BONANZA WEALTH MANAGEMENT RESEARCH

21 July 2026

Xtranet Technologies Ltd.- Subscribe

Company Overview

Xtranet Technologies Limited (XTL), incorporated in 2002 and headquartered in Bhopal, is an integrated IT solutions provider offering end-to-end digital transformation services to enterprise and government clients. The company operates across enterprise applications, managed services, digital services, and proprietary platforms, delivering ERP implementation, application development and maintenance, IT system integration, cloud computing, cybersecurity, data centre infrastructure, and infrastructure management services. With over two decades of industry experience, XTL helps organisations modernise their IT ecosystems through customized technology solutions and long-term managed service engagements.

The company combines global ERP platforms with its proprietary solutions, including the X-ERP enterprise resource planning platform, Synergy low code digital transformation platform, and XtraTrust platform, enabling clients to accelerate digital adoption. XTL also designs, builds, and manages data centres and command centres while providing cloud-based offerings across IaaS, PaaS, and SaaS. To strengthen its international presence, the company has established Extranet Technology Solutions L.L.C. in Dubai. As of April 2026, XTL had an order book of approximately Rs.357 crore, providing healthy revenue visibility and supporting its long-term growth strategy.

Investment Rationale

- Xtranet Technologies has over 24 years of experience in enterprise applications, managed services, cloud, cybersecurity, digital transformation, and proprietary software platforms. Its broad service portfolio enables cross-selling opportunities and supports recurring revenue growth.
- The company completed 175 Government and PSU projects (143 direct and 32 indirect) during FY24–FY26. Government clients contributed 47.1% of FY26 revenue, supported by a healthy 38–43% bid-win ratio, positioning Xtranet to benefit from rising investments in Digital India, e-governance, and smart city projects.
- Xtranet serves clients across government, financial services, manufacturing, healthcare, telecom, utilities, education, transportation, defence, and retail. It served 52 domestic customers in FY26, including 28 long standing customers associated with the company for over three years, supporting recurring business.
- The company is expanding high margin offerings through X-ERP, Synergy, XtraTrust, and Smart Locker, while increasing focus on cloud, AI/ML, cybersecurity, and managed services, which are expected to enhance customer stickiness and long term profitability.
- With expertise in data centres, disaster recovery, cybersecurity, and integrated command & control centres (ICCCs), an order book of approximately Rs.357 crore, and a growing international presence through its Dubai associate, Xtranet is well placed to benefit from increasing enterprise and government digital transformation spending.

Valuation

Xtranet Technologies is well positioned to benefit from the increasing adoption of digital transformation, cloud computing, cybersecurity, AI, and data centre infrastructure, supported by its diversified presence across Government, BFSI, manufacturing, healthcare, utilities, and other enterprise segments. The company has demonstrated a strong execution track record, healthy order book of approximately Rs.357 crore, expanding proprietary platforms, and robust financial performance. The issue is appears reasonable considering its growth prospects and return profile. However, customer concentration, dependence on Government contracts, and elevated receivable days remain key monitorable risks. We recommend a **Subscribe** rating for investors with a long-term investment horizon.

IPO Details

Industry	Information Technology
Issue Open Date	23rd July 2026
Issue Close Date	27th July 2026
Price Band (Rs.)	120 - 127
Issue Size* (Cr)	~Rs. 170
Issue Size*(Shares)	1,33,85,827
Bid Lot	110 Shares
Listing Exchanges	BSE and NSE
Face Value (Rs.)	Rs. 10.0/-

* **At highest price band**

Issue Details

Sale Type (Rs. Cr)	Fresh Issue – 170
Issue Type	Book Building
Book Running Lead Manager	Share India Capital Services Pvt Ltd.
Registrar	Kfin Technologies Ltd.
Issue structure	QIB: 50.0% Non-Institutional: 15.0% Retail: 35.0%
Credit of Shares to Demat Account	29th July 2026
Issue Listing Date	30th July 2026

* **At highest price band**

Objects of the Issue

Particular	Estimated utilization from Net proceeds (Rs Cr.)
Pre-payment or re-payment, in full or in part, of all or a portion of certain outstanding borrowings availed by the company.	20.2
Capital expenditure by the company for purchase and installation of systems and hardware.	8.5
Working capital requirements	102.0
General Corporate Purposes [.]	~

Shareholding Pattern

Shareholding (%)	Pre(%)	Post*(%)
Promoter	83.6	62.3
Public & Others	16.4	37.7

* **At highest price band**

Business Highlights

- Xtranet Technologies offers a comprehensive portfolio of enterprise applications, IT system integration, managed services, digital services, data centre infrastructure, cloud, cybersecurity, and application development. The company complements its service offerings with proprietary platforms such as X-ERP, Synergy, and XtraTrust, enabling end-to-end digital transformation solutions for enterprise and government clients.
- The company has established a strong track record in executing large scale Government and PSU projects, completing 175 projects (143 direct and 32 indirect) during FY24–FY26. Government and PSU clients contributed 47.1% of FY26 revenue, reflecting its expertise in smart cities, e-governance, integrated command & control centres, data centres, and digital public infrastructure.
- Xtranet serves clients across Government, Defence, Railways, BFSI, Manufacturing, Telecom, Healthcare, Utilities, Retail, Education, Automotive and Infrastructure, reducing dependence on a single industry. The company served 52 domestic customers in FY26, including 28 customers associated for over three years, demonstrating strong customer retention and recurring business opportunities.
- The company is expanding its proprietary solutions through Synergy (low code automation platform), XtraTrust (digital signature, PKI and authentication platform), and X-ERP, while strengthening cloud-based IaaS, PaaS, SaaS, AI/ML, cybersecurity, workflow automation, and managed services. These offerings improve customer stickiness and provide scalable, recurring revenue opportunities.
- Xtranet operates through offices in Bhopal, New Delhi, Mumbai, Ahmedabad, Jaipur, and Bengaluru, enabling efficient execution of multi location projects across India. The company is also expanding internationally through its Dubai associate, targeting opportunities across the Middle East, Africa, and Asia Pacific, supported by expertise in cloud infrastructure, smart city solutions, and enterprise digital transformation.
- With over a decade of experience, Xtranet has successfully delivered 12–14 mission-critical data centre and disaster recovery projects, including state data centres, police command centres, and smart city ICCCs. Its capabilities in cloud infrastructure, virtualization, cybersecurity, and network operations position the company to benefit from the growing investments in digital infrastructure across India.

Financials

Particular (Rs./Cr.)	FY24	FY25	FY26
Revenue	233	276	365
EBITDA	19	47	63
EBITDA M(%)	8.1	17.1	17.3
PAT	11	30	40
PAT M(%)	4.7	10.8	11.0
P/E (x)*	45.2	16.7	12.2

***at highest price point**

Risks & Concerns

- Government and PSU clients contributed 47.1% of FY26 revenue (59.5% in FY25). Any slowdown in government spending, failure to win competitive bids, or project execution delays could adversely impact revenue growth and profitability.
- Enterprise Applications and Managed Services accounted for nearly 74% of FY26 revenue, exposing the company to demand fluctuations or competitive pressures in these key business segments.
- Government contracts typically involve long collection cycles of 150–210 days, resulting in elevated working capital requirements and potential cash flow pressure.
- The top five customers contributed around 61% of FY26 revenue, while the top three suppliers accounted for 60.1% of total purchases. Loss of key customers or disruption in supplier relationships could materially impact business operations.
- The business depends on timely execution of technology projects, maintaining skilled IT professionals, and furnishing performance bank guarantees for government contracts. Any inability to retain talent, deliver innovative solutions, or meet contractual obligations

Graphs & Charts

Figure 1: Revenue Trend

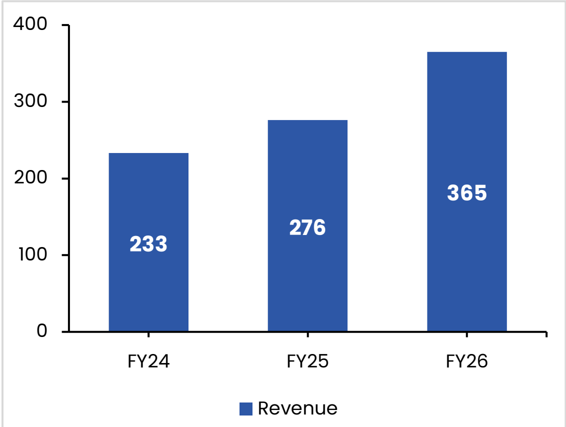


Figure 2: EBITDA trend

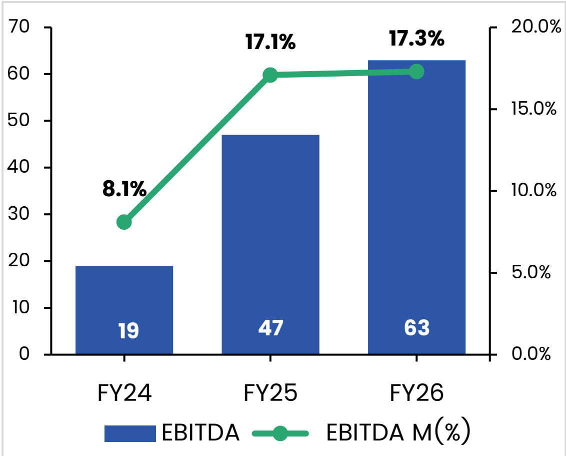
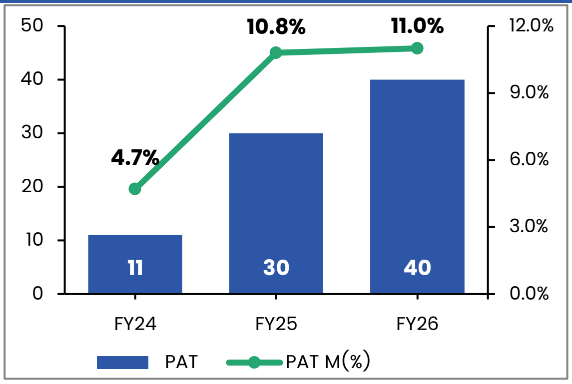


Figure 3: PAT Trend



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