

Date: 01-08-2025

To, The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Scrip Code: 543945	To, The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra East, Mumbai- 400051 Scrip Code: NETWEB
---	---

**SUBJECT: DISCLOSURE UNDER REGULATION 30 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 - CREDIT RATINGS**

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we wish to inform you that CRISIL Ratings Limited ("CRISIL") has reaffirmed its ratings on enhanced Bank Loan Facilities of the Company as below:

<b>Total Bank Loan Facilities Rated</b>	<b>Rs. 260 Crore (Enhanced from 124.31 Crore)</b>
<b>Long Term Rating</b>	<b>CRISIL A/Stable (Reaffirmed)</b>
<b>Short Term Rating</b>	<b>CRISIL A1 (Reaffirmed)</b>

A copy of the Rating letter including all requisite details is enclosed herewith.

Kindly take the same on record.

**Thanking you,**

**For Netweb Technologies India Limited**

**Lohit Chhabra** Digitally signed  
by Lohit Chhabra  
Date: 2025.08.01  
15:21:56 +05'30'

Lohit Chhabra  
Company Secretary & Compliance Officer  
M.NO A36610

**Netweb Technologies India Limited**

**Plot No. H-1, Block-H, Pocket No. 9, Faridabad Industrial Town, Sector-57, Faridabad, Haryana  
121004**

**Tel. No. : +91-129-2310400**

**Website : [www.netwebindia.com](http://www.netwebindia.com) ; E-mail : [complianceofficer@netwebindia.com](mailto:complianceofficer@netwebindia.com)**

# Netweb Technologies India Limited

**Ratings reaffirmed at 'Crisil A / Stable / Crisil A1 '; rated amount enhanced for Bank Debt**

## Rating Action

<b>Total Bank Loan Facilities Rated</b>	<b>Rs.260 Crore (Enhanced from Rs.124.31 Crore)</b>
<b>Long Term Rating</b>	<b>Crisil A/Stable (Reaffirmed)</b>
<b>Short Term Rating</b>	<b>Crisil A1 (Reaffirmed)</b>

*Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

*1 crore = 10 million*

*Refer to annexure for Details of Instruments & Bank Facilities*

## Detailed rationale

Crisil Ratings has reaffirmed its ratings on the bank facilities of Netweb Technologies India Limited (NTIL) to '**Crisil A/Stable/Crisil A1**'. The company was formerly known as Netweb Technologies India Private Limited (NTIPL).

The ratings continue to reflect the established market presence supported by the extensive experience of the management team in the high-performance computing (HPC), storage and cloud business segments, and its strong financial risk profile. These strengths are partially offset by working capital-intensive operations and exposure to intense competition.

## Analytical approach:

Crisil Ratings has evaluated the standalone business and financial risk profiles of NTIL.

## Key rating drivers and detailed description

### **Strengths:**

**Established market presence supported by the extensive experience of the management team:** Supported by an experienced management team, NTIL has established its presence and built a significant market share over nearly two decades. Continuous in-house research and development (R&D) offer the latest technology and new products, resulting in 69% CAGR over three fiscals to Rs 1,149 crore in fiscal 2025 (Rs 724 crore in fiscal 2024). The management has longstanding relationships with established customers such as Indian Institute of Technology, Indian Space Research Organization (ISRO), Railtel, University of Delhi, Infosys, Yotta, Zoho and Tata Consultancy Services (TCS). The clientele is diversified across geographies and the company is also recipient of the production-linked incentive (PLI) scheme which is a flagship scheme of the Government of India. It is one of the few Indian enterprises under this scheme in the server category. It has installed more than 300 made-in-India HPC units and is one of the few players in the market providing end-to-end supercomputing and cloud service solutions. Furthermore, it has also been awarded PLI in the IT Hardware sector. Growing demand for HPC, cloud services, data centres and AI with favourable government initiatives will continue to support the business risk profile.

**Strong financial risk profile:** The company's networth increased to over Rs 522 crore as on March 31, 2025, with healthy accretion to reserves. The dependence on debt also remains limited, which

has led to strong capital structure as indicated by nil gearing and TOLTNW ratio below 0.7 time on the same date. The debt protection metrics remain robust due to moderately healthy profitability leading to interest coverage ratio of over 34 times in fiscal 2025. In the absence of any debt-funded capital expenditure (capex) and expected accretion to reserve, Crisil Ratings expects the company's financial risk profile to remain strong over the medium term.

#### **Weaknesses:**

**Working capital-intensive operations:** Gross current assets (GCAs) are at 200-210 days (without cash) as on March 31, 2025, compared to 168 days as on March 31, 2024, driven by debtors of 110-115 days and inventory of 80-85 days. The company records 30-40% of revenue in the last quarter of the fiscal, leading to higher receivables towards end of the fiscal and usually receives payments within 70-90 days. The working capital cycle is also stretched because of high inventory holding as majority of the raw material is imported and, therefore, adequate inventory needs to be maintained. While prudent working capital management has resulted in timely realisation of receivables and liquidation of inventory, its sustenance amidst revenue growth will be closely monitored.

**Exposure to intense competition:** Intense competition can lead to severe pricing pressure, constraining the profit margin. Furthermore, any change in technology would require realignment of products in consonance with end users. With the rapid evolution of the global IT-enabled services sector, competition is intensifying as more companies vie for a share of the revenue pie. NTIL competes with international players in most of the verticals. Availability of low-cost skilled talent is also a key variable in this industry. Going forward, company's ability to withstand the competition, leading sustained revenue growth amid steady operating profitability will remain a key monitorable.

#### **Liquidity: Strong**

Bank limit utilisation was low at 27% on average for the 12 months through May 2025. Cash accrual is expected to be Rs 125-135 crore which will be sufficient against term debt obligation of Rs 0.5-1.0 crore over the medium term, and the surplus will cushion liquidity. Unencumbered cash and bank balance of around Rs 170 crore further aid liquidity; these will be utilised for incremental working capital requirement. Low gearing and moderate networth support financial flexibility, which will help to withstand adverse conditions or downturns in the business.

#### **Outlook: Stable**

Crisil Ratings believes NTIL will continue to benefit from the extensive experience of its promoters and established relationships with clients.

#### **Rating sensitivity factors**

##### **Upward factors**

- Sustained revenue growth to over Rs 1,600-1,700 crore, and operating margin at 13.5-14.5%, leading to higher-than-expected net cash accrual
- Efficient working capital management leading to moderate dependence on debt and sustenance of healthy financial risk profile and liquidity

##### **Downward factors**

- Decline in revenue or fall in operating margin to below 11%, leading to lower-than-expected net cash accrual
- Large, debt-funded capex or substantial increase in the working capital requirement, thus weakening the financial risk profile and liquidity

#### **About the company**

NTIL was incorporated in 1999 as a proprietorship firm and later reconstituted as a private limited company in 2016 and as a public limited company in fiscal 2023. The company provides a range of computer server solutions such as HPC, storage, deep learning, big data analytics, cloud and virtualisation. NTIL was involved in the implementation of Kabru supercomputer (India's second-

fastest computer) and PARAM YUVA II (fastest supercomputer) and is participating in the National Supercomputing Mission of the government of India. The company is headquartered in Faridabad and has development centres across India. It is promoted by Mr Sanjay Lodha and his family members.

### **Key financial indicators**

<b>As on / for the period ended March 31</b>		<b>2025</b>	<b>2024</b>
Operating income	Rs crore	1149.02	724.07
Reported profit after tax (PAT)	Rs crore	114.47	75.90
PAT margin	%	9.96	10.48
Adjusted debt/adjusted networkth	Times	0.0	0.0
Interest coverage	Times	34.14	17.06

### **Annexure - Details of Instrument(s)**

<b>ISIN</b>	<b>Name Of Instrument</b>	<b>Date of Allotment</b>	<b>Coupon Rate (%)</b>	<b>Maturity Date</b>	<b>Issue Size (Rs. Crore)</b>	<b>Complexity Levels</b>	<b>Rating Outstanding with Outlook</b>
NA	Bank Guarantee	NA	NA	NA	190.00	NA	Crisil A1
NA	Cash Credit	NA	NA	NA	70.00	NA	Crisil A/Stable

### **Annexure – Details of Bank Lenders/Facilities**

<b>Facility</b>	<b>Amount (Rs. Crore)</b>	<b>Name of Lender</b>	<b>Rating</b>
Bank Guarantee	69.31	Indian Bank	Crisil A1
Bank Guarantee	15	HDFC Bank Limited	Crisil A1
Bank Guarantee	85.69	Indian Bank	Crisil A1
Bank Guarantee	20	HDFC Bank Limited	Crisil A1
Cash Credit	10	HDFC Bank Limited	Crisil A/Stable
Cash Credit	30	Indian Bank	Crisil A/Stable
Cash Credit	30	HDFC Bank Limited	Crisil A/Stable