

IPO Report

Choice

“SUBSCRIBE” to

Netweb Technologies India Ltd.

India's leading high-end computing solutions provider



Salient features of the IPO:

- **Netweb Technologies India Ltd.** (NTIL), India's leading high performance computing solution provider is coming up with an IPO to raise around Rs. 630cr, which opens on 17th Jul. and closes on 19th Jul. 2023. The price band is Rs. 475 - 500 per share.
- The IPO is a combination of fresh issue (Rs. 206cr) and OFS (Rs. 403.8 - 425cr). The company will not receive any proceeds from the OFS portion. From the fresh issue net proceeds, NTIL will be utilizing Rs. 128cr for funding the long-term working capital requirement, Rs. 32.3cr will be used to fund the proposed capital expenditure and Rs. 22.5cr will be utilized for the pre-payment/re-payment of certain borrowings. Residual funds will be used for general corporate purposes.
- On 30th Jun. 2023, the company has undertaken a pre-IPO placement of 0.102cr shares at Rs. 500 per shares. The total amount realized was Rs. 51cr. Consequently, the fresh issue size is lowered from Rs. 257cr, which was proposed during the filing of the DRHP.
- Some of the promoter & promoter group entities are partially offloading their stake in NTIL via the OFS route. Post-IPO, promoter & promoter group's stake in the company will be at 75.45%, compared to 97.8% (pre-IPO). Accordingly, public shareholding will increase to 24.55% from pre-IPO levels of 2.2%.

Key competitive strengths:

- One of India's leading Indian origin owned and controlled OEMs for HCS with integrated design and manufacturing capabilities
- Long standing relationship with a marquee and diverse customer base
- Significant product development and innovation through R&D
- One of India's leading HCS providers, which operates in a rapidly evolving and technologically advanced industry with high entry barriers
- Track record of financial performance and consistent growth
- Experienced board and senior management

Risk and concerns:

- General slowdown in the global economic activities
- Unfavorable government policies & regulations
- Difficulty in overseas expansion
- Rapid changing technological landscape
- Difficulty in maintaining the profitability
- Competition

Below are the key highlights of the company:

- Based on computation type, the Indian information technology (IT) market is segmented into high-performance computing (HPC) systems, workstations, other devices infrastructure, software, IT business services, and emerging-tech & telecom services. HPC systems have gained popularity over time due to their ability to handle large multi-dimensional datasets and solve complex problems at breakneck speeds by utilizing clusters of powerful processors. Workstations comprise of artificial intelligence (AI) and enterprise workstations. The Industrial internet-of-things, AI, engineering, drug discovery and healthcare, etc. are witnessing a higher application of HPC products & services and thus, all are anticipated to drive investments in the HPC market.
- NTIL is one of India's leading Indian origin owned and controlled original equipment manufacturer in the space of high-end computing solutions (HCS). The company provides supercomputing systems, private cloud & HCI (hyper-converged infrastructure), data center servers, AI systems & enterprise workstations and high-performance storage (HPS) solutions. These find application across sectors like IT, ITes, entertainment & media, banking, financial services & insurance, national data centers and government entities like defence, education and research development institutions. It claims to have a 20-25% share in the domestic supercomputing market. In FY23, NTIL forayed into new product lines i.e. network switches and 5G ORAN appliances, which are critical to the data center market for enterprise IT and the telecommunication sector for enabling 5G services.

Issue details

Price band	Rs. 475 - 500 per share
Face value	Rs. 2
Shares for fresh issue	0.412 - 0.434cr shares
Shares for OFS	0.850cr shares
Fresh issue size	Rs. 206cr
OFS issue size	Rs. 403.8 - 425cr
Total issue size	1.262 - 1.284cr shares (Rs. 609.8 - 631cr)
Employee reservation	0.002cr shares (Rs. 1cr)
Net issue size	1.260 - 1.282cr shares (Rs. 608.8 - 630cr)
Bidding date	17 th Jul. - 19 th Jul. 2023
Implied MCAP at higher price band	Rs. 2,803cr
Implied enterprise value at higher price band	Rs. 2,580cr
Book running lead manager	Equirus Capital Pvt. Ltd. and IIFL Securities Ltd.
Registrar	Link Intime India Pvt. Ltd.
Sector	IT - Solutions
Promoters	Mr. Sanjay Lodha, Mr. Navin Lodha, Mr. Vivek Lodha and Mr. Niraj Lodha

Issue break-up

Category	Percent of issue (%)	Number of shares
QIB portion	50%	0.630 - 0.641cr shares
Non institutional portion (Big)	10%	0.126 - 0.128cr shares
Non institutional portion (Small)	5%	0.063 - 0.064cr shares
Retail portion	35%	0.441 - 0.449cr shares

Indicative IPO process time line

Finalization of basis of allotment	24 th Jul. 2023
Unblocking of ASBA account	25 th Jul. 2023
Credit to demat accounts	26 th Jul. 2023
Commencement of trading	27 th Jul. 2023

Pre and post - issue shareholding pattern

	Pre-issue	Post-issue
Promoter & promoter group	97.80%	75.45%
Public	2.20%	24.55%
Total	100.00%	100.00%

Retail application money at higher cut-off price per lot

Number of shares per lot	30
Employee discount	Rs. 25 per equity share
Application money	Rs. 15,000 per lot

Key highlights of the company (Contd...):

- It has collaborations with various technology partners, such as Intel Inc., Advanced Micro Devices Inc., Samsung India Electronics Pvt. Ltd., Nvidia Corporation and Seagate India Pvt. Ltd. to design and innovate products and provide services tailored to specific customer requirements. NTIL also independently designs and innovates products & solutions tailored to specific customer requirements.
- The company's products & solutions are sold under the "Tyrone" brand. Its supercomputing systems use the "Tyrone" cluster management suite, which is an integrated set of software components that can be deployed in a variety of configurations. Marketed under the "Tyrone Skylus" brand, NTIL's private cloud & HCI offerings comprise of private cloud, hybrid cloud, cloud tools, HCI and cloud native storage. Its AI systems & enterprise workstations address requirements of supercomputing, machine learning and deep learning, and are equipped with the proprietary containerized application solution (i.e. Tyrone KUBYTS). During FY23, the Supercomputing system, Private cloud & HCI and AI systems & enterprise workstations vertical generated 39.2%, 33.1% and 7%, respectively, of the total business from the sales of products and services.
- Under HPS solutions, NTIL provides high throughput and high input-output storage to enterprise computation users. Its HPS solutions include a unified storage solution (branded as "Tyrone VERTA"), cloud native storage (Tyrone COLLECTIVO), parallel file system storage (Tyrone ParallelStar), etc. Under the Data center servers vertical, the company has designed and built an extensive range of over 200 dual processor server models (branded under "Tyrone Camarero"), which caters to varied customer needs from entry level servers to high-end mission-critical servers. The HPS solutions and Data center server vertical generated 7% and 6.4%, respectively, of the total business from the sales of products and services.
- It is one of the few players in India that can offer a full stack of product & solution suite with comprehensive capabilities in designing, developing, implementing and integrating high performance computing solutions. With installations of over 300 supercomputing systems since its inception, NTIL is one of the largest manufacturers of supercomputing systems in India. The company is associated with the implementation of the "PARAM Yuva-II", one of India's fastest and largest hybrid supercomputers. Moreover, NTIL's recent AI supercomputer "AIRAWAT", installed at C-DAC, Pune has been ranked 75th in the world. The company has also installed over 50 private cloud & HCI installations, over 4,000 accelerator/GPU based AI systems & enterprise workstations and high-performance storage solutions with throughput storage of up to 450GB/ sec.
- NTIL's clientele includes names like 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, Indian space research organization and R&D division of the Ministry of Electronics and Information Technology, Government of India. The company has developed long standing relationships with the customers, which can be reflected from the years of association and business generation. Over FY20-23, around 80-85% of the total revenue was generated from these repeat clients.
- The company has a manufacturing facility located in Faridabad, Haryana. It also has a manufacturing agreement with a third-party entity for manufacturing server motherboards and related printed circuit board assemblies using surface mount technology. To remove reliance on the third-party entity, NTIL is in the process of setting-up another manufacturing facility with a capital outlay of around Rs. 32cr. The company proposes to fund this expansion from the fresh issue net proceeds. Additionally, it is eligible for the production linked incentives (PLI) for IT Hardware (for the production of servers) and Telecom & Networking (for the manufacturing of networking and telecom products). In FY23, NTIL received incentives of Rs. 4cr under the PLI scheme of the Government of India.
- On the back of improved demand for its products and benefiting from the economies of scale, NTIL has reported robust growth in the business with improvement in the profitability over FY20-23. The company reported a 41.8% CAGR rise in the total operating revenue to Rs. 445cr in FY23. Business from the Supercomputing system and Private cloud & HCI verticals (which cumulatively contributed around 72% to the total revenue in FY23, compared to 63% in FY20) increased by 39.8% and 61.7% CAGR, respectively. Net cost of revenue increased by 36.5% CAGR (lower than the top-line growth), resulting in an 879bps expansion in the gross margin. Further with relatively lower growth in the employee and other expenses, EBITDA margin expanded by around 10.6ppts to 15.7% in FY23, compared to 5.2% in FY20. EBITDA increased by 105.5% CAGR during the period to Rs. 70cr in FY23. Depreciation charges and finance cost increased by 39.8% and 15.7%, respectively. Consequently, the reported PAT increased by 129% CAGR to Rs. 46.9cr in FY23. PAT margin expanded by 804bps to 10.5% in FY23.
- Except for FY21, NTIL reported positive operating cash flows during FY20-23, which increased by 83.4% CAGR. Average operating cash flow stood at Rs. 6.7cr during the period. Total financial liabilities increased by 37.5% CAGR, however, higher profitability led to a debt-to-equity ratio of 0.5x in FY23, compared to 1.3x in FY20. Average pre-issue RoIC and RoE stood at 33% and 41.8%, respectively. The company has not declared a dividend in the initial three reported years but declared a dividend of Rs. 0.5 per share in FY23.
- Based on our quick estimates, over FY23-25E top-line is likely to grow by 37% CAGR to Rs. 835.4cr in FY25E. Economies of scale operation would expand the EBITDA and PAT margin by 132bps and 162bps, respectively, to 17.1% and 12.2% in FY25E. Post-issue RoIC and RoE are expected at 19.1% and 19.6%, respectively, in FY25E, compared to 13.6% and 13.4%, in FY23.

Peer comparison and valuation: There are no comparable peers in the listed space having a business model and product offerings similar to NTIL. At the higher price band, it is demanding a P/E multiple of 59.7x (to its FY23 earning), which seems to be on the higher side. However, considering the business potential and earning growth in the medium term, we believe the demanded valuation is reasonable. Thus we assign a "SUBSCRIBE" rating for the issue.

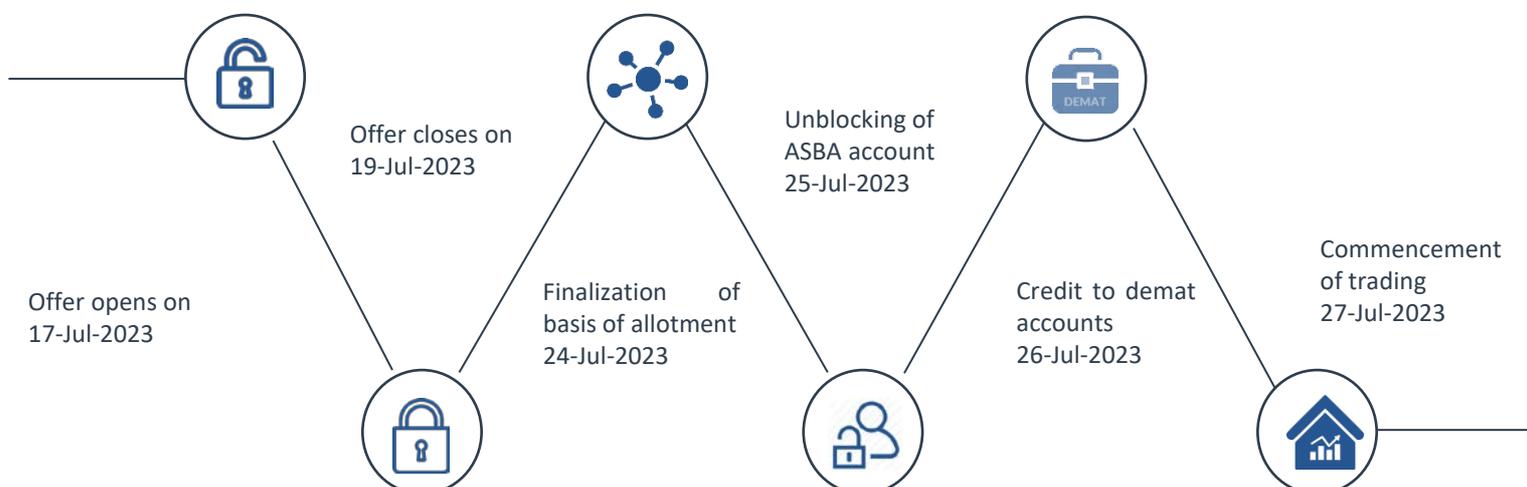
About the issue:

- NTIL is coming up with an IPO with 1.262 - 1.284cr shares (fresh issue: 0.412 - 0.434cr shares; OFS shares: 0.85cr shares) in offering. This offer represents 22.51 – 22.81% of the post-issue paid-up equity shares of the company. Total IPO size is Rs. 609.8 - 631cr.
- The issue is through book building process with a price band of Rs. 475 - 500 per share.
- Lot size comprises of 30 equity shares and in multiple of 30 shares thereafter.
- The issue will open on 17th Jul. 2023 and close on 19th Jul. 2023.
- The IPO is a combination of fresh issue (Rs. 206cr) and OFS (Rs. 403.8 - 425cr). The company will not receive any proceeds from the OFS portion. From the fresh issue net proceeds, NTIL will be utilizing Rs. 128cr for funding the long-term working capital requirement; Rs. 32.3cr will be used to fund the proposed capital expenditure and Rs. 22.5cr will be utilized for the pre-payment/re-payment of certain borrowings. Residual funds will be used for general corporate purposes.
- On 30th Jun. 2023, the company has undertaken a pre-IPO placement of 0.102cr shares at Rs. 500 per shares. Total amount realized was Rs. 51cr. Consequently, the fresh issue size is lowered from Rs. 257cr proposed while filing the DRHP.
- 50% of the net issue are reserved for qualified institutional buyers, while 15% and 35% of the net issue is reserved for non-institutional bidders and retail investors, respectively.
- Some of the promoter & promoter group entities are partially offloading their stake in NTIL via the OFS route. Promoter currently holds 97.8% stake in the company and post-IPO, this will come down to 75.45%. Consequently, public holding will increase from current 2.2% to 24.55%.

Pre and post-issue shareholding pattern (%)		
	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group	97.80%	75.45%
Public	2.20%	24.55%

Source: Choice Equity Broking

Indicative IPO process time line:



Pre-issue financial performance:

Performance over FY20-23: On the back of improved demand for its products and benefiting from the economies of scale, NTIL has reported robust growth in the business with improvement in the profitability over FY20-23.

The company reported a 41.8% CAGR rise in the total operating revenue to Rs. 445cr in FY23. Business from the Supercomputing system and Private cloud & HCI verticals (which cumulatively contributed around 72% to the total revenue in FY23, compared to 63% in FY20) increased by 39.8% and 61.7% CAGR, respectively. Business from the AI systems & enterprise workstations, HPS solutions and Data center server verticals increased by 22.5%, 79.2% and 13.3% CAGR, respectively.

Net cost of revenue increased by 36.5% CAGR (lower than the top-line growth), resulting in an 879bps expansion in the gross margin. Further with relatively lower growth in the employee and other expenses, EBITDA margin expanded by around 10.6ppts to 15.7% in FY23, compared to 5.2% in FY20. EBITDA increased by 105.5% CAGR during the period to Rs. 70cr in FY23.

Depreciation charges and finance cost increased by 39.8% and 15.7%, respectively. Consequently, the reported PAT increased by 129% CAGR to Rs. 46.9cr in FY23. PAT margin expanded by 804bps to 10.5% in FY23.

Except for FY21, NTIL reported positive operating cash flows during FY20-23, which increased by 83.4% CAGR. Average operating cash flow stood at Rs. 6.7cr during the period. Total financial liabilities increased by 37.5% CAGR, however, higher profitability led to a debt-to-equity ratio of 0.5x in FY23, compared to 1.3x in FY20. Average pre-issue RoIC and RoE stood at 33% and 41.8%, respectively. The company has not declared a dividend in the initial three reported years, but declared a dividend of Rs. 0.5 per share in FY23.

Pre-issue financial snapshot (Rs. cr)	FY20	FY21	FY22	FY23	CAGR over FY20-23	Y-o-Y (FY23 annual)
Supercomputing system	63.3	13.9	103.0	172.8	39.8%	67.8%
Private cloud and HCI	34.5	40.5	47.9	146.1	61.7%	205.1%
AI systems and enterprise workstations	16.8	14.6	24.3	30.9	22.5%	27.2%
HPS solutions	5.4	33.6	21.7	30.8	79.2%	42.1%
Data centre server	19.5	16.8	24.1	28.3	13.3%	17.5%
Software and service for HCS offerings	2.8	2.5	6.9	9.5	49.9%	38.1%
Spare and others	13.7	20.9	19.2	22.5	18.1%	17.4%
Other operating revenue				4.0		
Revenue from operations	156.0	142.8	247.0	445.0	41.8%	80.1%
Gross profit	28.6	36.6	60.6	120.6	61.6%	99.1%
EBITDA	8.1	14.4	34.6	70.0	105.5%	102.4%
Reported PAT	3.9	8.2	22.5	46.9	129.0%	109.0%
Restated reported EPS	0.7	1.5	4.0	8.4	129.0%	109.0%
Cash flow from operating activities	4.4	(9.9)	5.2	27.1	83.4%	423.1%
NOPLAT	4.9	9.6	24.5	49.5	115.6%	102.0%
FCF		(1.0)	2.8	5.4		90.1%
RoIC (%)	18.9%	26.0%	41.4%	45.9%	2,697 bps	446 bps
Revenue growth rate		-8.5%	73.0%	80.1%		
Gross profit growth rate		28.2%	65.4%	99.1%		
Gross profit margin	18.3%	25.7%	24.5%	27.1%	879 bps	258 bps
EBITDA growth rate		78.3%	140.6%	102.4%		
EBITDA margin	5.2%	10.1%	14.0%	15.7%	1,057 bps	173 bps
Restated reported PAT growth rate		110.7%	172.8%	109.0%		
Restated reported PAT margin	2.5%	5.8%	9.1%	10.5%	804 bps	146 bps
Inventory days	26.3	51.7	49.9	37.9	13.0%	-24.1%
Debtor days	41.2	93.8	98.7	94.1	31.6%	-4.7%
Payable days	(37.4)	(74.9)	(70.8)	(64.3)	19.8%	-9.3%
Cash conversion cycle	30.1	70.6	77.7	67.7	31.0%	-12.9%
Fixed asset turnover ratio	25.1	21.7	22.7	17.7	-11.0%	-22.0%
Total asset turnover ratio	3.1	1.3	1.7	1.7	-18.4%	0.7%
Current ratio	1.9	1.4	1.6	1.5	-6.6%	-1.6%
Quick ratio	1.4	1.0	1.1	1.2	-5.1%	6.2%
Total debt	18.2	37.0	38.8	47.4	37.5%	22.2%
Net debt	11.6	29.9	31.3	33.8	42.8%	8.2%
Debt to equity	1.3	1.7	0.9	0.5	-27.6%	-42.1%
Net debt to EBITDA	1.4	2.1	0.9	0.5	-30.5%	-46.5%
RoE (%)	28.6%	37.7%	50.6%	50.1%	2,149 bps	(49) bps
RoA (%)	7.7%	7.5%	15.1%	17.6%	993 bps	254 bps
RoCE (%)	31.5%	39.3%	60.5%	68.5%	3,699 bps	803 bps

Note: Pre-IPO financial and ratios; Source: Choice Equity Broking

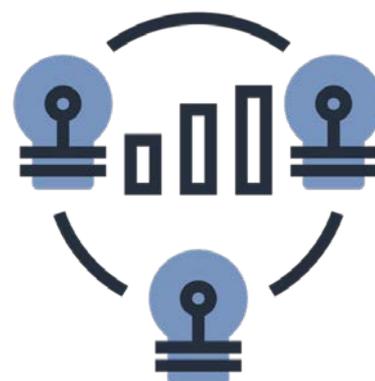


Competitive strengths:

- One of India's leading Indian origin owned and controlled OEM for HCS with integrated design and manufacturing capabilities
- Long standing relationship with a marquee and diverse customer base
- Significant product development and innovation through R&D
- One of India's leading HCS provider and operate in a rapidly evolving and technologically advanced industry with high entry barriers
- Track record of financial performance and consistent growth
- Experienced board and senior management

Business strategy:

- Expanding and augmenting the product portfolio
- Expanding geographic footprints in EMEA (i.e., Europe, Middle East and Africa)
- Deepen penetration across verticals



Risk and concerns:

- General slowdown in the global economic activities
- Unfavorable government policies & regulations
- Difficulty in overseas expansion
- Rapid changing technological landscape
- Difficulty in maintaining the profitability
- Competition

Financial statements:

Profit and loss statement (Rs. cr)						
	FY20	FY21	FY22	FY23	CAGR over FY20 - 23	Annual growth over FY22
Revenue from operations	156.0	142.8	247.0	445.0	41.8%	80.1%
Cost of materials consumed	(129.5)	(118.6)	(178.1)	(325.2)	35.9%	82.6%
Change in inventories of finished goods and work-in-progress	2.0	12.5	(8.4)	0.9	-24.6%	-110.5%
Gross profit	28.6	36.6	60.6	120.6	61.6%	99.1%
Employee benefits expense	(10.8)	(12.7)	(15.2)	(29.4)	39.6%	93.0%
Other expenses	(9.7)	(9.5)	(10.8)	(21.2)	29.7%	97.2%
EBITDA	8.1	14.4	34.6	70.0	105.5%	102.4%
Depreciation and amortization expenses	(1.3)	(1.5)	(1.6)	(3.7)	39.8%	123.3%
EBIT	6.7	12.9	33.0	66.4	114.5%	101.3%
Finance costs	(2.6)	(3.3)	(3.6)	(4.1)	15.7%	11.8%
Other income	1.2	1.5	0.9	0.7	-17.9%	-25.3%
PBT	5.3	11.1	30.2	63.0	127.9%	108.3%
Tax expenses	(1.4)	(2.9)	(7.8)	(16.0)	124.6%	106.2%
Reported PAT	3.9	8.2	22.5	46.9	129.0%	109.0%

Balance sheet statement (Rs. cr)						
	FY20	FY21	FY22	FY23	CAGR over FY20 - 23	Annual growth over FY22
Equity share capital	5.7	5.7	5.7	10.2	21.6%	80.0%
Other equity	8.0	16.2	38.7	83.5	118.6%	115.6%
Non-current borrowings	12.1	16.1	15.7	11.2	-2.6%	-28.9%
Non-current lease liabilities	1.3	0.9	0.7	4.1	48.1%	474.4%
Non-current provisions	0.7	1.0	1.1	1.5	29.8%	31.0%
Other non-current liabilities	0.3	0.2	0.1	0.1	-27.9%	-14.6%
Trade payables	16.0	42.6	53.3	103.4	86.3%	94.0%
Current borrowings	1.5	13.0	17.8	19.2	134.0%	7.7%
Current lease liabilities	0.4	0.5	0.2	1.1	46.7%	447.4%
Other current financial liabilities	3.0	6.5	4.3	11.8	57.8%	174.2%
Current provisions	0.0	0.1	0.1	0.2	481.9%	37.8%
Net current tax liabilities	0.3	3.0	5.9	8.4	200.5%	43.5%
Other current liabilities	1.4	4.5	4.9	11.3	98.1%	131.3%
Total liabilities	50.6	110.2	148.6	266.0	73.9%	79.0%
Property, plant and equipment	4.8	5.4	8.9	16.9	52.7%	91.2%
Intangible assets			0.7	1.5		102.1%
Capital work-in-progress			0.5	1.8		237.7%
Intangible assets under development				0.0		
Right-of-use assets	1.5	1.2	0.8	4.9	50.1%	539.0%
Other non-current financial assets	0.6	1.2	1.5	1.0	19.9%	-33.8%
Net deferred tax assets	0.5	1.3	1.1	0.7	9.3%	-39.0%
Other non-current assets	0.7	0.6	0.3	1.0	9.3%	197.9%
Inventories	11.2	29.2	38.3	54.1	68.9%	41.1%
Trade receivables	17.6	55.7	77.8	151.5	104.9%	94.8%
Cash & cash equivalents	6.6	7.2	7.5	13.6	27.2%	80.5%
Other current financial assets	1.6	1.9	1.4	2.2	12.8%	55.4%
Other current assets	5.5	6.4	9.7	16.7	44.7%	72.4%
Total assets	50.6	110.2	148.6	266.0	73.9%	79.0%

Note: Pre-IPO financials; Source: Choice Equity Broking

Financial statements (Contd...):

Cash flow statement (Rs. cr)						
	FY20	FY21	FY22	FY23	CAGR over FY20 - 23	Annual growth over FY22
Cash flow before working capital changes	8.6	14.7	35.0	72.5	103.3%	107.1%
Working capital changes	(2.6)	(23.6)	(25.1)	(32.3)	131.6%	28.5%
Cash flow from operating activities	4.4	(9.9)	5.2	27.1	83.4%	423.1%
Purchase of fixed assets and CWIP	(1.6)	(1.6)	(5.4)	(13.3)	102.1%	146.4%
Cash flow from investing activities	(2.9)	(1.9)	(5.5)	(14.0)	68.4%	156.5%
Cash flow from financing activities	(0.6)	11.8	0.3	(8.0)	140.1%	
Net cash flow	0.9	0.0	0.0	5.1	79.1%	
Opening balance of cash	1.1	2.0	2.0	2.0	22.0%	0.1%
Closing balance of cash	2.0	2.0	2.0	7.1	52.5%	250.0%

Financial ratios				
Particulars	FY20	FY21	FY22	FY23
Profitability ratios				
Revenue growth rate		-8.5%	73.0%	80.1%
Gross profit growth rate		28.2%	65.4%	99.1%
Gross profit margin	18.3%	25.7%	24.5%	27.1%
EBITDA growth rate		78.3%	140.6%	102.4%
EBITDA margin	5.2%	10.1%	14.0%	15.7%
EBIT growth rate		92.2%	154.9%	101.3%
EBIT margin	4.3%	9.1%	13.3%	14.9%
Restated adjusted PAT growth rate		110.7%	172.8%	109.0%
Restated adjusted PAT margin	2.5%	5.8%	9.1%	10.5%
Turnover ratios				
Inventory receivable turnover ratio	13.9	7.1	7.3	9.6
Trade receivable turnover ratio	8.9	3.9	3.7	3.9
Accounts payable turnover ratio	9.8	4.9	5.2	5.7
Fixed asset turnover ratio	25.1	21.7	22.7	17.7
Total asset turnover ratio	3.1	1.3	1.7	1.7
Return ratios				
RoIC (%)	18.9%	26.0%	41.4%	45.9%
RoE (%)	28.6%	37.7%	50.6%	50.1%
RoA (%)	7.7%	7.5%	15.1%	17.6%
RoCE (%)	31.5%	39.3%	60.5%	68.5%
Per share data				
Restated adjusted EPS (Rs.)	0.7	1.5	4.0	8.4
DPS (Rs.)	0.0	0.0	0.0	0.5
BVPS (Rs.)	2.4	3.9	7.9	16.7
Operating cash flow per share (Rs.)	0.8	(1.8)	0.9	4.8
Free cash flow per share (Rs.)		(0.2)	0.5	1.0
Dividend payout ratio	0.0%	0.0%	0.0%	5.4%

Note: Pre-IPO financial ratios; Source: Choice Equity Broking

IPO rating rationale

Subscribe: An IPO with strong growth prospects and valuation comfort.

Subscribe with Caution: Relatively better growth prospects but with valuation discomfort.

Avoid: Concerns on both fundamentals and demanded valuation.

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