IPO Note – ESDS Software Solution Ltd (27th August 2026)

Company Overview

- ESDS Software Solution Ltd (ESDS) is an AI-enabled provider of cloud, managed services, Data Centre infrastructure and software solutions, and one of only two players offering the full spectrum of GPUaaS, cloud, managed services, Data Centre and software solutions. Its IaaS portfolio includes colocation, Data Centre services, cloud services and cloud computing, alongside managed services and SaaS.
- ESDS offers end-to-end cloud solutions to BFSI, Government and Enterprises, including community-cloud services for organisations with similar compliance and security needs. It served 2,501 customers in FY26, addressing demand for scalable infrastructure, cost-efficient adoption and secure, high-availability environments.
- AI is a key growth focus, with its SWARAJ Cloud integrating 30+ services and 80+ capabilities for intelligent deployment and optimisation across hybrid and multi-cloud environments. In March 2026, ESDS signed a ₹11,831.25 crore, five-year AI cloud infrastructure agreement involving 8,208 NVIDIA B300 GPUs in Australia, with revenue expected from Q3 FY27.
- ESDS reported FY26 revenue of ₹472.21 crore, the highest among the identified Indian peers, supported by its integrated offering and cross-selling potential. The company was also recognised as an Extraordinaire Iconic Innovator for AIOps in 2026 and received the Best Managed Security Services award in 2025

Sector Outlook

- The Indian Data Centre market stood at ₹114 billion in FY26 and is projected to reach ₹242 billion by FY30, implying a 20.7% CAGR, supported by rising internet usage, 5G, cloud adoption and digitalisation. Installed data-centre capacity is expected to increase from 1,545 MW in FY26 to 3,748 MW by FY30.
- The Indian cloud GPU market is expected to expand from US$67.31 million in FY25 to US$513.67 million by FY30, implying an exceptional ~50.15% CAGR, driven by rising GenAI, fintech and SaaS adoption.

ESDS Software Solution Ltd

₹ 408 – 429
Price Band

₹ 720 Cr
Issue Size

28th August – 01st September
Subscription Days

04th September 2026
Listing date

SUBSCRIBE

Particulars	IPO Details
No of Shares under IPO (Cr.)	1.6783
Post Issue MCap (Cr.)	**₹ 5,028.35**
QIB (Cr.)	0.8392
NIB (Cr.)	0.2517
Retail (Cr.)	**0.5874**

Shareholding Pattern	Pre Issue (%)	Post Issue (%)
Promoter	46.06%	39.47%
Others	53.94%	60.53%
Total	**100%**	**100%**

IPO Note – ESDS Software Solution Ltd

Company Outlook

- Revenue grew from ₹286.5 crore in FY24 to ₹472.2 crore in FY26, while PAT surged from ₹13.6 crore to ₹120.8 crore, driving PAT margin from 4.75% to 25.59% and EBITDA margin from 35.56% to 49.60%. RoE improved to 25.12%, RoCE to 32.78%, while debt-to-equity declined to 0.08x and DSCR strengthened to 16.15x, indicating strong profitability, improving capital efficiency and a significantly stronger balance sheet.

- ESDS Software Solution is coming with a ₹720 crore IPO, comprising entirely of a fresh issue of ₹720 crore with no OFS component. Of the proceeds, ₹576 crore will be utilised for the purchase and installation of cloud-computing equipment and other infrastructure for Data Centres, while the balance ₹144 crore will be used for general corporate purposes.

- At the upper price band of ₹429, ESDS is valued at a post-issue P/E of 41.61x and P/B of 8.15x. While valuations are rich, they are supported by strong revenue/PAT growth, sharp margin expansion and improving return ratios. Its full-stack cloud, data-centre and SaaS offering, patented technology and exposure to AI/GPU infrastructure provide a differentiated growth profile. Hence, we recommend SUBSCRIBE, given strong growth prospects and further margin expansion potential.

Key Risks

- Client and revenue concentration, with the top client/top 10 clients contributing 15.93%/45.36% of FY26 revenue; government projects at 27.37%, dependence on STPI agreements, cybersecurity risks, and 24.91% employee attrition.

Particulars	FY23	FY24	FY25
Revenue (Rs. Cr)	286.5	361.3	472.2
Revenue Growth %		*26.1%*	*30.7%*
EBITDA (Rs. Cr)	101.9	154.9	234.2
EBITDA Growth %		*52.0%*	*51.2%*
EBITDA Margin %	35.6%	42.9%	49.6%
PAT (Rs. Cr)	13.6	55.6	120.8
ROCE (%)	14.53%	24.73%	32.78%

Metric FY26	ESDS Software Solution Ltd.	E2e Networks Ltd
Revenue (cr)	472.21	245.58
EBITDA Margin %	49.60%	51.41%
PAT Margin %	25.59%	-6.34%
RoCE %	32.78%	-0.52%
Debt Service Coverage Ratio	16.15	5.45
Total Customers	2501	3,000+
RoNW (%)	22.85%	-0.92%
P/BV Ratio	8.15x	7.69x
P/E (x)	41.61x	-804.97x

Disclaimer

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