Date : 07-05-2024

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**

SUB: TRANSCRIPT OF Q4 FY23-24 POST RESULTS EARNING CALL

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), please find enclosed the transcript of Post results earning call for Q4 and for FY23-24 held on Thursday, 02nd May, 2024.

This is for your information and dissemination on your website.

Thanking You

For Netweb Technologies India Limited

Lohit Chhabra
Digitally signed by Lohit Chhabra
Date: 2024.05.07 16:55:22 +05'30'

Lohit Chhabra
Company Secretary & Compliance Officer

File NAME: GMT20240502-100031_Recording_640x360

Duration: 01:02:36

Sandeep Shah : (00:00:12)
Sanjay sir, Should I start?

Sanjay Lodha: (00:00:17) Yes. Please start.

Sandeep Shah : (00:00:20) Yeah, So hi Good afternoon to all participants. I am Sandeep Shah from Equirus Securities. I welcome all participants, investors and senior management to Netweb Technologies India's post results Q4FY24 & FY24 earnings webinar. Please note that this webinar is for 60 minutes and the same is recorded. Now I handover the floor to Mr. Sanjeev Sancheti – Head of Uirtus Advisors LLP, IR advising firm of Netweb Technologies to introduce the senior management of Netweb and to discuss safe harbor statement and the flow of the webinar. Over to you, Mr. Sanjeev.

Sanjeev Sancheti: (00:01:00) Thank you, Sandeep! Good afternoon to all the participants. It is my pleasure to introduce to all of you the Senior Management team of Netweb today to present the call. With me are Mr. Sanjay Lodha, Chairman & Managing Director; Mr. Navin Lodha, Whole Time Director; and Mr. Prawal Jain, Chief Financial Officer and Chief Human Resource Officer. Before I hand over the call to Mr. Sanjay Lodha for the opening remarks, I would just like to draw your attention to the safe harbour statement in the earnings update presentation. Over to you Mr. Lodha!

Sanjay Lodha: (00:01:41) Thank you Sandeep, Thank you Sanjeev. Good afternoon and a very warm welcome to all of you to Netweb Technologies Q4'Financial Year 24 & Financial Year 24 earnings webinar. I will take you through the business and operational highlights of the quarter and the year gone by, while our CFO Mr. Prawal Jain will share the financial metrics.

We are delighted to announce that our company has achieved its highest-ever quarterly and annual income and profits. Please, I would like to repeat. Our company has achieved its highest ever quarterly and annual income and profits. As stated earlier, AI systems is now clearly progressing towards becoming the third pillar of our growth. This is reflected by its revenue growing 2.6 times year-on-year, while its contribution to the company's total revenue has grown from 7% in FY23 to 11% in FY24, underscoring its importance as a significant revenue stream.

We are also happy to announce that the Board of Directors have recommended a Dividend of ₹ 2 per share; subject to Shareholders' approval, which is 100% of the face value. Our Operating income grew by 115.5% YoY for the quarter and 62.7% YoY for the full fiscal year,

reaching ₹2,659 million in Q4'FY24 and ₹7,241 million in FY24. Profit after tax (PAT) also showed substantial growth, rising by 181.8% YoY for the quarter and 61.7% YoY for the entire fiscal year, reaching ₹297 million in Q4'FY24 and ₹759 million in FY24.

On the business side, while our existing customers continue to support us, we have been able to onboard as many as 171 new customers in the fiscal gone by.

Future Opportunities

While you all are aware of our manufacturing partnership with NVIDIA for the NVIDIA Grace CPU Superchip and GH200 Grace Hopper Superchip MGX server designs, under our Tyrone range of AI servers, we will produce over ten server variations as part of this collaboration. This strategic partnership targets the challenges enterprises face in building the right AI infrastructure at the right cost. With this collaboration, we aim to offer AI infrastructure solutions that meet the increasing demand for artificial intelligence across diverse industries and business verticals. Our solutions provide flexibility for applications like generative AI, speech analytics, text analytics, and automation.

As you as you guys might be, knowing that we have also Launched the latest Intel Sapphire Rapids & AMD Genoa based 'Make in India' high-end computing servers in the current quarter.

Our newly established state-of-the-art SMT Line with advanced capabilities is currently on trial runs and is expected to be operational soon.

Our business pipeline remains robust with a strong order book of ₹4,112 Mn for Mar'24 as compared to ₹ 712 Mn in Mar'23. Ongoing enhancements in our capabilities, coupled with the expansion of our operations and product portfolio, positions us favourably for sustained growth while retaining our technological leadership.

Emerging Businesses

As you must be aware that India's potential to capitalize on the rapid expansion of Generative AI, including Large Language Models (LLM), and rising global adoption of AI in businesses, has positioned India to become the "**AI factory of the world**."

Cabinet's recent approval of over Rs 10,300 crore for the IndiaAI Mission marks a significant step in bolstering India's AI ecosystem. This funding, allocated over five years, will catalyse key initiatives including IndiaAI Compute Capacity, Innovation Centre (IAIC), Datasets Platform, Application Development, FutureSkills, Startup Financing, and Safe & Trusted AI. Central to this initiative is IndiaAI Compute Capacity, aiming to establish an advanced, scalable AI computing infrastructure by deploying over 10,000 Graphics GPUs in strategic public-private partnerships.

The integration of AI into general workloads by government entities and large corporations is driving demand for AI compute systems.

This development along with our deployments like AIRAWAAT uniquely position us to meet evolving demands in generative AI, offering promising opportunities for expanding our diverse product offerings, further strengthening our future.

Furthermore, heavy adoption of Private Cloud across sectors and a rapidly growing demand of high-end compute for **in-bound data centers** across India represents a sizable opportunity for us. I would now like to hand over the call to Prawal Jain to provide updates on financial numbers. Thank you.

Mr. Prawal Jain (00:07:11) : Thank you, Mr. Lodha. Good afternoon, ladies, and gentlemen. Thank you for joining the earnings webinar. I will give a brief overview of the financial numbers for the quarter and the year before we open for Q&A.

I hope everyone would have got a chance to look at the earnings presentation and the press release by now. While our CMD has already covered the macro-outlook, I will try to explain in a more granular manner the financial performance of the quarter and the year gone by.

Our **Operating income** increased by 115.5% YoY on quarterly basis and 62.7% YoY for the entire fiscal year, reaching ₹2,659 million in Q4'FY24 and ₹7,241 million in FY24.

While **Operating EBITDA** for Q4'FY24 increased by 166.5% on YoY basis to ₹404 million, it increased by 46.4% on YoY basis for the entire fiscal year to ₹ 1,025 million in FY24. The operating EBITDA margin was 15.2% for the quarter and 14.2% for the entire fiscal year.

The **Profit after tax (PAT)** increased by 181.8% YoY on quarterly basis and 61.7% YoY for the entire fiscal year, reaching ₹297 million in Q4'FY24 and ₹759 million in FY24. PAT margin improved from 8.4% in Q4'FY23 to 11.0% in Q4'FY24.

We are happy to inform that the board has recommended a dividend ₹2 per share. This is the first dividend proposed post our listing in July'23 with a dividend pay-out of 14.9%.

Return on Equity for the entire fiscal year FY24 was 29.4%, while **Return on Capital Employed** the same period was 38.5%.

Net Debt improved significantly to ₹ (1,017.1) million in FY 24 as compared to ₹ 285 million in FY 23. Kindly note that this Net debt calculation excludes un-utilised proceeds from IPO. The **Cash Conversion Cycle** in for the fiscal year FY24 stood at 69 days.

We continue to remain focused on our strategic priorities and growth pillars, laying emphasis on our long-term goal of sustainable growth and profitability. On the back of a strong quarter and year, coupled with a robust order book & business pipeline, we are extremely confident

of achieving strong revenue and profit growth in the current financial year. With this I now handover the call to Sandeep Shah. Thank you.

Sandeep Shah: (00:10:51) Thank you. So, with this, we come to the end of opening remarks. We can now open the floor for Q&A. I request all the participants to restrict yourself to two questions each in the initial round and for more questions request you to join the que again. Participants who wish to ask any question may please press “raise hand” ICON on your screen and once your turn comes, unmute yourself, announce your name and company name first and then ask your question. Once you get the reply to your question, please lower your hand on the screen. So we have first questions from, Garvit Goyal. Please unmute yourself and go ahead.

Garvit Goyal (00:11:35) : Hi everyone! Congrats for a good set of numbers. Am I audible?

Sandeep Shah: (00:11:40) Yeah, you are audible.

Garvit Goyal (00:11:42) : Yeah, So I'm a bit new to the company as a shareholder, so kindly bear with my question, So basically, I have two questions. One Is on your, nascent verticals, like, you are doing, implementations of various technical, implementations like SMT for electronics manufacturing, partnerships with Nvidia for latest Gen-AI. And you also launched high end servers with Intel technologies. So, can you just also highlight the opportunities in the terms of market size, revenue size, etc. going forward in this area? And just to understand, on the data center, we are currently making 5% of our overall revenue from data center servers. So, India is a growing market as far as the digital adoption is concerned. So accordingly, more the need of the data center, I want to understand from you at the ground level, what exactly we are doing here, where do we fit in the value chain of the data center industry, and how big the opportunity do you see here, for next, 2 to 3 years down the line?

Sanjay Lodha: (00:12:35) Hey, Garvit, welcome to the Netweb family. And basically, from your questions, it is evident that you are new to Netweb. And basically, I would like to explain you so Netweb is a different kind of a company actually Garvit, basically if you see our, basically maybe a strategy presentation or other presentations, you will understand it. Primarily our focus is into this into six areas. The first is basically we are a primarily high-end computing company, and we do end to end. We have about we design our hardware, we manufacture our hardware, we have our own software stack, and we have our own service stack. So, we do end to end, Actually, we are not primarily a box pusher, kind of a company who just just basically manufacture servers and tries to sell it. So, it's a end to end kind of thing. That's the reason you see our pat margins also better, our margins are also better. And basically, a lot of value addition, which goes into, into our proposition. So, they are basically the six segments which we sell. The first is the high-performance computing, which we have been doing it for more than 20 years, 20 plus years actually. And today we have more than 500 plus supercomputers installed. So, in case of supercomputers, the entire designing is done by us

and the manufacturing is done by us and we have our own software stack, which is basically called TCM, Tyrone Cluster Manager, which completely manages the entire supercomputers. So basically, that is the end-to-end thing, which we do, and that is around 35% of our business. As regards to supercomputing is concerned, basically, it's a really a growth area wherein basically National Supercomputing Mission and the adoption by Oil and Gas and various energy verticals, basically are, really fueling their growth, where more and more usage is happening. So that is there. The second area for us is primarily the Private Cloud and HCI, the Private Cloud and HCI primarily. If you understand that in today's world, data centers don't want to use the bare metal servers, actually, basically they want to use a Private Cloud. So basically, private, we have a complete stack in the Private Cloud which is known as Skylus. So basically, we do the complete hardware design is from us, the software stack is from us, and we compete with all the major MNCs. And then we deploy the entire private cloud. So the data center growth is helping us so as to basically fuel our private cloud deployments. So, that is around 35% of our business. And since the data center growth is happening in such a way, which really sees that that basically there is there is a huge demand around it and the market will be driving by that. The third vertical for us is basically AI systems. We have been working with the GPU since the year 2010, almost all because since we were involved into into supercomputing, for us, basically the GPUs, normally becomes very clearly integrated into the solution.

So, we understand GPUs very well. So, our systems are designed in such a manner which can accommodate more GPUs and plus basically more, the system designing is done in such a manner so that that can optimize and use the maximum capability of a GPU. Plus, we have our own container platform and the complete software stack, which end to end integrates the AI workflow.

So basically, as we have mentioned in our, basically in our opening remarks as well, the AI was somewhere around 7% of our business, but currently it is around 11% of our business.

The business grew in the AI segment for us from basically by around 2.6 times from what we did last year. So basically, we are seeing that this will become the third pillar of growth for us. If you include all these three, this will be somewhere around 80% of business comes from these three segments. The fourth segment for us is High-End-Storage. High-end-storage is again is a complete design product from us, You understand that all the high end compute requirements require storage, So we have our own storage portfolio which addresses that as regards data center servers, data center servers, which you mentioned, data center servers is not a focus area for us.

We don't want to clearly basically just build servers and sell to data centers, or rather, what we try to do is that we try to sell them as a Private Cloud, Okay, So basically, because in today's world, actually bare metal has lost its significance. And primarily it goes onto the private cloud.

So we want to basically bundle it along with our software stack and then try to sell it. So that's the reason you're seeing the numbers on the on the data center servers and we have been basically the company's objective is to grow its Private Cloud business, not primarily the box

business. The last area for us is High-End Technical Services, which basically we do. We deploy 5G clouds for some telcos and all across the world actually. So that is again a very, very focused area which we work.
So, these are the six areas we work actually Garvit. I think I'm able to help you to explain you the product proposition.

Garvit Goyal (**00:17:01)**: Yes, sir. That was a really good explanation of your business in a short span of time. And, sir, one last question is on the guidance part. So, what is the guidance, for FY25, in terms of top-line and bottom, or margin basically.

Sanjay Lodha: (00:17:14) yeah.
If you see, we have been growing around at 40% CAGR actually regularly for the last two, three years. And we feel that the kind of basically we will be seeing my order book and everything.
So, we feel that we will be still be growing by around 30% CAGR in the years going forward, around 30 to 35% growth, which I definitely would like to thank

Garvit Goyal (**00:17:35)**: and, are, These margins sustainable. What we did in FY24?

Sanjay Lodha: (00:17:38) Yes, yes, the margins are sustainable. And basically we feel that we are charging the right amount of margin and which is much more than our competition. And we are very clearly we have been maintaining these kind of margins for for some years, and we are very confident of maintaining them.

Garvit Goyal (**00:17:50)**: Is there any scope to improve further in terms of margin?

Sanjay Lodha: (00:17:54) Maybe, I don't think there is a huge scope actually there because we don't we don't want to really overcharge our customers. We will basically be maybe some few basis points up. It can happen But, the guidance will be at the same margin levels, approximately 50 basis points going down. Might be there, not more than that.

Garvit Goyal (**00:18:15)**: Yes, sir. Thank you very much, sir. I'll join.

Sandeep Shah: (00:18:21) Yeah, We have next question from Hardik Rawat. Unmute yourself and go ahead. I think you are on mute.

Hardik Rawat (00:18:30) Good afternoon, gentlemen, and congratulations on a great set of results.
The performance of your AI business has been, has been quite spectacular this quarter.

But I wanted to ask that with respect to the networking switches segment that we were planning, we were targeting at about 200 million, sales for the entire year. We have fallen short of that. So just wanted to understand, what was the reason behind that?

Sanjay Lodha: (00:18:58) Yeah, So thank you for your appreciation. So, Hardik actually networking, basically only because the networking, the product development was on its way. And as you know that we are not targeting the volume segment. We are targeting the top of the rack data center switches and the way the data center is growing for target is there.
So, product development was happening and product has already is completely introduced and launched. So, it only started selling by the end of basically last quarter. So basically, we did a launch around that. And then basically we, we saw we, we had seen the sales in the current year.
We are very confident that we will ramp it up on the networking side because there is a huge demand and we will cater to that.

Hardik Rawat (00:19:37) Understood. And any updates with respect to, the development of ORAN solution that was near commercialization. You mentioned in the last call.

Sanjay Lodha: (00:19:46) No, it was not near commercialization, Last time I told you, it is under development. It will take some time, So, basically it is still under development. We feel that we should be ready by the product, by Q3, Q4 this year.

Hardik Rawat (00:) Speak. You okay, All right. Another thing, sir, was that, there was a news item recently, with respect to Yotta data centers, you know, ordering, more than, like, a billion dollars' worth of Nvidia chips. And, since they're also a customer of ours, I just wanted to understand, is there is there any scope of implementation for Netweb in this project or, and, usually for the project that you do for other customers, the chips from Nvidia, are they sourced by Netweb or are they sourced by the customer and then you use it in your project?

Sanjay Lodha: (00:20:33) We basically the chips are definitely sourced by the OEMs only like Netweb directly sources it even in that case also basically people will be the OEMs will be sourcing it in Nvidia basically with the Yotta data center kind of a thing, The or the order announcement was too big. The actual, the actual implementation is smaller than that at this point of time. Only the first page is there. So basically, we have, they are our customers and we are already working with them.
And basically, I think I have some kind of restrictions on disclosing what exactly we are trying to do there at this point of time.

Hardik Rawat (00:21:07) Got it Sir, I'll join back in the queue, Thank you so much.

Sanjay Lodha: Thank you.

Sandeep Shah: (00:21:12) Yeah, We have next in queue, Mr. Rudresh. Kalyani. Please unmute yourself and go ahead.

Rudresh. Kalyani (00:21:21): Am I audible?

Sandeep Shah: (00:21:23) Yeah. Yes. Yeah.

Rudresh. Kalyani (00:21:25): Good afternoon Okay, so I have got a few questions. So, I wanted to know the cash component has got increased, exponentially. So, are we looking for any acquisition or something like that?

Sanjay Lodha: (00:21:43) Yeah, yeah. Acquisitions. Actually, we have some acquisitions. We want to do only some strategic acquisitions, So we're evaluating something. But at this point of time I don't think anything which I have to disclose. So maybe basically if something is there, we will let you know.

Rudresh. Kalyani (00:21:58): Okay, And the revenue from the repeat customer has come down. It's somewhere on 69. Which, which used to be somewhere around 80% or something like that. So, any reason for that?

Sanjay Lodha: (00:22:10) That is a good thing actually, because basically I think let Prawal answer that.

Prawal Jain: (00:22:15) Yeah, You will see, we have added around 171 new customers. And one of the customer, we did a very good billing, during this period. So revenue from repeat customers, therefore you are seeing a little bit on the lower side, So that is good for the company. New customers are onboarded and they are giving us a good business.

Sanjeev Sancheti (00:22:37) So, just to add here that the existing customer business is also growing by the while there was a very large order from a new customer, which kind of, skewed this, but the both are growing, It's a double engine which is working. So, it's helping us. Yeah, it's helping us.

Rudresh. Kalyani (00:22:55): Okay And one more thing is, see, we have been hearing a lot about this Quantum Computer being, having super, computing ability compared to the HPCs. So, any thoughts of entering into this segment?

Sanjay Lodha: (00:23:11) So basically I think quantum is something which everybody is talking about. We also have our plans intact. When the right time will come, we will disclose it to you.

Rudresh. Kalyani (00:23:20) Okay, So the work is in progress in that segment. That's what you meant to say.

Sanjay Lodha: (00:23:25) We have our plans actually already there.

Rudresh. Kalyani (00:23:29) Okay And, one more thing on the board. So, we don't have any, hardcore technical guy in the board. So, do we see that as a constraint for the growth of the company?

Sanjay Lodha: (00:23:43) No, no, basically it's not like that today. Basically we have we were around, on the board. Basically, we have Doctor Jagjit Singh Bala. He is a reputed eminent scientist. Actually, he is on our board Actually, he's an independent member on our board. So the board is and basically we have on again, on the SMT side, we have Miss Romi Jatta. So she is also there. So we have we have our board is very well made and plus basically our research and development head Mr. Mukesh Golla. He has got a wide experience. He has been working with us for 20 years and basically, we have on the hardware design. Also, we have some new, basically people coming here. So I think I think more than 70% or maybe 60% of the company's workforce is all engineers, actually. So we have a highly technical kind of, workforce and, kind of, basically, technical expertise available with us. So I don't think we have any limiting factor there.

Rudresh. Kalyani (00:24:37) No, usually what happens is in the ITeS companies, we usually have the CTO post. So we don't have any post in the, in the company. So, do we intend to promote anyone to that level?

Sanjay Lodha: (00:23:49) Basically the thing is that that we, we have, our we don't go on that approach because basically what happens is that for us, the hardware design and software both are important. So, our focus is more on the R&D okay. So basically we focus on the R&D side of it. That's the reason there is a no CTO kind of a position. But primarily basically the product side, the CEO is is, himself is COO is a highly, basically into the product side and even our sales basically. You see, we are all technical people like Mr. Hirdey Vikram and his team there. And Mr. Machindra is there now with us. We have a huge team actually, which is basically which on the technical side we have. So I don't think we have any lacking on that and the company's performance and the way we have been working today. You see, the Nvidia came up with us and tied up with us for the entire design of the Nvidia Grace Hopper chipset. So basically, we are trying to work on the latest chipset with Intel and AMD and plus basically the entire whatever compute infrastructure we are doing. They are all on the technical side. So, the company is on the right path and we don't have any vacancy as purely for strategic reasons. We don't want to have a CTO kind of a thing. That's our old passion, kind of a thing. Our focus is primarily on the R&D side and we keep on focusing on that.

Rudresh. Kalyani (00:26:02) Thanks for answering my questions. So, I will get back to you.

Sandeep Shah: (00:26:07) Thanks, We have next in line Darshil Jhaveri Please unmute yourself and ask the question.

Darshil Jhaveri (00:26:18) Hello?

Sandeep Shah: (00:26:18) Yeah Darshil, Go ahead.

Darshil Jhaveri (00:26:21) Yeah. Hi, Thank you so much for taking my question. Congratulations on a great set of results. Sir, I just wanted to know, with regards to how does our order book flow? Like, if currently we have around 4,000 million order book pending, so that would be executed over what period of time? And in terms of our order pipeline, what kind of a win rate do we see for it?

Sanjay Lodha: (00:26:44) Yeah, So basically as we got some order book is concerned, if you see it was around **70-80 crores** last year and it is around 411 crores this year. So basically our order cycle is pretty fast actually. The thing is that that basically we are able to execute our orders between 16 to 20 weeks, approximately. Okay, so whatever order book you are saying that is definitely will be covered between 4 to 5 months, which I personally feel. And plus basically as regards our funnel is concerned, we have a huge funnel which we have already mentioned that our win rate is somewhere around 60 to 65%, approximately in the cases we have since our approach is proactive about approach is not reactive, we build our cases and then only we qualify them to the funnel. We don't basically just, believe in just serving any RFP which are being published.

Darshil Jhaveri (00:27:32) So so that also brings me to the question. With that, I my reason for asking was that that if your order cycle is so fast, shouldn't, would is it possible that we might even grow faster than what we are guided for? Because with, and because our pipeline will also increase of 50%? So, you know, I just wanted to get some clarity on that. Are we, you know, being a bit conservative in terms of what we want to. And I know it's a very aggressive target, but still, like with the way our business is growing, I think we could achieve more than what we are guided for.
Is that a fair as a fair assessment?

Sanjay Lodha: (00:28:06) Darshil**,** actually I'd like to tell you one thing. Basically, if you see basically the industry and all that, we are growing much faster than that. And the 30%, basically 30 or 35% CAGR is not a small growth, which we have been observing over a period of years, actually.
So definitely there are order cycles and all those things are there. We definitely we we we have set up an aggressive target for us. We like to follow that because again, this is a high end

computing business. This is not a volume kind of a business wherein basically just to build and sell, you have to basically be relevant to the customer and to to sell technology to the customer. So definitely I think whatever targets we have taken, they are aggressive enough and we will try to hold up to them and try to even overachieve them if possible.

Darshil Jhaveri (00:28:49) Okay. Perfect, sir. And just, one, one more thing regarding our margins. So as we are doing more value add. So, as we grow at 30%, do we get some operating leverage? You know, maybe our operating profits can be around at 15%, but we get a benefit on the bottom line at a PAT percentage. Or how would that flow, sir?

Prawal Jain: (00:29:10) So on the operating margin, since we are starting up our new plant. So in the year coming year, we don't see any major benefit coming up. Might be few basis points. It may improve, but, going down two years down, we can see there will be some improvement in the EBITDA margins. And that will be also converted into the margins thereafter.

Darshil Jhaveri (00:29:41) Okay. Perfect. Perfect, sir. Thank you so much, sir, All the best.

Sanjay Lodha: (00:29:45) Thank you.

Sandeep Shah: (00:29:10) We have one question in the chat box from Chirag Khasgivala.
How how much could AI contribute to the overall revenue over the next 4 to 5 years?
And also, can this be lead to a margin improvement? And how much can network benefit from Yotta data centers 16,000 crore CapEx announcement.

Sanjay Lodha: (00:30:10) You know, so the first part, the second portion I will not like to answer because basically we have confidential reasons for customers are locked. So basically, the first part of the question is basically as I mentioned for you. It is around 11% of my current business, AI business. Next year we think that will be around maybe around 15 to 16% of business. That is because you have to understand that the data center business in India is really growing heavily. I have not seen such basically fast growth in data center business in the last 25 years. If you see basically today, getting space in a data center is difficult. Data centers are being built all across and there is a huge demand for data centers. Okay, So basically even so private cloud and supercomputing, everything will grow.
So basically, next year I can tell you it will be around 15 to 16%. Overall 4 to 5 years,we feel that basically this will be matching about the, the other segments which we have that is Private Cloud and Supercomputing. They give us around maybe 35, 35% each.
So basically, this may also within five years this should be around 30% of the business at the at the best. What I can predict. Chirag, answering your second question, actually, under Nvidia tie-up, we'll be actually designing and manufacturing chips for Nvidia. No, the chips are not being designed in India yet, Basically Still, the chip fab is coming up. The chips will be coming

from, from Nvidia only. The entire the entire system will be designed. The entire motherboard will be designed, the entire baseboard will be designed, the entire architecture will be designed. And then that will be manufactured here. The chips as such will not be manufactured in India. The chips will be coming from Nvidia only.

Sandeep shah: (00:31:59) Thanks, Thanks Sanjay for answering the second question on the chatbot that we have next in line, Mr. Majid Ahmed, please unmute yourself and ask the question.

Majid Ahamad: (00:32:02) Yes, Yes, sir, A Majid from, Smart Investment Advisory Services. Very good set of numbers. So my question is, I just want to have a clarification. That you are saying that you are not much focused on data centers and are moving towards, the software component and private cloud. Is it primarily because of it? Is, margin accretive or what could be the potential reason? Can you expand on that?

Sanjay Lodha: (00:32:39) I will let you you are not clear.

Sandeep shah: (00:32:41) Your audio is not clear. Can you speak close to the mic or on the handset?

Majid Ahamad: (00:32:47) Yeah, I'm audible now.. So my question here is, so you are you said that you are going to move towards, private cloud. Then data centers. Your focus is on that side. Is it because it is more margin accretive, or what are the other potential reason that your focus is on private cloud, and how is that? And second part of my question is how do you see, the order book or traction coming from the startup ecosystem?

Sanjay Lodha: (00:33:14) Yeah, So actually, as regards to, Private Cloud is not a new business for us. Private cloud, we have been doing we started doing private cloud where while it was being evolving, in the year 2015, 2016, we started building Private cloud actually when we started working with deploying it with the customers and most of them and a lot of the private customers.

So basically, private cloud is a product which we have been selling for some time. It is not that we are trying to shift to private cloud. The business around around 30 to 35% of business is the private cloud, we are getting it for last few years regularly, so definitely it has been a very good focus area for us. And it's a very, very niche wherein we have our own hardware and we have our own software solution completely, which is tightly integrated. And so we are able to basically create a value proposition around it and are able to sell it.

As regards basically, I think the question is that why we are not doing data center servers? So basically thing is that from day one, our focus is primarily building High-End Compute on the solution side rather than a box building. So we don't want to basically become we. From the

inception of the company 25 years back, there was there were many tempting times they could have become box builders. But we don't want to become box builders.
Our focus is because and the other thing is that one more thing which I would like to find out to this demand is also previously people used to ask for bare metal servers means individual servers basically on the data centers. But now people ask for private cloud because you are able to optimize your hardware resources in a much better fashion, much better way, and you are able to manage them very well. Your, your basically your, data, data redundancy and everything is being taken off very, very, very well. So you have the entire set of assets available under 1 in 1, window and wherein we can allocate and you can create your machines. So I think basically it's a the industry has changed to private cloud. And since we are already there, we are taking advantage of it. That's the first part of it. The second part of the question I forgot what was that.

Majid Ahamad: (00:35:09) So regarding the startup ecosystem, I was wondering

Sanjay Lodha: (00:35:12) okay, so basically as regards the order book is concerned, sir, we have already shown that basically the order book has grown significantly. And plus I have also shown what my basically we are already L1 in more than 300 crores of, basically, orders, which basically which will convert because since the queues have not been received, so they will be received in few months actually. So that will definitely cover into order book. So that is there. So order book looks robust. Order book conversion looks robust. The kind of funnel we have is is really very good.
And we are all trying our level best to convert it to our best. So we are very buoyant about it. And basically that gives me the confidence to of of basically achieving the growth rate of 30 to 35% as I have committed.

Majid Ahamad: (00:35:54) But yeah. So the final question that I have is, how do you see the competitive intensity in the market for the new players are coming in? And how are you planning to differentiate yourself? And what are the key USP are trying to bring especially the

Sanjay Lodha: (00:36:09) My key USP, will remain the same. One is the maintaining the niche and the other is that that basically end-to-end. We don't want to become a pure hardware company.
We are trying to we have a hardware stack, we have a software stack. We want to sell it in a completely integrated fashion. And basically, we do the design ourselves., we do the manufacturing ourselves, we have our own software stack. So that is end to end. That helps us to create a differentiator, because for a competition to try to build all the three areas and to come up with a competition will be tough. People are definitely trying. They may try also, but I think it's not that easy to primarily build all the three areas and then come and clearly compete. So basically, the competition will remain MNC as it is presently, and I don't see any major threat from competition as yet.

Majid Ahamad: (00:36:59) Okay Okay, sir, Thank you, sir. All the very best. Thank you.

Sandeep Shah (00:36:59) Yeah, We have next line. Mr. Ankur Jain, please unmute yourself and go ahead. Ankur, we can't hear you. Ankur?

Ankur Jain (00:37:18) Am I audible?

Sandeep Shah (00:37:19) Yeah, Now you are audible. Go ahead.

Ankur Jain (00:37:21) Yeah, yeah, Good evening sir. Basically, your statement is that India is poised to become AI factory of the world. This presents promising opportunities for us expanding our diverse product offerings. Sir, what exactly are your AI products? I want to know, sir.

Sanjay Lodha: (00:37:38) Yeah, So basically thing is that the, why why I mentioned that basically that's the statement which even Jensen also mentioned. And Modi Ji, our Prime minister, respected Prime minister, also had that vision to do it because basically India became the software factory of the world. And the India, basically, I the kind of work load and kind of things which are happening that definitely offers the country the same kind of situation.

So basically, as regards our we our, by products are concerned, my products are both primarily on the hardware side. We have a very efficient design which basically integrates the GPU, work with GPUs into my systems and completely integrates it, and provides the kind of architecture which can give you the optimal and the best performance. So that is there, plus the hardware design.

The second is the software stack, which we have, which is completely container optimized, which completely, helps so as to basically manage the entire AI workflow actually for a customer.

So that really the production, the inferencing and basically the entire learning, the entire curve is completely taken care of. So we are on the verge of the new technology. We are always there with the leaders, with the Nvidia and all who are trying to get develop the latest products in the year.

So basically that will offer and you can understand if you see that the AI ecosystem really be the startups, the way the startups are basically coming up with their different kind of LLM models and all that. So they all are starving for primarily kind of basically compute, Okay. So basically compute is very costly. So all the startups cannot afford it. So that's the reason the government is considering a sovereign cloud so as to make a sovereign cloud which can offer these services to various all these, basically startups, the all the researchers who are trying to do so, even if you see all the if you if you see the balance sheet of more than 70% of the balance sheet, which are coming today, they all have AI word inside it. So everybody is trying

to basically scale up and to take benefit of the AI technology so that the performance can be improved. So, I think there is and that is this is evident from the worldwide, situation also today there is a acute shortage of GPUs.
That is just because because basically the demand for GPUs is very high, because everybody sees their workloads being, much more, refined and much more working much more faster by use of GPUs. So India cannot be left far behind in that. And India has, has got a very good technical manpower. And primarily they are they are very strong in all kind of technical skills. So our engineers definitely they they start up ecosystems, the Indian companies, the Indian global, basically system GSI and all those, they are all basically implementing it.
So there is a huge opportunity that will create a huge demand for AI compute, which we are ready to serve. And basically we are very innovative. And primarily we are also working on all kind of basically the large clouds which are coming up.

Ankur Jain (00:40:24) So, sir, can I say that, we are not just doing a job, but we are doing some innovation also in the AI. Is it like that?

Sanjay Lodha: (00:40:32) Yes, yes, we are doing innovation on the on the basically on the systems, how to help the AI workload. We are not trying to basically use one particular applications. What we are trying to do. Basically AI workflow is a very complex workflow actually. It starts from learning, then it goes to inferencing and production. So basically trying to integrate all of them so that the the AI workloads can run seamlessly. So basically there is lot of innovation which goes into the hardware design. There is a lot of innovation which goes into these, into the completely the containerization and the optimization of the application. So we are clearly we have found a niche there and we are working on that.

Ankur Jain (00:41:09) So, can we say that like, means the main part of the AI or the main support system of the AI is computing, and we are working on that only the most, our product is that right,

Sanjay Lodha: (00:41:19) Computing, computing and the application workflow.

Ankur Jain (00:41:26) Okay.
Sir, other other question is that, all our products are like, B2B or B2G only or some B2C, products are also there.

Sanjay Lodha: (00:41:33) No, we have everything is B2B actually, and we don't have any B2C kind of a product.

Ankur Jain (00:41:40) Okay, Okay. So that's why we cannot feel it in the real life. Like, when the layman person like us. Okay. Sir, other question is that means I think that, the chip and all

these things that you are sourcing from the, Nvidia. So, are we, generating sufficient margins on that, like, I think that most of the, cost is going there only. Is it like that or am I wrong?

Sanjay Lodha: (00:42:06) Today, you see my balance sheet. Actually, my margins speak about it. The kind of margins we are doing because we are doing a lot of evaluation on hardware and software. It's not pure hardware kind of a thing. So basically my margins are much better than my peers across the world. So basically that's the reason. So margin margins have been very stable. If you see over a period of time they've been growing also slowly. So basically I think we have very comfortable margins and we are very sure of maintaining those.

Ankur Jain (00:42:32) Okay. So sir can we can can we have that, this 30, 40% growth over, around 8 to 10 years? In the future longevity. What will be the longevity of it?

Sanjay Lodha: (00:42:43) Basically at least 4 to 5 years. We can say that. Beyond that, I think that will not like to comment. At this point of time.

Prawal Jain: (00:42:50) Keeping a horizon of around for 4 to 5 years, we can safely say that we will grow with, the CAGR of around 30 to 35% **of** the top line.

Ankur Jain (00:43:02) Okay, sir. So, sir, we are coming up

Sandeep shah: (00:43:07) We request you to come in the follow up round because there are more participants waiting in the queue. Please.

Ankur Jain (00:43:010) Only one question, sir. If you can take,

Sandeep shah: (00:43:13) please come in the follow up. Thanks. Yeah. We have next in line, as a question from Mr. Sarthak Batra from Birla mutual fund. His question is, our cash flow from operation for the year has been low at 18%. What is the cash flow from operations conversion that we are targeting in a steady state?

Prawal Jain: (00:43:38) So we are targeting around 33 to 35%, within this range, cash from operations should be there.

Sanjeev Sancheti: (00:43:51) Yeah, Just to add on to that, you know, the business has certain amount of minimum working capital, right, of which it will be very difficult. So, visibly 70 days of cash cycle will remain in the business. And it is volume. As the volume as the revenue grows, it will grow proportionately. So that's the reason why, the cash conversion cycle beyond 33% is going to be difficult.

Sandeep shah: (00:44:24) Okay, okay. We have next in line. Parv Jain, please unmute yourself and ask a question. Parv Jain?

Parv Jain (00:44:33) Hello, Sanjay. Sir. Hello, sir. Congrats on the good set of numbers, sir. What I broadly understand that our business can be looked at from two perspectives. One is the software stack and software services that we provide. And second is this hardware side of our business. I mean, if you can give us a brief overview of what portion of contribution to our revenues and our bottom lines are from each of these segment, that will help us understand the company better, sir.

Sanjay Lodha: (00:45:05) Well Parv, that's the thing. Actually, we don't sell our software separately and we basically our hardware and software is completely bundled together.
Even to our customers also basically like we give them a private cloud kind of a solution, we give them a supercomputer in which basically the hardware and software is bundled.
So we don't bill or basically even capitalize any of our softwares as well, whatever we develop. So basically, primarily it goes as a joint solution to them. Only around 2 to 3% of the business directly is from the high end services which we provide, which are mentioned to you, which basically have been basically we have been provisions. We are doing a lot of, good expertise into the cloud side of it.So we are deploying some 5G cloud, some some telcos and some, so that is around 2 to 3%.
Other than that, all the business is primarily if you see all the three heads which we have mentioned. The first is supercomputing, the private cloud & HCI, the AI systems and the storage. All these includes the software as well. Only around 5% to 6% of business. Basically, that is the data center service that is pure from the hardware sales.

Parv Jain (00:46:24) Right, sir. Right, sir. So, sir. Right. Broadly, what I understand is hardware is something like one kind of a business. So once a data center, for example. Amar, this Anantaraj, for example, they are purchased these Servers from you. So they will have those servers in line for the next ten, 20, 50 years. But the software is a is a recurring kind of a business. So, I mean, if you look at your business, the software should be contributing broadly more in terms of both margins and revenue. So just a broad overview.

Sanjay Lodha: (00:46:45) I will answer you. I'll answer you very well actually. Basically, I will not like to mention any customer very clearly. Okay. So basically, I would like to tell you like what happens is that, please understand the servers they buy from us. They are not going to they give them for ten years or 15 years. Please understand it. The server technology changes every 18 months.
The Intel will release a new chipset every 16 to 18 months. The Nvidia will come up with GTC and they will try to develop, develop a new chip and they'll try to give it give it to the world every day.

We in a year or year and a half. Okay So what happens is that in this industry the best thing for us is the repeat business. Today some X data center buys somewhere, some maybe some a private cloud from me. But basically, after three years or after four years, we sell them with a complete services and the impact. So, after three four years they will come back to us for a refresh that basically because the same amount of power they are able to get more number of cores, they are able to get much more functionality, what they were getting earlier. So basically, this high-end, because the data center will fail if they don't refresh. So, they will have to clearly go for refresh.

So, we target the refresh revenue rather than the recurring revenue. As regards my software is also concerned, basically, we because that's the reason people want to buy from us today. If they are, if my competition is VMware or Nutanix or something, what they will do, they are buying VMware, they have to buy 10 or 20 different licenses, okay. And each license is basically they have to buy and track and basically renew them and all that. In my case, basically we give them a perpetual license and basically give them support for the complete three-year or five-year whatever period they are going for. So, product is fully covered. They definitely come for AMC later on in case they don't want to change it, but that is the business we really don't want to target.

We want to target the refresh revenue. We want to go and tell them, sir, whatever you had bought has now become obsolete and you can really look at some time. Are you refreshing your users so you are able to better utilize your power? You are better utilize your Rackspace and you are able to service your customer in a much better fashion. I hope I am able to make it clear for them.

Parv Jain (00:48:55) Right, sir. Right, sir That sounds wonderful.

Prawal Jain: (00:48:57) So, that is also evident if you will see the percentage of revenue from my repeat customers.

So that is above 70-80%. So that is one of the reasons we have repeat customers.

Parv Jain (00:49:09) Sir, on that very note, the repeat customers revenues. If we see the revenue from new customers, sir, I mean, that has grown significantly. So, what I broadly can make out from that is that new customers are contributing large portion of our revenues, which is a very good sign.

So, going forward, also, can we expect these kind of big ticket orders to come to Netweb? And if that happens, I mean, can we expect our business to grow at a faster rate than what? I mean, management has been conservatively guiding, although it is a good guidance, but still with new customer additions, can we expect the average ticket size to grow further?

Sanjay Lodha: (00:49:45) Parv, actually, what is happening is that, basically in this business, the customer is more important to us, Okay. And all these are enterprise customers or large government customers. We are not presenting to the SMB space at all. Okay. So they become

very important for us. The ticket size can be small, can be large actually, but basically the kind of customer comes since basically the complete integrated kind of a situation. So we are getting new customers. Also the repeat the old customers are very strong customers. So basically they are also they are also continuing to do business. So basically, as we got the growth aspect, also at this point of time, because I'm telling you, this is a very mature kind of a business. This is not a consumer business or something wherein I can predict and I can say something basically I it whatever statement I like to give, I like to give a very mature statement. So basically whatever I am telling 30 to 35% kind of growth. We are not a startup. Please understand that we we do inside the energy.
If the company just like a startup, but we are not a startup, so we have experience in past also doing that. So that gives us a confidence of giving you a CAGR growth of 30 to 35% and 30 to 35% growth, kind of CAGR, which we have been achieving year on year, is really a very good kind of a growth, which we are already promising. We would like to maintain and achieve it, actually.

Parv Jain (00:51:00) Sir, I mean, 30% is a brilliant figure, sir But, sir.

Sandeep Shah (00:51:03) I request you to come in the follow up, please.

Parv Jain (00:51:05) No, no, just just a clarification on this side. If you may allow.
So the new customers, I mean, if we can see more new customers coming on with a good amount of ticket. I mean, is that a good thing, or how do you see that for our business

Sanjay Lodha: (00:51:21) Parv, please try and understand, last year our business was Rs. 446 Crore, this year it is Rs. 722 Crores, so, the because of high growth in this business, space for new customers get created easily. Besides, 30-40% growth is not small by any measure. Sometimes, old customer's or new customer's large orders would come with a gap of a year, this keeps on happening. We clearly drive our business in a way that, we break our funnel by segments. As you can already know that our funnel is quite large, our entire funnel proactive only. All this gives us the confidence and we'd like to maintain that.

Parv Jain (00:52:09) Thanks, So thank you so much for answering. Thank you.

Sandeep Shah (00:52:13) Thanks, thanks. Thanks, Parv. We have next in line Mr. Abhishek Shah.
Please unmute yourself and go ahead.

Abhishek Shah: (00:52:50) Yeah Hi, am I audible? Yeah, So, good evening, everyone.
Congratulations on a great quarter. Just one quick question. Since we are into hardware manufacturing, just wanted to get an idea on what, I guess in terms of revenue would be our

current, manufacturing capacity. And, what CapEx do we have lined up and to what capacity will that take us to going forward?

Prawal Jain: (00:52:50) So, sorry, I am not getting your name. Abhishek. So, Abhishek, we don't measure our capacity. Rather we go with the capabilities. So, currently, if you will see, is, we are adding, CapEx of around 35-40 crores, which was promised in the IPO and with the with that type of CapEx coming in, that will be sufficient for us to take us to a, revenue of around Rs. 1,800 to 2,000 crores. So, in our case capacity utilization doesn't matter

Sanjay Lodha: (00:53:30) You know, what happens is that our manufacturing is primarily focused on the high-end computing. So, we need basically new, basically machinery, new technical skills so as to basically completely manufacturer products.
So that's the reason we are investing in it. We really we really because we don't do any kind of contract manufacturing or anything. So, we really are not much, bothered about the capacity.
Capability capacity is already there with us. We don't need to add CapEx for capacity.
We have to add CapEx for capabilities, actually.

Abhishek Shah: (00:54:02) Okay. So then, then, in that sense, this 30 to 40 crore CapEx is, has already been incurred by the company?

Sanjay Lodha: (00:54:10) So, some has been incurred and some will be there in the coming year.

Abhishek Shah: (00:54:16) Okay.
And, considering this takes us to approximately 2,000 crores of, revenue, would it be fair to say then that, for the next maybe 2 to 3 years, we may not, incur any significant CapEx going forward?

Sanjay Lodha: (00:54:30) Right.
So, so, the, you can say some revenue, some CapEx will be there, which is, preventive or, routine CapEx, maintainance CapEx, of around 10% of our gross that will be there. But nothing major thought of, CapEx will be there for the next two, three years. Routine will always be there.

Abhishek Shah: (00:54:54) Okay. Great, Thank you so much. And congratulations again. Thank you.

Sandeep Shah (00:55:00) We have a next in line, Mr. Yash Gandhi, please unmute yourself and go ahead.

Yash Gandhi (00:55:08) Hi, Thank you for the opportunity. Sir, I just wanted to ask, how do you distinguish between L1 and your order book? Like, if I, if I believe your L1 is, like, 100% certainty, right? That L1 that you have about 304 crores, 314 crores will be converted to your order book this year itself.

Sanjay Lodha: (00:55:26) Yes, So basically, as we rightly said, until we receive the PO, we we we we we, we have won the order, but the purchase order has not come. So that is the kind of situation we call it. L1 means lowest one, It has been decided. It's the probability is around 100%, as you mentioned, of getting the order. But till the till we get the Po, we cannot mention that that it is in the order book. So that's the only difference.

Yash Gandhi (00:55:49) Okay, So how much time does it take for, it to get converted from L1 to order book like broadly

Sanjay Lodha: (00:55:54) that that can take some time. It can basically normally we have seen is that, that it can take maybe from 15 days to maybe three months.

Yash Gandhi (00:56:04) Sorry, Sorry, what was that?

Sanjay Lodha: (00:56:06) From two weeks to three months.

Yash Gandhi (00:56:10) Okay okay okay, So and what is the …. So two weeks to 15.

Sanjay Lodha: (00:56:16) It's basically like what happens is in case of government sometimes what happens is that the order we are L1. Then after they apply for some kind of basically permissions and all those kind of things in which you get the order. So it normally we have seen that within basically within two weeks to, it comes passed only, but the maximum I feel is maximum three months. It takes not beyond that.

Yash Gandhi (00:56:37) Okay. Okay, And so who are your bidders in a government tender?

Sanjay Lodha: (00:56:49) Like basically we work with all the you see, all the, the primarily all the high-end computing bodies, all the major, all the IITs, all the IIMs, all the basically primarily your, the, DRDO, defense, Airforce, basically the government tender. We have all the major R&D facilities and all this kind of defense and all those kinds of people we have. We hardly do business with the state government. Our most of business is primarily with the central government institutions.

Yash Gandhi (00:57:16) Okay, okay. Got it. Thank you. Yeah.

Sandeep Shah (00:57:20) We have next in line Mr. Arnav Kashyap. Please unmute yourself and go ahead.

Arnav Kashyap (00:57:29) Hello? I'm audible.

Sandeep Shah (00:57:31) Yes. Yeah.

Arnav Kashyap (00:57:32) Congratulations Netweb team for this great set of numbers. Just. I wanted to know, can you elaborate on your relationship with Nvidia?
Meaning your role is only integrating chips to your stack, or there is any knowledge exchange or any margin accretive thing which is part of the agreement and which falls on our side of the agreement? That is first question.

Sanjay Lodha: (00:57:57) You want me to answer that first?

Arnav Kashyap (00:57:58) Yes Yes, you can answer that first.

Sanjay Lodha: (00:58:01) Answer that, I answer that, Okay. So basically, as regards my relationship with Nvidia goes back to 15 years.
Basically, you can understand that we have been active in the supercomputing domain.
And then the supercomputer people were never happy with the kind of processing speed they get from the processors. They are always looking for accelerators. So in the way back in, because we know Nvidia was primarily the GPUs were made for graphics, not for compute.
So basically in 2010, Nvidia started working basically so as to see that it were graphics chips can be used for the compute. And that's the reason they developed a program called CUDA and which was not basically a general purpose, Programs cannot run on GPUs, So they started popularizing it.
So we work with them very hard. So that basically so as to primarily popularize that.
And basically it was a very long process in which basically it was given to various universities, various places across the world, This activity happened. We were also part of it. So in that process, we understand the GPUs very well. So the relationship with Nvidia has been because we were just I mean, not made an announcement, but we were awarded as the largest partner for Nvidia in the country also at the recent GTC, which was held in California. So basically and my agreement with Nvidia is very clear, they they will give me the chips and they will provide me the reference architecture that basically this is the chip and any chip, if you want to develop a system on on a chip, basically you have to make you have to design your motherboard. You have you need to get the reference architecture, which is basically a kind of a only a kind of a OEM-ODM relationship can give you. So, we have a OEM-ODM relationship with Nvidia, which helps us so as to get all those kind of information so that basically my design team can co-work with them and can clearly create a design for the server,

which is based on those chips. Okay, so, that is the kind of relationship which we have with Nvidia.

Arnav Kashyap (00:59:49) Thank you. Mr Lodha, that was very elaborative. And the other thing I wanted to know was, this 171 new customers, which we added, can you name some prominent ones as a shareholder? I just want to know

Sanjay Lodha: (00:59:58) That is under NDA. We don't disclose a customer.

Arnav Kashyap (01:00:02) Okay. Okay, So thank you sir, Thank you, thank you.

Sandeep Shah (01:00:06) We have a time for last question. That is from Ashish T, please unmute yourself and go ahead.

Ashish T (01:00:15) Yeah, Thanks for the opportunity. Sir. Are we part of the Rudra supercomputers, which, probably C-DAC is giving orders to some of the companies?

Sanjay Lodha: (01:00:24) Yeah, actually, we are not part of the Rudra supercomputers, actually, as regards the C-DAC is concerned, because primarily our focus is primarily, as I told you, our focus is not only manufacturing. Okay So we just don't want to basically manufacture the hardware and give it to somebody because C-DAC has got this whole stack and they are trying to do that.
And there have been challenges on the Rudra side also, because basically it is based on some third the or Cascade Lake Systems and all. So definitely we have excellent relationship with C-DAC, but we don't want to become a box pusher. That's the reason we are not focusing on the supercomputer.

Ashish T (01:01:01) Fair enough, so lastly, on this Yotta and, our Nvidia engagement, any timelines you could share as to when can we see the commercial revenues starting to come?

Sanjay Lodha: (01:01:11) Basically, again, these specifics I will not like to address.
There is a huge demand. I already told you there is a basically everybody is, all the all the large, all the CSPs are all working on large AI cloud. We are working with all of them and basically, so basically what that will all transform into revenue. And, definitely there is a market around that. People are trying to build things and we are working aggressively, but I do not like to pinpoint or speak about one specific customer

Sanjeev Sancheti: (01:01:38) or all we would like to say is keep looking out at this space.

Ashish T (01:01:42) Okay. So so that would be fair to assume that the 30%, 30, 35% revenue guidance, so these engagements are not involved into this, right?

Sanjay Lodha: (01:01:51) Again No, No comments,

Sanjeev Sancheti (**01:01:53)** No comments. You're trying to take out a new guidance from us which is not happening.

Ashish T (01:02:00) Yeah, So organic versus inorganic, So it's okay. Yeah, Thanks a lot. All the best.

Sanjay Lodha: (01:02:06) Thank you Sir thank you Sir. Thanks for all your support.

Sandeep Shah: (01:02:09) Yeah, So now due to the time restriction we need to end this webinar and thank you all the participants, senior management of Netweb and Mr. Sanjeev for attending the webinar. We can now end this webinar and leave the same. Thank you all once again.

Sanjay Lodha: (01:02:23) Thank you, thank you, thank you.