Midas
Equities and Research

ESDS Software Solution Ltd – IPO Note

Two engines of growth: GPUaaS could drive 8x revenue & 5x PAT, while core grows at a 30% CAGR over FY26-28E

Rating — SUBSCRIBE

28 Aug 2026

Rs. 720 cr Issue size (100% Fresh)	**Rs. 408–429** Price band / share	**Rs. 5,028 cr** Mkt cap (upper band)	**~41.6x** FY26 P/E (upper band)

IPO 28 Aug–1 Sep 2026 • Listing 4 Sep 2026 (NSE & BSE) • Lot 34 (Rs. 14,586) • BRLMs: DAM Capital, Systematix. Illustrative template-style note; figures from the RHP dated 24 Aug 2026 and public disclosures.

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IPO Details

- ESDS is a Nashik-based, AI-enabled end-to-end cloud, managed-services, data centre, and software company (founded in 2005) — one of only two Indian players across the full GPUaaS–cloud–managed–data centre–software spectrum, and the larger by FY26 revenue (Rs. 472 cr).
- **Vertically integrated yet asset-light,** ESDS owns computing hardware but leases real estate through long-term STPI/CEL/Yotta agreements, operating **5 Tier-III data centres with 2,501 customers, ~95% revenue retention and a 49.6% EBITDA margin.**
- **Raising Rs. 720 cr through a 100% fresh issue** of 1,67,83,217 shares, with no Offer for Sale; face value of Rs. 1.
- A Rs. 65 cr pre-IPO placement (Feb-2025, Rs. 225/share) drew marquee investors — Mukul Mahavir Agrawal, Ashish Kacholia, Anchorage Capital, Capri Global and the Jaisinghani family — while an earlier Oct-2024 round was at Rs. 164/share
- Promoters Piyush & Komal Somani and the P.O. Somani Family Trust hold ~46% pre-issue, stepping down to ~39.5% post-issue. BRLMs: DAM Capital & Systematix; registrar: MUFG Intime.

IPO particulars

IPO Listing	BSE & NSE
Retail quota	**Not less than 35%**
NII quota	**Not more than 15%**
QIB quota (incl. anchor)	**Not more than 50%**

Issue size (Rs. cr)	
From OFS	Nil
From Fresh Issue	720
Total Issue Size	**720**

Market cap (Rs. cr) Post IPO	
Upper Band (Rs. 429)	**5,028**
Lower Band (Rs. 408)	**4,817**
FY26 P/E (upper)	**~41.6x**

Objects of the fresh issue

Object	Rs. cr
Computer servers (incl. GPU nodes)	266.0
Data-storage devices	83.4
Networking equipment	51.6
DC infrastructure (power, cooling, racks)	175.0
Total (equipment Rs. 576 cr + GCP Rs. 144 cr)	**720.0**

Shareholding (no. of shares in cr)

Pre issue	Post issue
10.04	**11.72**

Application (at upper band, Rs. 429)

Application	Lots	Shares	Amount (Rs.)
Retail (Min)	1	34	14,586
Retail (Max)	13	442	1,89,618
S-HNI (Min)	14	476	2,04,204
S-HNI (Max)	68	2,312	9,91,848

Shareholding % (upper band)

	Pre	Post
Promoter & Grp	46.1%	39.5%
Public (incl. Trust)	53.9%	60.5%
Total	100%	100%

IPO timeline

Anchor	27-Aug-26
Open	28-Aug-26
Close	1-Sep-26
Allotment	2-Sep-26
Refunds	3-Sep-26
Listing	**4-Sep-26**

Source: RHP, Company, Chittorgarh

Business Overview — One Customer, Multiple Revenue Layers

An integrated, India-built stack spanning infrastructure, managed services and software

Founded in 2005, ESDS is an AI-enabled cloud, data-centre infrastructure, managed IT and software company — one of only two Indian players offering the full spectrum, and the larger by FY26 revenue (Rs. 472 cr). **A single customer can host infrastructure, migrate to the ESDS cloud, outsource management & security, and consume ESDS software on top — creating multiple monetisation layers per account.**

IaaS – Provides Infrastructure

43.9% of FY26 revenue

Renting out computing power and storage — from simply housing a customer's servers (colocation) to full public, private and "community" clouds, as well as AI computing (GPUaaS). Runs on ESDS's own patented cloud software.

Managed Services – Runs it for you

41.2% of FY26 revenue

ESDS's engineers run and protect customers' systems around the clock — handling migration, daily operations, cybersecurity, backups and disaster recovery. This was the fastest-growing segment last year.

SaaS & Software – Software on top

14.9% of FY26 revenue

Software built in-house by ESDS — government service platforms, monitoring and security tools, and the SPOCHUB marketplace — sold on a subscription basis.

The "land & expand" flywheel

Host / colocate → Migrate to ESDS cloud → Add managed services & security → Layer SaaS / GPUaaS

Why it matters: 2,501 customers (FY26), 94.92% revenue retention, and 47.8% of revenue from clients with 5+ years of relationship. FY26 mix — Enterprises 55.1%, Government & PSU 27.4%, BFSI 17.5%; India 74.5% / Foreign 25.5%.

The Moat — Sitting in the Sweet Spot

Between pure data centre operators and pure IT/SaaS — capturing value at every layer

Pure data centre operators

Sify • Nxtra • CtrlS

- Capital-heavy real estate
- Commodity colocation / power
- Single-digit margins, low RoCE
- Limited software value-add

ESDS

The integrated sweet spot

- Owns DC + patented cloud OS
- Managed services + security
- SaaS & GPUaaS on top
- ~50% EBITDA, 33% RoCE
- Multiple revenue layers / account

Pure IT / SaaS players

Software / cloud-only vendors

- Asset-light, high margin
- No sovereign infrastructure
- Depend on hyperscaler rails
- Limited regulated-data play

What makes the position hard to replicate

Patented cloud OS

Vertical auto-scaling patented in the US and India; ESDS is the only Indian patent holder.

Regulated data stickiness

115 banks and 113 SAP-HANA enterprises on community clouds (Jun-26) — implying high switching costs.

Government pre-qualification

MeitY-empanelled, STQC-audited, and GeM-authorised — credentials that take years to earn.

Sovereign, INR-billed stack

India-built, DPDP-aligned data residency — an advantage hyperscalers cannot match on data sovereignty.

Only ESDS and one peer offer the full GPUaaS–cloud–managed services–data-centre–software spectrum in India; ESDS is the larger player by FY26 revenue.

Source: RHP, Company

Asset-Light Moat — Own the Hardware, Lease the Land

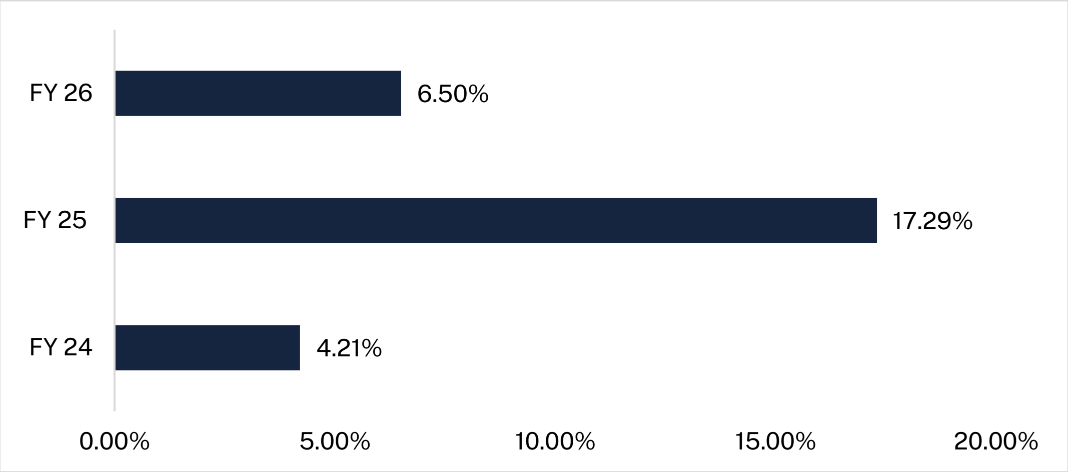
Zero real-estate capex + leased / STPI premises — the engine behind 33% RoCE

Data centre premises — leased or revenue-share, never owned

Facility	Model	Term	Consideration
Nashik	Long lease (NICEL)	to Jan-2076	One-time Rs. 2.66 cr; no recurring
Airoli	MSA — Yotta	to Aug-2031	Rs. 5.51 cr / year
Bengaluru	STPI MSA	to Jun-2030 (+5y)	Higher of min or 18% rev share
Mohali	STPI MSA	to Jul-2032 (+5y)	Higher of min or 18% rev share
Noida	STPI MSA	to Sep-2035 (+5y)	Higher of min or 18% rev share
Kolkata (P)	STPI MSA	Proposed	18% rev share; min Rs. 1.80 cr/yr
Sahibabad (P)	CEL land (JV)	Proposed	CEL 10.5% / ESDS 89.5% rev share

(P) = proposed. CEL funds up to Rs. 18 cr of the Sahibabad building; ESDS owns only the computing hardware inside every facility.

Additions to PPE (% of total assets)



FY26 PPE additions Rs. 125.9 cr — ~62% on computing & DC equipment (Rs. 79.0 cr); NIL on land & buildings.

Nil
capex on land & buildings

~62%
of FY26 capex on computing / DC gear

33.2%
RoCE FY26 (asset-light payoff)

Why this is a moat: ESDS runs a data-centre business without a data-centre real-estate balance sheet — it owns the revenue-generating hardware while renting the real estate (long leases, STPI MSAs and CEL/Yotta revenue-share arrangements). Capital tied up per rupee of revenue is therefore low and capital turns fast, keeping returns high even as the business scales: additions to PPE were just ~6.5% of total assets in FY26, underpinning a 33.2% RoCE and 25.1% RoE. The STPI/CEL revenue-share structures also convert part of fixed occupancy costs into variable, revenue-linked costs, helping protect margins if utilisation dips.

Source: RHP, Company, roadshow deck

Growth Engine — The AI-Compute Contract

US$1.25 bn of GPU capacity procured for resale as GPUaaS — revenue contribution from Q3FY27

Understand the structure: ESDS is the CUSTOMER. Under a Master Services Agreement (31 Mar 2026), Australian neocloud SharonAI supplies GPU compute; ESDS procures the capacity and monetises it as GPUaaS to its end customers. The US$1.25 bn is a 5-year capacity commitment, not a revenue order received by ESDS.

~8,200 NVIDIA B300 GPUs deployed

17.8 PB VAST storage

5 + 2 yr initial term + extension option

Sep-2026 capacity delivery target

Q3FY27 ESDS revenue recognition begins

US$140 mn LC / bank guarantee posted by ESDS

Industry growth	Base year	FY30E	CAGR
India cloud-GPU (US$ mn)	67.3 (FY25)	513.7	50.2%

What it can add

Capacity cost to ESDS
~US$250 mn / yr ≈ Rs. 2,366 cr

Total contract value
US$1.25 bn ≈ Rs. 11,831 cr (≈ 25x FY26 revenue)

Demand already visible
Rs. 1,176.6 cr end-customer advance received (SPOCHUB)

Margin profile
Capacity-cost-heavy resale → lower margin than the ~50% core but scale is the driver

Bottom line: A genuine, contracted, multi-year revenue engine that can multiply ESDS's top line — but it is a capacity-resale arbitrage. Value creation depends on utilising and reselling the GPUs at a spread; execution, counterparty (SharonAI), and take-or-pay commitments are the key risks (see Key Risks).

Source: SharonAI SEC filing (31 Mar 2026); RHP; company disclosures

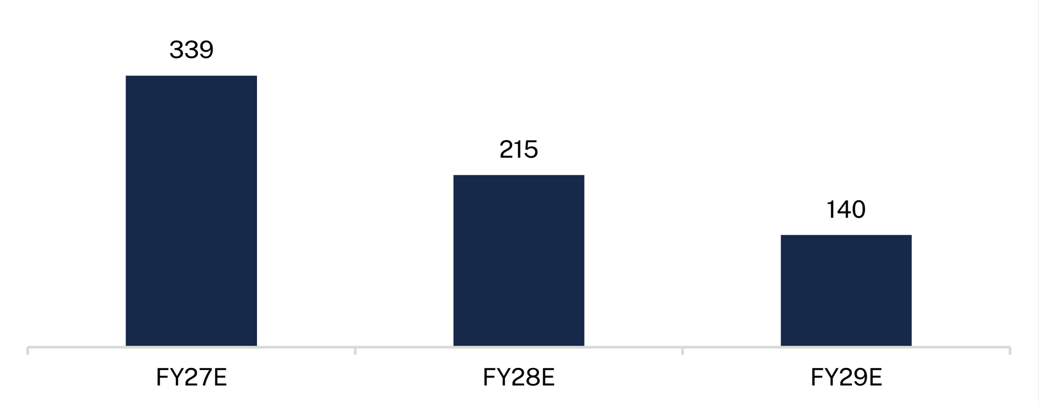
Putting It Together — Illustrative FY28E

Two engines of growth: GPUaaS could drive 8x revenue & 5x PAT, while core grows at a 30% CAGR over FY26-28E

Midas estimates

Rs. cr	FY26A	FY27E	FY28E	FY28E core-only
Core revenue	472	614	798	798
AI / GPUaaS resale revenue	—	1,538	3,076	—
Total revenue	**472**	**2,152**	**3,874**	**798**
PAT	**121**	342	574	204
PAT margin	25.6%	15.9%	14.8%	25.6%
EPS (post-issue, Rs.)	10.3	29.2	48.9	17.4
P/E @ Rs. 429 (upper band)	**41.6x**	**14.7x**	**8.8x**	**24.6x**

Reported execution pipeline of core business (Rs. cr)



Key assumptions

- Core revenue can grow at least 30% CAGR, supported by a ~Rs. 980 cr order book (2x FY26 revenue) and 20–24% industry CAGRs, with core EBITDA margin at ~48% and PAT margin at ~25%.
- AI resale: ESDS resells procured SharonAI capacity (~Rs. 2,366 cr/yr cost) at ~1.3x, with a managed-services wrap, translating into ~Rs. 3,076 cr FY28E revenue at a ~12% PAT margin.
- FY27E: AI goes live in Q3, implying ~2 quarters at a ramp-up run rate.

The read: Trailing valuation looks full (~42x FY26), but the multiple compresses sharply if the AI engine executes — to ~8.8x FY28E in the base case. Crucially, the AI line is low-margin, capacity-heavy resale: it multiplies revenue and absolute profit but dilutes blended margins, so earnings quality differs from the ~50%-margin core. If the AI ramp-up is delayed, the core alone supports ~24.6x FY28E.

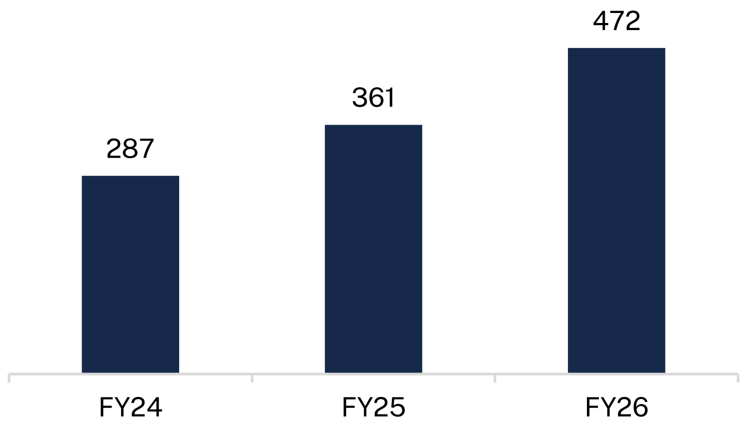
These are illustrative Midas estimates for discussion, not company guidance or forecasts, and are highly sensitive to AI utilisation, resale pricing and execution.

Source: Midas estimates; RHP for FY26 actuals

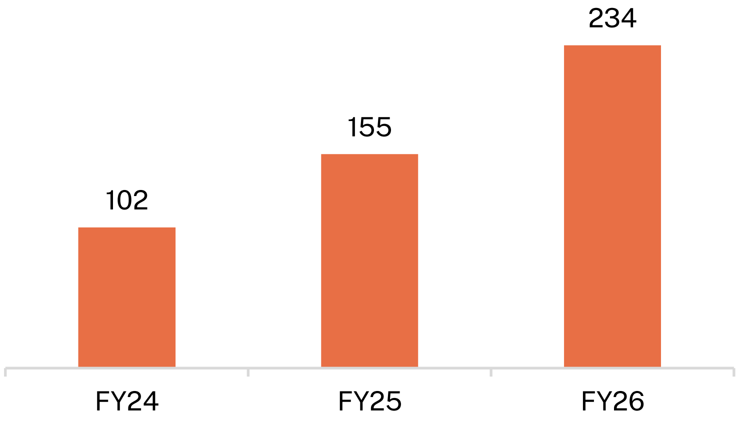
Financials — High-Growth Core with healthy return ratios

Revenue compounded at ~28% and PAT jumped ~9x over FY24–26 as utilisation and mix improved

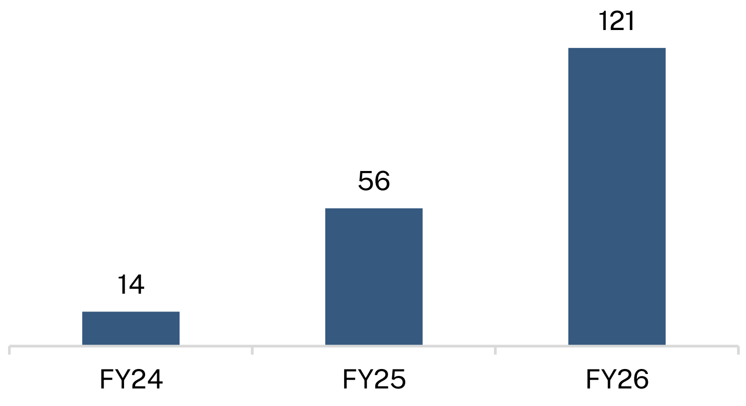
Revenue (Rs. cr) — ~28% CAGR



EBITDA (Rs. cr) — ~52% CAGR



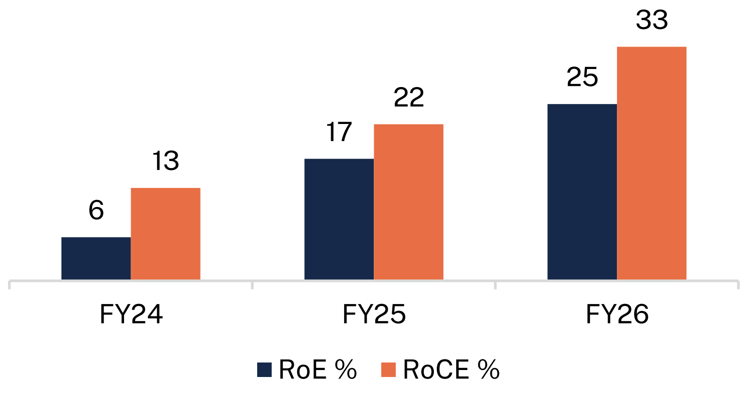
PAT (Rs. cr) — ~9x in two years



Revenue composition (Rs. cr)

Particulars	FY24	FY25	FY26	CAGR
IaaS (cloud + colocation)	142.1	203.6	207.2	21%
Managed services	77.5	75.7	194.6	58%
SaaS	66.9	82.0	70.4	3%
Revenue from operations	**286.5**	**361.3**	**472.2**	**28%**

Return metrics (%)

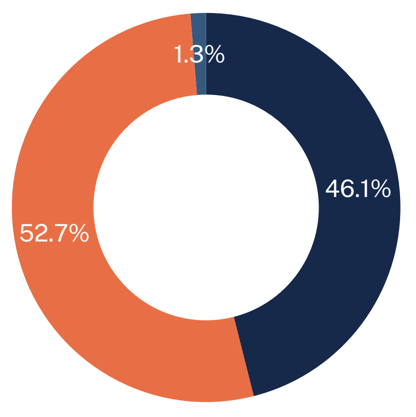


Source: RHP, Company

Capital Structure

Promoter-led cap table; a 100% fresh issue — neither promoters nor existing investors sell

Ownership — pre-issue



100,427,753 shares • FV Rs. 1

Offer structure

Rs. 720 cr

100% Fresh Issue — no OFS

- Entire Rs. 720 cr accrues to the company (primary); promoters and investors do not sell.
- Rs. 576 cr for cloud-computing equipment & data-centre infrastructure; balance for general corporate purposes.
- Face value Rs. 1; ESOP 2021 & 2024 outstanding (exercise price Rs. 225 under ESOP 2024).
- Promoters lock in 20% of post-issue capital for three years as promoter contribution.

Notable public shareholders

Shareholder	Pre-issue %
Mukul Mahavir Agrawal	7.00%
Vanaja Sundar Iyer (jt.)	2.94%
Suresh Kumar Agarwal (jt.)	2.48%
Ashish Kacholia	2.39%
NKA Resources LLP	1.80%
Anchorage Capital Fund	1.32%
ESDS Employee Benefit Trust	1.29%

Promoter & promoter group

Name	Pre-issue %
Piyush P. Somani	24.54%
P.O. Somani Family Trust	11.19%
Komal P. Somani	10.13%
Promoter group (others)	0.20%

Previous fundraise: A Rs. 65 cr pre-IPO placement (Feb-2025, Rs. 225/share) drew marquee investors — Mukul Mahavir Agrawal, Ashish Kacholia, Anchorage Capital, Capri Global and the Jaisinghani family; an earlier Oct-2024 round was at Rs. 164/share.

Post-issue: ~11.72 Cr shares outstanding at the Rs. 429 cap (≈Rs. 5,028 cr market cap); promoter & group stake dilutes to ~39.5%. Marquee investors (Mukul Agrawal, Ashish Kacholia, Anchorage) remain on the register.

Source: RHP, Company

Peer Comparison & Valuation

Premium on trailing earnings, but significant multiple compression if AI execution delivers

Company	Mkt cap (Rs. cr)	FY26 Revenue (Rs. cr)	FY26 PAT(Rs. cr)	EBITDA %	RoCE %	Type
ESDS	**5,028***	**472.2**	**120.8**	**49.6%**	**33.2%**	**IPO (upper band)**
E2E Networks	~12,677	245.6	(15.6)	51.4%	(0.5%)	Listed — GPU cloud
Sify Infinit Spaces	Parent company Listed (Nasdaq)	1,760.5	37.2	45.1%	7.8%	DC arm of Sify
Nxtra by Airtel	Private	2,434.1	241.0	40.33%	8.5%	DC (Airtel)
CtrlS Datacenters	Private	1,900.0	NA	NA	NA	DC operator

**ESDS market cap at the Rs. 429 upper band; Rs.cr unless stated. E2E is loss-making in FY26 (P/E n.a.) and trades on an AI-capacity narrative.*

ESDS valuation — trailing vs illustrative forward

Basis	PAT (Rs. cr)	EPS (Rs.)	P/E @ Rs. 429
FY26 actual	121	10.3	41.6x
FY28E — with AI (Midas)	**574**	**48.9**	**8.8x**
FY28E — core-only (Midas)	204	17.4	24.6x

Company	FY26 EV/EBITDA	EBITDA FY26-28E CAGR	FY28E EV/EBITDA
ESDS	16.2x	122%	~4.3x*
E2E Networks	**31.5x**	**158%**	**~15.0x**

E2E Networks estimates are extracted from Bloomberg

Valuation view

- **No clean listed comparable:** ESDS is one of only two Indian players offering the full cloud-to-managed-services stack, while E2E has a more focused AI/GPU cloud offering.
- **Premium, but backed by profitability:** At ~42x FY26 P/E, the IPO is not cheap on trailing earnings; however, ESDS already generates Rs. 121 cr of PAT and ~33% RoCE, unlike loss-making E2E, which still commands a market value of ~Rs. 12,677 cr.
- ESDS is trading at FY28E **EV/EBITDA of 4.3x vs 15.0x** for E2E Networks.
- **Significant multiple compression on AI execution:** On our illustrative FY28E estimates, the P/E falls to ~8.8x if the AI engine ramps up successfully, versus ~24.6x on the core business alone, making the risk-reward attractive if execution delivers.
- **Attractive relative to earnings growth:** The ~8.8x FY28E P/E looks compelling against ~4.7x growth in PAT from FY26 to FY28E. The key swing factors remain AI resale margins and GPU utilisation.

*Source: RHP (Nexdigm), company filings, exchange data (Aug-26) *4.3x EV/EBITDA assuming normalized cash in EV by FY28E*

Outlook & Rating

A scarce, patented, cash-generative sovereign-cloud platform with contracted AI optionality

IPO RATING

SUBSCRIBE

A high-growth, high-margin core at ~42x FY26, with large contracted AI optionality that can materially compress the forward multiple if it executes.

WHY SUBSCRIBE

Scarce, patented platform

One of only 2 full-spectrum Indian players, largest by revenue; SWARAJ patented in the US + India.

Peer-best economics

~50% EBITDA, 25% RoE, and 33% RoCE in FY26 — ahead of comparable Indian cloud peers.

Contracted AI upside

US$1.25 bn GPU capacity + Rs. 1,177 Cr advance + ~Rs. 980 Cr order book underpin growth.

Forward re-rating

Illustrative FY28E ~8.8x (with AI) vs ~42x FY26 — attractive if execution delivers.

Financial snapshot (FY26)

~28% Revenue CAGR (FY24–26)	**49.6%** EBITDA margin (FY26)
Rs. 120.8 cr PAT FY26 (~9x in 2 yrs)	**25.1% / 33.2%** RoE / RoCE (FY26)
~Rs. 5,028 cr Mkt cap (upper band)	**~41.6x** FY26 P/E
US$1.25 bn AI capacity procured	**~8.8x** Illustrative FY28E P/E (with AI)

Illustrative Midas estimates; not company guidance. Rating is expressly conditional on execution of the AI-compute contract and on the final subscription/listing dynamics.

Financial Summary

Particulars (Rs.cr)	FY24	FY25	FY26
Profit & Loss			
Revenue	287	361	472
Gross profit	287	361	472
EBITDA	102	155	234
Depreciation	53	62	63
EBIT	49	93	171
Other Income	6	15	8
Interest expense	32	25	12
PBT	24	83	167
NPAT	14	56	121
Diluted EPS (Rs.)	1.2	4.7	10.3
Balance sheet			
Net Worth	226	418	544
Total debt	149	41	28
Lease Liabilities	173	198	1,366
Other liabilities and provisions	548	656	1,938
Total Net worth and liabilities	358	471	555
Gross Fixed assets	218	285	316
Net fixed assets	0	0	4
Capital work-in-progress	226	418	544
Cash and bank balances	2	61	1,253
Loans & advances and other assets	54	37	46
Net working capital	274	269	314
Total assets	548	656	1,938
Capital Employed	375	458	572
Invested Capital (CE - cash - CWIP)	373	398	-685
Net debt	147	-20	-1,225
Cash flows			
Cash flows from Operations (Pre-tax)	45	167	1,392
Cash flows from Operations (post-tax)	53	163	1,368
Capex	-23	-113	-126
Free cashflows	30	49	1,242
Free cashflows (post interest costs)	-2	24	1,230
Cash flows from Investing	-1	-109	-131
Cash flows from Financing	-66	7	-45
Total cash & liquid investments	2	61	1,253

	FY24	FY25	FY26
Growth ratios (%)			
Revenue	NA	26.1	30.7
EBITDA	NA	52.0	51.2
PAT	NA	308.6	117.3
Margin ratios (%)			
Gross	100.0%	100.0%	100.0%
EBITDA	35.6%	42.9%	49.6%
PAT	4.7%	15.4%	25.6%
Performance ratios			
OCF/EBITDA	44.3%	107.7%	594.2%
RoE (%)	6.0%	17.3%	25.1%
RoCE (%)	13.2%	22.2%	33.2%
RoIC(%)	0.8	0.8	0.9
Fixed asset turnover (x)	0.5	0.6	0.2
Total asset turnover (x)	12.0%	17.3%	25.1%
Financial stability ratios			
Net Debt to Equity (x)	0.6	N.a.	N.a.
Net Debt to EBITDA (x)	1.4	N.a.	N.a.
Interest cover (x)	1.6	3.7	14.5
Working capital days	248	162	145
Valuation metrics			
No. of Shares (cr)			11.7
Market cap (Rs. cr) *			5,028.7
P/E (x) *			41.6
P/OCF(x)*			3.7
EV (Rs.cr)*			3,803.7
EV/ EBITDA (x)*			16.2
EV/ OCF(x) *			2.8
Price to BV (x) *			9.25

Source: RHP, Company
** Based on diluted no. of shares(Post IPO)*
*** Based on RHP*

Key Risks

AI-contract execution & counterparty

The US$1.25 bn is a capacity commitment for resale; ESDS must place ~8,200 GPUs at a spread. SharonAI counterparty risk, take-or-pay terms and US$140 mn LC exposure are live risks.

Thin AI-resale margins

GPUaaS resale is capacity- and cost-heavy; it multiplies revenue but dilutes the ~50% core margin, with profit uplift depending on utilisation and resale pricing.

Customer concentration

Despite 2,501 customers, revenue remains concentrated: FY26 top-5/top-10 contributed 34.9%/45.4%, while India Ratings puts the top-10 at ~54%. A sanctioned Russia-based BFSI client was also a historical customer.

Government dependence

27.4% of FY26 revenue comes from government & PSUs, exposed to budgets, tenders and longer collection cycles.

STPI & infrastructure

3 of 5 DCs operate on STPI premises (minimum charge: ~18% of DC revenue); non-renewal could force relocation. Growth remains capital- and GPU-supply-intensive.

Advance, FX & valuation

The Rs.1,176.6 cr advance is a liability amortised only post go-live; 25.5% foreign revenue adds FX risk, while ~42x FY26 leaves little valuation cushion if AI execution slips.

Source: RHP, Company, ratings & media

Annexure

Infrastructure Footprint — Asset-Light, Expanding

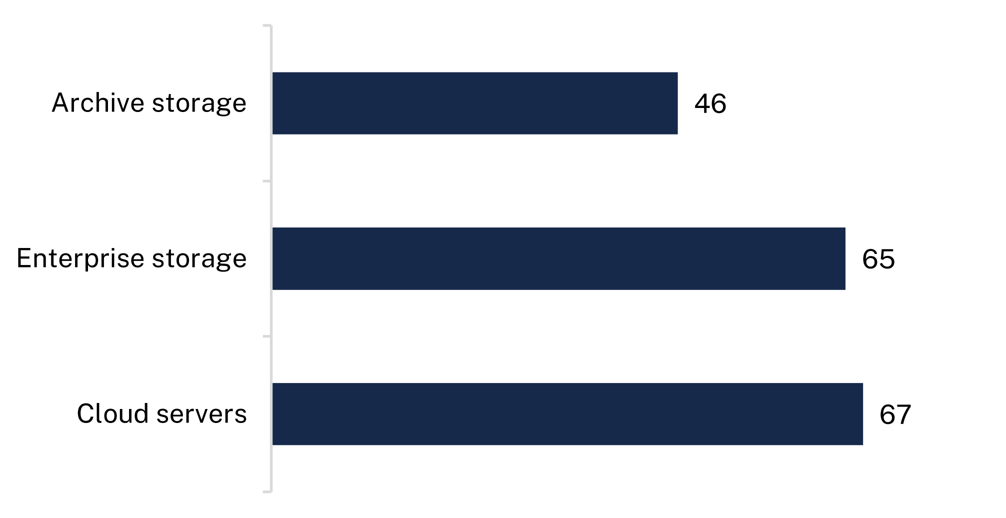
Five Tier-III data centres today, two more planned, under a partly STPI-partnered model

Data centre footprint

#	Data centre	Operating model	Status
1	Nashik, Maharashtra	Owned / long-term lease	Operational
2	Airoli, Navi Mumbai	Arrangement with Yotta	Operational
3	Bengaluru, Karnataka	STPI partnership (MSA)	Operational
4	Mohali, Punjab	STPI partnership (MSA)	Operational
5	Noida, Uttar Pradesh	STPI partnership (MSA)	Live Oct-25
6	Kolkata, West Bengal	Proposed	Q3FY27 (P)
7	Sahibabad (CEL-ESDS)	Revenue sharing with Central Electronics	Q1FY28 (P)

(P) = proposed. Three of five operational DCs run on STPI premises (ESDS pays the higher of a minimum charge or ~18% of DC revenue) — asset-light but with renewal dependence.

FY26 Capacity utilisation (%)



Headroom deliberately maintained for demand spikes, onboarding and maintenance — room to grow before new spend.

75,266 sq ft
aggregate DC area, all Tier-III

PUE 1.55
average across all DCs

99.995%
uptime maintained

993
employees (Jun-26)

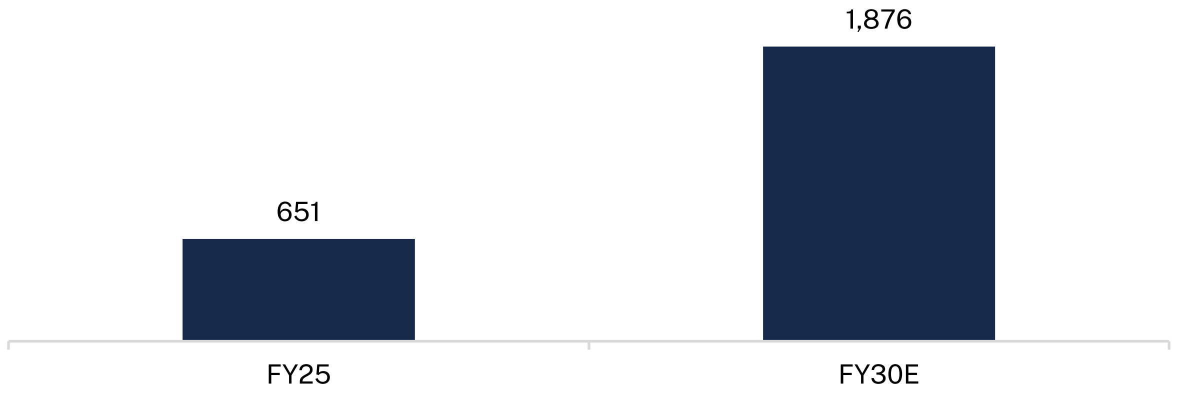
IPO proceeds fund the next leg of capacity expansion
Rs.576 cr of IPO proceeds will fund compute, storage, and networking expansion across Airoli, Bengaluru, Mohali, and Nashik. GPU compute capacity will rise from **81 to 2,481 TFLOPS**, GPU RAM from 18 to 66 TB, cloud server RAM from 1,274 to 1,458 TB, and enterprise storage from 18,795 to 21,371 TB. The expansion also adds a new 2,000 TB GPU-storage tier.

Source: RHP, Company

Industry Opportunity — Structural, Underpenetrated

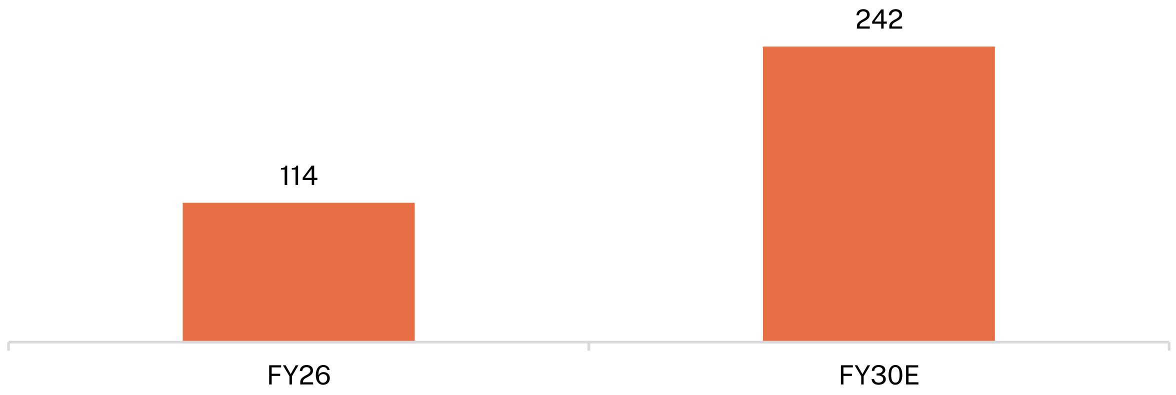
ESDS operates across four markets, each growing far faster than the broader IT sector

India cloud services market (Rs. bn)



23.6% CAGR FY25–30; AI = 7.9% of India cloud in FY26.

India data centre market (Rs. bn)



20.7% CAGR FY26–30; capacity 1,545 MW (Mar-26) → ~3,748 MW by FY30.

Adjacent markets ESDS operates in

Market	Base year	FY30E	CAGR
India managed services (Rs. bn)	175.7 (FY26)	402.8	23.2%
India cloud-GPU (US$ mn)	**67.3 (FY25)**	**513.7**	**50.2%**
India software development (Rs. bn)	3,961 (FY26)	5,581	8.9%

The structural thesis

- India generates ~20% of global data but holds only ~2% of global compute, creating a large capacity gap.
- Data sovereignty and localisation requirements support demand for in-country storage and compute.
- The IndiaAI Mission and national AI-compute push are driving sovereign-cloud and GPU demand.
- ESDS's India-built, patented, multi-service platform is positioned across all four fast-growing niches.

Source: RHP (Nexdigm Report)

Disclaimer (1/2)

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BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	**REDUCE**	Stock expected to provide returns of <5% – -10% over a 1-year horizon
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