

Netweb TECHNOLOGIES NETWEB TECHNOLOGIES INDIA LIMITED

Our Company was originally incorporated as 'Netweb Technologies India Private Limited', at New Delhi as a private limited company under the Companies Act, 1956 and received a certificate of incorporation issued by the RoC, on September 22, 1999. Thereafter, our Company was converted into a public limited company, pursuant to a special resolution passed by the Shareholders of our Company on October 18, 2022, and the name of our Company was changed to its present name pursuant to a fresh certificate of incorporation issued by the RoC on November 18, 2022. For further details of changes in the name, registered office of our Company, and details in relation to the acquisition of a business undertaking of our Promoter and Chairman and Managing Director, Sanjay Lodha by our Company, see 'History and Certain Corporate Matters' on page 252 of the Prospectus dated July 21, 2023 ("Prospectus").

Corporate Identification Number: U72100HR1999PLC103911;

Registered and Corporate Office: Plot No H-1, Pocket 9, Faridabad Industrial Town (FIT), Sector-57, Ballabhgarh, Faridabad, Haryana - 121004. Contact Person: Lohit Chhabra, Company Secretary and Compliance Officer; Tel: +911292310416; E-mail: complianceofficer@netwebindia.com; and Website: www.netwebindia.com

OUR PROMOTERS: SANJAY LODHA, NAVIN LODHA, VIVEK LODHA AND NIRAJ LODHA

Our Company has filed the Prospectus dated July 21, 2023 with the RoC, and the Equity Shares are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and trading is expected to commence on July 27, 2023.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFER OF 12,621,000 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH (EQUITY SHARES) OF NETWEB TECHNOLOGIES INDIA LIMITED (COMPANY) FOR CASH AT A PRICE OF ₹ 500 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 498 PER EQUITY SHARE) (OFFER PRICE) AGGREGATING ₹ 6,310.00 MILLION (OFFER) COMPRISING A FRESH ISSUE OF 4,121,000 EQUITY SHARES AGGREGATING ₹ 2,060.00 MILLION BY THE COMPANY (FRESH ISSUE) AND AN OFFER FOR SALE OF 8,500,000 EQUITY SHARES AGGREGATING ₹ 4,250.00 MILLION BY THE SELLING SHAREHOLDERS (OFFER FOR SALE) COMPRISING 2,860,000 EQUITY SHARES AGGREGATING ₹ 1,430.00 MILLION BY SANJAY LODHA, 1,430,000 EQUITY SHARES AGGREGATING ₹ 715.00 MILLION BY NAVIN LODHA, 1,430,000 EQUITY SHARES AGGREGATING ₹ 715.00 MILLION BY VIVEK LODHA, 1,430,000 EQUITY SHARES AGGREGATING ₹ 715.00 MILLION BY NIRAJ LODHA (EACH, THE PROMOTER SELLING SHAREHOLDER) AND, 1,350,000 EQUITY SHARES AGGREGATING ₹ 675.00 MILLION BY ASHOKA BAJAJ AUTOMOBILES LLP (FORMERLY KNOWN AS ASHOKA BAJAJ AUTOMOBILES PRIVATE LIMITED), PROMOTER GROUP SELLING SHAREHOLDER, AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, THE SELLING SHAREHOLDERS, AND SUCH EQUITY SHARES, THE OFFERED SHARES).

THE COMPANY HAS, IN CONSULTATION WITH THE BRLMS, UNDERTAKEN A PRE-IPO PLACEMENT OF 1,020,000 EQUITY SHARES AT AN ISSUE PRICE OF ₹ 500 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 498 PER EQUITY SHARE) AGGREGATING ₹ 510.00 MILLION (PRE-IPO PLACEMENT). THE SIZE OF THE FRESH ISSUE OF ₹ 2,570.00 MILLION WAS REDUCED BY ₹ 510.00 MILLION PURSUANT TO THE PRE-IPO PLACEMENT AND THE REVISED SIZE OF THE FRESH ISSUE IS ₹ 2,060.00 MILLION. THE OFFER INCLUDED A RESERVATION OF 20,000 EQUITY SHARES AGGREGATING ₹ 9.50 MILLION (CONSTITUTING 0.04% OF OUR POST-OFFER EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (EMPLOYEE RESERVATION PORTION). OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BRLMS, OFFERED A DISCOUNT OF 5% OF THE OFFER PRICE (EQUIVALENT OF ₹ 25 PER EQUITY SHARE) TO THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (EMPLOYEE DISCOUNT). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE NET OFFER. THE OFFER AND THE NET OFFER CONSTITUTE 22.51% AND 22.48% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL, RESPECTIVELY

ANCHOR INVESTOR OFFER PRICE: ₹ 500 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH
OFFER PRICE: ₹ 500 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH
THE OFFER PRICE IS 250 TIMES OF THE FACE VALUE OF EQUITY SHARES

Risks to Investors:

Business Risk:
A significant proportion of our orders are from government related entities which award the contract through a process of tender. Tenders, typically, are awarded to the lower bidder once all other eligibility criteria are met. Our performance could be adversely affected if we are not able to successfully bid for these contracts or required to lower our bid value.

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

*Revenue from operations excludes Other operating revenue
We have had low-capacity utilisation in Fiscals 2023, 2022 and 2021. The capacity utilisation for Fiscal 2023, 2022 and 2021 of our facility are 51.64%, 53.11% and 52.01% respectively.

Concentration risk:
Our success is dependent on our long-term relationship with our Customers. In particular, we are heavily reliant on our top 10 Customers. We do not, generally, enter into long term contracts with Customers, which exposes us to risks emanating from the inability to retain our established Customers as our clients.

Particulars	Revenue Contribution (%)		
	Fiscal 2023*	Fiscal 2022	Fiscal 2021
Top 10 customers	57.80	49.47	52.26

*Revenue from operations excludes Other operating revenue.
Loss of all or a substantial portion of sales to any of our top 10 Customers, for any reason could have a material adverse impact on our business, results of operations, financial condition and cash flows.

We derive a majority portion of our revenues from operations from a select few of our HCS offerings. Loss or decline in the demand of such offerings may result in an adverse effect on our business, revenue from manufacturing operations and financial condition

Business Vertical	Revenue from Operations (%)		
	Fiscal 2023*	Fiscal 2022	Fiscal 2021
Supercomputing systems	39.19	41.70	9.72
Private cloud and HCI	33.13	19.38	28.39
Total	72.32	61.08	38.11

*Revenue from operations excludes Other operating revenue.

Other Risk:
The companies disclosed as peer set of our Company in the 'Basis for Offer Price' section are not in the same line of business as that of our Company i.e providing HCS offering. There is no direct comparison with these listed peers. Therefore, investors must rely on their own examinations of accounting ratios of our Company for the purposes of investment in this Offer.
While our Promoters and Whole Time Directors possess educational qualifications in management and commerce, they do not possess educational qualifications in the field of information technology. Our future success will depend, on among other factors, the ability of our Company to evolve with the changing landscape of the business verticals in which we operate.

The Weighted Average Cost of Acquisition of all Equity Shares transacted in last three years, 18 months and one year preceding the date of the Prospectus:

Period	Weighted Average Cost of Acquisition (in ₹)	Cap price* ₹ 500 is 'X' times the Weighted Average Cost of Acquisition	Range of Acquisition: Lowest Price - Highest Price (in ₹)
Last 1 year	14.84	33.69	0-500
Last 18 Months	14.84	33.69	0-500
Last 3 years	13.77	36.31	0-500

As certified by M/s APT & Co LLP, the Independent Chartered Accountant, vide their certificate dated July 21, 2023. *The Cap price i.e., ₹ 500 which is also the Offer Price.

Weighted average cost of acquisition compared to Floor Price and Cap Price:

Past Transactions	Weighted Average Cost of Acquisition (in ₹)	Floor price of ₹ 475	Cap price* of ₹ 500
Past 5 primary issuances /secondary transactions	445.42	1.07 times	1.12 times

As certified by our Statutory Auditors, S S Kothari & Company, pursuant to a certificate dated July 21, 2023. *The Cap price i.e., ₹ 500 which is also the Offer Price.
Average cost of acquisition of Equity Shares for the selling shareholders namely, Sanjay Lodha is ₹ 0.43, Navin Lodha is ₹ 0.11, Vivek Lodha is ₹ 0.35, Niraj Lodha is ₹ 0.84 and Ashoka Bajaj Automotives LLP (formerly known as Ashoka Bajaj Automotives Private Limited) is ₹ 1.56 and Offer Price is ₹ 500 per Equity Share.

The Price/Earnings ratio based on diluted EPS for fiscal 2023 for our Company at Offer Price is 55.13 times and Price/Earnings ratio of the average industry peer group as on June 30, 2023 is 79.82 times.
Weighted Average Return on Net Worth for Fiscals 2023, 2022 and 2021 is 64.35%.

Our market capitalisation at the lower end and higher end of price band to total income for fiscal 2023 is 6.00 times and 6.29 times respectively.
The two BRLMs associated with the Offer have handled 42 public issues in the past three Fiscal Years, out of which 13 issue closed below the Offer price on the listing date.

Name of the BRLM	Total Issues	Issues closed below IPO price on listing date
Equirus Capital Private Limited*	8	3
IIFL Securities Limited*	32	10
Common Issues of above BRLMs	2	Nil
Total	42	13

*Issues handled where there were no common BRLMs

BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE OPENED AND CLOSED ON FRIDAY, JULY 14, 2023

BID/OFFER OPENED ON MONDAY, JULY 17, 2023 | BID/OFFER CLOSED ON WEDNESDAY, JULY 19, 2023

The Offer was made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 (SCRR), read with Regulation 31 of the SEBI ICDR Regulations. The Offer was made in accordance with Regulation 6(1) of the SEBI ICDR Regulations, through the Book Building Process wherein not more than 50% of the Net Offer was made available for allocation on a proportionate basis to Qualified Institutional Buyers (QIBs) (such portion referred to as QIB Portion). Our Company and the Selling Shareholders, in consultation with the BRLMs allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (Anchor Investor Portion), out of which one-third was reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation was made to Anchor Investors (Anchor Investor Allocation Price), in accordance with the SEBI ICDR Regulations. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds was less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion were made available to be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Net Offer were made available for allocation on a proportionate basis to Non-Institutional Investors out of which (a) one-third of such portion was reserved for applicants with application size of more than ₹ 0.2 million and up to ₹ 1 million; and (b) two-third of such portion reserved for applicants with application size of more than ₹ 1 million, and not less than 35% of the Net Offer was available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, 20,000 Equity Shares were allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) were required to mandatorily use the Application Supported by Blocked Amount (ASBA) process providing details of their respective ASBA accounts, and UPI ID in case of UPI Bidders, if applicable, in which the corresponding Bid Amounts would have been blocked by the SCSBs or by the Sponsor Banks under the UPI Mechanism, as applicable, to the extent of the respective Bid Amounts. Anchor Investors were not permitted to participate in the Offer through the ASBA process. For further details, see 'Offer Procedure' on page 440 of the Prospectus.

The bidding for Anchor Investor opened and closed on July 14, 2023. The Company received 25 applications from 15 Anchor Investors for 37,80,300 Equity Shares. The Anchor Investor Offer Price was finalized at ₹ 500 per Equity Share. A total of 37,80,300 Equity Shares were allocated under the Anchor Investor Portion aggregating to ₹ 1,89,01,50,000.00.-. The Offer received 22,44,602 applications for 80,50,70,700 Equity Shares resulting in 63.79 times subscription as disclosed in the Prospectus. The details of the applications received in the Offer from Retail Individual Bidders, Non-Institutional Bidders and QIBs are as under (before rejections):

Sl. No.	CATEGORY	NO. OF APPLICATIONS RECEIVED	NO. OF EQUITY SHARES APPLIED	NO. OF EQUITY SHARES RESERVED AS PER PROSPECTUS	NO. OF TIMES SUBSCRIBED	AMOUNT (₹)
A	Qualified Institutional Bidders (excluding Anchor Investors)	166	55,47,03,930	25,20,200	220.10	2,77,35,19,65,000.00
B	Non-Institutional Bidders -More than 2 Lakhs Upto 10 Lakhs	1,04,212	4,70,07,180	6,30,050	74.61	23,50,27,76,160.00
C	Non-Institutional Bidders -Above 10 Lakhs	50,118	11,21,57,070	12,60,100	89.01	56,07,79,40,490.00
D	Retail Individual Bidders	20,67,939	8,63,68,050	44,10,350	19.59	43,18,67,12,430.00
E	Eligible Employees	22,142	10,54,170	20,000	52.71	50,07,28,770.00
F	Anchor Investors	25	37,80,300	37,80,300	1.00	1,89,01,50,000.00
Total		22,44,602	80,50,70,700	1,26,21,000	63.79	4,02,51,02,72,850.00

Final Demand
Summary of the final demand as per BSE and NSE as on the Bid/Offer Closing Date at different Bid prices is as under:

Sr. No	Bid Price (₹)	No. of Equity Shares	% to Total	Cumulative Total	Cumulative % of Total
1	475	4,16,070	0.05	4,16,070	0.05
2	476	16,080	0.00	4,32,150	0.05
3	477	11,220	0.00	4,43,370	0.05
4	478	7,650	0.00	4,51,020	0.05
5	479	5,790	0.00	4,56,810	0.06
6	480	1,54,740	0.02	6,11,550	0.07
7	481	5,370	0.00	6,16,920	0.08
8	482	3,450	0.00	6,20,370	0.08
9	483	4,380	0.00	6,24,750	0.08
10	484	1,830	0.00	6,26,580	0.08
11	485	72,150	0.01	6,98,730	0.09
12	486	8,850	0.00	7,07,580	0.09
13	487	7,650	0.00	7,15,230	0.09
14	488	9,210	0.00	7,24,440	0.09
15	489	10,170	0.00	7,34,610	0.09
16	490	1,61,220	0.02	8,95,830	0.11
17	491	6,690	0.00	9,02,520	0.11
18	492	4,140	0.00	9,06,660	0.11
19	493	3,030	0.00	9,09,690	0.11
20	494	5,400	0.00	9,15,090	0.11
21	495	68,610	0.01	9,83,700	0.12
22	496	4,020	0.00	9,87,720	0.12
23	497	6,480	0.00	9,94,200	0.12
24	498	91,860	0.01	10,86,060	0.13
25	499	1,28,730	0.02	12,14,790	0.15
26	500	73,30,14,210	89.36	73,42,29,000	89.51
27	9,999	8,60,39,610	10.49	82,02,68,610	100.00
TOTAL		82,02,68,610	100.00		

The Basis of Allotment was finalized in consultation with the Designated Stock Exchange, being BSE on July 24, 2023.

A. Allotment to Retail Individual Bidders (After Rejections) (including ASBA Applications)

The Basis of Allotment to the Retail Individual Bidders, who have bid at cut-off or at the Offer Price of ₹ 500 per Equity, was finalized in consultation with BSE. This category has been subscribed to the extent of 18.74 times. The total number of Equity Shares Allotted in Retail Individual Bidders category is 44,10,350 Equity Shares to 1,47,011 successful applicants. The category-wise details of the Basis of Allotment are as under:

Sr. No	Category	No. of Applications Received	% of Total	Total No. of Equity Shares applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
1	30	17,63,092	89.08	5,28,92,760	64.00	30	13:175	39,28,860
2	60	98,211	4.96	58,92,660	7.13	30	13:175	2,18,850
3	90	33,888	1.71	30,49,920	3.69	30	13:175	75,510
4	120	16,686	0.84	20,02,320	2.42	30	13:175	37,170
5	150	11,923	0.60	17,88,450	2.16	30	13:175	26,580
6	180	8,558	0.43	15,40,440	1.86	30	13:175	19,080
7	210	6,980	0.35	14,65,800	1.77	30	13:175	15,540
8	240	3,702	0.19	8,88,480	1.07	30	13:175	8,250
9	270	2,065	0.10	5,57,550	0.67	30	13:175	4,590
10	300	6,398	0.32	19,19,400	2.32	30	13:175	14,250
11	330	1,235	0.06	4,07,550	0.49	30	13:175	2,760
12	360	2,089	0.11	7,52,040	0.91	30	13:175	4,650
13	390	24,341	1.23	94,92,990	11.49	30	13:175	54,240
		16,049 Allottees from Serial no 2 to 13 Additional 1(One) share				1	20:16049	20
TOTAL		19,79,168	100.00	8,26,50,360	100.00			44,10,350

B. Allotment to Non-Institutional Bidders (more than ₹ 2 lakhs and upto ₹ 10 lakhs) (After Rejections) (including ASBA Applications)

The Basis of Allotment to the Non-Institutional Bidders (more than ₹ 2 lakhs and upto ₹ 10 lakhs), who have bid at the Offer Price of ₹ 500 per Equity Share or above, was finalized in consultation with BSE. This category has been subscribed to the extent of 72.52 times. The total number of Equity Shares Allotted in this category is 6,30,050 Equity Shares to 1,500 successful applicants. The category-wise details of the Basis of Allotment are as under: (Sample)

Sr. No	Category	No. of Applications Received	% of Total	Total No. of Equity Shares applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
1	420	93,054	91.79	3,90,82,680	85.53	420	7:473	5,78,340
2	450	2,642	2.61	11,88,900	2.60	420	1:67	16,380
3	480	576	0.57	2,76,480	0.61	420	9:576	3,780
4	510	387	0.38	1,97,370	0.43	420	6:387	2,520
5	540	188	0.19	1,01,520	0.22	420	3:188	1,260
6	570	121	0.12	68,970	0.15	420	2:121	840
7	600	675	0.67	4,05,000	0.89	420	10:675	4,200
8	630	131	0.13	82,530	0.18	420	2:131	840
9	660	98	0.10	64,680	0.14	420	1:98	420
10	690	88	0.09	60,720	0.13	420	1:88	420
11	720	65	0.06	46,800	0.10	420	1:65	420
13	780	113	0.11	88,140	0.19	420	2:113	840
14	810	141	0.14	1,14,210	0.25	420	2:141	840
16	900	324	0.32	2,91,600	0.64	420	5:324	2,100
526	1,890	26	0.03	49,140	0.11	420	0:26	0
528		All applicants from Serial no 501 to 527 for 1 (one) lot of 420 shares				420	6:424	2,520
529		123 allottees from Serial no 2 to 528 for 1 (one) additional share				1	50:123	50

C. Allotment to Non-Institutional Bidders (more than ₹ 10 lakhs) (After Rejections) (including ASBA Applications)

The Basis of Allotment to the Non-Institutional Bidders (more than ₹ 10 lakhs), who have bid at the Offer Price of ₹ 500 per Equity Share or above, was finalized in consultation with BSE. This category has been subscribed to the extent of 87.60 times. The total number of Equity Shares Allotted in this category is 12,60,100 Equity Shares to 3,000 successful applicants. The category-wise details of the Basis of Allotment are as under: (Sample)

Sr. No	Category	No. of Applications Received	% of Total	Total No. of Equity Shares applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
1	2,010	45,434	92.13	9,13,22,340	82.73	420	16:263	11,60,880
2	2,040	850	1.72	17,34,000	1.57	420	3:49	21,840
3	2,070	210	0.43	4,34,700	0.39	420	13:210	5,460
6	2,160	109	0.22	2,35,440	0.21	420	7:109	2,940
8	2,220	71						