

ESDS Software Solutions Ltd

IPO Note



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Sovereign Cloud & AI Infrastructure Company with Integrated Data Centre and Managed Services

ESDS Software Solution Limited, incorporated in 2005, is an AI-enabled cloud and digital infrastructure company providing cloud computing, managed services, data centre infrastructure and software solutions. Its offerings include Infrastructure-as-a-Service (IaaS), Software-as-a-Service (SaaS), GPU-as-a-Service (GPUaaS) and managed services, catering primarily to BFSI, government and enterprise customers. In FY2026, the company served more than 2,500 customers and generated 100% of its revenue from its technology and cloud-related operations.

The company operates data centres and cloud infrastructure in India and provides secure, scalable and compliance-focused digital infrastructure. ESDS has been an early provider of community cloud services and offers an integrated portfolio spanning GPUaaS, cloud, managed services, data centre infrastructure and software solutions. Its customer base includes BFSI institutions, government entities, public-sector organisations and enterprises.

FY2026 revenue from operations stood at ₹472.21 Cr, compared with ₹361.33 Cr in FY2025 and ₹286.52 Cr in FY2024. EBITDA stood at ₹234.23 Cr, while PAT stood at ₹120.82 Cr. EBITDA margin was ~49.6% and PAT margin ~25.6%, reflecting the company's high-margin cloud and software-led business model. Total borrowings stood at ~₹42.92 Cr at FY2026-end.

ESDS has demonstrated strong growth, with revenue increasing ~31% CAGR between FY2024 and FY2026, while PAT increased from ₹13.61 Cr to ₹120.82 Cr. Government-related revenue contributed ₹129.26 Cr, or ~27.4% of FY2026 revenue, while the company continued to expand its presence across BFSI and enterprise customers.

The ₹720 Cr IPO comprises an entirely fresh issue of 1.68 Cr equity shares, with no OFS component. Approximately ₹576 Cr of the proceeds will be utilised for the purchase and installation of cloud-computing equipment and infrastructure for its data centres, with the balance allocated towards general corporate purposes. The IPO price band is ₹408-429 per share.

Industry IT Service & Software

Scrip Details

Listing	BSE & NSE
Open Date	28 th Aug, 2026
Close Date	1 st Sep, 2026
Price Band	INR 408- 429
Face Value	INR 1
Market Lot	34 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	INR 720
Issue Size sh. (in cr.)	1.67
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre-Issue sh. (in cr.)	10.05
Post Issue sh. (in cr.)	11.72
Post Issue Market Cap (in cr)	5028.35

Shareholding (%)	Pre (%)	Post (%)
Promoter	46.06	39.47
Public	53.94	60.53
TOTAL	100	100

Key Consolidated Financial Data (INR Cr, unless specified):

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net Profit (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoCE (%)	P/E (X)	EV/EBITDA (X)
FY24	286.5	101.9	12.6	35.6	4.4	1.1	19.3	5.6	8.0	399.9	50.8
FY25	361.3	154.3	55.6	42.7	15.4	4.7	35.6	13.3	12.9	90.4	32.6
FY26	472.2	234.2	120.3	49.6	25.5	10.3	46.4	22.1	21.0	41.8	16.3

Source: Ventura Research & Company update

Issue Structure and Offer Details:

ESDS Software Solutions Limited IPO is a book build issue comprising of **100% Fresh Issue of 1,67,83,216 Equity Shares** of face value of INR 1 each. The total aggregate value in INR will be determined upon the finalization of the Price Band.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50% of the Net Offer
NII (HNI)	Not less than 15% of the Net Offer
Retail	Not less than 35% of the Net Offer

Source: Company Reports

Objects of the Issue:

1. Purchase and installation of cloud computing and other equipment and infrastructure for Data Centres.
2. General Corporate Purposes

Financial Summary

Fig in INR Cr (unless specified)	FY24	FY25	FY26	Fig in INR Cr (unless specified)	FY24	FY25	FY26
Income Statement				Per share data & Yields			
Revenue	286.5	361.3	472.2	Adjusted EPS (INR)	1.1	4.7	10.3
YoY Growth (%)	38.0	26.1	30.7	Adjusted Cash EPS (INR)	5.6	10.1	15.7
Raw Material Cost	0.0	0.0	0.0	Adjusted BVPS (INR)	19.3	35.6	46.4
RM Cost to Sales (%)	0.0	0.0	0.0	Adjusted CFO per share (INR)	4.5	13.9	116.7
Employee Cost	85.1	94.1	104.4	CFO Yield (%)	1.1	3.2	27.2
Employee Cost to Sales (%)	29.7	26.0	22.1	Adjusted FCF per share (INR)	2.6	4.2	106.0
Other Expenses	99.6	112.9	133.6	FCF Yield (%)	0.6	1.0	24.7
Other Exp to Sales (%)	34.7	31.2	28.3	Solvency Ratio (X)			
EBITDA	101.9	154.3	234.2	Total Debt to Equity	0.7	0.2	0.1
Margin (%)	35.6	42.7	49.6	Net Debt to Equity	0.6	0.0	(2.2)
YoY Growth (%)	115.3	51.5	51.8	Net Debt to EBITDA	1.4	0.0	(5.2)
Depreciation & Amortization	52.6	62.2	63.5	Return Ratios (%)			
EBIT	49.3	92.1	170.8	Return on Equity	5.6	13.3	22.1
Margin (%)	17.2	25.5	36.2	Return on Capital Employed	8.0	12.9	21.0
YoY Growth (%)	(2,804.4)	86.7	85.4	Return on Invested Capital	13.2	22.0	(25.6)
Other Income	5.6	15.9	8.4	Working Capital Ratios			
Bill discounting & other charge	31.6	25.2	11.8	Payable Days (Nos)	0	0	0
Fin Charges Coverage (X)	1.6	3.6	14.5	Inventory Days (Nos)	0	0	0
Exceptional Item	(1.1)	(0.1)	0.0	Receivable Days (Nos)	154	145	128
PBT	22.3	82.6	167.4	Net Working Capital Days (Nos)	154	145	128
Margin (%)	7.8	22.9	35.5	Net Working Capital to Sales (%)	33.9	31.7	26.8
YoY Growth (%)	(180.5)	270.4	102.7	Valuation (X)			
Tax Expense	8.7	27.0	46.6	P/E	399.9	90.4	41.8
Tax Rate (%)	39.0	32.7	27.8	P/BV	22.2	12.0	9.2
PAT	13.6	55.6	120.8	EV/EBITDA	50.8	32.6	16.3
Margin (%)	4.7	15.4	25.6	EV/Sales	18.1	13.9	8.1
YoY Growth (%)	(160.6)	308.6	117.3	Cash Flow Statement			
Min Int/Sh of Assoc	(1.0)	0.0	(0.5)	PBT	22.3	82.6	167.4
Net Profit	12.6	55.6	120.3	Adjustments	75.8	124.2	1,259.1
Margin (%)	4.4	15.4	25.5	Change in Working Capital	(36.4)	(17.2)	(12.2)
YoY Growth (%)	(156.0)	342.3	116.3	Less: Tax Paid	(8.7)	(27.0)	(46.6)
Balance Sheet				Cash Flow from Operations	53.0	162.6	1,367.7
Share Capital	9.3	10.0	10.0	Net Capital Expenditure	(23.0)	(113.3)	(125.2)
Total Reserves	217.2	407.5	534.2	Change in Investments	21.6	3.9	(6.0)
Shareholders Fund	226.5	417.6	544.2	Cash Flow from Investing	(1.4)	(109.3)	(131.2)
Long Term Borrowings	84.8	40.6	28.4	Change in Borrowings	(34.8)	(104.4)	(32.9)
Deferred Tax Assets / Liabilities	5.6	11.6	14.3	Less: Finance Cost	(31.6)	(25.2)	(11.8)
Other Long Term Liabilities	93.3	50.0	37.6	Proceeds from Equity	0.0	137.1	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	7.7	9.3	9.7	Dividend Paid	0.0	0.0	0.0
Total Liabilities	417.9	529.1	634.2	Cash flow from Financing	(66.4)	7.5	(44.7)
Net Block	322.3	352.5	387.9	Net Cash Flow	(14.8)	60.7	1,191.8
Capital Work in Progress	0.0	0.0	4.0	Forex Effect	0.2	(2.3)	0.9
Intangible assets under develop	0.0	0.0	0.0	Opening Balance of Cash	16.9	2.2	60.7
Non Current Investments	0.0	4.3	4.5	Closing Balance of Cash	2.2	60.7	1,253.4
Long Term Loans & Advances	10.4	15.1	10.5				
Other Non Current Assets	6.5	13.3	16.8				
Net Current Assets	78.7	143.9	210.4				
Total Assets	417.9	529.1	634.2				

Source: Ventura Research

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