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IPO Note
21st July 2026

Xtranet Technologies Ltd

Neutral

Rating: Neutral

Issue Offer

Total issue size: INR 1,668 Mn (13.10 Mn shares) – Entirely a Fresh Issue of INR 1,668 Mn (13.10 Mn shares).

Issue Summary	
Price Band (INR)	120-127
Face Value (INR)	10
Implied Market Cap (INR mn)	6,640.3
Market Lot	110
Issue Opens on	23 July, 2026
Issue Close on	27 July, 2026
No. of share pre-issue	3,91,51,700
No. of share post issue	5,22,85,700
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	≤ 50
NIB Portion	≥ 15
Retail Portion	≥ 35

Book Running Lead Managers

Share India Capital Services Pvt.Ltd

Registrar

Kfin Technologies Ltd

Shareholding Pattern	Pre-Issue	Post-Issue
Promoters	83.63%	62.62%
Public & Others	16.37%	37.38%

Objects of the issue	**Exp. Amt (INR Mn.)**
Repayment/pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	219.9
Capital expenditure by our Company for purchase and installation of Systems and Hardware;	73.0
To Meet Working Capital Requirements	1,020.0
General corporate purposes	

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Incorporated in 2002, Xtranet Technologies Limited is a Bhopal-based IT/ITeS company offering software development, data management, digital signature, BPO/KPO, enterprise applications, managed services, digital services and proprietary platforms/products, including end-to-end ERP services across global platforms and its proprietary X-ERP system. The company serves Government, PSU and enterprise clients across Defense, Railways, BFSI, Healthcare and Law Enforcement, supported by three domestic subsidiaries, one international associate and certifications including CMMI Level 5 and multiple ISO standards.

Investment Rationale:

Diversification: Multi-Vertical Presence with Rising Government Exposure

The company has a diversified revenue base across six industries Government/PSU, BFSI, Manufacturing, Infrastructure, Healthcare, and Retail reducing dependence on any single sector. Government/PSU and e-Governance contributed around 24% of FY26 revenue, up from ~14% in FY24, supported by increasing digitalization initiatives in India. A track record of executing 143 Government/PSU projects and a 41% bid-to-win ratio over the last three years highlights strong execution capabilities and competitive positioning in the public sector.

Strong Topline Momentum, though Customer Concentration Warrants Monitoring

Revenue from operations grew from INR 2,329.4 Mn (FY24) to INR 3,652.9 Mn (FY26), a robust ~25% CAGR, aided by expansion in Financial Services and Industrial Automation segments. However, the top-10 customer contribution has risen to 86.7% of revenue in FY26 (vs. 75.4% in FY24), and the top-1 customer alone accounts for ~23%. While this signals deepening account penetration and repeat-order strength, it also elevates client-concentration risk, a key monitorable for earnings stability.

Credentials: Strong Certifications Support Large Project Wins

The company holds key certifications such as CMMI Level 5 and multiple ISO standards, strengthening its eligibility for enterprise and government projects where compliance is an important requirement. Industry recognitions, including Tech Excellence Award and Cloud Migration Partner of the Year, further enhance its credibility and support opportunities to win a larger share of government and enterprise IT infrastructure spending.

Valuation & Outlook: Xtranet operates in attractive segments such as government digital infrastructure, managed IT services and enterprise technology solutions, where demand is supported by increasing public-sector digitalization. The company has demonstrated a healthy growth track record, strong execution capabilities, and a meaningful presence in Government/PSU projects, supported by a 41% bid-to-win ratio, 143 completed government projects, and CMMI Level 5 and multiple ISO certifications that strengthen its competitive positioning. However, the business remains relatively small compared with listed IT peers, with customer and geographic concentration continuing to be key monitorable factors. As the price band is yet to be announced, the IPO's attractiveness will primarily depend on valuation. A reasonable discount to established peers could provide room for re-rating as the company scales its order book, expands its enterprise presence, and diversifies its revenue base. Overall, Xtranet offers exposure to India's long-term digital transformation theme, with execution and valuation likely to remain the key drivers of investor returns. **At the upper band of INR 127, the issue is valued at a P/E ratio of 16.31x, based on PAT of FY26 EPS of INR 7.79, We are recommending a "Neutral" rating for this issue**

Financial Summary:

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	2,329.41	2,760.82	3,652.87
Growth (% YoY)		*19%*	*32%*
EBITDA	188.6	472.0	631.8
Margins	*8.1%*	*17.1%*	*17.3%*
PAT	109.4	300.3	407.3
Margins	*4.7%*	*10.9%*	*11.2%*
Debt	411.9	392.4	854.5

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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