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ESDS SOFTWARE SOLUTION LIMITED

IPO NOTE

August 2026

Issue Highlights

- **ESDS Software Solution Ltd ("ESDS")** is an AI-enabled provider of cloud, managed services, Data Centre infrastructure and software solutions in India, and one of only two players offering the full spectrum of GPUaaS, cloud, managed services, Data Centre and software solutions.
- **The company's IaaS portfolio** is broadly divided into **Colocation and Data Centre Services** and **Cloud Services and Cloud Computing**, thereby addressing distinct infrastructure needs.
- ESDS is the largest by revenue in Fiscal 2026, recording **₹472.21 crore**, with offerings spanning IaaS (colocation, Data Centre services, cloud services, cloud computing), managed services and SaaS, enabling secure, flexible, scalable and reliable cloud adoption.
- ESDS was among the first in India to introduce **community cloud services** on a multi-tenant model for organisations with similar compliance and security requirements, serving **2,501 customers in Fiscal 2026** across BFSI, Government and Enterprises.
- As digital transformation accelerates, enterprises demand scalable infrastructure, SMBs seek cost-efficient adoption, Government bodies require compliance-driven secure environments, and BFSI institutions rely on high-availability architectures with stringent security standards, with cloud providers bridging these gaps.
- On **March 31, 2026**, ESDS entered into a **strategic AI cloud infrastructure agreement** with an **Australia-based neocloud AI compute service provider** for an initial five-year term, extendable by 2 years, with a total contract value of **₹11,831.25 Cr.**
- The agreement covers deployment of 8,208 NVIDIA B300 GPUs with storage infrastructure in Australia, targeted for completion by September 2026, with revenue generation expected from Q3 Fiscal 2027, strengthening ESDS's access to dedicated, high-performance AI compute capacity to support its cloud and managed services offerings.
- The company's **SWARAJ Cloud** is an AI-autonomous platform converging 30+ services and 80+ capabilities into a unified IT ecosystem, enabling intelligent cloud deployment and optimisation with minimal manual intervention, ensuring 100% Indian data residency, compliance, security and control across hybrid and multi-cloud infrastructures.
- ESDS in 2026 was awarded The Extraordinaire iconic innovator developing AIOps & other products. They also received Best Managed Security Services award at the Middle East Gen AI & Analytics Summit in 2025.

Brief Financial Details*

(₹ In Cr)

Particular	As at Mar' 31, 2026	2025	2024
Equity Share Capital	10.04	10.04	9.29
Reserves#	518.77	395.51	197.06
Net Worth	528.81	405.55	206.36
Total Borrowings	42.92	62.71	149.04
Revenue from operations	472.21	361.34	286.52
Revenue Growth (%)	30.68%	26.11%	-
EBITDA	234.23	154.89	101.88
EBITDA Margin (%)	49.60%	42.86%	35.56%
Net Profit for the Year	120.82	55.61	13.61
Net Profit Margin (%)	25.59%	15.39%	4.75%
EPS – Basic (₹)	12.03	5.83	1.35
RONW (%)	22.85%	13.71%	6.59%
NAV - (₹)	52.66	40.38	22.21
Cash flow from operating activities	1,367.71	162.62	53.05
Cash flow from investing activities	(131.17)	(109.34)	(1.45)
Cash flow from financing activities	(44.72)	7.45	(66.41)

*Source: RHP, *Restated Consolidated, #Reserve after excluding Capital Reserve, Share base premium Reserve, Debenture Redemption Reserve and Revaluation Reserve*

Issue Details

Fresh Issue of Equity Shares aggregating upto ₹720 Cr

Issue size: ₹ 720 Cr
Face value: ₹ 1/-

Price band: ₹ 408 – 429
Bid Lot: 34 Shares and in multiples

Post Issue Implied Market Cap:
₹ 4,817 – 5,028 Cr

BRLMs: DAM Capital, Systematix Corporate Services

Registrar: MUFG Intime India Pvt Ltd

Issue opens on: Friday, 28th August 2026
Issue closes on: Tuesday, 1st September,2026

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	02-09-2026
Refunds/Unblocking ASBA Fund	03-09-2026
Credit of equity shares to DP A/c	03-09-2026
Trading commences	04-09-2026

Issue Break-up

	No. of Shares @Lower	@Upper	₹ In Cr	% of Issue
QIB	88,23,528	83,91,607	360.00	**50%**
NIB	26,47,059	25,17,483	108.00	**15%**
-NIB2	*17,64,706*	*16,78,322*	*72.00*	-
-NIB1	*8,82,353*	*8,39,161*	*36.00*	-
RET	61,76,471	58,74,126	252.00	**35%**
Total	**1,76,47,058**	**1,67,83,216**	**720.00**	**100%**

NIB-2 =NII Bid Above ₹ 10 Lakhs
NIB-1=NII Bid between ₹ 2 to 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	34 Shares	476 Shares	2,346 Shares
Minimum Bid Lot Amount (₹)	₹ 14,586^	₹ 2,04,204^	₹10,06,434^
Appl for 1x	1,72,768 Applications	1,763 Applications	3,526 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre-issue	Post-issue~	Post-issue^
10,04,27,753	11,80,74,811	11,72,10,969

~@Lower price Band ^@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	45.86%	39.29%
Promoter Group	0.20%	0.17%
Public	52.65%	59.43%
Employee Trust	1.29%	1.10%
Total	**100.00%**	**100.00%**

BACKGROUND

The company was originally incorporated as a private limited company under the name of 'ESDS Software Solution Private Limited' on August 18, 2005. Piyush Prakashchandra Somani, Komal Piyush Somani and P.O. Somani Family Trust are the Promoters of the company. Currently, the Promoters, in aggregate, hold 46,056,731 Equity Shares in the company, representing 45.86% of the issued, subscribed, and paid-up Equity Share capital of the company on a fully diluted basis.

Brief Biographies of Directors and Senior Management Personnel

Piyush Prakashchandra Somani is one of the Promoters and Managing Director of the Company and Chairman of the Board. He has been associated with the Company since incorporation. He has over 20 years of overall experience in the information technology sector.

Komal Piyush Somani is one of the promoters, the Whole-time Director, Chief Marketing Officer and Chief Human Resource Officer of the Company. She has been associated with the Company since September 1, 2012. She has 13 years of overall experience in the information technology sector.

Sameer Suresh Redij is the Additional Director (Executive) and Chief Business Officer of the Company. He has been associated with the Company since August 4, 2021. He has 14 years of overall experience in the IT and systems sector.

Thandankorai Ganapathy Dhandapani is the Independent Director of the Company. He has been associated with the Company since July 28, 2021. He has 38 years of overall experience in the information technology sector.

Pamela Kumar is the Independent Director of the Company. She has been associated with the Company since July 28, 2021. She has 18 years of overall experience in the systems and technology sector.

Venkatesh Natarajan is the Independent Director of the Company. He has been associated with the Company since July 1, 2023. He has 24 years of overall experience in information management services.

Nadukuru Sita Ramaiah is the Chief Financial Officer of the Company. He has been associated with the Company since October 31, 2022. He has 28 years of overall experience in the field of finance.

Prasad Deochand Deokar is the Company Secretary and Compliance Officer of the Company. He has been associated with the Company since July 13, 2022. He has 10 years of overall experience in the field of secretarial compliance.

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Purchase and installation of cloud computing and other equipment and infrastructure for their Relevant Data Centers	576.00
• General Corporate Purposes	[•]
Total	[•]

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue shares^	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoters	*4,60,56,731*	*45.86%*	*-*	*4,60,56,731*	*39.29%*
Promoter Group	*2,03,810*	*0.20%*	*-*	*2,03,810*	*0.17%*
Total for Promoters and Promoter Group	**4,62,60,541**	**46.06%**	**-**	**4,62,60,541**	**39.47%**
Public	*5,28,75,318*	*52.65%*	*1,67,83,216*	*6,96,58,534*	*59.43%*
Total for Public Shareholders	**5,28,75,318**	**52.65%**	**1,67,83,216**	**6,96,58,534**	**59.43%**
Total Shares held by Employee Trust	**12,91,894**	**1.29%**	**-**	**12,91,894**	**1.10%**
Total Equity Share Capital	**10,04,27,753**	**100.00%**	**1,67,83,216**	**11,72,10,969**	**100.00%**

Source: RHP; ^Shares at upper price band

BUSINESS OVERVIEW

ESDS Software Solution Ltd is an AI-enabled cloud, managed services, Data Centre infrastructure and software solutions provider in India. They are one of the only two players in India providing the entire spectrum of GPUaaS, cloud, managed services, Data Centre infrastructure and software solutions. Among the two, the company is the largest in terms of revenue from operations in Fiscal 2026, with a revenue from operations of **₹472.21 crore** in Fiscal 2026.

The company offers a comprehensive platform of cloud infrastructure and software solutions consisting of (i) infrastructure as a service ("IaaS"), broadly divided into colocation and Data Centre services, cloud services and cloud computing, (ii) managed services, and (iii) software as a service ("SaaS"). This allows them to provide well-architected cloud-adoption solutions aimed at reducing customer cost while ensuring security, flexibility, scalability and reliability.

The company was one of the first cloud service providers in India to offer community cloud services, delivered on a multi-tenant model to organizations with similar business models and requirements, including data privacy, security, compliances and regulatory needs.

They provide services to a diverse range of end-user industries and customers, comprising banking, financial services and insurance companies ("BFSI"), public sector entities including government departments, PSUs, agencies and institutions ("Government"), and businesses and enterprises not included in BFSI or Government ("Enterprises"). The company served **2,501 customers in Fiscal 2026**.

As businesses undergo rapid digital transformation, the need for secure, high-performance and cost-effective cloud solutions has become critical. Enterprises require scalable infrastructure to handle growing workloads, SMBs seek cost-efficient adoption without heavy upfront investments, Government bodies demand compliance-driven secure environments, and BFSI institutions require high-availability architectures with stringent security standards. Cloud service providers bridge these gaps, enabling businesses to focus on core operations while providers manage IT infrastructure complexities.

On March 31, 2026, the company entered into a strategic AI cloud infrastructure agreement with an **Australia-based neocloud AI compute service provider**. The agreement is for an initial term of five years, with an option to extend for a further two years, aggregating to a total contract value of **~₹11,831.25 crore**. Under this agreement, the AI company will deploy and operate a dedicated AI infrastructure cluster within an existing data centre facility in Australia, comprising approximately 8,208 NVIDIA B300 GPUs along with associated storage infrastructure. Delivery is targeted for completion by September 2026, with revenue generation expected to commence in the third quarter of Fiscal 2027. The agreement provides for service fees payable monthly. This partnership is aimed at strengthening the company's access to dedicated, high-performance AI compute capacity to support its cloud and managed services offerings.

- **Infrastructure as a Service (IaaS) Portfolio**

The company operates IaaS services through five Data Centres in Nashik, Navi Mumbai, Bengaluru, Mohali and Noida. Each facility holds "Tier 3" certification, located near major IT hubs, covering **75,266 sq. ft.** in aggregate. They are interconnected by fibre-optic backbone networks, ensuring secure data exchange. All centres comply with global standards, offering **99.95% uptime**, power redundancy, disaster recovery, and 24/7 support.

The company operates its IaaS portfolio which is broadly divided into **colocation and Data Centre services**, and **cloud services and cloud computing**, thereby addressing distinct infrastructure needs.

- **Colocation and Data Centre Services**

This form part of the company's IaaS portfolio, offering Data Centre colocation that enables businesses to securely house their IT infrastructure while benefiting from redundant power, cooling and high-speed connectivity. This service is suited for organisations requiring physical control over their hardware while leveraging a professional Data Centre environment.

- **Cloud Services and Cloud Computing**

This form part of the company's IaaS portfolio, providing fully-managed cloud computing solutions that eliminate the need for enterprises to maintain physical infrastructure. Their offerings enable on-demand scalability, disaster recovery and compliance-driven architectures tailored to industry needs.

The company's portfolio includes public cloud, private cloud, virtual private cloud, hybrid cloud, community cloud offerings and GPU-as-a-Service ("GPUaaS"). Community clouds are shared virtual infrastructures designed for organisations with common concerns such as security, compliance and jurisdiction. They currently serve Enterprises, Government, BFSI companies and smart cities. As at June 30, 2026, the company had **104 Government clients**, **115 banks and financial institutions across 1,045 branches**, **113 organisations using SAP HANA community cloud**, and **six smart cities** using the Smart Cities cloud.

SPOCHUB Solutions Pvt Ltd, one of their subsidiaries, has secured a contract with an Enterprise customer incorporated outside India for a new GPUaaS project, providing exclusive access to cloud infrastructure. The company has received an advance of **₹1,176.64 crore** for the contract, which will be amortised after the go-live date.

SWARAJ Cloud:

The company's vertical autoscaling cloud technology, is patented in the United States and India. Building on this autoscaling technology, they have developed SWARAJ Cloud into a full-stack, AI-autonomous cloud platform, built, owned and operated entirely within India for enterprises, governments and institutions.

The technology is structured around five pillars: **data sovereignty**, scalability, security, compliance and artificial intelligence. The platform takes customers from conceptual design through architecture generation, compliance validation, automated deployment and go-live, and provides AI-native capabilities including GPU-as-a-Service, AI governance, model fine-tuning and ML/LLM operations tooling, alongside enterprise cloud services spanning compute, storage, security, networking and operations.

SWARAJ Cloud is designed to unify cloud service provider and managed service provider operations through a single control plane, offers INR-denominated billing, and interoperates with open tooling such as Terraform, APIs and Kubernetes, providing customers with cost predictability and control over data and infrastructure. The company operated four Data Centres in India in Fiscal 2023 and has been operating five Data Centres since October 2025.

- **Managed Services Portfolio**

The company offers a managed services portfolio comprising **cloud managed services, Data Centre managed services, security managed services, IT infrastructure and network managed services, backup and disaster recovery, managed database services,** and **managed DevOps with automation**.

As part of these services, they provide 24/7 IT support, data backup and recovery, migration services, database administration including SAP Basis and SAP HANA, security operations centre services, and disaster recovery. The company also seeks to deliver a one-stop end-to-end solution with customised and comprehensive cloud and software offerings for SMB customers, designed with a cost-effective pay-per-use model streamlined for the Indian SMB market.

- **Software as a Service (SaaS) Portfolio**

The company provides SaaS offerings including a Data Centre management and monitoring suite, vulnerability scanners, web access firewalls and secure VPN connectivity. These software products and applications are hosted on their cloud platform under annual, semi-annual, monthly or quarterly subscription models, enabling clients to develop, run and manage applications and services.

They also provide in-house and third-party applications through a digital marketplace, **SPOCHUB**, which allows customised packages for enterprise customers. In addition, the company offers the **SWARAJ GPU Monitoring Tool**, an AI-powered solution that delivers real-time visibility into GPU infrastructure, monitoring utilisation, memory, tensor core activity, throttling, temperature and power consumption, with predictive risk detection and optimisation recommendations.

The company collaborates with governmental and public sector organisations under **G-SaaS**, including smart metering projects with a Government energy service company, e-governance projects with ministries, smart city solutions hosted on their cloud platform, smart farming initiatives with agriculture organisations, and managed services, SaaS services and cloud platforms provided to government entities in partnership with STPI.

The company adopts a "go-to-market" strategy by collaborating with third-party IT companies to deliver bundled solutions to customers. Such collaboration enables both parties to leverage their technologies, align synergies, reduce time-to-market and remain competitive in terms of pricing and innovation.

THE COMPANY'S CUSTOMER BASE

The company has a diversified customer base comprising BFSI, Enterprise customers across healthcare, education, energy and utilities, real estate, IT and IT enabled services, agriculture, manufacturing, entertainment and media, and Government institutions and departments. The number of customers increased from 1,465 in Fiscal 2024 to **2,501 in Fiscal 2026**, reflecting a CAGR of **30.66%**. Growth has been gradual, with new acquisitions offset by a strategic shift in customer mix, focusing on higher-value engagements. Average revenue per customer rose from ₹0.20 crore in Fiscal 2024 to ₹0.21 crore in Fiscal 2025, before decreasing to ₹0.19 crore in Fiscal 2026, primarily due to dilution from onboarding 787 new customers in early stages of engagement.

The company has been recognised with multiple awards, including "Most Preferred and Trusted Cloud Service Provider" by Economic Times Achievers (Karnataka) and the Aegis Graham Bell Award in 2022. In 2023, they received "Outstanding Cloud Service Provider" at the NBFC Tech Summit. In 2025, recognitions included Excellence in Cybersecurity at the Urban Innovation & Infrastructure Summit, "Innovation in Self-Service Storage Management" at the NetApp Innovation Awards, "Best Managed Security Services" at the Middle East Gen AI & Analytics Summit, and "Best Cybersecurity Innovation in Fintech" at the Bharat

NBFC & Fintech Summit. In 2026, they were honoured with the "Data Center & Cloud Innovation Award" at the Bharat PSU Corporate Awards, "Excellence in Energy-Efficient & Green Data Centre Initiatives" at DCIS, and recognised as the "Most Admired Brand" by VARIndia Magazine.

As at June 30, 2026, the company had **993 employees**, regarded as a key asset. The company attributes its growth to the strength and experience of its Directors, Key Managerial Personnel and Senior Management. Piyush Somani, Promoter, Chairman and Managing Director, has over 20 years of experience in the IT sector and has been instrumental in expanding operations in India and overseas.

REVENUE FROM OPERATIONS

The Revenue from IaaS, SaaS and managed services and SaaS:

Type of Product/Service	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue
IaaS	207.20	43.88	203.64	56.36	142.08	49.59
– *Cloud Services & Cloud Computing*	*167.89*	*35.55*	*166.32*	*46.03*	*119.11*	*41.57*
– *Colocation & Data Centre Services*	*39.31*	*8.33*	*37.33*	*10.33*	*22.97*	*8.02*
Managed Services	194.59	41.21	75.65	20.94	77.54	27.06
SaaS	70.42	14.91	82.04	22.71	66.90	23.35
Revenue from Operations	**472.21**	**100.00**	**361.34**	**100.00**	**286.52**	**100.00**

The details of Revenue from Indian and foreign customers:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue
India	351.77	74.49%	274.34	75.92%	271.38	94.71%
Foreign	120.44	25.51%	87.00	24.08%	15.14	5.29%
Total Revenue from operations	**472.21**	**100%**	**361.34**	**100%**	**286.52**	**100%**

The details of revenue from customers from BFSI, Government and Enterprise:

Industry	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue
BFSI	82.79	17.53%	111.54	30.87%	52.35	18.27%
Government	129.26	27.37%	106.68	29.52%	97.53	34.04%
Enterprise	260.16	55.09%	143.12	39.61%	136.64	47.69%
Total Revenue from Operations	**472.21**	**100%**	**361.34**	**100%**	**286.52**	**100%**

The increasing share of revenue from Government customers is attributable to their continued focus on public sector engagements. Since April 1, 2022, they have actively participated in tenders and framework contracts for data centre services, cloud solutions, and other IT infrastructure projects.

The details of government customers for the fiscal years indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Government Customers	107	111	119

The details of Total Customers for the fiscal years indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Total Customers	2,501	1,714	1,465

RESEARCH AND DEVELOPMENT

The Company is innovation-driven, with R&D initiatives leading to patented **SWARAJ cloud technology** in the United States and India, and the launch of its first "Made in India" cloud in 2011.

Key products developed include:

- **SWARAJ Cloud** – patented vertical auto-scalable hybrid orchestration solution
- **eMagic** – Data Centre management and monitoring suite

- **VTMscan** – intelligent vulnerability scanner for websites, networks, and applications
- **SWARAJ WAF** – web application firewall
- **SWARAJ Web VPN** – secure web-based private network access
- **SCOS** – cloud object storage for static files
- **SWARAJ IoT** – IoT platform running on SWARAJ Cloud
- **SWARAJ Meet** – audio, video, screen sharing, and chat solution for virtual meetings

This portfolio complements the company's **Data Centre** and **cloud business**, reinforcing its innovation-driven positioning.

The Company is committed to supporting innovation and contributing to **Atmanirbhar Bharat** through cost-effective technology solutions. A key initiative is the **Famrut farmers' advisory portal**, a digital agri-ecosystem designed to help farmers improve yield and revenue by connecting them with relevant stakeholders. As of June 30, 2026, the R&D team comprised 87 members.

DATA CENTERS

A **Data Center** is a dedicated physical infrastructure housing servers, storage systems, networking equipment, cabling, and racks, supported by power distribution and supplemental subsystems, all secured within a physical facility. Operational efficiency depends on factors such as location, geographic stability, submarine cable connectivity, construction activity, power capacity, and water availability.

The company operates five **Tier 3 Data Centers** in India, located at Nashik, Navi Mumbai, Bengaluru, Mohali, and Noida. Together, they cover over 75,266 sq. ft., interconnected through multi-Gbps fibre-optic backbone networks for secure data exchange. Each centre complies with international standards and industry best practices, offering guaranteed uptime of 99.95%, supported by **power redundancy**, **24x7 services**, and **disaster recovery** capabilities.

During the last three fiscal years, all Data Centers maintained uptime of at least 99.995%, exceeding the Tier-3 standard of 99.98%.

The details of installed capacity of cloud services, enterprise storage and archive storage, the utilisation of cloud servers, enterprise storage and archive storage, and the capacity utilisation of cloud servers, enterprise storage and archive storage:

Particulars	Fiscal 2026			Fiscal 2025			Fiscal 2024		
	Installed (TB)	Utilisation (TB)	Capacity Utilisation (%)	Installed (TB)	Utilisation (TB)	Capacity Utilisation (%)	Installed (TB)	Utilisation (TB)	Capacity Utilisation (%)
Cloud Servers	1,270.16	851.41	67.03%	917.95	616.87	67.20%	838	575	68.61%
Enterprise Storage	18,795.00	12,287.65	65.38%	13,126.87	8,385.65	63.88%	10,823	6,935	64.07%
Archive Storage	19,631.23	8,944.00	45.56%	10,942.71	4,425.34	40.44%	8,488	4,584	54.01%

Data Centre Sustainability Initiatives:

- **Renewable Energy Integration**: On-site solar panels (150kWp) supply non-critical areas, improving energy efficiency by 5% and reducing ~61 tonnes of CO_2 annually.
- **PUE Maintainability**: Achieved and maintained average Power Usage Effectiveness (PUE) of 1.55 across all locations.
- **Occupancy Sensors**: Motion-sensing LED lighting reduces power consumption in unoccupied areas.
- **Optimised Cooling**: Cold aisle containment, active tiles, booster fans, and blanking plates improved cooling efficiency by ~35%.
- **IoT Monitoring**: IoT platform deployed for temperature and humidity monitoring in Bengaluru and Mohali centres.

KEY COLLABORATIONS

The Company adopts a **go-to-market strategy** by collaborating with third-party IT companies to deliver bundled solutions, maximising technologies, aligning synergies, reducing time-to-market, and enhancing competitiveness.

Key collaborations include:

- **STPI**: Joint Data Centres in Bengaluru, Kolkata, and Mohali under PPP, offering SaaS, cloud, and managed IT services.
- **Core banking partner**: End-to-end managed SaaS and disaster recovery for co-operative banks on a pay-per-branch model.
- **Indian IT multinational**: Smart city project collaboration.
- **SAP solutions provider**: Hosting services on SWARAJ SAP HANA community cloud.
- **Smart metering projects**: Including 5 million smart metres in Uttar Pradesh.

- **OEM partnerships**: Development of ABAP for SAP RISE and cloud-based opportunities in Government and BFSI sectors.
- **Security partner**: High-specification security solutions for Government, BFSI, and enterprises.
- **Disaster recovery partner**: Monitoring and management tool integration.
- **Famrut agriculture alliances**: Expansion of advisory portal with DSS copyrights for onion and garlic crop cultivation.
- **IaaS and flash storage**: Core business backbone supported by collaborations with well-known brands.
- **Data backup partnerships**: Flexible models for managed backup services.

This collaborative ecosystem strengthens competitiveness, expands reach, and enhances delivery of cloud, Data Centre, and managed services across sectors.

COMPETITIVE STRENGTHS

- ***The leading player offering end-to-end cloud, managed services, Data Centre infrastructure and software solutions in India***

The Company is an AI-enabled provider of cloud, managed services, Data Centre infrastructure and software solutions in India. The company is one of the only two players offering the entire spectrum of cloud, managed services, Data Centre and software solutions. Their ability to provide end-to-end cloud, Data Centre and software solutions has enabled them to focus on Revenue Retention Rates, as existing customers expand their service scope to include IaaS, SaaS and managed services. The company's revenue retention rate for Fiscal 2026 was 94.92**%**.

- **The comprehensive Security-as-a-Service (SECaaS) framework enables businesses to proactively manage threats and achieve robust security and compliance objectives**

The Company had 123+ customers onboarded across 7,175 devices as at June 30, 2026. Their SIEM programs analysed 5,143 security alerts in the period from January 1, 2026 to June 30, 2026. The SIEM team investigated more than 0.63 million alerts, raising 360 critical security advisories, preventing potential breaches and ensuring proactive threat management in the same period.

- **Long-term relationships with well-established banks and other businesses**

The Company has a diversified product offering and clientele, enabling them to cater to a wide range of industries. They have long-standing relationships with over 100 banks and well-established businesses, including STPI. They have steadily increased the ageing of customer relationships, with customers having a relationship of more than three years rising from 49.28% to 65.60%, and those with a relationship of more than five years increasing from 23.25% to 47.75% from FY2024 to FY2026.

- ***Strong Government Partnerships and Policy Advocacy***

The Company collaborates with STPI to implement an asset-light Data Centre model. This approach allows rapid scalability with minimal capital investment, meeting the growing demands of Tier II and Tier III cities for Data Centre services. Presently, STPI has six tier-3 compliant Data Centres located in Bengaluru, Mohali, Bhubaneshwar, Chennai, Vijayawada and Noida. The Bengaluru, Mohali and Noida centres are operated by the company.

- ***AI-driven innovations and patented technology***

The Company holds commercial patents for their Swaraj software, which intelligently identifies customer requirements and applies vertical and diagonal scaling technologies. They are the only player in India holding a patent for this technology, which was granted in November 2022.

- **Transparent and flexible customised billing system**

The Company offers a billing system that provides customers with customization and flexibility to optimize cost and performance. Their customers can choose to pay based on **transactions, branches, users, custom consumption metrics,** and **business KPIs**.

- **Strength and experience of the Directors, Key Managerial Personnel and Senior Management**

The Company has an intellectual capital comprising a team of industry experts who bring domain expertise, technological proficiency, product innovation, and regulatory acumen. This intellectual depth enables them to anticipate market trends, drive innovation, and deliver robust, scalable, and secure solutions. As at June 30, 2026, the company had a workforce of 993 employees, with core technical teams demonstrating deep expertise in **cloud computing**, **cybersecurity**, **Data Centre infrastructure**, and **enterprise IT solutions**.

KEY BUSINESS STRATEGIES

- ***Expand the business through focusing on enhancing infrastructure, driving AI/ML innovation, and committing to sustainability for efficient scaling and customer value***

The Company's strategy is a multi-pronged expansion approach aimed at enhancing infrastructure capabilities, ensuring operational efficiency, and driving customer-centric innovation.
Infrastructure Expansion and Optimisation a. **Scaling Data Centre Resources**: Investments in compute, storage, memory, power, cooling, and other essential components to support revenue growth and increasing customer demand. b. **Lifecycle Management**: Upgrading and replacing end-of-life systems to maintain performance, security, and reliability. c. **Technology Rebalancing**: Adopting next-generation infrastructure to optimise resource utilisation, improve cost efficiency, and enhance service delivery.

- ***Continue to scale their AI-driven solutions***

The Company is focusing on **AI research and development** to build autonomous solutions that improve efficiency across industries. Key initiatives are:

  - **Healthcare**: AI-enabled agents and disease screening using blood samples, supported by GPUaaS, cloud services, **CMMI Level 5** certification, managed security, and on-demand AI platforms.
  - **Agriculture**: Smart farming through the **Famrut portal**, connecting farmers with stakeholders to improve yield and revenue.
  - **Cloud Automation**: Self-service and solution generation via community cloud and self-configuration.
  - **Customer Experience & Efficiency**: Use of **AIOps** and **Agentic AIs** to enhance customer experience and operational efficiency with minimal human intervention.

- **Enhance collaboration with the Government and business partners**

The Company intends to scale its presence in public sector projects by expanding its **Data Centre network** and offering public-sector services such as **cybersecurity**, **disaster recovery**, and secure cloud solutions tailored to government agencies. They also plan collaborations with third parties to leverage technological expertise and broaden their reach.

- ***Continue to strengthen the brand leadership***

The Company will promote expertise through thought leadership, participation in the Cloud Computing Innovation Council of India, and targeted campaigns showcasing AI and cloud innovation. Their strategy combines technology, government partnerships, AI-driven solutions, and a customer-centric approach, with commitment to sustainability, flexible models, and data sovereignty, positioning them as a trusted partner for enterprises and governments in shaping cloud and Data Centre technologies

- ***Transition towards 100% renewable energy for sustainable and efficient operations***

The Company highlights rising demand for data storage and notes Data Centres contribute ~3.5% of global emissions, with IT industry emissions projected to rise to 14% by 2040. They plan to shift to 100% renewable energy in four years, with rooftop solar already installed at the Registered Office and Nashik Data Centre. Power sourcing will reach 50% in two years, 70% in three years, and 100% by the fourth year. The company also aims to benefit from government green policies, including the Karnataka Data Centre Policy 2022-27, which offers tariff concessions for centres using at least 30% green energy.

COMPETITION

The company faces competition from varied players across product and service offerings. Competitors principally include Indian companies such as **CtrlS Datacenters Ltd**, **Nxtra by Airtel**, **Yotta Data Services Pvt Ltd**, **WebWerks India Pvt Ltd**, **Cyfuture India Pvt Ltd**, **E2E Networks Ltd**, and **Sify Infinit Spaces Ltd.** The company believes that the strength of its brand, end-to-end and diverse cloud computing portfolio, unique pricing models such as "pay-per-consumption", "pay-per-branch" and "pay-per-transaction", SWARAJ vertically auto-scalable capacities, and customer experience are key differentiating factors that help retain customers and set them apart from competitors.

KEY CHALLENGES FACED BY THE COMPANY

- The company offers a comprehensive platform of cloud infrastructure and software solutions consisting of infrastructure as a service ("IaaS"), divided into cloud services and cloud computing, and colocation and Data Centre services, along with managed services and software as a service ("SaaS"). If the company fails to innovate in response to new technological changes or adapt to evolving industry standards, its business, financial condition and results of operations could be adversely affected.

- The company derived revenue, directly or indirectly, from government entities and projects representing 27.37% in Fiscal 2026, 29.52% in Fiscal 2025, and 34.04% in Fiscal 2024 of its revenue from operations. Any changes in government policies, budgetary allocations, or the company's ability to meet eligibility and selection criteria for outsourcing of services may adversely affect its business, financial condition, results of operations and cash flows.
- ESDS Cloud FZ-LLC, the company's subsidiary, reported losses of ₹4.05 crore in Fiscal 2025 and ₹6.02 crore in Fiscal 2024, representing (7.28%) and (44.23%) of consolidated profit for those years. Although the subsidiary recorded a profit of ₹5.46 crore in Fiscal 2026, there can be no assurance that it will not incur losses in the future. Continuous or large losses could affect its ability to operate as a going concern, requiring additional financing that may not be available, and would adversely impact the company's consolidated financial condition.
- In Fiscal 2026, the company derived 15.93% of revenue from its top client and 45.36% from its top 10 clients. Any loss or reduction of business from these clients could materially and adversely affect its business, financial condition, results of operations and cash flows.
- A substantial portion of the company's assets are hypothecated or mortgaged in favour of lenders as security for borrowings. As at March 31, 2026, 2025 and 2024, hypothecated current assets represented 96.72%, 88.96% and 84.84% of total current assets, while mortgaged property, plant and equipment represented 18.89%, 27.05% and 56.62% of total property, plant and equipment, respectively. Lenders may enforce security in the event of failure to service debt obligations, which could adversely affect the company's business, financial condition, results of operations and cash flows.
- The company is exposed to macroeconomic downturns, geopolitical tensions, trade policies and regulatory changes in the countries it exports to, primarily the United Arab Emirates in Fiscal 2026. Any downturn in macroeconomic conditions in these markets, increases in trade barriers, or the imposition or expansion of sanctions that the company must comply with could adversely affect its business, financial condition, results of operations and cash flows.
- The company is highly dependent on its ability to provide customers with continuous and seamless access to services within acceptable timeframes. Any disruption in access could adversely affect its reputation, business, financial condition, results of operations and cash flows. The company is typically required to furnish performance bank guarantees in connection with services or products provided. As at March 31, 2026, 2025 and 2024, performance bank guarantees represented 9.95%, 11.65% and 20.36% of Net Worth, respectively.
- The company reported total contingent liabilities representing 10.43% of Net Worth as at March 31, 2026, 11.96% as at March 31, 2025, and 30.50% as at March 31, 2024. These contingent liabilities have not been provided for in the financial statements, and if they materialise, they may have a material adverse effect on the company's financial condition, results of operations and cash flows.

Peer Offering Comparison in India

Parameters	ESDS	E2E	Sify	Yotta	Cyfuture	Web Werks	CtrlS	Nxtra	Adani ConneX	AWS	Azure	Google
GPU as a Service	✓	✓	✓	✓	✓	✗	✗	✗	✗	✓	✓	✓
IaaS Cloud	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓
Colocation	✓	✗	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗
Managed Services												
Cloud Ops & Mgmt	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Data Centre Build & Audit Consulting	✓	✗	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓
Development Operations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SECaaS	✓	✗	✓	✓	✓	✗	✓	✗	✗	✓	✓	✓
SaaS Marketplace	✓	✗	✓	✗	✓	✗	✗	✗	✗	✓	✓	✓
In-house Applications	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
G-SaaS	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
PaaS	✓	✓	✓	✗	✓	✓	✗	✗	✗	✓	✓	✓

Comparison with Listed Industry Peers (FY2026)

Company	Revenue from Operation (₹ Cr)	Face Value (₹)	Closing Price as on 20-08-2026 (₹)	EPS		NAV as on 31-03-2026 (₹)	P/E		RoNW (%)	Mkt Cap / Revenue (x)
				Basic	Diluted		Basic	Diluted		
ESDS Software Solution Ltd	472.21	1	[•]	12.03	11.81	52.66	[•]	[•]	22.85	[•]
E2E Networks Ltd	245.58	1	623.85	(0.78)	(0.76)	81.97	(804.97)	(819.78)	(0.92)	52.22

Source: RHP

Comparison of the KPIs with the listed industry peer

Metrics	ESDS			E2E		
	As at and for the year ended March 31,					
	2026	2025	2024	2026	2025	2024
Revenue from operations (₹ Cr)	472.21	361.34	286.52	245.58	163.96	94.46
EBITDA (₹ Cr)	234.23	154.89	101.88	126.26	96.66	47.94
EBITDA Margin (%)	49.60	42.86	35.56	51.41	58.95	50.75
PAT (₹ Cr)	120.82	55.61	13.61	(15.57)	47.49	21.87
PAT Margin (%)	25.59	15.39	4.75	(6.34)	28.97	23.15
RoE (%)	25.12	17.27	6.23	(0.95)	5.71	36.37
RoCE (%)	32.78	24.73	14.53	(0.52)	8.40	29.01
Days Sales Outstanding	79	101	88	25	22	10
Debt-to-Equity Ratio	0.08	0.15	0.66	0.06	0.01	1.45
Debt Service Coverage Ratio	16.15	7.00	1.59	5.45	18.20	3.29
Total Customers	2,501	1,714	1,465	3,000+	3,000+	3,000+
Avg. revenue per customer (₹ Cr)	0.19	0.21	0.20	NA	NA	0.03
Existing Customers (%)	72.63	76.63	92.91	55–60	50–60	50–60
New Customers (%)	27.37	23.37	7.09	40–45	40–50	40–50
BFSI Clients (%)	17.53	30.87	18.27	NA	NA	10–20
Government Clients (%)	27.37	29.52	34.04	NA	NA	40–50
Enterprise Clients (%)	55.09	39.61	47.69	NA	20–25	30–40
IaaS Revenue (%)	43.88	56.36	49.59	NA	NA	NA
Managed Services Revenue	41.21	20.94	27.06	NA	NA	NA
SaaS Revenue (%)	14.91	22.71	23.35	NA	NA	NA
Number of Data Centres (Nos)	5	4	4	NA	NA	NA

Restated Consolidated statement of assets and liabilities

(₹ Cr)

Particulars	As at Mar 31,		
	2026	2025	2024
Non-current assets			
Property, plant & equipment	316.41	285.00	218.05
Right-of-use assets	58.44	66.24	99.51
Capital work-in-progress	3.99	–	–
Other intangible assets	13.04	1.27	4.78
Investments	4.55	4.28	–
Other financial assets	18.65	18.30	14.37
Deferred tax assets	2.36	2.36	–
Other non-current assets	6.33	7.76	2.48
Total non-current assets	**423.76**	**385.20**	**339.18**
Current assets			
Trade receivables – billed and unbilled	165.52	143.49	120.52
Cash & cash equivalents	1,253.39	60.68	2.25
Other financial assets	45.63	36.68	53.52
Current tax assets	–	–	14.24
Other current assets	49.61	29.90	18.00
Total current assets	**1,514.14**	**270.75**	**208.53**
Total assets	**1,937.90**	**655.95**	**547.71**
Equity			
Equity share capital	10.04	10.04	9.29
Reserves & surplus	533.62	407.54	216.62
Equity attributable to owners	543.66	417.58	225.91
Non-controlling interest	0.54	–	0.60
Total equity	**544.20**	**417.58**	**226.51**
Non-current liabilities			

Particulars	As at Mar 31,		
	2026	2025	2024
Borrowings	28.42	40.60	84.77
Lease liabilities	37.58	49.99	93.31
Employee benefit obligations	9.66	9.31	7.68
Deferred tax liability	14.29	11.65	5.65
Total non-current liabilities	**89.81**	**111.54**	**191.41**
Current liabilities			
Borrowings	14.50	22.12	64.27
Lease liabilities	15.97	14.04	16.45
Trade payables – micro enterprises and other creditors	38.90	29.03	23.29
Other financial liabilities	12.66	39.51	10.12
Employee benefit obligations	3.01	5.18	4.81
Current tax liabilities	22.97	2.50	–
Other current liabilities	1,195.72	14.45	10.85
Total current liabilities	**1,303.72**	**126.83**	**129.79**
Total liabilities	**1,393.53**	**238.37**	**321.20**
Total equity & liabilities	**1,937.90**	**655.95**	**547.71**

Restated Consolidated statement of profit and loss

(₹ Cr)

Particulars	For the Year ended March 31,		
	2026	2025	2024
Revenue from operations	472.21	361.34	286.52
Other income	8.44	15.31	5.62
Total income	**480.65**	**376.64**	**292.14**
Expenses			
Employee benefit expenses	104.42	94.13	85.07
Finance costs	11.79	25.25	31.57
Depreciation & amortisation	63.46	62.21	52.55
Other expenses	133.56	112.32	99.57
Total expenses	**313.23**	**293.91**	**268.76**
Profit before exceptional items	167.42	82.74	23.37
Exceptional items	–	0.14	1.07
Profit before tax	167.42	82.60	22.30
Total Income tax expense	**46.60**	**26.98**	**8.69**
Profit for the year	**120.82**	**55.61**	**13.61**
Total other comprehensive income	**1.86**	**(1.25)**	**2.23**
Total comprehensive income	**122.68**	**54.36**	**15.84**

Restated Summary Statement of Cash Flows

(₹ Cr)

Particulars	Year ended March 31,		
	2026	2025	2024
Profit before tax	**167.42**	**82.60**	**22.30**
Adjustments Related to Non-Cash & Non-Operating Items	74.81	83.60	86.19
Operating Profits before Working Capital Changes	242.23	166.19	108.49
Adjustments for Changes in Working Capital	1,149.47	0.59	(63.35)
Net cash generated from operations before tax	1,391.70	166.78	45.14
Income tax (paid)/Refund, (net)	(23.99)	(4.16)	7.91
Net cash generated from operating activities	**1,367.71**	**162.62**	**53.05**
Net cash used in investing activities	**(131.17)**	**(109.34)**	**(1.45)**
Net cash used in financing activities	**(44.72)**	**7.45**	**(66.41)**
Net (decrease)/ increase in cash and cash equivalents during the period	1,191.82	60.73	(14.81)
Foreign Currency Translation Reserve	0.88	(2.30)	0.17
Cash and Cash Equivalents at the beginning of the year	60.68	2.25	16.89
Cash and cash equivalents as at the end of the period	**1,253.39**	**60.68**	**2.25**

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