

Press Release

Brickwork Ratings assigns “BWR IPO Grade 2” to the proposed Initial Public Offer of Fatpipe Networks India Limited

Fatpipe Networks India Ltd

**IPO Grading: BWR IPO Grade 2
(Below Average Fundamentals)**

Brickwork Ratings (BWR) has assigned “BWR IPO Grade 2” to the proposed Initial Public Offer (IPO) of equity share by Fatpipe Networks India Limited (FNIL). Brickwork Ratings’ BWR IPO Grade 2 indicates below average fundamentals for the issue in relation to its peers. BWR assigns IPO grading on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 signifying strong fundamentals and Grade 1 poor fundamentals. The grading is not a comment on the issue price at which the shares are offered or the price performance of the listed equity shares.

The grading factors FNIL’s track record in US market, management’s experience and understanding of the networking industry, customer base in US. However, the grading is constrained by FNIL’s scale of operations in the country, competitive nature of the industry, threat of substitute products, and high share of intangible assets in total fixed assets. The project is not appraised by term lending institution and is fully funded by IPO proceeds.

Company Profile

FNIL is a provider of router clustering products for wide area network (WAN) optimization, reliability, security, and bandwidth management applications. Its products enable high-speed data transfer through multiple lines, ISPs, and backbones over the Internet or other WANs with the re-assembly of data streams. The company’s products allow corporations to implement Intranets, e-commerce strategies, virtual private networks, as well as to utilize application specific servers over the Internet or WAN. It offers its products through a network of distributors and dealers in the United States and internationally. It has offices in the United States, the United Kingdom, Australia, and India.

The Issue

FNIL is raising equity funds to expand the product line by enhancing the research and development activities especially for development of new products, set up new marketing offices across the globe including USA, strategic acquisition of business/company. Part of the issue proceeds will be used to meet the working capital requirements, issue expenses and for listing the company’s share on stock exchanges.

FNIL operates in an industry where technological innovations happen at very fast pace. In order to remain competitive, FNIL seeks to enhance its R&D capabilities by inducting additional staff that can engage in cutting edge research and develop new products to suite market needs. FNIL also intends to strengthen its presence across the globe by setting up additional offices which is expected to increase the revenues. In order to further strengthen the company’s existing capabilities, FNIL seeks to acquire businesses with complimentary technology which will enable it to better serve existing and new customers.

The project is in very preliminary stage as the funding will be through issue proceeds. The company has also not entered into agreement or commitment for strategic acquisition. Any delays in the activities can lead to cost and time overruns and can adversely affect the company’s operations.

FNIL was incorporated in the year 1989 in the state of Utah, US and is promoted by Dr. Ragula Bhaskar with Ms. Sanchaita Datta as the co-promoter. The management has experienced team of professionals with track record of management and leadership across various fields like technology, venture capital, public sector undertakings, and civil services.

Dr. Ragula Bhaskar, Managing Director, has obtained a Ph.D. in Engineering, a dual M.S. in Engineering and Operations Research, and an M.S. in Business Administration (Honors) with specialization in Finance, all from the Pennsylvania State University. He is the co-inventor of router-clustering technology that provides highly redundant, secure, and high-speed Internet/WAN access for various business applications. Dr. Bhaskar has received several prestigious awards and profiled in leading US magazines. He has also held chairmanships in many committees and boards of institutions based in Utah, US.

Ms. Sanchaita Datta, Whole-time Director, is the co-inventor of Router-Clustering technology. She holds a MS in Electrical Engineering from Pennsylvania State University and was a doctoral candidate at the University of Utah. In recognition of her achievements in the field of communications technology, Ms. Datta has received several awards and honors from leading US magazines and institutions. The three other directors on the board are independent.

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