued at P/E of 59.7x at post IPO FY23 EPS which is at a premium valuation considering the strong prospects in the industry and good return ratios. We recommend investors with a higher risk appetite to "SUBSCRIBE" the issue due to the following factors: a) One of India's leading Indian origin owned and controlled OEM for high-end computing solutions (HCS) with integrated design and manufacturing capabilities; b) The Indian Supercomputing systems market is expected to grow from USD 539 million in Fiscal 2023 (F) to USD 919 million in Fiscal 2029 (F) at a CAGR of 9.3%, c) Government measures aimed at driving digital infrastructure growth include the Digital India initiative will augur well for the Company's prospects, d) The Company is also one of the few OEMs in India eligible to seek production linked incentives in terms of the Government of India's IT Hardware PLI Scheme for the manufacture of servers and the Telecom and Networking PLI Scheme for the manufacture of networking and telecom products. e) Company enjoys long standing relationship with a marquee and diverse customer base; f) Significant product development and innovation through R&D; g) The Company is one of India's leading HCS provider and operates in a rapidly evolving and technologically advanced industry with high entry barriers; e) Experienced Board and Senior Management; f) Track record of financial performance and consistent growth and g) Company has raised ₹189.01 Crore from marquee anchor investors which instills confidence in the issue.

Pre IPO placement

The company has undertaken a Pre-IPO Placement of **1,020,000 Equity Shares** at a price of ₹ 500/- per Equity share (including a premium of ₹ 498 per Equity Share) aggregating to ₹ 51 Crore. The size of the Fresh Issue of upto ₹ 257 Crore has been reduced by ₹ 51 Crore pursuant to the Pre-IPO Placement and the revised size of the Fresh Issue is up to ₹ 206 Crore.

The details of Equity Shares allotted to the investors in the Pre-IPO Placement are set out below:

Date of allotment	No. of Equity Shares allotted	Details of allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason/Nature of allotment
June 30, 2023	1,020,000	Allotment of (i) 20,000 Equity Shares to LG Family Trust; (ii) 100,000 Equity Shares to Anupama Kishor Patil; (iii) 500,000 Equity Shares to 360 ONE Special Opportunities Fund – Series 8; and (iv) 400,000 Equity Shares to 360 ONE Monopolistic Market Intermediaries Fund	2	500	Cash	Private Placement

Source: Red Herring Prospectus (RHP)

Objects of the issue

Fresh Issue: Upto ₹206 Crore

The Net Proceeds are proposed to be used by the Company in accordance with the details set forth below

Objects	Amount (₹ Crore)
Funding capital expenditure requirements for civil construction of the building for the surface mount technology (SMT) line and interior development, and purchase of equipment/machinery for the new SMT production line (SMT Line),	32.29
Funding of long-term working capital requirements,	128.02
Repayment or pre-payment, in full or in part, of certain outstanding borrowings, and	22.50
General corporate purposes.	*

Source: Red Herring Prospectus (RHP), *To be finalised upon determination of Offer Price and updated in the Prospectus. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Fresh Issue.

Offer for sale: Upto 85,00,000 Equity Shares

Names of the selling shareholders	Type	No. of Equity Shares being offered	Weighted Average Cost of Acquisition per share (in ₹)
Sanjay Lodha	Promoter Selling Shareholder	Up to 2,860,000 Equity Shares	0.43
Navin Lodha	Promoter Selling Shareholder	Up to 1,430,000 Equity Shares	0.11
Vivek Lodha	Promoter Selling Shareholder	Up to 1,430,000 Equity Shares	0.35
Niraj Lodha	Promoter Selling Shareholder	Up to 1,430,000 Equity Shares,	0.84
Ashoka Bajaj Automobiles LLP (formerly known as Ashoka Bajaj Automobiles Private Limited)	Promoter Group Selling Shareholder	Up to 1,350,000 Equity Shares,	1.56

Source: Red Herring Prospectus (RHP)

Operating metrics

Particulars	FY23	FY22	FY21
Total customers serviced	2,011	1,819	1,645
Total Customers who contributed to its revenue from operations (in number)	509	474	458



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Number of new customers acquired	192	174	185
Days sales outstanding (DSO) (in days)	94	99	94
Days payables outstanding (in days)	84	89	86
Days of inventory outstanding (in days)	38	50	52
Customer advance days	4	4	4

Source: Red Herring Prospectus (RHP)

The revenue from operations generated by the key industries:

For the Year Ended March 31,

Particulars	2023		2022		2021	
	Revenue ₹ Crore	% to Total	Revenue ₹ Crore	% to Total	Revenue ₹ Crore	% to Total
Higher Education and Research	205.91	46.69	140.95	57.06	59.76	41.85
Space and Defence	27.13	6.15	26.29	10.64	12.86	9.01
IT & ITES	109.49	24.83	52.62	21.30	42.66	29.88
Others	98.47	22.33	27.17	11.00	27.50	19.26
Total for Revenue from Operations	441.0	100.00%	247.03	100.00%	142.79	100.00%

Source: Red Herring Prospectus (RHP)

Revenue breakup based on Business Vertical

For the Year Ended March 31,

Particulars	2023		2022		2021	
	Revenue ₹ Crore	% to Total	Revenue ₹ Crore	% to Total	Revenue ₹ Crore	% to Total
Supercomputing system	172.84	39.19	103.00	41.70	13.88	9.72
Private cloud and HCI	146.11	33.13	47.88	19.38	40.54	28.39
AI systems and enterprise workstations	30.93	7.01	24.31	9.84	14.57	10.20
HPS solutions	30.81	6.99	21.68	8.78	33.62	23.54
Data centre server	28.33	6.42	24.12	9.76	16.82	11.78
Software and service for its HCS offerings	9.47	2.15	6.86	2.77	2.50	1.75
Spare and others	22.52	5.11	19.18	7.77	20.87	14.62
Total for Revenue from Operations	441.0	100.00%	247.03	100.00%	142.79	100.00%

Source: Red Herring Prospectus (RHP)

Competitive strengths

1) One of India's leading Indian origin owned and controlled OEM for HCS with integrated design and manufacturing capabilities

The Company is one of India's leading Indian origin owned and controlled OEM for HCS with integrated design and manufacturing capabilities. (Source: F&S Report). The Company design, manufacture and deploy its HCS comprising proprietary middleware solutions, end user utilities and pre-compiled application stack. The Company's deep expertise in system design and architecture, has helped it innovate and build bespoke solutions. Further, its proprietary designs are cloud native which, in addition to technological benefits, are capable of catering to the evolving needs of Customers.



The Company is one of the few players in India who can offer a full stack of product and solution suite with comprehensive capabilities in designing, developing, implementing and integrating high performance computing solutions. The Company is also an Indian origin OEM to build Supercomputing systems, private cloud and HCl, data centre servers, AI systems and enterprise workstations, and HPS solutions under the 'Make in India' initiative of the Government of India.

The Indian Supercomputing systems market has grown consistently from USD 378 million in Fiscal 2019 to USD 493 million in Fiscal 2022 (E) at a CAGR of 9.3%. Further, the Indian Supercomputing systems market is expected to grow from USD 539 million in Fiscal 2023 (F) to USD 919 million in Fiscal 2029 (F) at a CAGR of 9.3%. Further, Government measures aimed at driving digital infrastructure growth include the Digital India initiative. Some of the Digital India initiative programmes are DigiLocker, E-hospitals, E-Pathshala, Bharat Interface for Money (BHIM) etc. Further, defence and government activities are supported by AI & EW systems for enhanced decision-making and productive work performance in India. Additionally, it aids in enhancing government payment schemes that make precise, practical, and safe payments for child support, pensions, and unemployment insurance. The GPU that is an integral part of the AI & EW is utilised in government supercomputers and hyper converged infrastructure applications to boost mobility, increase security, and cut maintenance costs. Additionally, it fortifies the cybersecurity position against an increasing number of online attacks.

The Company has consistently focused on developing products that start with made-in-India servers. As a result of this, the Company also received an award from the Ministry of Electronics and Information Technology, Government of India for contribution towards manufacturing of servers in India.

The Company is also one of the few OEMs in India eligible to seek production linked incentives in terms of the Government of India's IT Hardware PLI Scheme for the manufacture of servers and the Telecom and Networking PLI Scheme for the manufacture of networking and telecom products.

2) Long standing relationship with a marquee and diverse customer base

The Company designs, develop, and implement its entire solutions package which helps it to engage with its Customers in a more holistic manner. This enables it to embed itself within the institutional framework of its Customers and helps in customer retention and repeat business. The Company's diverse customer base spread across different Application Industries demonstrates the suitability of its systems, design and architecture across disparate applications. Further, the Company also provides comprehensive implementation and service support which ensures that it caters to end-to-end needs of its Customers, which it considers to be one of the factors that enables it to attract new Customers.

The Company's marquee Customers include IIT Jammu, IIT Kanpur, Airamatrix, NMDC Data Centre, Graviton, INST, HL Mando, IIIT Naya Raipur, JNU, Hemvati University, Akamai, A.P.T. Portfolio, Yotta Data, CUHP University, an Indian Government space research organisation, and an R&D organisation of the Ministry of Electronics and Information Technology, Government of India which is involved in carrying out R&D in information technology and electronics and associated areas including Supercomputing. The customer accretion between April 1, 2020 and March 31, 2023, had grown at a CAGR of 11.26%.

3) Significant product development and innovation through R&D

The industry in which the Company operates is R&D intensive and relies significantly on technically qualified resources. The Company has endeavored to inculcate a culture of innovation in the Company and instill a firm belief that R&D is a key element of its growth and will continue to remain so. The Company has continued to strive towards innovation in its product range and have continued to build its R&D capabilities by continuously developing its R&D team to improve its systems design and architecture and to expand its products and solutions suite.

The Company has dedicated R&D Facilities which, as on May 31, 2023, comprised a 38 member technically skilled R&D team all of whom are professionally qualified. The Company's R&D team is led by Mukesh Golla, Chief Research & Development Officer, who holds a bachelor's degree in technology (computer science and engineering) from the Jawaharlal Nehru Technological University, Hyderabad and has been associated with the Company's HCS since 2004. The Company's dedicated R&D teams are based in Faridabad, Hyderabad and Gurgaon, comprising 34, 1 and 3 members, respectively. The Company's R&D team, which has 22 engineers, 7 master's in computer applications, 1 bachelor's in computer application, 3 science graduates, 4 graduates in commerce/arts and 1 MBA, constitutes 13.92% of its total workforce. Since April 1, 2019, the Company's R&D team strength has grown from 12 to 38, as at May 31, 2023.

The Company's R&D team's in-depth understanding of high-end computing solutions, their ability to meet the advanced technological challenges and their constant efforts at innovation, coupled with experience in working on innovative products in India, enable us to stay at the forefront of technological evolution and anticipate and envision the future needs of its Customers and the market.

The Company's dedicated R&D Facilities have enabled it to increase its product lines to 8 viz., Tyrone Cluster Manager, KUBYTS, VERTA, ParallelStor, Collectivo, SKYLUS and Tyrone Camarero AI Systems and GPU System. The Company collaborates with various technology partners, such as Intel Americas, Inc. (Intel), Advanced Micro Devices, Inc. (AMD), Samsung India Electronics Private Limited, Nvidia Corporation (Nvidia), and Seagate India Private Limited to design and innovate products and provide services tailored to specific customer requirements. The Company also independently design and innovate its products and solutions offerings and provide services tailored to specific customer requirements.

4) The Company is one of India's leading HCS provider and it operates in a rapidly evolving and technologically advanced industry with high entry barriers

The Company operates in a rapidly evolving and technologically advanced industry which requires it to stay abreast of the developments and improve and customise its designs, and hardware and software offerings. The nature of the industry and the rapidity of technological advancement necessitates continual innovation, improvement, and customisation of its solutions. Modification of designs and changes in implementation of the offerings requires technical skill set and expertise which is a significant entry barrier in the industry for new entrants.



The Company is one of India's leading HCS provider, with fully integrated design and manufacturing capabilities enabled by its blend of proprietary hardware designs, middleware stack and software solutions. As a result of its continuous R&D in data centre server development, the Company has the capabilities of manufacturing servers that are suitable for building private cloud solutions, Supercomputing systems clusters, and modern data centres. The Company's association with companies operating in different Application Industries and catering to their specific needs has honed its technical expertise and the Company has devoted time, energy and resources, to constantly innovating and developing its skill-sets which today comprises kernel level design (i.e., establishes complete and unrestricted access between software and the underlying hardware) and development capabilities, hardware product designs, fine-tuned printed circuit board layouts, optimized operating systems, dense architectures, mix workload capabilities and a repository of HPC-AI codes.

Moreover, the experience gained from working on evolving projects in India (i) on enterprise workstations segment such as setting up AI and deep learning labs at a government institute and at an intergovernmental organisation, forensic workstation at a Government of India department, and Big Data computing lab at a government institute; (ii) deploying servers as part of surveillance project at 204 railway stations for a public sector undertaking; and (iii) on the HPC segment developing and building Supercomputing systems such as AIRAWAT, Agastya, PARAM Ambar, PARAM YUVA-II and Kabru, further enhances its expertise and stands the Company in good stead in its future projects. The nature of the industry and the rapidity of technological advancement necessitates continual innovation, improvement, and customisation of solutions. The modification of designs and changes in implementation of the offerings require technical skill set and expertise which is a significant entry barrier in the industry (Source: F&S Report). The Company has through the technical and technological expertise that it has built over time, the experience gained from executing various projects across sectors, large collection of problem sets, wide range of problem-solving solutions, surmounted these entry barriers.

5) Experienced Board and Senior Management

The Company's Promoters have led from the front in establishing and growing its business and operations capabilities. The Company has an experienced board and strong management team led by persons with significant experience in the information technology industry. The Company's Senior Management group comprises Prawal Jain, Chief Financial Officer and Chief Human Resource Officer, Hemant Agarwal, Chief Operating Officer, Hirdey Vikram, Chief Marketing Officer, Mukesh Golla, Chief Research & Development Officer, and Lohit Chhabra Company Secretary and Compliance Officer, have an average tenure of over 9 years with the Company.

The Company's Chairman and Managing Director, Sanjay Lodha has been a member of the Governing Council of Manufacturers Association of Information Technology since the year 2016 to 2022 and currently serves as a Vice President with effect from June 30, 2022. He has also served on the Board of Advisors for Intel for the years 2020 and 2022.

Competition

The Company faces competition from various competitors across its business verticals. Set out below are the details of its competitors in each of the business vertical:

Sr. No.	Particulars	Key competitors
1.	HPC	Hewlett Packard Enterprise, International Business Machines Corporation, Atos SE, and Lenovo Group Limited.
2.	Private cloud and HCI	VMware, Inc., Nutanix Inc., Suse SA, and RedHat Inc.
3.	AI systems and enterprise workstations	Nvidia.
4.	Enterprise storage systems	Hewlett Packard Enterprise, NetApp Inc., HITACHI Data Systems Corporation, and Dell Technologies Inc.
5.	Data centre server	Hewlett Packard Enterprise, Lenovo Group Limited, International Business Machines Corporation, and Dell Technologies Inc.
6.	Cloud managed services	HCL Technologies Limited, Accenture Plc, Cognizant Technology Solutions Corp, and Tech Mahindra Limited

(Source: Red Herring Prospectus)



Company background

The Company was originally incorporated as 'Netweb Technologies India Private Limited, at New Delhi as a private limited company under the Companies Act, 1956 and received a certificate of incorporation issued by the RoC, on September 22, 1999. Thereafter, the Company was converted into a public limited company, pursuant to a special resolution passed by the Shareholders of the Company on October 18, 2022, and the name of the Company was changed to its present name pursuant to a fresh certificate of incorporation issued by the RoC on November 18, 2022.

Brief Biographies of Directors

Sanjay Lodha is the Promoter and the Chairman and Managing Director of our Company. He has been associated with the Company as a director since September 22, 1999. He holds a bachelors' of arts (honours degree) in economics from the University of Delhi and a post-graduate diploma in business management from Apeejay School of Marketing, New Delhi. He has been leading the Strategy and Business Development department of the Company from the year 2016. He was the sole proprietor of the proprietorship, M/s Netweb Technologies since 1996 which was acquired by the Company in August 2016. He has been a part of the Governing Council of Manufacturers Association of Information Technology from 2016 to 2022 and currently serves as a Vice President with effect from June 30, 2022. He has also served on the Board of Advisors for Intel for the year 2020 and 2022.

Navin Lodha is the Promoter and the Whole Time Director of the Company. He has been associated with the Company as a director since September 22, 1999. He holds a bachelors' degree in commerce from Shaheed Bhagat Singh College, University of Delhi. He leads the west zone of the Company's sales and marketing department and has over 15 years of experience in sales and marketing. Prior to joining our Company, he was associated with the erstwhile proprietorship of its Chairman and Managing Director, M/s Netweb Technologies since 2008 until its acquisition by the Company in August 2016.

Vivek Lodha is the Promoter and the Whole Time Director of the Company. He has been associated with the Company as a director since April 13, 2015. He holds a bachelors' degree in commerce from Shaheed Bhagat Singh College, University of Delhi. He leads the east zone of the Company's sales and marketing department and has over 15 years of experience in sales and marketing. Prior to joining the Company, he was associated with the erstwhile proprietorship of its Chairman and Managing Director, M/s Netweb Technologies since 2008 until its acquisition by the Company in August 2016.

Niraj Lodha is the Promoter and the Whole Time Director of the Company. He has been associated with the Company as a director since April 13, 2015. He holds a bachelors' degree in commerce from Deshbandhu College (evening), University of Delhi (now Ramanujan College). He leads the south zone of the Company's sales and marketing department and has over 15 years of experience in sales and marketing. Prior to joining the Company, he was associated with the erstwhile proprietorship of its Chairman and Managing Director, M/s Netweb Technologies since 2008 until its acquisition by the Company in August 2016.

Mrutyunjay Mahapatra is the Independent Director of the Company since February 23, 2023. He holds a bachelors' degree in science in physics from Berhampur University and a masters' degree in science (physics) from Berhampur University. He has over 40 years of experience in banking and finance sector. He was also conferred an honorary fellowship by the Governing Council of Indian Institute of Banking & Finance in recognition of his invaluable contribution in the field of banking and finance. He has served as a deputy managing director of the State Bank of India and the managing director and chief executive officer of Syndicate Bank. He is presently associated with T A Pai Management Institute as a professor of the practice of banking.

Jasjeet Singh Bagla is the Independent Director of the Company since February 23, 2023. He holds a degree of bachelors' of science from University of Delhi and masters of science from University of Delhi. He has over 23 years of experience in research and academia. He was conferred with the degree of doctor of philosophy in physics from the University of Pune. He was associated with Mehta Research Institute of Mathematics and Mathematical Physics as a fellow in physics, Harish Chandra Research Institute, Department of Atomic Energy, Government of India, and presently he is associated with Indian Institute of Science Education and Research Mohali (established by Ministry of Human Resource Development, Government of India).

Romi Jatta is the Independent Director of the Company since February 23, 2023. She holds a bachelors' degree in engineering in electronics from the University of Pune. She has over 20 years of experience. She was associated with Whirlpool of India Private Limited from the year 2003 to 2020 where at the time of leaving, she was the global commodity director. She was also associated with Philips India Limited as procurement engineering business partner from the year 2020 to 2022 and presently, she is the group chief procurement officer at Minda Corporation Limited.

Vikas Modi is the Independent Director of the Company since February 23, 2023. He holds a bachelors' degree in commerce from the University of Rajasthan. He is a chartered accountant and holds a certificate of membership from the ICAI. He is partner in Doogar and Associates, a Chartered Accountant firm since 2006.

Brief Profiles of Senior Management

Hemant Agarwal is the Chief Operating Officer of the Company. He has been associated with the Company for over 20 years since the year 2003. He holds a bachelors' degree in commerce from the University of Calcutta.

Hirdey Vikram is the Chief Sales and Marketing Officer of the Company. He has been associated with the Company since 2013. He holds a bachelors' degree of technology (information technology) from the Punjab Technical University, Jalandhar. He has over 11 years of work experience. Prior to his association with the Company, he was associated with HCL Infosystems Limited.

Mukesh Golla is the Chief Research & Development Officer of the Company. He has been associated with the Company since 2004. He holds a bachelor's degree in technology (computer science and engineering) from the Jawaharlal Nehru Technological University, Hyderabad. He is responsible for managing the product engineering and research and development department of the Company. He has over 19 years of experience.

Risks and concerns

- 1) The Company's significant proportion of its orders are from government related entities which award the contract through a process of tender. Tenders, typically, are awarded to the lower bidder once all other eligibility criteria are met. The Company's performance could be adversely affected, if the Company is not able to successfully bid for these contracts or required to lower its bid value.

Particulars	Revenue from operations (%)		
	Fiscal 2023*	Fiscal 2022	Fiscal 2021
Government Customers	53.19%	61.84%	46.57%
Non-Government Customers	46.81%	38.16%	53.43%
Total	100.00%	100.00%	100.00%

Revenue from operations exclude Other operating revenue

- 2) **Concentration risk:** The Company's success is dependent on the long-term relationship with its Customers. In particular, the Company is heavily reliant on its top 10 Customers. The Company does not, generally, enter into long term contracts with Customers, which exposes it to the risks emanating from the inability to retain its established Customers as its clients. Further, the Company's dependence on its top 10 Customers has increased from 52.26% in Fiscal 2021 to 57.80% in Fiscal 2023.
- 3) The Company had low – capacity utilization in Fiscals 2023, 2022 and 2021. The capacity utilization for Fiscal 2023, 2022 and 2021 of its facility are 51.64%, 53.11% and 52.01% respectively.



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