

| IPO Details                              |   |
|--|---|
| <b>Opening Date</b>                      | July 17, 2023   |
| <b>Closing Date</b>                      | July 19, 2023   |
| <b>Stock Exchange</b>                    | NSE, BSE  |
| <b>Lot Size</b>                          | 30 Shares   |
| <b>Issue Price</b>                       | ₹ 475 - 500 per share   |
| <b>Issue Size</b>                        | Aggregating up to 631 Cr.   |
| <b>Fresh Issue</b>                       | Aggregating up to 206 Cr.   |
| <b>Offer for Sale</b>                    | Aggregating up to 425 Cr.   |
| <b>Application Amount (@ upper Band)</b> | Min. Inv. - ₹ 15,000 (30 shares)<br>Max. Inv. - ₹ 1,95,000 (390 shares) |

| IPO Objective  |  |
|--|--|
| Funding capital expenditure requirements for civil construction.                 |  |
| Funding of long-term working capital requirements.                               |  |
| Repayment or pre-payment, in full or in part, of certain outstanding borrowings. |  |
| General corporate purposes.  |  |

| Pre-Issue Shareholding    |               |                   |
|---------------------------|---------------|-------------------|
| Category                  | No. of Shares | % of Total Shares |
| Promoter & Promoter Group | 5,07,99,005   | 97.80%            |
| Public                    | 11,44,975     | 2.20%             |

| Promoter of the Company |                  |
|-------------------------|------------------|
| 1                       | Mr. Sanjay Lodha |
| 2                       | Mr. Navin Lodha  |
| 3                       | Mr. Vivek Lodha  |
| 4.                      | Mr. Niraj Lodha  |

| Competitive Strengths |   |
|-----------------------|---|
| 1                     | Long standing relationship with a marquee and diverse customer base.                                  |
| 2                     | Significant product development and innovation through R&D .  |
| 3                     | Indian origin owned and controlled OEM for HCS with integrated design and manufacturing capabilities. |

| Company Background |   |
|--------------------|---|
| ○                  | Company was incorporated in the year 1999 and has its registered office in Haryana.   |
| ○                  | Company provides high-end computing solutions (HCS) with fully integrated design and manufacturing capabilities.                                  |
| ○                  | HCS offerings comprises of HPC, HCI, AI systems and enterprise workstations, HPS, data centre servers, software and services for HCS offerings.   |
| ○                  | Company designs, manufactures and deploys HCS comprising proprietary middleware solutions, end user utilities and pre-compiled application stack. |
| ○                  | As on March 31, 2023, Company has 273 fulltime employees as on payroll.   |

| Market Capitalization |            |
|-----------------------|------------|
| (In Cr.)              |            |
| Pre-Issue             | Post-Issue |
| ₹ 2,597               | ₹2,803     |

| Financial Summary       |           |           |           |
|-------------------------|-----------|-----------|-----------|
| (In Lacs)               |           |           |           |
| For the Period Ended    | Mar-23    | Mar-22    | Mar-21    |
| <b>Total Assets</b>     | 26,595.00 | 14,860.60 | 11,019.50 |
| <b>Net Assets</b>       | 9,366.60  | 4,437.00  | 2,181.70  |
| <b>Total Borrowings</b> | 3,039.80  | 3,356.80  | 2,909.90  |
| <b>Total Revenue</b>    | 44,565.00 | 24,794.10 | 14,429.10 |
| <b>Profit After Tax</b> | 4,693.60  | 2,245.30  | 823.00    |

| Tentative Timeline               |               |
|----------------------------------|---------------|
| <b>Opening Date</b>              | July 17, 2023 |
| <b>Closing Date</b>              | July 19, 2023 |
| <b>Basis of Allotment</b>        | July 24, 2023 |
| <b>Initiation of Refunds</b>     | July 25, 2023 |
| <b>Credit of Shares to Demat</b> | July 26, 2023 |
| <b>Listing Date</b>              | July 27, 2023 |

### Company Background and Analysis

Company was incorporated in the year 1999 and is one of the leading high-end computing solutions (HCS) provider, with fully integrated design and manufacturing capabilities. 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 our HCS offerings. 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. Company designs, manufactures and deploys HCS comprising proprietary middleware solutions, end user utilities and pre-compiled application stack and develop 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 the supercomputers have been listed 11 times in the world's top 500 supercomputers.

Products and solutions offerings are sold under tyrone brand. under the 'Tyrone' brand is wide-ranging and has expanded over the years and, at present, Company solutions portfolio comprises:

| Sr.No. | Product name           | Description  | Engineered Solutions Bundled with   |
|--------|------------------------|--|---|
| 1      | Tyrone Cluster Manager | Simplified Cluster Deployment and Unified Management   | HPC, Data Centre servers  |
| 2      | KUBYTS                 | Container Optimized Utility for AI (Machine learning and Deep learning) Workloads.             | HPC, AI systems and Enterprise workstations   |
| 3      | VERTA                  | Unified, Flexible, High-Performing Storage Solution (an upgraded version of Tyrone Opslag FS2) | HPS solutions   |
| 4      | ParallelStor           | High-Performance Storage Solution for HPC, AI and Container workloads                          | HPC, AI systems, Enterprise workstation and HPS solutions.  |
| 5      | Collectivo             | Highly Efficient Storage Solution for Archival and Surveillance                                | HPS solutions   |
| 6      | SKYLUS                 | Private Cloud Solution, HCI Appliance and Private Cloud utility.                               | Private cloud solutions, HCI, and data centre servers.  |
| 7      | Tyrone Camarero        | Dual/ Multi processor server, AI Systems and Enterprise Workstation models                     | Tyrone Camarero range of Data centre servers, Enterprise workstations and AI Systems are supplied with multiple engineered solutions. |

Set out below are certain details of revenue from operations bifurcated into Application Industries and business verticals:

(Amount in Millions)

| Application Industries        | Revenue from operations |                                   |                 |                                   |                 |                                   |
|-------------------------------|-------------------------|-----------------------------------|-----------------|-----------------------------------|-----------------|-----------------------------------|
|                               | Fiscal 2023             |                                   | Fiscal 2022     |                                   | Fiscal 2021     |                                   |
|                               | (in ₹ million)          | As a % of revenue from operations | (in ₹ million)  | As a % of revenue from operations | (in ₹ million)  | As a % of revenue from operations |
| Higher education and Research | 2,059.09                | 46.69                             | 1,409.48        | 57.06                             | 597.62          | 41.85                             |
| Space and Defence             | 271.33                  | 6.15                              | 262.9           | 10.64                             | 128.63          | 9.01                              |
| IT & ITES                     | 1,094.93                | 24.83                             | 526.24          | 21.3                              | 426.6           | 29.88                             |
| Others                        | 984.68                  | 22.33                             | 271.71          | 11                                | 275.02          | 19.26                             |
| <b>Total</b>                  | <b>4,410.02</b>         | <b>100</b>                        | <b>2,470.33</b> | <b>100</b>                        | <b>1,427.87</b> | <b>100</b>                        |

Revenue from operations in application industries has grown rapidly from FY21 to FY23 in all the industries.

Company collaborated 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 and also independently design and innovate products and solutions offerings and provide services tailored to specific customer requirements. Order Book value as at March 31, 2022, March 31, 2023 and May 31, 2023 was ₹ 485.61 million, ₹ 711.86 million, and ₹ 902.05 million, respectively.

Recently, in Fiscal 2023, company forayed into developing new product lines, viz., Network Switches and 5G ORAN Appliances. Network Switches and 5G ORAN Appliances are critical to the data centre industry for enterprise IT, and the telecommunication industry for enabling 5G services, and are expected to (i) address the dearth in Indian network switch market which has significantly fewer Indian network switch OEM; and (ii) reduce India's dependency on foreign OEMs. Adoption of high throughput – low latency network switches in data centres and 5G networks has been proliferating at a very high pace which further necessitates higher security, reliability, and greater operational efficiencies with lower latencies. Company have recently introduced 5G cloud on core and edge for an international telecommunication service provider.

## Business Strategies

### 1. Expanding and augmenting product portfolio

The company has manufacturing agreement with a third-party entity pursuant to which such entity has been appointed as a contract manufacturer for the purpose of manufacturing server motherboards and related printed circuit board (PCB) assemblies using surface mount technology (SMT), for products.

### 2. Expanding geographic footprints in EMEA (i.e., Europe, Middle East and Africa)

The company, now, propose to expand and grow geographical footprint in EMEA by offering the following HCS, (i) private cloud and HCI, (ii) HPC solutions, (iii) AI systems and enterprise workstations, and (iv) 5G products and solutions, where Company has already established its footprints. Further, the 5G market in European and Africa countries is expected to grow at a CAGR of 45.7% between Fiscal 2023 and Fiscal 2029.

### 3. Deepen penetration across verticals

The company is expanding verticals namely oil and gas in India, and deepen penetration across sectors such as the automobile sector particularly in western and southern region of India, BFSI clusters in the western region of India, and multi-sector corporates in order to expand customer base.

## Competitive Scenario and Peer Mapping

### Competition

The company faces high competition from the existing players in the market Keynes Technology India Limited, DCX Systems Limited, Syrma SGS Technology Limited etc. The bargaining power of the company is low and the threat of new entrant is not that high. Company faces competition in India and overseas against providers of HCS, which is based on many factors, including product quality and reliability, product design and innovation, technology, manufacturing capabilities, scope and quality of service, price and brand recognition.

**Peer Analysis**

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

| Particulars                | Netweb technologies Limited | SyrmaSGS Technology Limited | Kaynes Technology India Limited | Dixon Technologies (India) Limited |
|----------------------------|-----------------------------|-----------------------------|---------------------------------|------------------------------------|
|                            | 31st Mar 2023               | 31st Mar 2023               | 31st Mar 2023                   | 31st Mar 2023                      |
| Net Profit Margin          | 11%                         | 5%                          | 8%                              | 3%                                 |
| EBITDA Margin              | 16%                         | 7%                          | 15%                             | 4%                                 |
| Return on Capital Employed | 61%                         | 4%                          | 15%                             | 16%                                |
| Return on Equity           | 51%                         | 4%                          | 10%                             | 18%                                |
| EPS (INR)                  | 9.22                        | 3.39                        | 8.62                            | 35.53                              |

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

| Particulars                | Netweb technologies Limited | Syrma SGS Technology Limited | Kaynes Technology India Limited | Dixon Technologies (India) Limited |
|----------------------------|-----------------------------|------------------------------|---------------------------------|------------------------------------|
|                            | 31st Mar 2022               | 31st Mar 2022                | 31st Mar 2022                   | 31st Mar 2022                      |
| Net Profit Margin          | 9%                          | 5%                           | 6%                              | 2%                                 |
| EBITDA Margin              | 14%                         | 9%                           | 13%                             | 5%                                 |
| Return on Capital Employed | 54%                         | 8%                           | 31%                             | 26%                                |
| Return on Equity           | 52%                         | 6%                           | 21%                             | 16%                                |
| EPS (INR)                  | 4.41                        | 2.69                         | 4.77                            | 25.63                              |

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

| Particulars                | Netweb technologies Limited | Syrma SGS Technology Limited | Kaynes Technology India Limited | Dixon Technologies (India) Limited |
|----------------------------|-----------------------------|------------------------------|---------------------------------|------------------------------------|
|                            | 31st Mar 2021               | 31st Mar 2021                | 31st Mar 2021                   | 31st Mar 2021                      |
| Net Profit Margin          | 9%                          | 5%                           | 6%                              | 2%                                 |
| EBITDA Margin              | 14%                         | 9%                           | 13%                             | 5%                                 |
| Return on Capital Employed | 54%                         | 8%                           | 31%                             | 26%                                |
| Return on Equity           | 52%                         | 6%                           | 21%                             | 16%                                |
| EPS (INR)                  | 4.41                        | 2.69                         | 4.77                            | 25.63                              |

**Industry Overview**

Exhibit 1: India IT Industry Market by Application (USD Mn) - FY 2023F-2029F

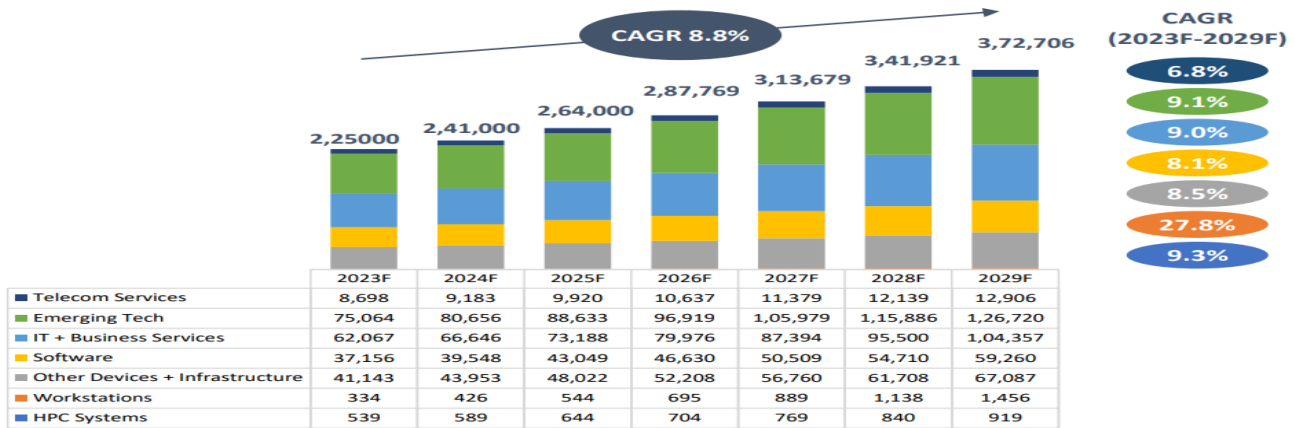


Exhibit 2: Global High-Performance Computing Market (USD Bn) – FY 2023F-2029F

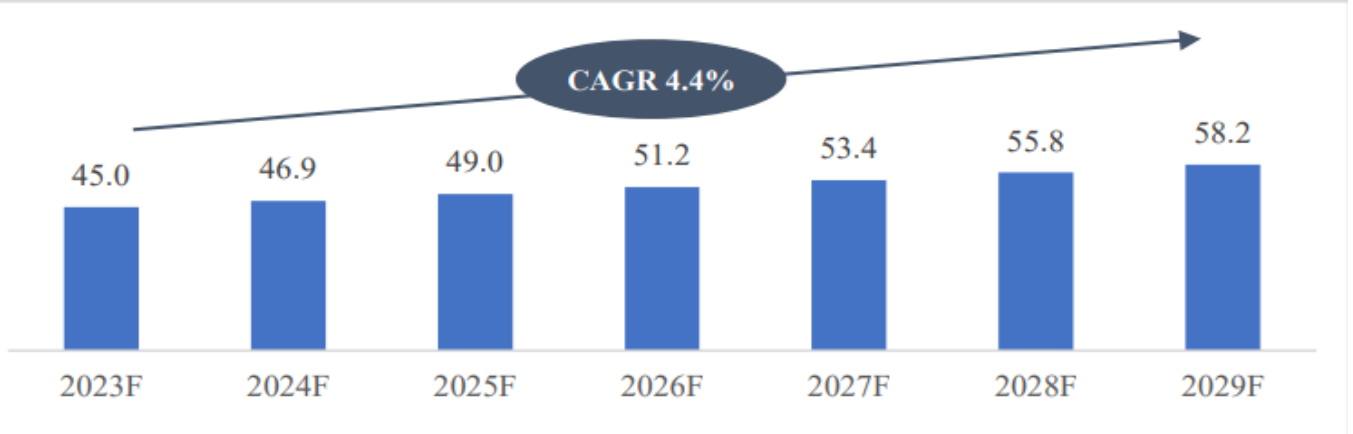
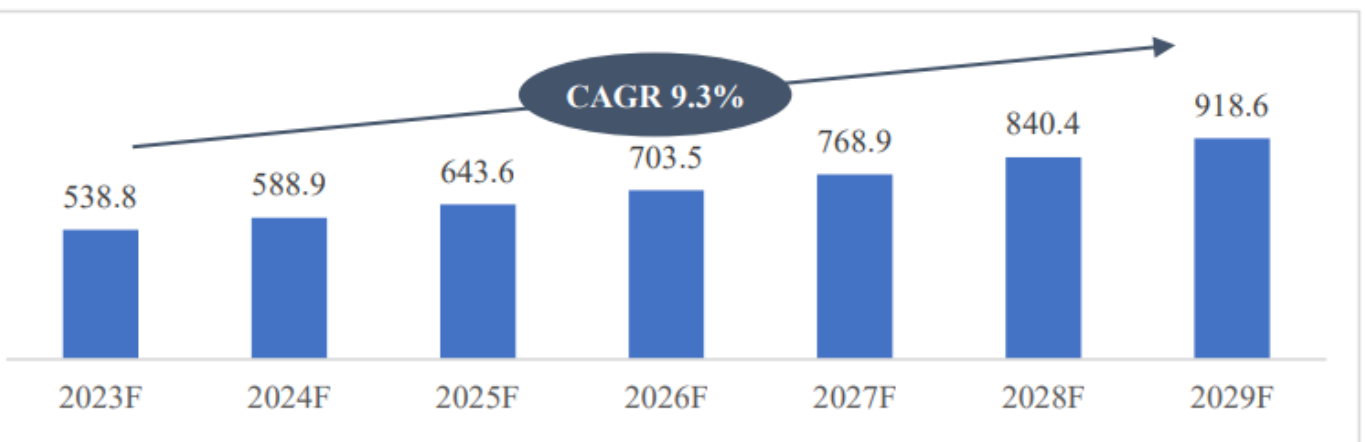


Exhibit 3: India High-Performance Computing Market (USD Mn) – FY 2023F-2029F

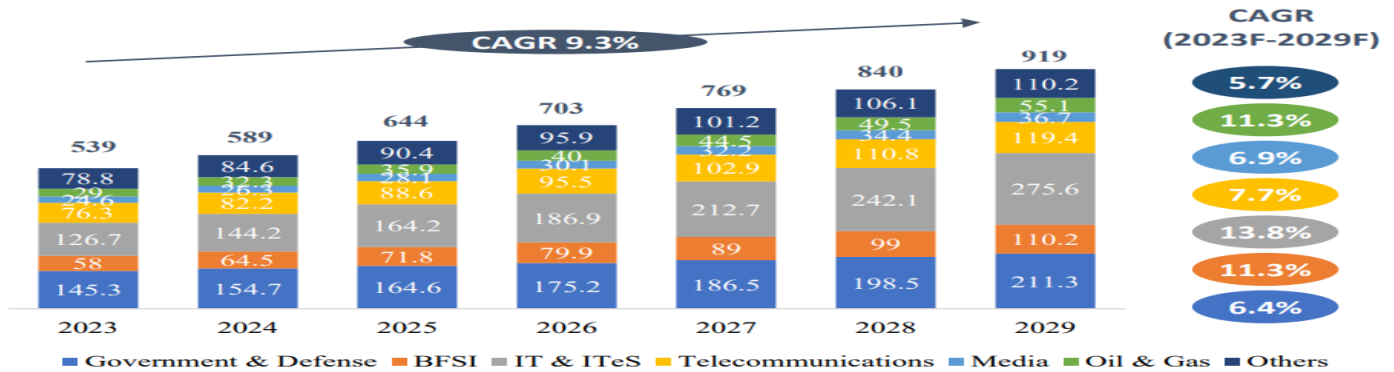


(Source: Prospectus)

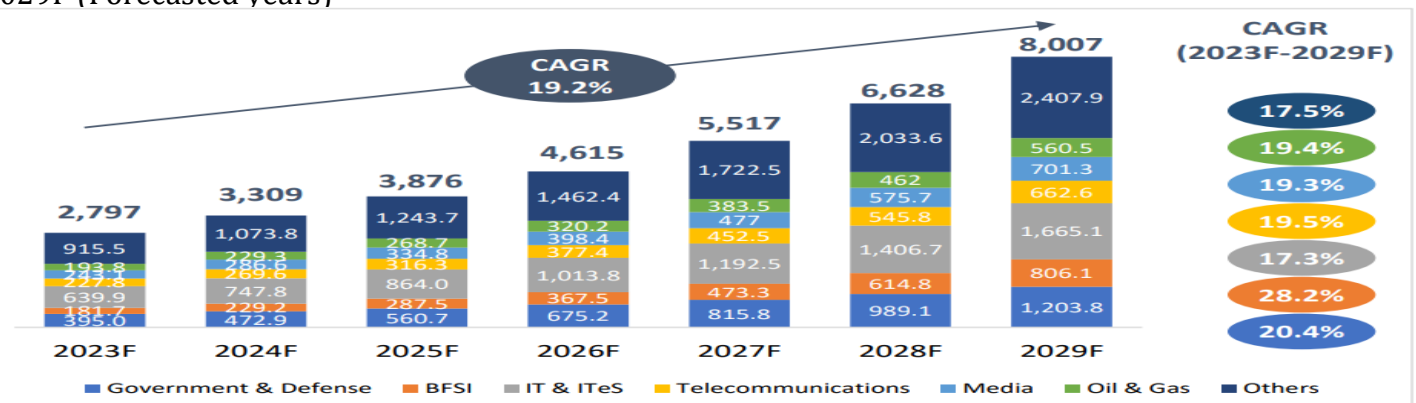
**High-end Computing Solutions (HCS) and Related Segments Market Overview**

High-end computing solutions make it possible for organizations to create more efficient operations, reduce downtime and improve worker productivity. For example, high performance computing (HPC) is a high-end computing solution that provides faster AI model iterations, flexible deployment, and open innovation among other benefits over the traditional solutions. High-end computing solutions, such as HPC, HCI, AI&EW, Data Center Servers etc., are expected to witness growth during the forecast period leading to increased adoption of technology in various end use industries plus increased investment by public and private players in these solutions. Government of India under the Union Budget Speech 2023-24 announced that a National Data Governance Policy will be brought out, which will unleash innovation and research by start-ups and academia – further helping the growth of the high-end computing solutions market in India. High-end computing solutions industry is a rapidly evolving and technologically advanced industry that requires the vendors to stay abreast of the developments and improve & customise their designs, and hardware and software offerings. The nature of the industry and the rapidity of technological advancement necessitates continual innovation, improvement, and customisation of their 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 industry is R&D intensive and relies significantly on technically qualified resources.

India HPC Market by Application (USD Mn) - FY 2023F-2029F (Forecasted years)



India Private Cloud & Hyperconverged Infrastructure (HCI) Market by Application (USD Mn) - FY 2023F-2029F (Forecasted years)



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(Source: Prospectus)

### Key Managerial Personnel

**Sanjay Lodha**, aged 51, is the Promoter and the Chairman and Managing Director of Company. He has been associated with 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 Company from the year 2016. He was the sole proprietor of the proprietorship, M/s Netweb Technologies since 1996 which was acquired by Company in August 2016.

**Navin Lodha**, aged 49, is the Promoter and the Whole Time Director of Company. He has been associated with 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 Company's sales and marketing department and has over 15 years of experience in sales and marketing.

**Vivek Lodha**, aged 47, is the Promoter and the Whole Time Director of Company. He has been associated with 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 Company's sales and marketing department and has over 15 years of experience in sales and marketing.

**Niraj Lodha**, aged 46, is the Promoter and the Whole Time Director of Company. He has been associated with 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 Company's sales and marketing department and has over 15 years of experience in sales and marketing.

**Mrutyunjay Mahapatra** is the Independent Director of 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.

**Jasjeet Singh Bagla** is the Independent Director of 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.

To conclude, the company has 4 promoters. The management has immense knowledge and experience in the industry and overall business in which the company operates in.



**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>     |                  |
| Revenue from Operations   | 14,278.7         | 24,703.3         | 44,497.2         |                  |
| Other Income  | 150.4            | 90.8             | 67.8             |                  |
| <b>Total Income</b>   | <b>14,429.10</b> | <b>24,794.10</b> | <b>44,565.00</b> |                  |
| <b>Expenses</b>   |                  |                  |                  |                  |
| Cost of Materials consumed  | 11,862.9         | 17,809.8         | 32,524           |                  |
| Purchase of stock-in-trade  | -                | -                | -                |                  |
| Changes in inventories of Finished goods, work-in- Progress             | -1,247.1         | 836              | -87.5            |                  |
| Employee benefits expense   | 1,274.2          | 1,520.5          | 2,935.3          |                  |
| Finance costs   | 333.3            | 364.2            | 407.3            |                  |
| Depreciation and Amortization expense                                   | 145.2            | 163.8            | 365.7            |                  |
| Other expenses  | 950.5            | 1,077.1          | 2,123.9          |                  |
| <b>Total Expenses</b>   | <b>13,319.00</b> | <b>21,771.40</b> | <b>38,268.70</b> |                  |
| <b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b> | <b>1,438.20</b>  | <b>3,459.90</b>  | <b>7,001.50</b>  |                  |
| <b>EBITDA Margin</b>  | <b>10%</b>       | <b>14%</b>       | <b>16%</b>       |                  |
| <b>Profit/(Loss) before exceptional items and tax</b>                   | <b>1,110.10</b>  | <b>3,022.70</b>  | <b>6,296.30</b>  |                  |
| Less: Exceptional Items   | -                | -                | -                |                  |
| <b>Profit/(Loss) before tax</b>   | <b>1,110.10</b>  | <b>3,022.70</b>  | <b>6,296.30</b>  |                  |
| Tax Expense   |                  |                  |                  |                  |
| Current Tax   | 366.3            | 757.6            | 1,561.6          |                  |
| Current Year  | -                | -                | -                |                  |
| Earlier Year  | -                | -                | -                |                  |
| Deffered tax  | -79.2            | 19.8             | 41.1             |                  |
| Total Tax Expense   | 287.10           | 777.40           | 1,602.70         |                  |
| <b>Profit/(Loss) for the year</b>                                       | <b>823.0</b>     | <b>2,245.3</b>   | <b>4,693.6</b>   |                  |
| Net Profit Margin   | 6%               | 9%               | 11%              |                  |

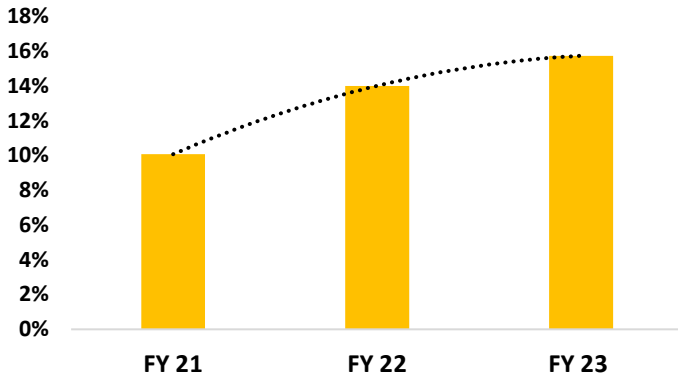
| <b>Balance Sheet</b>                |              |              |              | <b>(In Lacs)</b> |
|-------------------------------------|--------------|--------------|--------------|------------------|
| <b>Particulars</b>                  | <b>FY 21</b> | <b>FY 22</b> | <b>FY 23</b> |                  |
| <b>ASSETS</b>                       |              |              |              |                  |
| <b>Non-Current Assets</b>           | -            | -            | -            |                  |
| Property, Plant and Equipment       | 536.1        | 886          | 1,694.1      |                  |
| Right of use of assets              | 122.5        | 77.4         | 494.6        |                  |
| Capital Work-in-progress            | -            | 52.2         | 176.3        |                  |
| Intangible assets                   | -            | 73           | 147.5        |                  |
| Intangible Assets Under Development | -            | -            | 2.3          |                  |
| Financial Assets                    | -            | -            | -            |                  |
| (i) Investments                     | -            | -            | -            |                  |
| (ii) Other Financial Assets         | 123.3        | 151          | 100          |                  |
| Deferred Tax Assets (net)           | 132.1        | 108.9        | 66.4         |                  |
| Income-tax assets (net)             | -            | -            | -            |                  |
| Other Non-current Assets            | 59.9         | 32.7         | 97.4         |                  |

| <b>Balance Sheet</b>                      |           |           |                  |
|---|-----------|-----------|------------------|
|   |           |           | <b>(In Lacs)</b> |
| <b>Total Non-Current assets</b>           | 973.90    | 1,381.20  | 2,778.60         |
| <b>Current Assets</b>                     |           |           |                  |
| Inventories                               | 2,921.9   | 3,831.5   | 5,407.4          |
| Financial Assets                          |           |           |                  |
| (i) Investments                           | -         | -         | -                |
| (ii) Trade Receivables                    | 5,574.8   | 7,780.5   | 15,153.2         |
| (iii) Cash and cash equivalents           | 202.4     | 202.6     | 709.2            |
| (iv) Other Bank balances                  | 513.2     | 551.7     | 652.2            |
| (v) Other Financial assets                | 193.9     | 143.2     | 222.5            |
| (vi) Loans                                | -         | -         | -                |
| Other Current assets                      | 639.4     | 969.9     | 1,671.9          |
| <b>Total Current assets</b>               | 10,045.60 | 13,479.40 | 23,816.40        |
| <b>Total Assets</b>                       | 11,019.50 | 14,860.60 | 26,595.00        |
| <b>EQUITY AND LIABILITIES</b>             |           |           |                  |
| <b>Equity</b>                             |           |           |                  |
| Equity Share Capital                      | 565.8     | 565.8     | 1,018.5          |
| Instruments entirely equity in nature     | -         | -         | -                |
| Other Equity                              | 1,615.9   | 3,871.2   | 8,348.1          |
| <b>Total Equity</b>                       | 2,181.70  | 4,437.00  | 9,366.60         |
| <b>Liabilities</b>                        |           |           |                  |
| <b>Non-current liabilities</b>            |           |           |                  |
| Financial Liabilities                     |           |           |                  |
| (i) Borrowings                            | 1,438.7   | 1,444.2   | 931.2            |
| (ii) Lease liabilities                    | 91.6      | 70.7      | 406.1            |
| (iii) Other Financial Liabilities         | -         | -         | -                |
| Provisions                                | 96.6      | 113.9     | 149.2            |
| Other Non-current Liabilities             | 24.3      | 12.3      | 10.5             |
| <b>Total Non-current liabilities</b>      | 1,651.20  | 1,641.10  | 1,497.00         |
| <b>Current liabilities</b>                |           |           |                  |
| Financial Liabilities                     |           |           |                  |
| (i) Borrowings                            | 1,471.2   | 1,912.6   | 2,108.6          |
| (ii) Lease liabilities                    | 52.3      | 20.9      | 114.4            |
| (iii) Trade payables                      |           |           |                  |
| Total outstanding dues of micro and small | 7.8       | 16        | 9.8              |
| Total outstanding dues of other creditors | 4,251.1   | 5,312.8   | 10,326.9         |
| (iv) Other financial liabilities          | 647.7     | 431.1     | 1,182.1          |
| Other current liabilities                 | 446.7     | 486.9     | 1,126.3          |
| Provisions                                | 11.1      | 14.3      | 19.7             |
| Current tax liabilities (Net)             | 298.7     | 587.9     | 843.6            |
| <b>Total Current liabilities</b>          | 7,186.60  | 8,782.50  | 15,731.40        |
| <b>Total Liabilities</b>                  | 8,837.80  | 10,423.60 | 17,228.40        |
| <b>Total Equity and Liabilities</b>       | 11,019.50 | 14,860.60 | 26,595.00        |

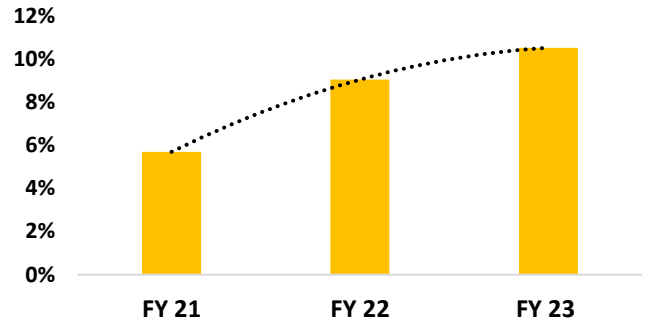
| <b>Ratio Sheet</b>                 |              |              |              |
|------------------------------------|--------------|--------------|--------------|
| <b>Particulars</b>                 | <b>FY 21</b> | <b>FY 22</b> | <b>FY 23</b> |
| <b><u>Per Share Data</u></b>       |              |              |              |
| Diluted EPS                        | 1.62         | 4.41         | 9.07         |
| BV per share                       | 3.89         | 7.91         | 16.71        |
| <b><u>Operating Ratios</u></b>     |              |              |              |
| EBITDA Margins                     | 10%          | 14%          | 16%          |
| PAT Margins                        | 6%           | 9%           | 11%          |
| Inventory days                     | 74.69%       | 56.61%       | 44.36%       |
| Debtor days                        | 142.51%      | 114.96%      | 124.30%      |
| Creditor days                      | 125.21%      | 99.46%       | 110.93%      |
| <b><u>Return Ratios</u></b>        |              |              |              |
| RoCE                               | 34%          | 54%          | 61%          |
| RoE                                | 38%          | 51%          | 50%          |
| <b><u>Valuation Ratios (x)</u></b> |              |              |              |
| EV/EBITDA                          | 3.04         | 2.03         | 1.58         |
| Market Cap / Sales                 | 19.63        | 11.35        | 6.30         |
| P/E                                | 308.64       | 113.38       | 55.13        |
| Price to Book Value                | 128.49       | 63.18        | 29.93        |
| <b><u>Solvency Ratios</u></b>      |              |              |              |
| Debt / Equity                      | 1.33         | 0.76         | 0.32         |
| Current Ratio                      | 1.40         | 1.53         | 1.51         |
| Quick Ratio                        | 0.99         | 1.10         | 1.17         |
| Asset Turnover                     | 1.30         | 1.66         | 1.67         |
| Interest Coverage Ratio            | 3.88         | 9.05         | 16.29        |

**Financial Charts**

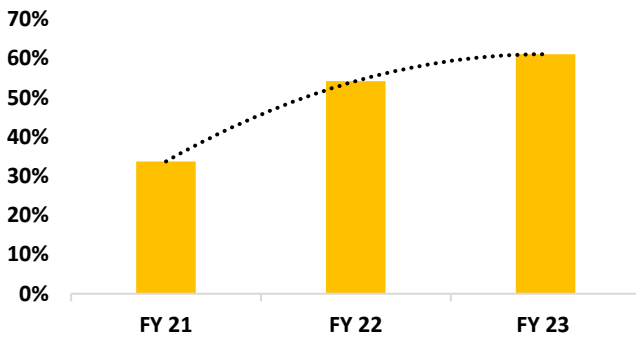
**EBITDA Margin**



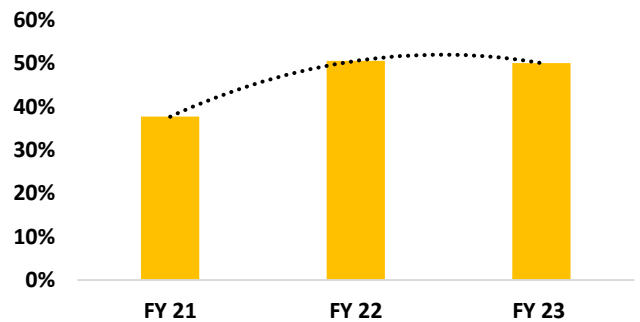
**Net Profit Margin**



**Return On Capital Employed**



**Return on Equity**



**Key Risk Factors**

1. Majority portion of revenues from operations is from few of HCS offerings. Loss or decline in the demand of such offerings may result in an adverse effect on business, revenue from manufacturing operations and financial condition.
2. Promoters were involved in certain regulatory proceedings initiated by SEBI which have been settled. Further, one of the members of Promoter Group is involved in a regulatory proceeding initiated by SEBI. Case was allegedly in violation of the provisions of the EBI Act, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (SEBI PFUTP Regulations).
3. Company have had low-capacity utilisation in Fiscals 2023, 2022 and 2021. Reduction in actual production or inability to consistently achieve higher production could adversely affect installed capacity utilization.
4. Operations are heavily dependent on research and development and technology partnerships.

### Track Record of Lead Manager

The lead managers to the issue are Equirus Capital Private Limited and Iifl Securities Limited. A table has been set below highlighting the details of the IPO of the last 5 companies handled by the Lead Managers in recent times –

#### Equirus Capital Private Limited

| Sr. No. | Company Name                                | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|---|-------------------|----------------------------|--------------|------------|
| 1.      | Divgi TorqTransfer Systems Limited          | 412.12            | 590.00                     | May 14, 2023 | 912.45     |
| 2.      | Inox Green Energy Services Limited          | 740.00            | 65.00                      | Nov 23, 2023 | 57.07      |
| 3.      | Harsha Engineers International Ltd          | 755.00            | 330.00                     | Sep 26, 2022 | 445.90     |
| 4.      | Dreamfolks Services Limited                 | 562.10            | 326.00                     | Sep 26, 2022 | 680.65     |
| 5.      | Prudent Corporate Advisory Services Limited | 538.61            | 630.00                     | May 20, 2022 | 1,019.90   |

#### Iifl Securities Limited

| Sr. No. | Company Name                             | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date   | CMP* (INR) |
|---------|--|-------------------|----------------------------|----------------|------------|
| 1.      | IdeaForge Technology Limited             | 567.29            | 672.00                     | July 07, 2023  | 1,229.50   |
| 2.      | Nexus Select Trust                       | 3200.00           | 100.00                     | May 19, 2023   | 114.23     |
| 3.      | Mankind Pharma Limited                   | 4326.36           | 1,080.00                   | May 09, 2023   | 1,821.65   |
| 4.      | Avalon Technologies Limited              | 865.00            | 436.00                     | April 18, 2023 | 697.20     |
| 5.      | Radiant Cash Management Services Limited | 835.61            | 256.00                     | Jan 04, 2023   | 92.06      |

\*CMP is taken as on 14<sup>th</sup> July 2023

The two BRLMs associated with the offer have handled 41 public issues in the last three fiscals, out of which 13 issues closed below the offer price on the listing date.

**Recommendation**

The company has been into the industry since quite a long time and has been able to generate healthy revenue and profitability margin over the year.

The management outlook of the company is also good with proper bifurcation of the roles and responsibilities of its top management.

The PE on an annualised and Post IPO basis is around 54.23 times which seems to be fairly priced looking at the performance of peers companies average PE 93.5 and size of the company.

Over the years, the company on an average has performed better than its peers in terms of profitability margins, ROCE, ROE, EBITDA and EPS. Looking at the financial performance, the business performance and outlook of its management, **one should apply for the IPO.**

**Disclaimer**

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