IPO Report

Apply | MainBoard IPO

ESDS Software Solution Limited

IT

Price Band: ₹408 to ₹429 per share
Bidding: 28 Aug to 01 Sep, 2026
Listing At: BSE, NSE
Listing Date: Sep 4, 2026

Details of the Issue

Lead Manager	Dam Capital Advisors & Systematix Corporate Services
Registrar	MUFG Intime India Pvt.Ltd.

Promoters Holding (%)

Pre-Issue	46.06
Post-Issue	39.47

Offer Structure

QIB	Not more than 50%
Retail	Not less than 35%
NII	Not less than 15%
Fresh Issue	1,67,83,216 Shares
Total Issue	₹720.00 Cr

Financial Summary (₹ in Millions)

Particular	FY26	FY25	FY24
Revenue	4,722.10	3,613.35	2,865.18
EBITDA	2,342.34	1,548.85	1,018.81
PAT	1,208.23	556.12	136.09

Minimum Application

Category	Lots	Shares	Amount
Retail	1-13	34-442	₹14,586-₹1,89,618
S-HNI	14-68	476-2,312	₹2,04,204-₹9,91,848
B-HNI	69	2,346	₹10,06,434

Client Concentration (% of Revenue)

Particulars	FY26	FY25	FY24
Top client	15.93	20.15	6.00
Top 5 clients	34.89	39.19	25.90
Top 10 clients	45.36	49.34	37.38

Valuations

NAV(FY26)	₹ 52.66
EPS(FY26)	₹ 11.81
P/E(Pre Issue)	36.33

Promoters

Piyush Prakashchandra Somani, Komal Piyush Somani and P.O. Somani Family Trust

Company Overview

ESDS Software Solution Limited, incorporated in August 2005, is an AI-enabled provider of cloud, managed services, data centre infrastructure and software solutions. It offers an integrated portfolio of IaaS, managed services and SaaS to BFSI, government and enterprise customers.

Object of the Issue

- Purchase and installation of cloud computing and other equipment and infrastructure for Data Centres.: ₹5,760.00 millions
- General corporate purposes

Price Band Analysis

At the upper price band of ₹429 per share, ESDS Software Solution Limited is valued at a post-issue P/E of 41.62x and P/B of 8.15x based on FY26 financials. While the valuation appears premium, the Company is performing well compared with its comparable peers, supported by its strong profitability, growth prospects and technology-driven business model. Hence, the issue appears fairly valued relative to its peers.

Peer Comparison (as of FY26)

CompanyName	EPS (₹)	P/E	RONW (%)	NAV (₹)
ESDS Software Solution Limited	11.81	36.33	22.85	52.66
E2E Networks Limited	-0.76	-819.78	-0.92	81.97

Risk Measures:

- Failure to keep pace with technological changes, innovation and evolving industry standards could weaken the Company's competitiveness and adversely impact business and financial performance.
- ESDS Cloud FZ-LLC incurred losses in FY24 and FY25 before turning profitable in FY26. A return to sustained losses could require additional funding and negatively affect consolidated financials and cash flows.
- Unauthorized access to networks or data could result in reputational and financial damage, while significant assets are pledged to lenders, creating potential asset-enforcement risk if debt obligations are not serviced.

Investment Rationale:

- Revenue grew 30.68% YoY in FY26, driven by a 157.22% surge in Managed Services revenue to ₹1,945.91 Million, supported by strong growth from existing customers and new international enterprise clients. IaaS and SaaS revenues were impacted by lower contributions from new customers and the Russian BFSI customer. Despite the softness in these segments, EBITDA margin expanded to 49.60%, supported by a favourable revenue mix and operating leverage. The Company has also significantly reduced its borrowings, bringing the D/E ratio down to 0.08x, resulting in lower finance costs and a stronger balance sheet, providing greater flexibility for future expansion.
- The Company is well positioned to benefit from the growing AI, cloud and GPU infrastructure opportunity. Its proprietary SWARAJ Cloud platform and AI-enabled solutions provide technological differentiation, while its diversified presence across BFSI, government and enterprise segments support customer diversification. The $1.25 billion, five-year agreement with Sharon AI for deployment of around 8,000 Nvidia B300 GPUs in Australia provides strong revenue visibility and strengthens ESDS's international presence in AI cloud and high-performance computing.
- ESDS is also investing aggressively in capacity expansion, with ₹5,760.00 million of IPO proceeds earmarked for cloud computing, GPU, storage, networking and supporting infrastructure. The Company plans to expand its data-centre footprint with new facilities in Kolkata and Sahibabad, alongside upgrading existing infrastructure. These investments are expected to enhance capacity, improve operational efficiency and enable ESDS to capture rising demand for cloud, AI/ML and data-centre services.

Financials (₹ in Millions, Except for Percentage & Ratios)

Particular	FY26	FY25	FY24
Revenue from operations	4,722.10	3,613.35	2,865.18
EBITDA	2,342.34	1,548.85	1,018.81
EBITDA Margin (%)	49.60	42.86	35.56
PAT	1,208.23	556.12	136.09
PAT Margin (%)	25.59	15.39	4.75
Return on Equity (RoE%)	25.12	17.27	6.23
Return on Capital Employed (RoCE%)	32.78	24.73	14.53
EPS	11.81	5.71	1.35
Debt to Equity Ratio	0.08	0.15	0.66

Service wise Revenue Bifurcation (₹ in Millions)

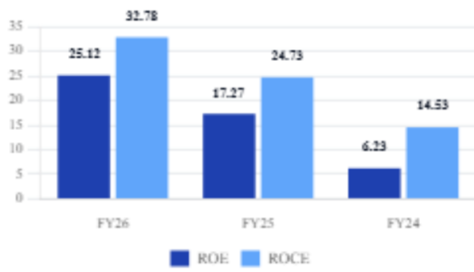
Particulars	FY26	FY25	FY24
Cloud Services and Cloud Computing (IaaS)	1,678.90	1,663.16	1,191.09
Colocation and Data Centre Services (IaaS)	393.07	373.25	229.73
Managed services	1,945.91	756.50	775.39
Software as a service (SaaS)	704.22	820.44	668.97
Total	**4,722.1**	**3,613.35**	**2,865.18**

About The Founder

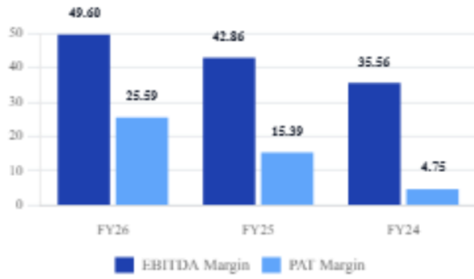
Piyush Prakashchandra Somani, Promoter, Managing Director and Chairman of ESDS, is the founder of the Company and holds a bachelor's degree in Electronics Engineering from the University of Pune. With over 20 years of IT sector experience, he oversees the Company's overall strategy and business development. He has played a key role in expanding ESDS' operations across India and international markets and also serves on the boards of its subsidiaries and other organisations.

FINANCIAL HIGHLIGHTS

Return Ratios



EBITDA and PAT Margin



Key Ratios: