

Netweb Technologies India Limited

Powering India's Compute Backbone in the AI-Cloud Era























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BUY @ CMP INR 1,723
Target: INR 2,805 in 24 months
Upside Potential: 62.8%

Powering India's Compute Backbone in the AI-Cloud Era

Business Model – Netweb Technologies Limited (NTIL) is a vertically integrated OEM delivering custom-built High-Performance Computing (HPC), AI systems, Private Cloud, and Enterprise Storage solutions. It operates on a B2B model and recently launched Skylus.ai for AI infra orchestration

India's compute infrastructure market is set for strong growth, driven by AI, private cloud, and HPC adoption. By FY28, AI infrastructure may reach ~INR 8,700 cr (~29.5% CAGR), Private Cloud & HCI ~INR 14,100 cr (~28.5% CAGR), and HPC ~INR 2,430 cr growing at 8.2% CAGR. NTIL, a leading indigenous OEM, stands to benefit significantly from this digital infrastructure wave.

NTIL, being one of the leading Indian-origin OEM in the space of High-end Computing Solutions (HCS) operates a fully integrated manufacturing facility in Faridabad and has deployed over 500 HPC systems, 5,000+ AI/GPU workstations, and 50+ private cloud setups across India. With plans to scale its AI Systems & Enterprise Workstations, High Performance Computing and Private Cloud & HCI by FY28, backed by PLI incentives and in-house R&D, NTIL is positioned to deliver 30%+ growth across its core verticals.

Over FY25–28E, NTIL's revenue is expected to grow at a 36.7% CAGR, reaching INR 2,938 cr, driven by:

- 36.7% CAGR in HPC, Private Cloud & HCI, and HCS-focused Software and Services to INR 1,014 cr, INR 1,047 cr, and INR 117 cr respectively.
- 50.9% CAGR in AI Systems & Enterprise Workstations to INR 588 cr
- 24.1% CAGR in Data Centre Server segment to INR 66 cr
- 64.7% CAGR in Networking Switches to INR 51 cr
- 14.3% CAGR in High Performance Storage (HPS) Solutions to INR 51 cr

EBITDA and net profit are expected to grow at a CAGR of 36.9% and 43.8% to INR 409 cr and INR 336 cr, respectively. EBITDA margin should improve 10 bps to 13.9%, while net margin may rise 160 bps to 11.4%. Return ratios—RoE and RoIC—are projected to improve by 730 bps to 28.6% and 930 bps to 51.3% in FY28E.

To support this growth, NTIL has already spent a portion of its IPO proceeds on Capex, with minimal maintenance Capex of ~INR 10 cr per annum projected over the forecast period.

Valuation call –We initiate coverage on the stock with a BUY for a price target of INR 2,805 (47.2x FY28 Net Earnings), which represents an upside of 62.8% over the next 24 months.

Key risks – High reliance on Global Technology partners and imported component

Key consolidated financial data (INR cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net Profit (%)	EPS (INR)	BVPS (INR)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY24	724.1	102.5	75.5	14.2	10.4	13.3	74.6	17.9	47.5	129.3	93.1
FY25	1149.0	159.4	113.2	13.9	9.8	20.0	93.6	21.3	42.0	86.3	60.1
FY26E	1589.0	213.0	174.5	13.4	11.0	30.8	119.8	25.7	51.5	55.9	44.5
FY27E	2192.8	301.1	250.3	13.7	11.4	44.2	157.4	28.1	50.5	39.0	31.3
FY28E	2938.3	408.8	336.4	13.9	11.4	59.4	207.8	28.6	51.3	29.0	22.8

Source: Ventura Research

Industry HCS

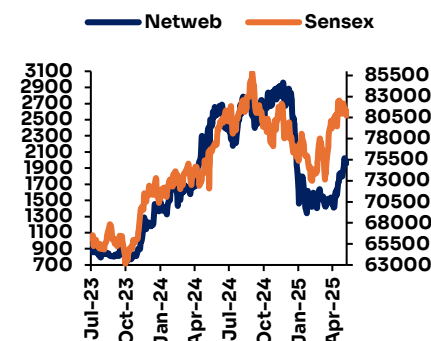
Scrip Details

Face Value (INR)	2.0
Market Cap (INR Cr)	9,760.8
Price (INR)	1,723
No of Sh O/S (Cr)	5.7
1M Avg Vol (000)	533.9
52W H/L (INR)	3,060/1.252
Dividend Yield (%)	0.15

Shareholding (%) Mar 2025

Promoter	71.0
Institution	16.0
Public	13.0
TOTAL	100.0

Price Chart

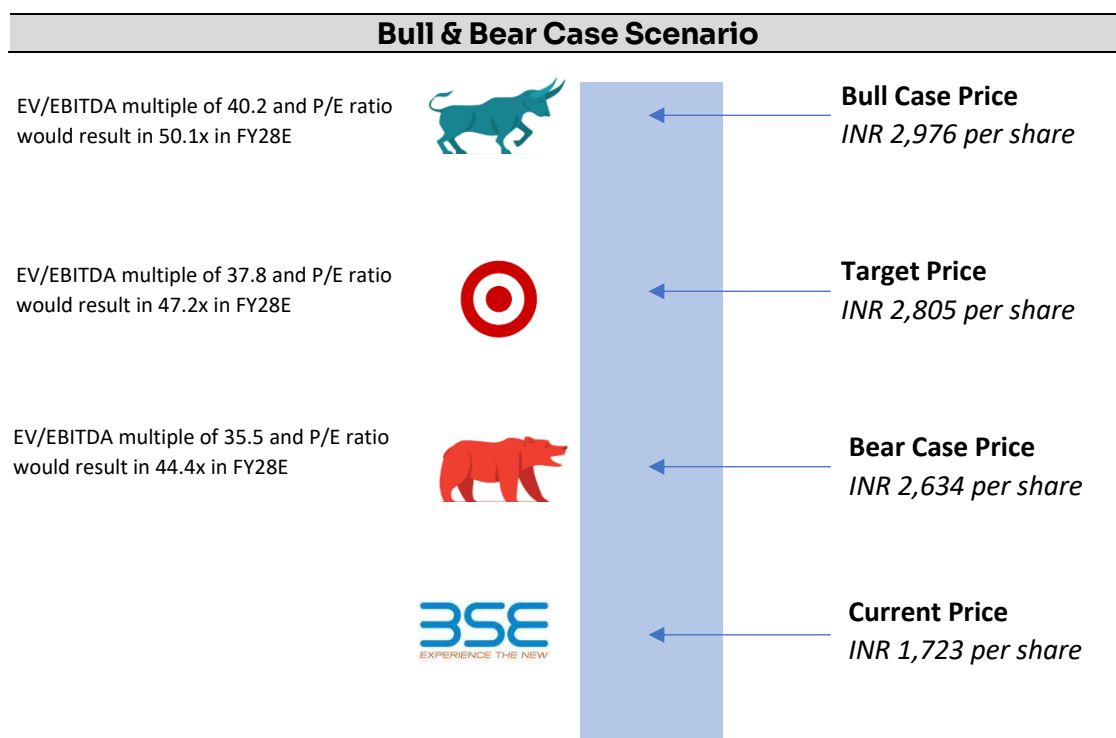




Our Bull and Bear Case Scenarios

We have prepared likely Bull and Bear case scenarios for FY28 price, using the EV/EBITDA multiple to derive the Terminal Value.

- **Bull Case:** We have assumed an EV/EBITDA multiple of 40.2 times, which will result in a Bull Case price target of INR 2,976 per share (an upside of 72.7% from the CMP).
- **Bear Case:** We have assumed an EV/EBITDA multiple of 35.5 times, which will result in a Bear Case price target of INR 2,634 per share (an upside of 52.8% from the CMP).



Source: BSE & Ventura Research

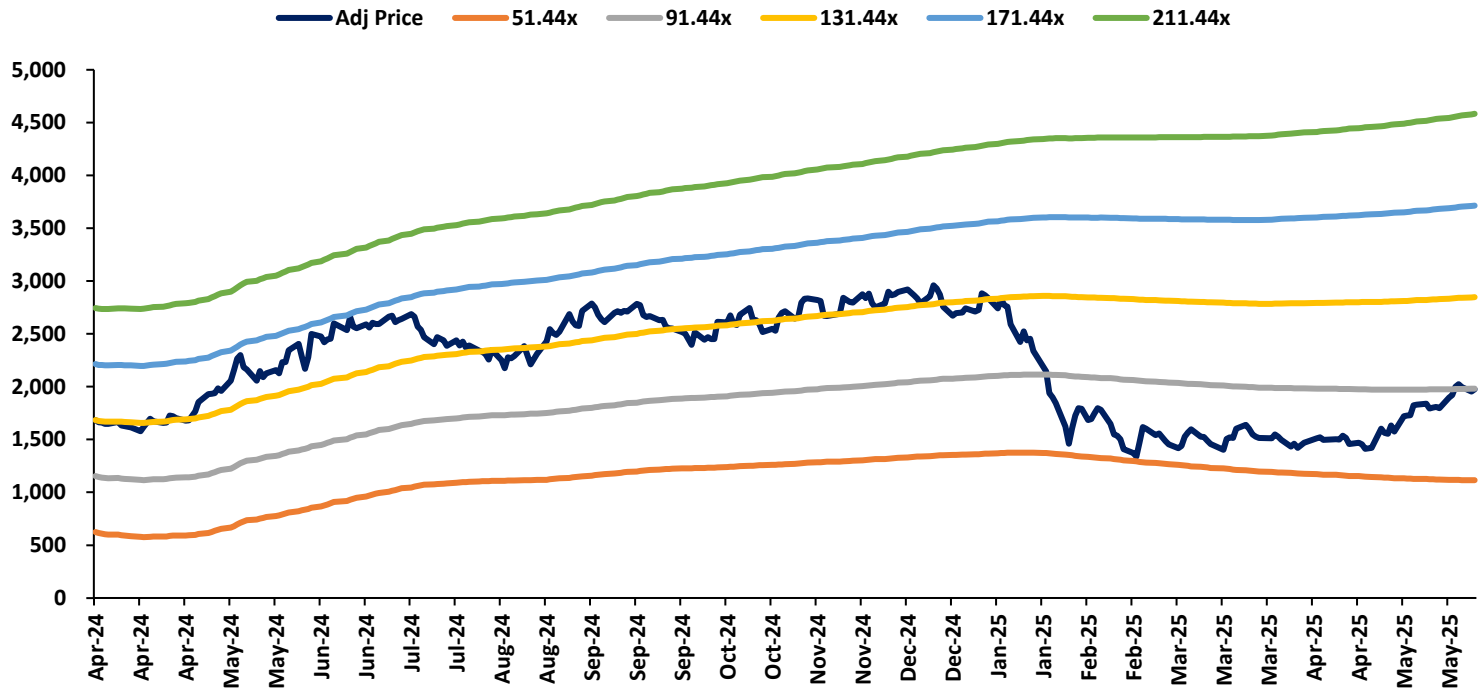


Consensus vs Ventura Estimates					
Consensus vs Ventura Estimates	FY25	FY26E	FY27E	FY28E	FY25-28E CAGR (%)
Revenue (INR cr)					
Consensus	1,149.0	1,665.9	2,380.7	3,152.4	40.0
YoY Growth (%)	58.7	45.0	42.9	32.4	
Ventura Estimates	1,149.0	1,589.0	2,192.8	2,938.3	36.7
YoY Growth (%)	58.7	38.3	38.0	34.0	
EBITDA (INR cr) & EBITDA margin (%)					
Consensus	159.4	232.9	340.9	449.7	41.3
Consensus Margin (%)	13.9	14.0	14.3	14.3	
Ventura Estimates	159.4	213.0	301.1	408.8	36.9
Ventura Margin (%)	13.9	13.4	13.7	13.9	
Net Profit (INR cr) & Net margin (%)					
Consensus	113.2	116.7	246.1	323.8	42.0
Consensus Margin (%)	9.8	7.0	10.3	10.3	
Ventura Estimates	113.2	174.5	250.3	336.4	43.8
Ventura Margin (%)	9.8	11.0	11.4	11.4	
EPS (INR)					
Consensus	20.0	29.4	43.4	57.2	42.0
Ventura Estimates	20.0	30.8	44.2	59.4	43.8
Valuation					
P/E Ratio (X)					
Consensus	86.3	58.6	39.7	30.1	
Ventura Estimates	86.3	55.9	39.0	29.0	

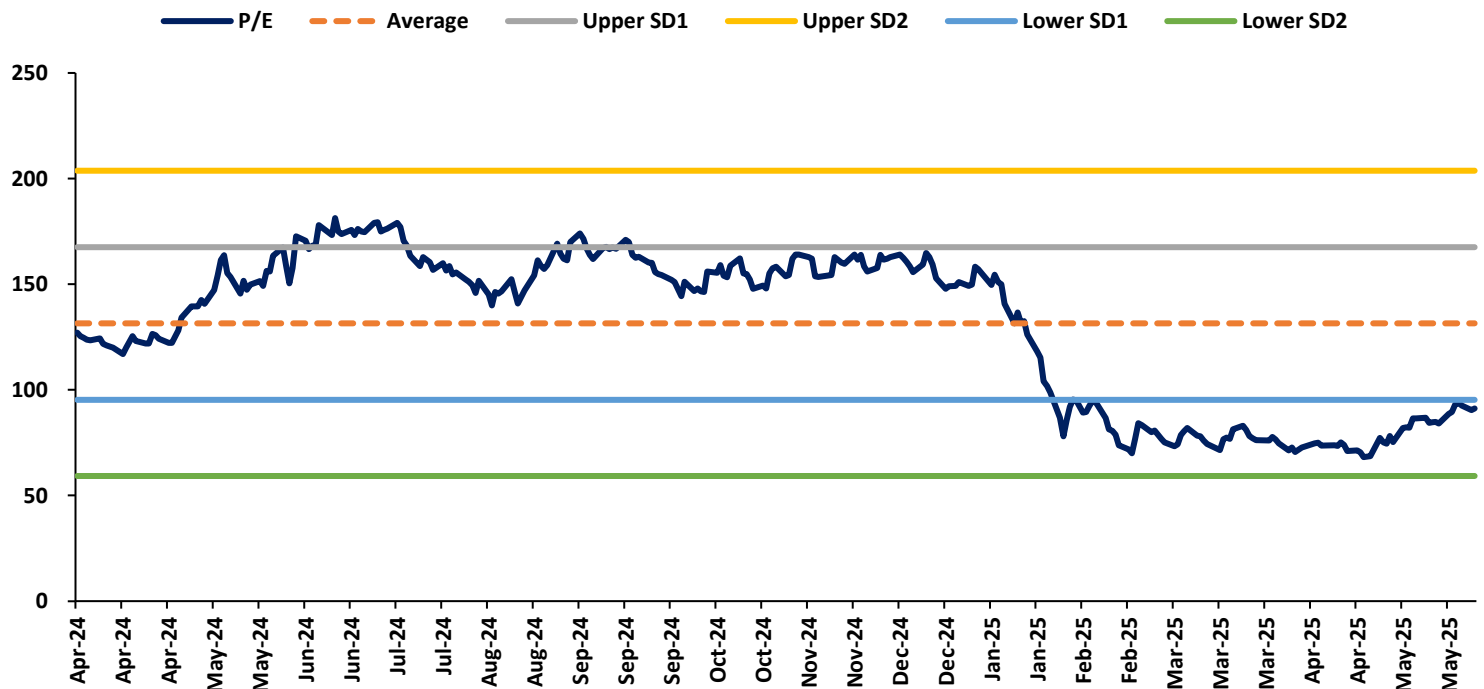
Source: Ventura Research and Bloomberg estimates

Valuation Charts

1 year forward P/E band chart



1 year forward P/E band chart



Source: ACE Equity, Company Reports & Ventura Research

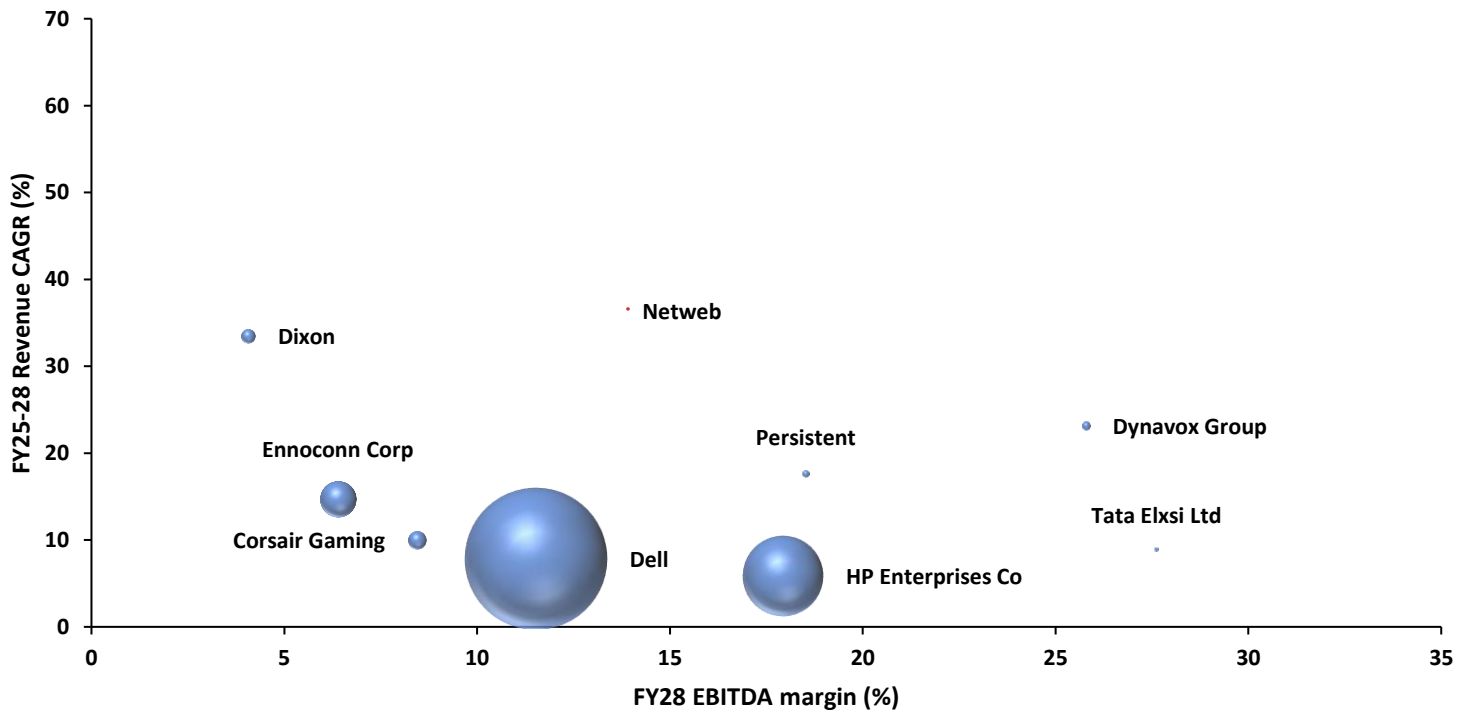
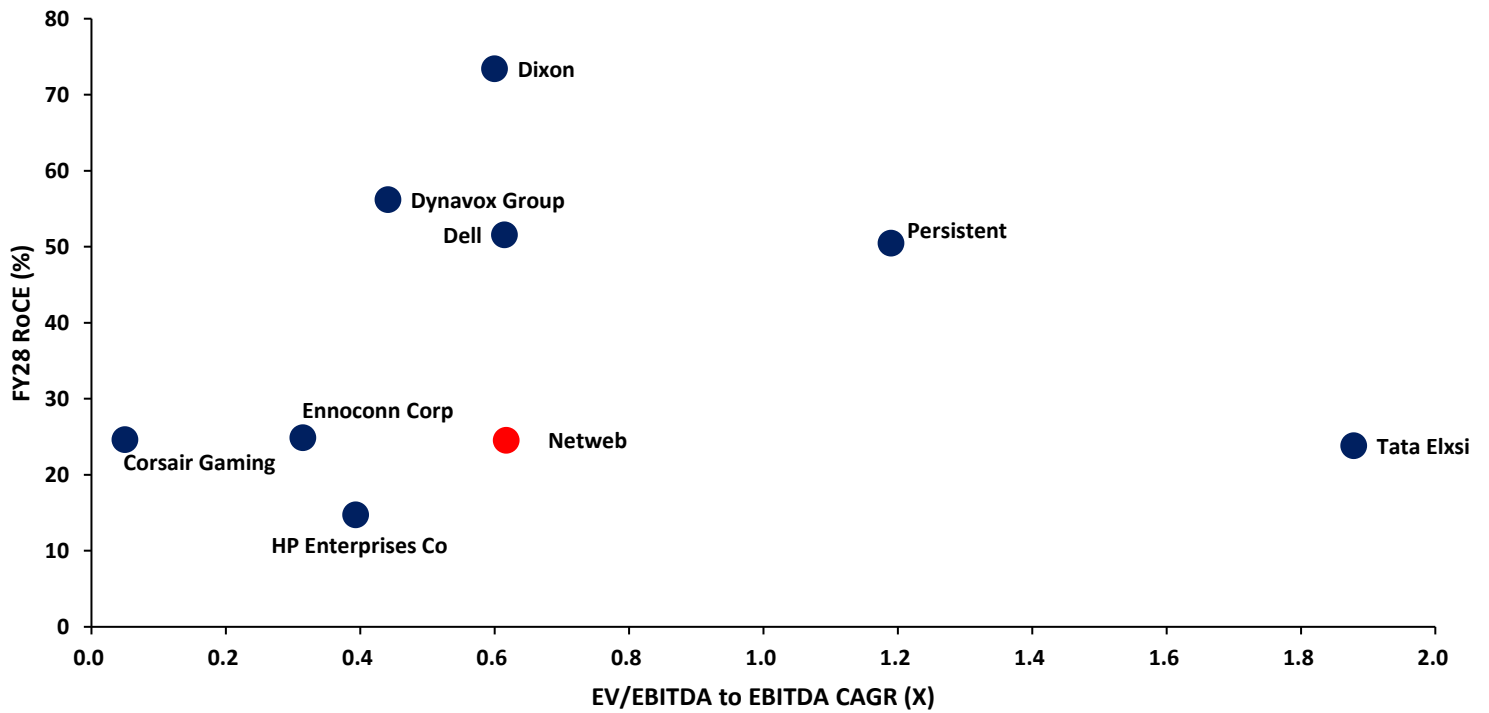
Valuation and comparable metrics of global companies

Company Name	Mkt Cap	Price	EV/EBITDA to EBITDA CAGR (X)	P/E (X)			EV/Sales (X)			EV/EBIDTA (X)			RoE (%)			RoCE (%)			Sales			EBITDA Margin (%)			Net Margin (%)		
				2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028
Domestic Peers (fig in INR cr, unless specified)																											
Netweb Technologies India Limited	9,761	1,723.0	0.6	55.9	39.0	29.0	44.5	31.3	22.8	44.5	31.3	22.8	25.7	28.1	28.6	21.8	23.7	24.5	1,589	2,193	2,938	13.4	13.7	13.9	11.0	11.4	11.4
Persistent System Limited	92,253	5,898.5	1.2	52.9	43.1	36.3	6.4	5.3	4.5	35.5	29.0	24.5	23.7	24.6	24.5	39.8	46.0	50.5	14,212	16,745	19,458	17.9	18.4	18.5	12.3	12.8	13.1
Tata Elxsi Ltd	38,741	6,220.0	1.9	47.1	40.8	36.4	9.4	8.2	7.3	35.3	30.1	26.3	26.7	27.5	27.5	22.8	23.6	23.8	4,083	4,604	5,168	26.6	27.4	27.6	21.0	21.5	21.5
Dixon Technologies Limited	84,648	14,004.0	0.6	72.7	52.0	41.2	1.5	1.1	0.9	38.2	28.1	21.7	28.4	28.6	26.6	47.7	57.0	73.4	56,302	75,730	92,381	3.9	3.9	4.1	2.1	2.2	2.2
Global Peers (fig in USD mn, unless specified)																											
Dynavox Group AB	1,229	11.3	0.4	61.9	34.5	24.8	5.0	4.2	3.5	23.7	16.7	13.4	29.1	35.0	35.2	27.8	44.2	56.2	257	299	349	21.0	25.0	25.8	7.7	11.9	14.2
Corsair Gaming Inc	975	9.2	0.1	18.3	12.3	9.7	0.7	0.6	0.4	11.3	7.6	5.2	8.3	11.5	13.3	11.7	17.0	24.6	1,477	1,620	1,753	6.0	7.4	8.4	3.6	4.9	5.8
Ennoconn Corp	1,389	10.1	0.3	13.6	11.8	9.8	0.3	0.3	0.3	4.7	4.2	4.1	11.9	12.8	13.0	17.8	20.7	24.9	5,319	6,003	6,877	7.4	7.2	6.4	1.9	2.0	2.1
Hewlett Packard Enterprise Co	23,331	17.8	0.4	9.1	7.9	7.2	0.8	0.7	0.6	4.9	4.1	3.4	10.5	11.5	11.7	10.9	13.2	14.7	32,606	34,314	35,736	16.5	17.4	17.9	7.9	8.6	9.1
Dell Technologies Inc Class C	79,127	116.6	0.6	17.2	12.3	11.1	1.1	1.0	0.9	10.4	8.5	7.6	(317.7)	(557.3)	604.7	30.8	45.8	51.5	95,567	1,04,435	1,10,878	10.1	11.3	11.5	4.8	6.2	6.4

Source: ACE Equity, Company Reports & Ventura Research



Peer Comparison



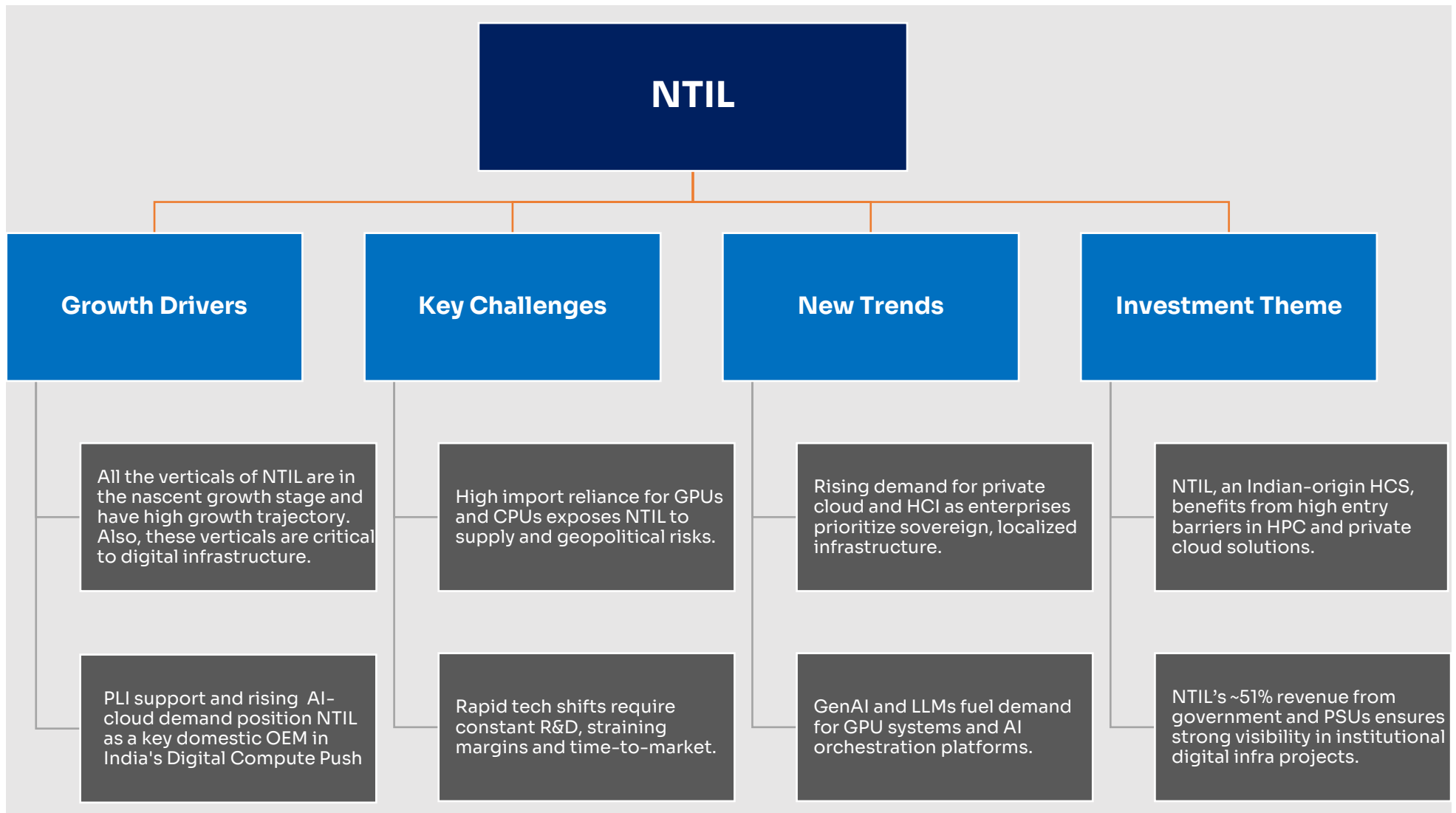
Source: Ventura Research, ACE Equity & Bloomberg
Bubble size indicates the size of the company's revenue

NTIL's Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue from operations	445.0	724.1	1,149.0	1,589.0	2,192.8	2,938.3	3,878.6	5,042.1	6,453.9	8,132.0	10,083.6	12,302.0	14,762.4
YoY Growth (%)	80.1	62.7	58.7	38.0	38.0	34.0	32.0	30.0	28.0	26.0	24.0	22.0	20.0
Raw Material Cost	324.4	544.5	882.6	1,223.5	1,688.4	2,262.5	2,986.5	3,882.5	4,969.5	6,261.6	7,764.4	9,472.6	11,367.1
RM Cost to Sales (%)	72.9	75.2	76.8	77.0	77.0	77.0	77.0	77.0	77.0	77.0	77.0	77.0	77.0
Employee Cost	29.4	50.0	62.1	82.4	97.8	113.9	130.4	146.5	161.5	178.1	196.3	216.4	238.6
Employee Cost to Sales (%)	6.6	6.9	5.4	5.2	4.5	3.9	3.4	2.9	2.5	2.2	1.9	1.8	1.6
Other Expenses	21.2	27.0	44.9	70.1	105.5	153.1	217.6	303.1	413.8	537.6	676.7	837.9	1,020.3
Other Expenses to Sales (%)	4.8	3.7	3.9	4.4	4.8	5.2	5.6	6.0	6.4	6.6	6.7	6.8	6.9
EBITDA	70.0	102.5	159.4	213.0	301.1	408.8	544.0	710.1	909.1	1,154.7	1,446.2	1,775.1	2,136.5
EBITDA Margin (%)	15.7	14.2	13.9	13.4	13.7	13.9	14.0	14.1	14.1	14.2	14.3	14.4	14.5
PAT	46.8	75.5	113.2	174.5	250.3	336.4	446.8	538.7	688.2	873.5	1,095.1	1,347.4	1,627.6
PAT Margin (%)	10.5	10.4	9.8	11.0	11.4	11.4	11.5	10.7	10.7	10.7	10.9	11.0	11.0
Net Profit	46.8	75.5	113.2	174.5	250.3	336.4	446.8	538.7	688.2	873.5	1,095.1	1,347.4	1,627.6
Net Margin (%)	10.5	10.4	9.8	11.0	11.4	11.4	11.5	10.7	10.7	10.7	10.9	11.0	11.0
Adjusted EPS	8.3	13.3	20.0	30.8	44.2	59.4	78.9	95.1	121.5	154.2	193.3	237.8	287.3
P/E (X)	208.5	129.3	86.3	55.9	39.0	29.0	21.8	18.1	14.2	11.2	8.9	7.2	6.0
Adjusted BVPS	16.5	74.6	93.6	119.8	157.4	207.8	274.9	355.7	459.0	590.0	754.3	956.5	1,200.7
P/BV (X)	104.2	23.1	18.4	14.4	10.9	8.3	6.3	4.8	3.8	2.9	2.3	1.8	1.4
Enterprise Value	9,777.6	9,540.8	9,582.8	9,468.0	9,431.4	9,337.9	9,257.7	9,152.8	8,996.0	8,761.2	8,418.6	7,937.9	7,285.2
EV/EBITDA (X)	139.6	93.1	60.1	44.5	31.3	22.8	17.0	12.9	9.9	7.6	5.8	4.5	3.4
Net Worth	93.7	422.8	530.3	678.7	891.4	1,177.4	1,557.2	2,015.1	2,600.0	3,342.5	4,273.3	5,418.6	6,802.1
Return on Equity (%)	50.0	17.9	21.3	25.7	28.1	28.6	28.7	26.7	26.5	26.1	25.6	24.9	23.9
Capital Employed	124.1	424.4	531.9	680.7	894.1	1,180.9	1,561.7	2,020.9	2,607.4	3,351.7	4,284.7	5,432.4	6,818.6
Return on Capital Employed (%)	39.8	16.9	20.6	21.8	23.7	24.5	24.8	25.1	24.9	24.6	24.1	23.3	22.3
Invested Capital	110.5	202.8	352.3	385.9	562.0	754.5	1,054.1	1,407.0	1,835.2	2,342.9	2,931.1	3,595.6	4,326.5
Return on Invested Capital (%)	60.1	47.5	42.0	51.5	50.5	51.3	49.1	48.3	47.3	47.1	47.1	47.1	47.0
Cash Flow from Operations	27.1	18.4	(14.4)	145.7	85.4	158.4	220.9	255.8	346.5	470.7	631.9	828.8	1,063.9
Cash Flow from Investing	(14.0)	(144.6)	116.9	(4.4)	(10.0)	(13.4)	(73.0)	(69.5)	(85.9)	(104.2)	(124.1)	(144.8)	(165.7)
Cash Flow from Financing	(8.0)	208.8	(19.3)	(26.9)	(37.9)	(50.4)	(66.6)	(80.0)	(102.3)	(129.9)	(163.0)	(200.8)	(242.8)
Net Cash Flow	5.1	82.6	83.2	114.4	37.6	94.6	81.3	106.2	158.4	236.6	344.8	483.2	655.4
Free Cash Flow	16.9	4.4	(20.4)	136.6	76.2	145.6	148.4	186.6	261.1	367.1	508.5	684.8	899.1
FCF to Revenue (%)	3.8	0.6	(1.8)	8.6	3.5	5.0	3.8	3.7	4.0	4.5	5.0	5.6	6.1
FCF to EBITDA (%)	24.1	4.3	(12.8)	64.1	25.3	35.6	27.3	26.3	28.7	31.8	35.2	38.6	42.1
FCF to Net Profit (%)	36.1	5.8	(18.0)	78.3	30.4	43.3	33.2	34.6	37.9	42.0	46.4	50.8	55.2
FCF to Net Worth (%)	18.0	1.0	(3.8)	20.1	8.5	12.4	9.5	9.3	10.0	11.0	11.9	12.6	13.2
Total Debt	30	2	2	2	3	3	5	6	7	9	11	14	17
Net Debt	17	-220	-178	-293	-329	-423	-503	-608	-765	-1,000	-1,342	-1,823	-2,476
Net Debt to Equity (X)	0.2	(0.5)	(0.3)	(0.4)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)
Net Debt to EBITDA (X)	0.2	(2.1)	(1.1)	(1.4)	(1.1)	(1.0)	(0.9)	(0.9)	(0.8)	(0.9)	(0.9)	(1.0)	(1.2)
Interest Coverage Ratio (X)	16.3	15.5	27.5	166.3	286.8	486.3	833.0	1,460.3	1,474.0	1,495.5	1,517.4	1,530.6	1,537.0
Fundamental scores													
Altman Z Score	3.1	2.2	2.4	2.6	2.8	2.9	2.9	3.0	3.0	2.9	2.9	2.8	2.8
Piotroski F-score	5.0	4.0	5.0	6.0	5.0	5.0	4.0	4.0	3.0	4.0	4.0	4.0	4.0
Beneish M-score	(0.9)	(1.3)	(1.1)	(2.2)	(1.6)	(1.8)	(1.0)	(1.4)	(1.5)	(1.6)	(1.7)	(1.7)	(1.8)

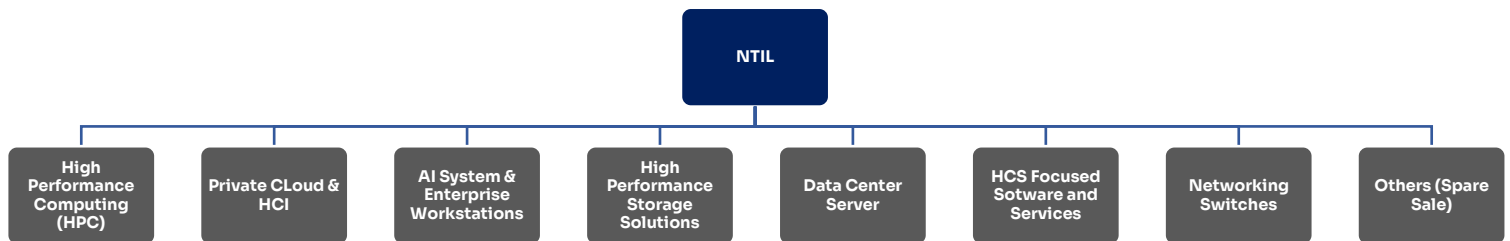
Source: Company Reports, ACE Reports

SWOT Analysis



NTIL's business structure

NTIL is a vertically integrated Indian OEM specializing in high-performance computing, AI systems & Enterprise Workstations and private cloud & HCI. The company operates across seven core verticals—HPC, AI Systems & Enterprise Workstations, Private Cloud & HCI, High Performance Storage Solutions, Software Services and Networking Devices. With in-house design, manufacturing, and platform IP like Skylus.ai, NTIL delivers customized compute infrastructure to government, academia, and enterprise clients. Its integrated design-to-deployment model and focus on emerging technologies like AI orchestration and sovereign cloud position it as a key enabler in India's digital infrastructure growth.



Sustainable business model backed by underlying competitive advantages:



High Entry Barriers and Market Position:

As one of India's top HPC providers, NTIL benefits from complex tech, policy alignment and PLI eligibility, making it difficult to replicate



R&D and Technological Edge:

With multi-city R&D and proprietary platforms like Tyrone, NTIL drives AI and HPC innovation, backed by partners like NVIDIA and Intel.



Strategic Technology Partnerships:

Netweb has a strategic manufacturing partnership with NVIDIA, becoming an OEM partner for its AI GPU systems. They also collaborate with Intel, AMD, Samsung, and Seagate, gaining early access to new product roadmaps.

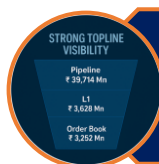


Government Support:

Government policies like "Make in India," PLI schemes, IndiaAI Mission (₹10,300 cr), and server import restrictions drive NTIL's growth.



NTIL's Growth Drivers



Strong Topline Visibility:

Currently, the pipeline stands at INR 3,871 cr with L1 orders of INR 363 cr and an order book of INR 325 cr as of 31st March 2025



Enhanced Capabilities:

NTIL launched a new SMT facility in May 2024 and, with NVIDIA, is developing AI GPU systems with Skylus.ai and 'Make in India' servers.



Enhanced Opportunities:

Rising AI investments and private cloud adoption boost compute demand in India, with plans to expand to Europe and the Middle East.

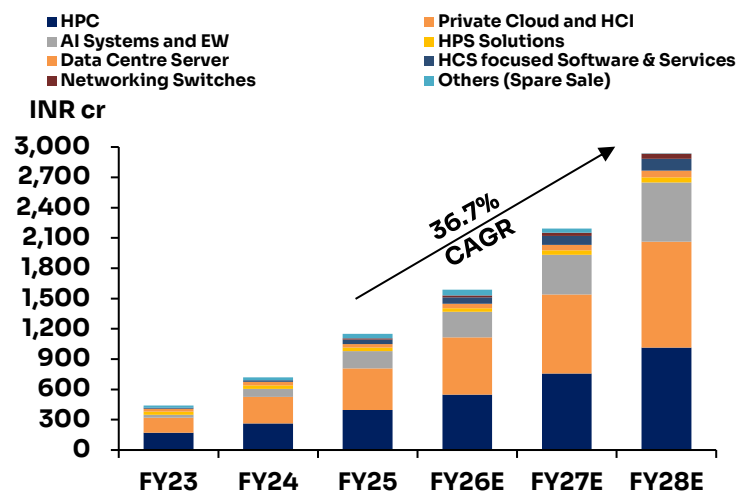


Expanding Product Portfolio:

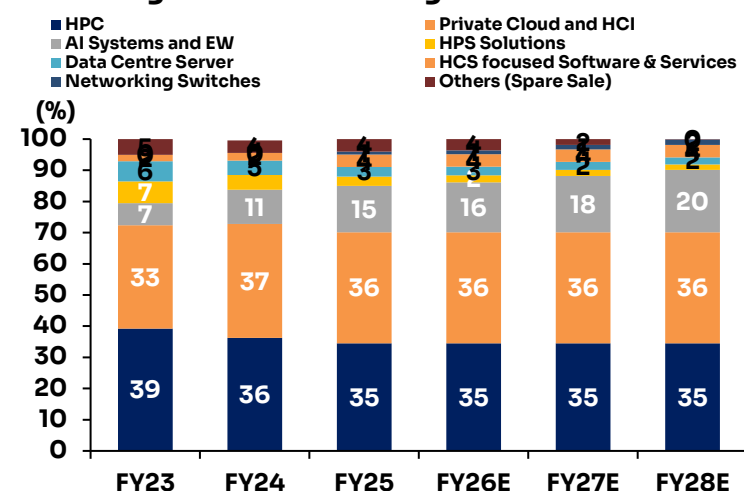
NTIL launched Skylus.ai, entered network switches, and will roll out on-prem AI cloud and container platforms.

Production Linked Incentive (PLI) Scheme

- The Production Linked Incentive (PLI) Scheme, launched by the Government of India in 2020, offers financial incentives to domestic and foreign companies for boosting manufacturing output in India, based on incremental sales and production.
- NTIL, an Indian OEM recognized by MeitY for server manufacturing, aligns with the "Make in India" initiative, focusing on in-house design and SMT, making it a prime candidate for government manufacturing incentives.
- NTIL is notably one of the few OEMs in India eligible for two major PLI schemes:
 - IT Hardware PLI Scheme (PLI 2.0):** Launched in May 2023 with a budget of INR 17,000 cr over seven years, the IT Hardware PLI Scheme offers incentives of up to 5% on incremental sales, promotes self-reliance in server design, and sets 2019 as the base year for NTIL. NTIL has been granted eligibility for this scheme for servers used across various segments.
 - PLI Scheme for Telecom and Networking Products:** Effective from April 2021, with a ₹12,195 cr budget for FY 2021-26, supporting manufacturing of telecom and networking products, including 4G/5G equipment, with INR 1000 cr allocated for MSMEs. It is applicable only when the revenue from the domestic company is more than INR 250 cr and minimum investment of INR 100 cr. NTIL has been granted with this scheme for production of Networking Switches.
- NTIL has received incentives under the IT Hardware PLI Scheme, claiming INR 3.9 cr for FY 2021-22, opting to migrate to PLI 2.0 for FY 2022-23, and receiving INR 5.9 cr for FY 2023-24 (July 2023-March 2024).
- NTIL is expected to receive the incentive from the government under PLI 2.0 IT Hardware scheme based on the incremental sales basis till FY29.



NTIL's segment wise and region wise revenue mix



NTIL's segment wise and Region wise revenue mix:

NTIL is a diversified tech player with a strong domestic base, offering end-to-end HPC, AI, and private cloud solutions to government, PSUs, academia, and enterprises. While India drives most of its revenue, it is steadily scaling global presence through platform-led innovation and product diversification.

- NTIL majorly generates revenue from HPC, AI & Enterprise Workstations, and private cloud & HCI solutions, supported by emerging products like servers, workstations, and storage. Newer areas like ORAN, networking, and SMT lines expand its scope. Government, PSUs, and academia contribute ~51%, with ~49% from private clients.
- NTIL's revenue is largely domestic, driven by strong government and institutional demand across India. Exports are currently limited but growing through OEM and hyper-scaler partnerships, with future global expansion supported by Skylus.ai and strategic manufacturing.

Robust Growth Trajectory on the cards:

NTIL's revenue model is anchored in HPC, AI systems, and private cloud solutions, serving primarily B2B clients across government, PSUs, academia, and large enterprises. AI systems, a key growth driver, contributed ~15% to FY25 revenue with 112% YoY growth. HPC and private cloud remain core, while new initiatives in networking switches and design-led manufacturing aim to expand the revenue base. Strategic projects like Skylus.ai and LLM-focused compute solutions further reinforce its integrated, OEM-led monetization model.

We expect NTIL's revenue to grow at a CAGR of 36.7%, reaching INR 2,938 cr over FY25-28E. This growth will be driven by

- 36.7% CAGR in the HPC, Private Cloud and HCI segment & HCS-focused Software and Services to INR 1,014 cr, INR 1,047 cr and INR 117 cr respectively.
- 50.9% CAGR in the AI Systems & Enterprise Workstations segment to INR 588 cr
- 24.1% CAGR in Data Center Server segment to INR 66 cr
- 64.7% CAGR in Networking Switches segment to INR 51 cr
- 14.3% CAGR in High Performance Storage (HPS) Solutions segment to INR 51 cr

Key Growth Drivers:

1. Public Sector Push:

NTIL derives ~51% of its revenue from government, PSUs, and academic institutions, providing high visibility and steady order flows. Rising digital infrastructure spending under initiatives like Digital India, the IndiaAI Mission, and Make in India supports this segment. Eligibility under IT hardware and telecom PLI schemes further strengthens NTIL's position in public tenders. Growing demand for AI, HPC, and secure cloud infrastructure in strategic sectors makes the government a key long-term growth driver.

2. AI Systems: A Key Growth Catalyst:

AI systems contributed ~15% to NTIL's FY25 revenue, growing ~114% YoY, making it the fastest-expanding segment. The launch of Skylus.ai, a plug-and-play GPU infrastructure platform, has strengthened NTIL's positioning in AI-native workloads. With growing adoption of LLMs and generative AI across enterprises and institutions, demand for scalable, high-performance AI compute is rising—providing strong tailwinds for NTIL's AI solutions.

India's High-end Computing Solutions (HCS) Market Overview:

India's High-end Computing Solutions (HCS) industry is a niche, R&D-intensive space with high entry barriers, driven by demand for AI Systems & Enterprise Workstations, Private Cloud & HCI, and HPC applications. It requires advanced technical expertise and constant innovation, making it a domain for specialized players.

Strong tailwinds like digital transformation, 5G rollout, and the data centre boom are fuelling growth across key segments—HPC, Private Cloud & HCI, and AI Systems & Enterprise Workstations—each expected to grow at a CAGR of 9–28% over FY24–29. Government support via Make-in-India, PLI schemes, and national tech missions further strengthens the sector.

India's push for digital sovereignty and China+1 diversification is creating significant opportunities for local OEMs. NTL, with full-stack capabilities and global partnerships, is well-placed to lead in this growing ecosystem.

Among the fastest-growing therapeutic areas globally and domestically are High Performing Computing (HPC), Private Cloud & HCI, AI Systems & Enterprise Workstations etc.: -

- Global High-Performance Computers (HPC) market grew to USD 43.1B by 2022 (4.5% CAGR); India's market at INR 4,222.7 cr (~USD 492.9M), growing 9.3% CAGR.
- Private Cloud & HCI grew globally to USD 194.7B; India's market surged 17.7% CAGR to ~INR 20,297 cr.
- AI Systems & Enterprise Workstations, an emerging sector, matured globally to USD 6B; India's segment growing faster (~18% CAGR) to ~INR 2,240 cr.

Key Growth Drivers

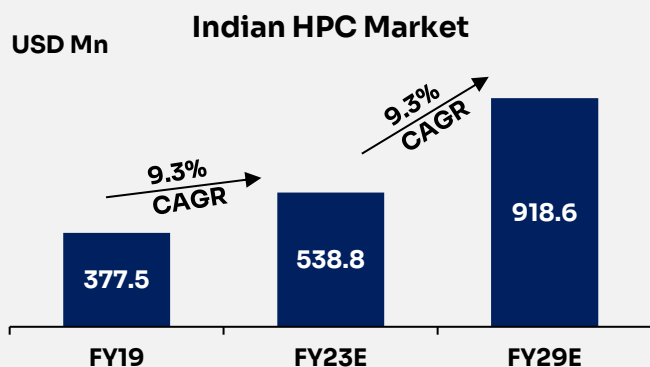
- **AI, Cloud, and HPC:** Rapid AI, ML, and HPC adoption is driving demand for integrated and high-performance computing solutions.
- **Government Support:** Initiatives like PLI, NSM, and India AI Mission are accelerating local HCS manufacturing and R&D.
- **Diverse Industry Adoption:** Broad sector adoption—from BFSI to defense—is expanding the HCS addressable market.
- **Connectivity & Digital Shift:** Rising 5G adoption and digital infrastructure projects are creating demand for advanced networking and compute solutions.

Industry Challenges

- **Technological Pace:** Constant innovation is required to keep up with rapidly evolving tech standards and integration demands.
- **High CAPEX & OpEx:** Setting up and maintaining HPC infrastructure is capital-intensive with high total cost of ownership.
- **Supply Chain Issues:** Component shortages, geopolitical disruptions, and vendor lock-ins affect hardware availability and flexibility.
- **Working Capital Stress:** Long receivable cycles and high working capital needs strain cash flow and financial efficiency.



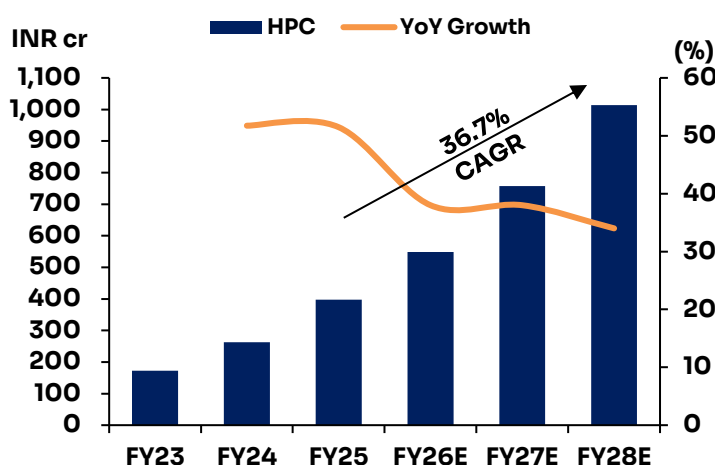
NTIL's Operational and Financial Performance



Indian High-Performance Computing (HPC) Industry:

- India's HPC market stood at USD 588.9M in FY24 and is projected to grow at a 9.3% CAGR to USD 918.6M by FY29E, outpacing the global average of 4.4%.
- Key drivers include strong government support (NSM, India AI Mission), rising AI/cloud adoption, sector-wide use cases, and domestic OEM leadership from players like NTIL.

Source: Company Reports, Industry Reports



High Performance Computing (HPC):

NTIL is India's largest supercomputing OEM, known for landmark deployments such as PARAM Ambar and AIRAWAT. With 500+ installations and marquee clients like ISRO, CDAC, and IITs, Netweb is expanding into verticals like oil & gas.

NTIL, a vertically integrated OEM, derived ~51.5% of its FY25 revenue from HPC systems, serving PSUs, academia, and research institutions.

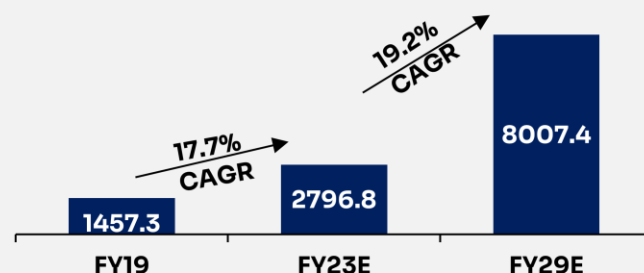
We expect the revenue from HPC to grow at a CAGR of 36.7%, reaching INR 1,014 cr, over FY25-28E. This growth is driven by Strong Government Policy such as PLI, "Make in India" Compliance, Indian AI System etc. and adoption of HPC across various sectors especially BFSI and Defense.

Indian Private Cloud & HCI Market:

- India's Private Cloud & HCI market stood at US\$ 309M in FY23 and is projected to grow at a 19.2% CAGR to USD 1,456.4M by FY29E, driven by surging demand for scalable, secure, and localized infrastructure.
- Private Cloud & HCI adoption is rising in India with growing demand for secure, scalable infrastructure.

Indian Private Cloud & HCI Industry

USD Mn



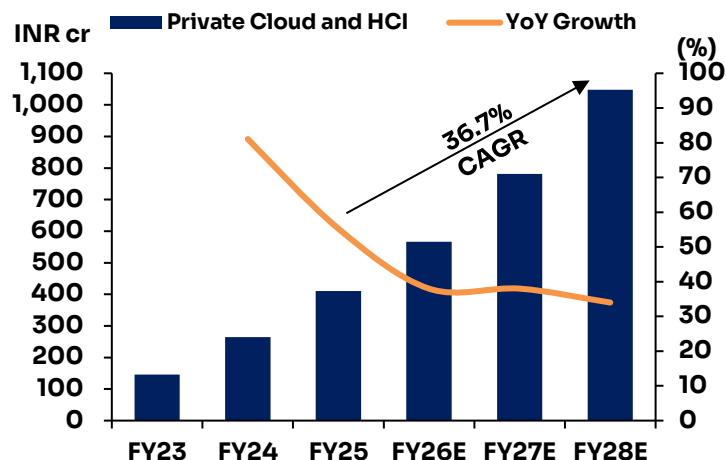
Source: Company Reports, Industry Reports

Private Cloud & Hyperconverged Infrastructure (HCI):

NTIL, via its Tyrone Skylus offerings, leads as a domestic OEM with 70+ deployments and ~35–40% revenue contribution from this segment, offering end-to-end Make-in-India solutions against global players like Nutanix and VMware.

NTIL's segment revenue grew 55.2% YoY in FY25, contributing ~35.6%. The market is projected to grow at a 19.2% CAGR, driven by digitization and data localization.

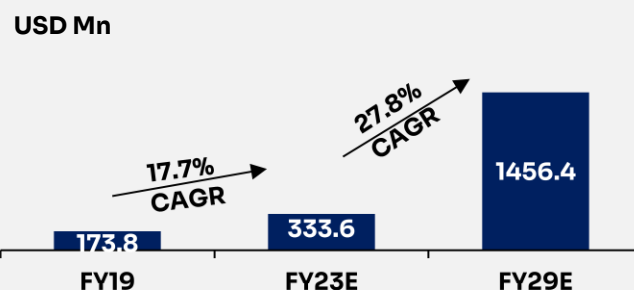
We anticipate the revenue from Private Cloud & HCI to grow at a CAGR of 36.7%, reaching INR 1,047 cr, over FY25–28E which is driven by growth in 5G deployment, increasing Digital Transformation and Cloud-Based Services & supportive Government Initiatives.



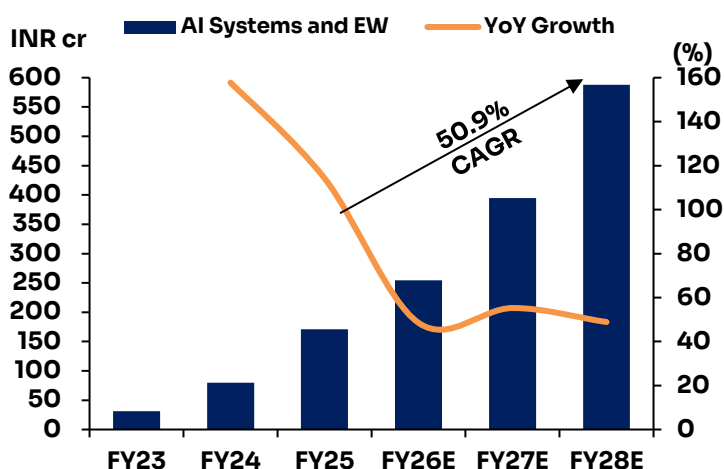
Indian AI Systems & Enterprise Workstations Market:

- India's AI Systems & Enterprise Workstations market is projected to grow at a 27.8% CAGR (2023E–2029F), driven by the India AI Mission (INR 10,300 cr), GenAI/LLM adoption, and demand in BFSI, oil & gas, and automotive sectors
- Adoption of AI systems and enterprise workstations is surging due to increasing needs for scalable, cyber-secure infrastructure, GPU-intensive workloads, and applications in 3D animation, surveillance, and digital content creation.

Indian AI Systems & Enterprise Workstation



Source: Company Reports, Industry Reports



AI Systems and Enterprise Workstations:

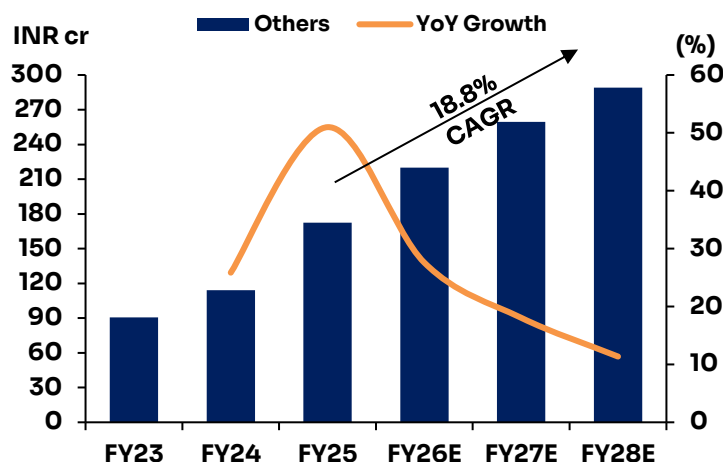
NTIL's AI & Enterprise Workstations segment is a key growth pillar alongside HPC and Private Cloud/HCI. It delivers tailored hardware solutions for AI workloads including ML, DL, LLMs, Generative AI, and enterprise applications, leveraging proprietary designs and partnerships with Intel, AMD, and NVIDIA.

We anticipate the revenue from AI Systems & Enterprise Workstations to grow at a CAGR of 50.9%, reaching INR 588 cr, over FY25–28E. This tremendous growth is driven by increasing adoption across industries & increasing demand for GPUs.

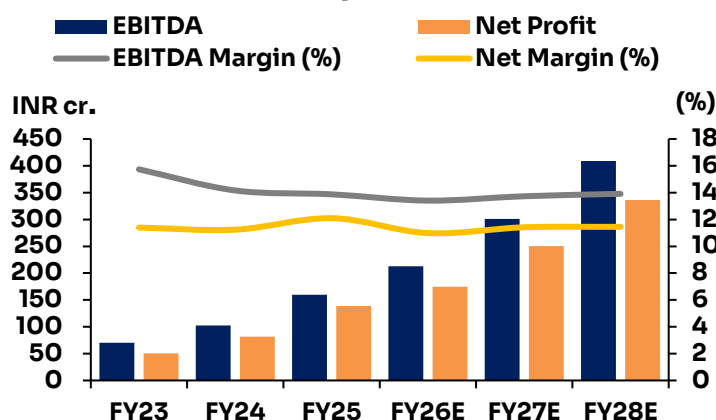
Others:

NTIL operates across high-growth segments like High Performance Storage, Data Centre Servers, HCS Software & Services, Networking Switches, and Spares. All these segments contribute approximately 14.0% of the overall revenue in FY25. Networking switches, a recent foray, align with Make-in-India goals and data center expansion. While spares contribute modestly, the overall portfolio is geared toward digital infrastructure growth.

These sectors are expected to grow overall at a CAGR of 18.8% amounting to INR 289 cr but however, the share to the overall revenue has reduced to 9.8%



Profitability Performance



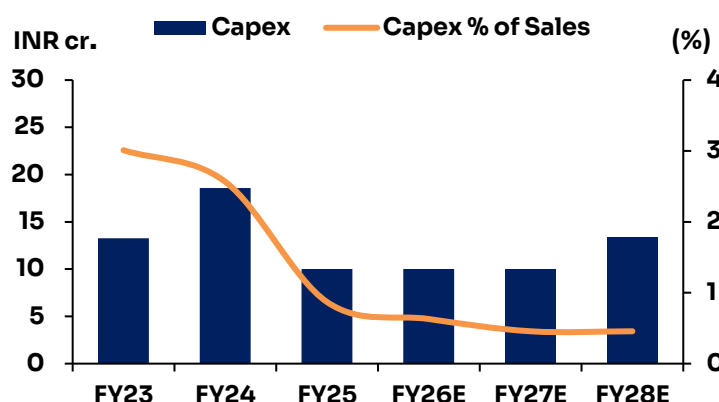
Profitability Outlook

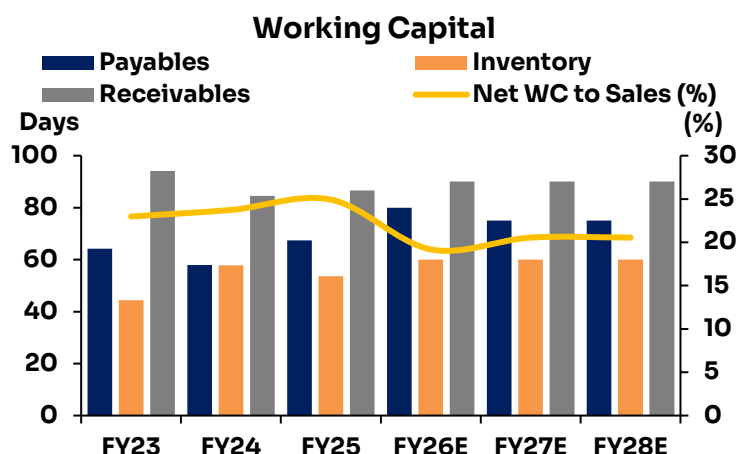
- In FY25, NTIL reported revenue growth of 58.7%, amounting to INR 1,149 cr however, net profit stood at INR 113 cr, significantly higher than the INR 76cr reported in FY24.
- Over FY25-28E, we project NTIL's EBITDA to grow at a CAGR of 36.9%, reaching INR 409 cr, while net earnings are expected to rise at a CAGR of 43.8% to INR 336 cr. Additionally, EBITDA margins are anticipated to remain the same at 13.9%, but net margins are expected to reduce by 160 bps to 11.4%.

Capex Plan:

- NTIL commissioned a state-of-the-art manufacturing facility in Faridabad in May 2024, enabling in-house production of high-end servers, storage, and switches, aligned with the Make-in-India initiative.
- The company allocated INR 32.3 cr from IPO proceeds for this capex which is fully utilized by March 2025.
- Management does not foresee major additional capex to achieve INR 2,500 cr revenue, with annual maintenance capex estimated at INR 5-10 cr.
- NTL focuses its capex on tech capabilities, investing 3-4% of revenue in R&D with a 57-member team, while eyeing strategic acquisitions for future growth.

Capex expenditure



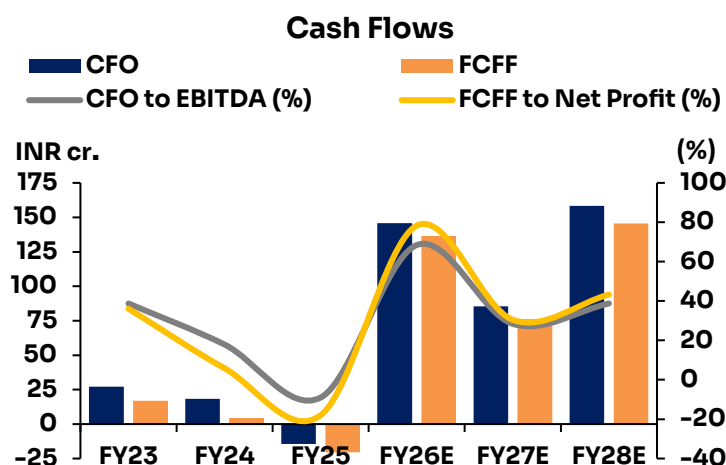
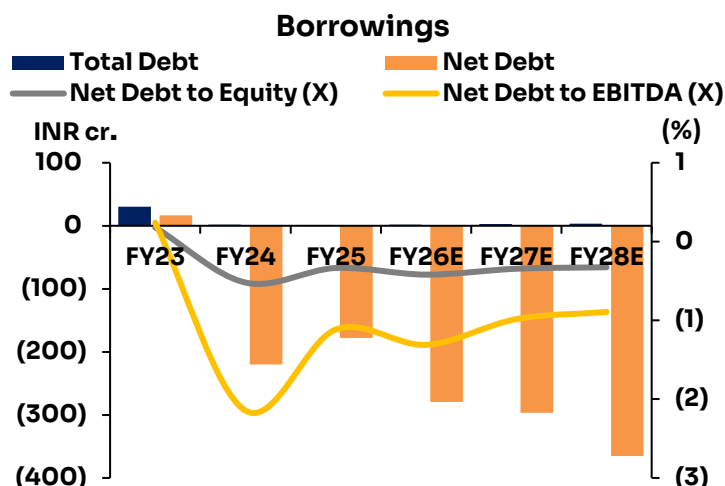


Working Capital:

- NTIL's business is inherently working capital-intensive, historically funded through internal accruals and bank borrowings, with INR 128 cr from IPO proceeds fully utilized by March 2025.
- By FY25, its cash conversion cycle was 73 days with INR 950 million in sanctioned bank facilities and promoter-backed guarantees, management-maintained confidence in operational efficiency.
- Future working capital needs will depend on sales growth, credit terms, and inventory levels, with funding expected from internal accruals and bank lines, though macroeconomic risks persist.
- The Working Capital Cycle is expected to be ~ 80 days with 60 Payable Days, 90 Receivable Days and 55 Inventory Days over FY25-28E.

Leveraging Short-Term Debt for Operational Efficiency

- As of FY25, NTIL carries negligible long-term debt on its balance sheet, with its total debt primarily consisting of short-term borrowings used to fund working capital requirements.
- NTIL plans to meet its working capital and growth needs through internal accruals and existing bank facilities, with no immediate need for fresh borrowings.
- While borrowing powers are in place for future opportunities like acquisitions, management remains confident in funding expansion through strong internal cash flows.



Cash Flows

CFO has been negative in the FY25 due to the negative impact in the Working Capital Requirements. FCFF has been positive throughout the year except in the FY25.

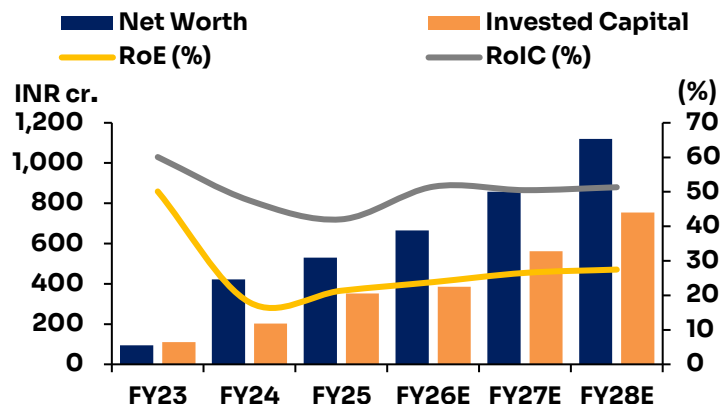
CFO to EBITDA is expected to be positive in the range 30% to 60%, representing a good sign and it is expected to grow even better.

The cash conversion cycle of the company has been in the belt of 70-90 days, and it expected to continue the same.

Return Ratio:

- Medium revenue growth and expanding profit margins are projected to enhance NTIL's return ratios a bit in the coming years.
- Additionally, profitability is set to improve due to the lower interest burden on the P&L, driven by minimal debt levels and interest capitalization yet the growth is very minimal.
- Return on Equity is expected to increase with RoE rising by 730 basis points to 27.5% and RoIC is expected to improve by 930 bps to 51.3% by FY28E.

Return Ratios



Ventura Business Quality Score

Key Criteria	Score	Risk	Comments
Management & Leadership			
Management Quality	9	Low	Led by experienced MD & Chairman Sanjay Lodha, with strong strategic vision driving innovation in Strategy & Business Development.
Promoters Holding Pledge	10	Low	Held 71.0% stake by promoters with no promoter pledge, ensuring strong backing and investor confidence.
Board of Directors Profile	8	Low	The board comprises seasoned professionals with deep expertise in governance, technology, finance, and compliance.
Industry Consideration			
Industry Growth	8	Low	Growing demand for super-computers, private cloud, AI Systems and Enterprise Workstations etc.
Regulatory Environment or Risk	7	Medium	NTIL faces regulatory risks from evolving laws, including compliance with environmental regulations, the Competition Act, and foreign exchange controls. Past minor compliance issues have not materially impacted operations. The company's audits show no significant adverse effects from these challenges.
Entry Barriers / Competition	7	Medium	High entry barriers due to domain expertise and innovation focus; competition from global and niche tech firms.
Business Prospects			
New Business / Client Potential	9	Low	NTIL is expanding its global client base, particularly in automotive, healthcare, and media sectors. This growth is supported by new product innovations and a strong order book, ensuring future business potential.
Business Diversification	9	Low	Diversified offerings spanning High Performing Computing, Private Cloud & HCI, AI Systems & Enterprise Workstations etc.
Market Share Potential	8	Low	Significant potential to grow market share in emerging tech domains and AI services.
Margin Expansion Potential	7	Medium	Healthy EBITDA margins supported by offshore-centric low-cost model and operational efficiency; however, ongoing macro uncertainties and revenue growth challenges may limit near-term margin expansion.
Earnings Growth	7	Medium	Consistent revenue and PAT growth; macroeconomic uncertainties and technology shifts present some risks.
Valuation and Risk			
Balance Sheet Strength	9	Low	Strong balance sheet with minimal debt and robust liquidity position.
Debt Profile	10	Low	Virtually debt-free, maintaining conservative financial leverage and risk profile.
FCF Generation	8	Low	Generates moderate free cash flows supporting reinvestment and shareholder returns.
Dividend Policy	8	Low	Maintains steady dividend payouts aligned with growth and cash flow sustainability.
Total Score Ventura Score (%)	124 83%	Low	The overall risk profile of the company is good, and we consider it a LOW-risk company for investments.

Source: Company Reports & Ventura Research

Board Members

Director Name	FY21, FY22, FY23 (Till 22nd February)	FY23 (From 22nd February), FY24 & FY25
Mr. Sanjay Lodha	Chairman and Managing Director	Chairman and Managing Director
Mr. Navin Lodha	Whole Time Director	Whole Time Director
Mr. Vivek Lodha	Whole Time Director	Whole Time Director
Mr. Niraj Lodha	Whole Time Director	Whole Time Director
Mr. Mrutyunjay Mahapatra	-	Independent Director
Mr. Jasjeet Singh Bagla	-	Independent Director
Mrs. Romi Jatta	-	Independent Director
Mr. Vikas Modi	-	Independent Director



Management Team

Key Person	Designation	Details
Mr. Sanjay Lodha	Chairman and Managing Director	Mr. Sanjay Lodha holds a Bachelor of Arts Honours degree in Economics from the University of Delhi and a Post-graduate Diploma in Business Management from the Apeejay School of Marketing in New Delhi. From 2016 to 2022, he served on the Governing Council of the Manufacturers Association of Information Technology and currently holds the position of Vice President since June 30, 2022. Additionally, he was a Board of Advisors member for Intel in 2020 and 2022.
Mr. Navin Lodha	Whole Time Director	Mr. Navin Lodha earned his bachelor's degree in commerce from Shaheed Bhagat Singh College, University of Delhi. He leads the West Zone of the Company's Sales and Marketing department, bringing over 15+ years of experience in the field.
Mr. Vivek Lodha	Whole Time Director	Mr. Vivek Lodha holds a bachelor's degree in commerce from Shaheed Bhagat Singh College, University of Delhi. He leads the East Zone of the Company's sales and marketing department, bringing over 15+ years of experience in the field.
Mr. Niraj Lodha	Whole Time Director	Mr. Niraj Lodha holds a bachelor's degree in commerce from Deshbandhu College, University of Delhi. He leads the South Zone of the Company's Sales and Marketing department, bringing over 15+ years of experience in the field.
Mr. Hemant Agarwal	Chief Operating Officer	Mr. Hemant Agarwal holds a bachelor's degree in commerce from the University of Calcutta. He has 20+ years of experience with the company.
Mr. Hirdey Vikram	Chief Sales and Marketing Officer	Mr. Hirdey Vikram has over 11 years of experience with the company and was previously associated with HCL Infosystems Limited. He holds a B. Tech degree in Information Technology.
Mr. Mukesh Golla	Chief Research and Development Officer	Mr. Mukesh Golla has over 19 years of experience with the company and holds a B. Tech degree in Computer Science and Engineering.
Mr. Ankit Kumar Singhal	Chief Financial Officer	Mr. Ankit Kumar Singhal is a Chartered Accountant and holds a bachelor's degree in commerce. He has 13+ year of experience in Accounting & Finance.
Mr. Lohit Chhabra	Company Secretary & Compliance Officer	Mr. Lohit Chhabra has over 8 years of experience in secretarial compliance and holds a bachelor's degree in commerce. Additionally, he is a certified member of the Institute of Company Secretaries of India.

Source: Company Reports



Related Party Transactions

Type of Transaction	Relationship	Total Amount (in cr)
Contribution to CSR	Subsidiary	0.5
Interest Expense	Enterprise (KMP/Relative Influence)	0.3
Interest Expense	KMP (Director)	0.4
Interest Expense	Relative	0.3
Investment in Equity Instruments	Subsidiary	0.0
Loan Repayment	Enterprise (KMP/Relative Influence)	0.6
Loan Repayment	KMP (Director)	3.6
Loan Repayment	Relative	2.9
Loan Taken	Enterprise (KMP/Relative Influence)	0.3
Loan Taken	KMP (Director)	1.4
Loan Taken	Relative	0.7
Remuneration to KMP & their relatives	KMP (CFO)	0.3
Remuneration to KMP & their relatives	KMP (Company Secretary)	0.1
Remuneration to KMP & their relatives	KMP (Director)	17.0
Remuneration to KMP & their relatives	Relative	0.2
Share-based payments to employees	KMP (CFO)	0.1
Share-based payments to employees	KMP (Company Secretary)	0.0
Sitting Fees to Independent Directors	Independent Director	0.6
Total		29.2

Business risk

- **Technology Risk:** The industry is fast-evolving and R&D-intensive, requiring constant innovation to avoid product obsolescence and manage complex HPC/HCI workloads.
- **Market and Competition Risks:** NTIL faces intense competition from well-resourced players, pressuring pricing and margins in a high-barrier, rapidly changing market.
- **Cybersecurity and Data Privacy:** HCS offerings are exposed to increasing threats of data breaches and privacy risks.
- **Supply Chain Risk:** Dependence on imported components makes the industry vulnerable to global supply chain disruptions, geopolitical tensions, and sourcing constraints.
- **Regulatory and Compliance Environment:** The sector is governed by complex environmental, data, and competition laws; non-compliance could lead to fines, operational disruptions, or reputational harm.
- **Economic and Geopolitical Factors:** Economic slowdowns, inflation, forex volatility, and geopolitical instability can impact demand, costs, and business continuity.



Annual Report Takeaways

Auditor's qualifications and significant notes to accounts

In the auditor's opinion, M/s S.S Kothari Mehta & Co. LLP confirmed that NTIL has, in all material respects, maintained adequate accounting records and internal financial controls over financial reporting as of March 31, 2024. These controls were operating effectively throughout the year, with no qualifications, reservations, disclaimers, or adverse remarks in the statutory audit report.

The statutory audit confirmed that the financial statements present a true and fair view in accordance with applicable accounting standards and regulatory requirements. No instances of fraud, material misstatements, or irregularities were identified during the audit procedures, which included evaluation of accounting policies, physical verification of fixed assets, and testing of internal controls.

The secretarial audit conducted by M/s P.C. Jain & Co. noted one instance of insider trading code violation by a designated person. This was appropriately addressed by issuing a warning and reporting to stock exchanges, with no material impact on the company's financial position or operations.

Significant notes to the accounts include disclosures related to IPO and pre-IPO expenses, adherence to regulatory compliances, and effective management of internal financial controls. No significant adverse findings or events post balance sheet date materially affected the financial statements.



NTIL's quarterly and annual performance

Fig in INR Cr (unless specified)	FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	FY26E	FY27E	FY28E
Revenue from operations	445.0	59.8	145.0	253.4	265.9	724.1	149.3	251.1	334.0	414.7	1,149.0	1,589.0	2,192.8	2,938.3
YoY Growth (%)	80.1	(13.7)	96.7	41.9	115.5	62.7	149.7	73.2	31.8	55.9	58.7	38.0	38.0	34.0
Raw Material Cost	324.4	37.6	105.8	198.3	202.8	544.5	109.2	189.1	262.5	321.8	882.6	1,223.5	1,688.4	2,262.5
RM Cost to Sales (%)	72.9	62.9	73.0	78.2	76.3	75.2	73.1	75.3	78.6	77.6	76.8	77.0	77.0	77.0
Employee Cost	29.4	9.9	14.3	14.1	11.9	50.0	11.9	15.9	16.2	18.1	62.1	82.4	97.8	113.9
Employee Cost to Sales (%)	6.6	16.5	9.8	5.6	4.5	6.9	8.0	6.3	4.8	4.4	5.4	5.2	4.5	3.9
Other Expenses	21.2	3.7	5.7	6.8	10.8	27.0	8.2	10.4	11.4	15.0	44.9	70.1	105.5	153.1
Other Expenses to Sales (%)	4.8	6.2	3.9	2.7	4.1	3.7	5.5	4.1	3.4	3.6	3.9	4.4	4.8	5.2
EBITDA	70.0	8.6	19.2	34.3	40.4	102.5	20.0	35.7	43.9	59.8	159.4	213.0	301.1	408.8
EBITDA Margin (%)	15.7	14.4	13.3	13.5	15.2	14.2	13.4	14.2	13.2	14.4	13.9	13.4	13.7	13.9
PAT	46.8	4.7	12.1	21.5	25.7	75.5	15.4	25.7	30.3	43.0	113.2	174.5	250.3	336.4
PAT Margin (%)	10.5	7.8	8.4	8.5	9.7	10.4	10.3	10.2	9.1	10.4	9.8	11.0	11.4	11.4
Net Profit	46.8	5.1	15.1	26.0	29.7	75.5	15.4	25.7	30.3	43.0	113.2	174.5	250.3	336.4
Net Margin (%)	10.5	8.5	10.4	10.3	11.2	10.4	10.3	10.2	9.1	10.4	9.8	11.0	11.4	11.4
Adjusted EPS	8.3					13.3					20.0	30.8	44.2	59.4
P/E (X)	208.5					129.3					86.3	55.9	39.0	29.0
Adjusted BVPS	16.5					74.6					93.6	119.8	157.4	207.8
P/BV (X)	104.2					23.1					18.4	14.4	10.9	8.3
Enterprise Value	9,777.6					9,540.8					9,582.8	9,468.0	9,431.4	9,337.9
EV/EBITDA (X)	139.6					93.1					60.1	44.5	31.3	22.8
Net Worth	93.7					422.8					530.3	678.7	891.4	1,177.4
Return on Equity (%)	50.0					17.9					21.3	25.7	28.1	28.6
Capital Employed	124.1					424.4					531.9	680.7	894.1	1,180.9
Return on Capital Employed (%)	39.8					16.9					20.6	21.8	23.7	24.5
Invested Capital	110.5					202.8					352.3	385.9	562.0	754.5
Return on Invested Capital (%)	60.1					47.5					42.0	51.5	50.5	51.3
Cash Flow from Operations	27.1					18.4					(14.4)	145.7	85.4	158.4
Cash Flow from Investing	(14.0)					(144.6)					116.9	(4.4)	(10.0)	(13.4)
Cash Flow from Financing	(8.0)					208.8					(19.3)	(26.9)	(37.9)	(50.4)
Net Cash Flow	5.1					82.6					83.2	114.4	37.6	94.6
Free Cash Flow	16.9					4.4					(20.4)	136.6	76.2	145.6
FCF to Revenue (%)	3.8					0.6					(1.8)	8.6	3.5	5.0
FCF to EBITDA (%)	24.1					4.3					(12.8)	64.1	25.3	35.6
FCF to Net Profit (%)	36.1					5.8					(18.0)	78.3	30.4	43.3
FCF to Net Worth (%)	18.0					1.0					(3.8)	20.1	8.5	12.4
Total Debt	30					2					2	2	3	3
Net Debt	17					-220					-178	-293	-329	-423
Net Debt to Equity (X)	0.2					(0.5)					(0.3)	(0.4)	(0.4)	(0.4)
Net Debt to EBITDA (X)	0.2					(2.1)					(1.1)	(1.4)	(1.1)	(1.0)
Interest Coverage Ratio (X)	16.3					15.5					27.5	166.3	286.8	486.3
Fundamental scores														
Altman Z Score	3.1					2.2					2.4	2.6	2.8	2.9
Piotroski F-score	5.0					4.0					5.0	6.0	5.0	5.0
Beneish M-score	(0.9)					(1.3)					(1.1)	(2.2)	(1.6)	(1.8)

Source: Company Reports & Ventura Research

NTIL's consolidated financial & projections

Fig in INR Cr (unless specified)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	Fig in INR Cr (unless specified)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Income Statement								Per share data & Yields							
Revenue	247.0	445.0	724.1	1,149.0	1,589.0	2,192.8	2,938.3	Adjusted EPS (INR)	3.9	8.3	13.3	20.0	30.8	44.2	59.4
YoY Growth (%)	73.0	80.1	62.7	58.7	38.3	38.0	34.0	Adjusted Cash EPS (INR)	4.2	8.9	14.4	22.0	33.3	47.3	63.2
Raw Material Cost	186.5	324.4	544.5	882.6	1,223.5	1,688.4	2,262.5	Adjusted BVPS (INR)	7.8	16.5	74.6	93.6	119.8	157.4	207.8
RM Cost to Sales (%)	75.5	72.9	75.2	76.8	77.0	77.0	77.0	Adjusted CFO per share (INR)	0.9	4.8	3.2	(2.5)	25.7	15.1	28.0
Employee Cost	15.2	29.4	50.0	62.1	82.4	97.8	113.9	CFO Yield (%)	0.1	0.3	0.2	(0.1)	1.5	0.9	1.6
Employee Cost to Sales (%)	6.2	6.6	6.9	5.4	5.2	4.5	3.9	Adjusted FCF per share (INR)	0.4	3.0	0.8	(3.6)	24.1	13.4	25.7
Other Expenses	10.8	21.2	27.0	44.9	70.1	105.5	153.1	FCF Yield (%)	0.0	0.2	0.0	(0.2)	1.4	0.8	1.5
Other Exp to Sales (%)	4.4	4.8	3.7	3.9	4.4	4.8	5.2	Solvency Ratio (X)							
EBITDA	34.6	70.0	102.5	159.4	213.0	301.1	408.8	Total Debt to Equity	0.8	0.3	0.0	0.0	0.0	0.0	0.0
Margin (%)	14.0	15.7	14.2	13.9	13.4	13.7	13.9	Net Debt to Equity	0.6	0.2	(0.5)	(0.3)	(0.4)	(0.4)	(0.4)
YoY Growth (%)	140.6	102.4	46.4	55.5	33.6	41.4	35.8	Net Debt to EBITDA	0.8	0.2	(2.1)	(1.1)	(1.4)	(1.1)	(1.0)
Depreciation & Amortization	1.6	3.7	6.3	11.4	14.3	17.4	21.5	Return Ratios (%)							
EBIT	33.0	66.4	96.3	148.1	198.7	283.7	387.3	Return on Equity	49.8	50.0	17.9	21.3	25.7	28.1	28.6
Margin (%)	13.3	14.9	13.3	12.9	12.5	12.9	13.2	Return on Capital Employed	31.3	39.8	16.9	20.6	21.8	23.7	24.5
YoY Growth (%)	154.9	101.3	45.1	53.8	34.2	42.8	36.5	Return on Invested Capital	46.8	60.1	47.5	42.0	51.5	50.5	51.3
Other Income	0.6	0.6	11.4	10.0	35.7	51.8	63.1	Working Capital Ratios							
Bill discounting & other charges	3.6	4.1	6.2	5.4	1.2	1.0	0.8	Payable Days (Nos)	71	64	58	67	80	75	75
Fin Charges Coverage (X)	9.1	16.3	15.5	27.5	166.3	286.8	486.3	Inventory Days (Nos)	57	44	58	54	60	60	60
Exceptional Item	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Receivable Days (Nos)	99	94	85	87	90	90	90
PBT	29.9	62.8	101.5	152.7	233.2	334.5	449.6	Net Working Capital Days (Nos)	84	74	84	73	70	75	75
Margin (%)	12.1	14.1	14.0	13.3	14.7	15.3	15.3	Net Working Capital to Sales (%)	25.4	23.0	23.7	24.9	19.2	20.5	20.5
YoY Growth (%)	157.9	110.3	61.6	50.4	52.8	43.5	34.4	Valuation (X)							
Tax Expense	7.8	16.0	26.1	39.5	58.7	84.2	113.2	P/E	441.6	208.5	129.3	86.3	55.9	39.0	29.0
Tax Rate (%)	26.0	25.5	25.7	25.9	25.2	25.2	25.2	P/BV	220.0	104.2	23.1	18.4	14.4	10.9	8.3
PAT	22.1	46.8	75.5	113.2	174.5	250.3	336.4	EV/EBITDA	282.9	139.6	93.1	60.1	44.5	31.3	22.8
Margin (%)	8.9	10.5	10.4	9.8	11.0	11.4	11.4	EV/Sales	39.6	22.0	13.2	8.3	6.0	4.3	3.2
YoY Growth (%)	153.7	111.8	61.2	50.0	54.2	43.5	34.4	Cash Flow Statement							
Min Int/Sh of Assoc	0.0	0.0	0.0	0.0	0.0	0.0	0.0	PBT	29.9	62.8	101.5	152.7	233.2	334.5	449.6
Net Profit	22.1	46.8	75.5	113.2	174.5	250.3	336.4	Adjustments	3.5	19.7	12.5	(13.0)	(10.5)	(19.1)	(24.8)
Margin (%)	8.9	10.5	10.4	9.8	11.0	11.4	11.4	Change in Working Capital	(20.5)	(39.4)	(69.6)	(114.6)	(18.3)	(145.8)	(153.2)
YoY Growth (%)	153.7	111.8	61.2	50.0	54.2	43.5	34.4	Less: Tax Paid	(7.8)	(16.0)	(26.1)	(39.5)	(58.7)	(84.2)	(113.2)
Balance Sheet								Cash Flow from Operations	5.2	27.1	18.4	(14.4)	145.7	85.4	158.4
Share Capital	5.7	10.2	11.3	11.3	11.3	11.3	11.3	Net Capital Expenditure	(5.4)	(13.3)	(18.6)	(10.0)	(10.0)	(10.0)	(13.4)
Total Reserves	38.7	83.5	411.5	519.0	667.3	880.1	1,166.1	Change in Investments	(0.1)	(0.8)	(126.0)	126.9	5.6	0.0	0.0
Shareholders Fund	44.4	93.7	422.8	530.3	678.7	891.4	1,177.4	Cash Flow from Investing	(5.5)	(14.0)	(144.6)	116.9	(4.4)	(10.0)	(13.4)
Long Term Borrowings	14.4	9.3	1.3	1.3	1.8	2.4	3.2	Change in Borrowings	3.9	(4.0)	(39.5)	0.2	0.5	0.7	0.8
Deferred Tax Assets / Liabilities	(1.1)	(0.7)	(0.9)	(1.6)	(1.6)	(1.6)	(1.6)	Less: Finance Cost	(3.6)	(4.1)	(6.2)	(5.4)	(1.2)	(1.0)	(0.8)
Other Long Term Liabilities	0.8	4.2	6.9	5.0	5.2	5.4	5.5	Proceeds from Equity	0.0	0.0	257.1	0.0	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Provisions	1.1	1.5	2.6	3.4	4.5	5.3	6.2	Dividend Paid	0.0	0.0	(2.5)	(14.2)	(26.2)	(37.6)	(50.5)
Total Liabilities	59.7	108.0	432.6	538.4	688.4	902.9	1,190.8	Cash flow from Financing	0.3	(8.0)	208.8	(19.3)	(26.9)	(37.9)	(50.4)
Net Block	10.4	23.4	44.2	44.5	40.2	32.8	24.7	Net Cash Flow	0.0	5.1	82.6	83.2	114.4	37.6	94.6
Capital Work in Progress	0.5	1.8	0.6	5.6	0.0	0.0	0.0	Forex Effect	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Opening Balance of Cash	2.0	2.0	7.1	89.7	179.5	294.8	332.1
Non Current Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Closing Balance of Cash	2.0	7.1	89.7	179.5	294.8	332.1	426.7
Long Term Loans & Advances	1.5	1.4	6.3	0.0	0.0	0.0	0.0								
Other Non Current Assets	0.3	0.6	0.5	16.2	22.4	30.9	41.4								
Net Current Assets	47.0	80.9	381.1	472.0	625.8	839.2	1,124.6								
Total Assets	59.7	108.0	432.6	538.4	688.4	902.9	1,190.8								

Source: Company Reports & Ventura Research

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