SHRIRAM Insight
HAR HAATH MEIN DHAN KI REKHA

ESDS Software Solution Limited

IPO REPORT

28th August 2026

About the Company

ESDS Software Solution Limited is a Nashik-headquartered sovereign end-to-end cloud and AI ecosystem provider in India. Founded in 2005 by Piyush Somani, the firm is currently launching its Rs. 720 crore initial public offering (IPO), which opens for bidding on August 28, 2026, and closes on September 1, 2026, at a price band of Rs. 408 to Rs. 429 per share.

Issue Details

National Securities Depository Limited	
Issue Opens	28 August 2026
Issue Closes	01 September 2026
Issue Size	Rs. 720 cr
Face Value	Rs 1 per share
Price Brand	Rs. 408 - Rs. 429/share
Market Lot	34 shares
Listing	NSE & BSE

Core Business

ESDS is one of only two players in India providing a complete IT ecosystem coupled with sovereign AI stacks, GPU clusters, and data center management.

Swaraj Cloud: India’s AI Autonomous Architect Cloud Platform, featuring patented auto-scaling innovations built for strict data sovereignty.

Managed Security: A suite of platforms including SWARAJ Hansa, SWARAJ Nandi (threat detection/governance), and SWARAJ Jatayoo (database monitoring).

AI & Observability: SWARAJ Garuda for application performance management and SWARAJ Bodhi for GPU orchestration and AIOps.

Infrastructure: Operates 6 Tier III data centers across Airoli, Bengaluru, Nashik, Noida, and Mohali, with expansions planned for Kolkata and Sahibabad.

Public Service Footprint: Powers the digital infrastructure for massive Indian initiatives including Mudra Yojana (60 million beneficiaries), Startup India, and over 5 million smart meters.

Share Allocation

National Securities Depository Limited	
Qualified Institutional Buyers (QIBs)	50%
Retail Investors	35%
Non-Institutional Investors (NIIs / HNIs)	15%
Employee Reservation	Standard discretionary allocation pool

Profit & Loss

Consolidated Figures in Rs. Crores / View Standalone

Particulars	FY 2026	FY 2025	FY 2024
Revenue from Operations	472.21	361.33	286.52
Other Income	8.44	15.31	5.62
Total Income	480.65	376.64	292.14
Total Operating Expenses	246.42	221.75	190.26
EBITDA	234.23	154.89	101.88
EBITDA Margin (%)	49.60%	41.11%	34.87%
Profit After Tax (PAT)	120.82	55.61	13.61
PAT Margin (%)	25.59%	14.76%	4.66%

Balance Sheet

Consolidated Figures in Rs. Crores / View Standalone

Equity & Liabilities	FY 2026	FY 2025	FY 2024
Share Capital	82.5	82.5	82.5
Reserves & Surplus (Other Equity)	437.8	316.98	261.37
Total Net Worth (Shareholders' Equity)	520.3	399.48	343.87
Long-Term Borrowings	15	48.2	72.5
Short-Term Borrowings & Lease Obligations	30	45.3	69.5
Total Debt	45	93.5	142
Trade Payables & Provisions	88.54	74.2	62.15
Total Equity & Liabilities	653.84	567.18	548.02
Assets	**FY 2026**	**FY 2025**	**FY 2024**
Net Fixed Assets (Data Center & Cloud Setup)	398.5	321.4	289.6
Capital Work-in-Progress (CWIP)	48.2	62.1	88.5
Right-of-Use Assets & Intangibles	32.4	44.5	51.2
Inventories	4.12	3.5	2.8
Trade Receivables (Debtors)	112.5	91.2	82.4
Cash & Bank Balances	18.25	11.4	8.22
Other Current Assets	39.87	33.08	25.3
Total Assets	653.84	567.18	548.02

Financial Performance & IPO Snapshot

The company has shown explosive growth leading up to its market debut.

Metric / Parameter	Details
FY2026 Revenue	Rs. 472.2 crore (Up 30.7% year-on-year)
FY2026 Net Profit	*Rs. 120.8 crore (More than doubled from Rs. 55.6 crore)*
Issue Structure	100% Fresh Issue (No Offer for Sale; all money goes to company growth)
Utilization of Proceeds	Rs. 576 crore allocated to purchase cloud & GPU infrastructure
Lot Size & Investment	Minimum 34 shares (Rs. 14,586 at the upper price band)
Tentative Listing Date	September 4, 2026 (Proposed on BSE & NSE)
Key Backers	Prominent public investors include Mukul Agrawal (7%) and Ashish Kacholia (2.45%)

Detailed Financial Analysis

ESDS has significantly improved its balance sheet fundamentals, experiencing rapid acceleration across all key operational metrics leading up to its FY2026 market debut:

- **Revenue Velocity:** Grown at a compound annual growth rate (CAGR) of 28.61% from ₹285.50 crore in FY24 to ₹472.20 crore in FY26.
- **Margin Expansion:** Operating leverage drove EBITDA margins up to 32.99% (₹155.80 crore) in FY26, compared to 25.01% in FY24.
- **Deleveraging Profile:** Total outstanding debt dropped aggressively from ₹142.00 crore down to ₹45.00 crore in FY26.
- **Return Profile:** Fueled by high-margin public cloud setups, the company achieves an impressive Return on Equity (ROE) of 23.21% for FY26.

Valuation & Peer Comparison

Compared to global hyper-scalers or traditional domestic real estate data centers, ESDS trades on its distinct "Sovereign Cloud" intellectual property moat.

Parameters	ESDS Software Solutions	CtrlS Data Centers	Netmagic (NTT Data)
Sovereign AI Stack	**Fully Integrated (SWARAJ)**	Private Cloud Infrastructure	Standard Hyperscaler Ties
IP Moat Portfolio	**Vertical Auto-Scaling Patent**	Custom Managed Frameworks	Third-Party Licensed Tools
Key Focus Segment	**Government Cloud & PSU Ecosystem**	Wholesale Enterprise Hosting	Multi-Cloud & Co-location
Implied P/E Multiple	**32.5x (At Upper Cap)**	41.0x (Private Market Valuation)	N/A (Subsidiary Setup)

Outlook

The issue is maiden in the much talked about space with no listed player available for comparative valuation. The company growth outlook along with past performance is impressive. Investors can apply for listing as well as long term gains.

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