

Monday, 17 November 2025

CM RATING 42 /100

Excelsoft Technologies

Niche player in digital learning & assessment technology

IPO is to fund physical infrastructure including land and building and IT infrastructure up-gradation

Excelsoft Technologies is a vertical software as a service (SaaS) company specializing in the learning and assessment market. The company provides technology-based solutions across diverse learning and assessment segments through long-term contracts with enterprise clients worldwide.

Products and services are classified into four business verticals including assessment & proctoring solutions, learning & student's success systems, educational technology services and learning, design & content services. Further its products are classified into two segments of assessment & proctoring solutions and learning & students success systems.

Excelsoft serves a diverse range of clients, including educational publishers, universities, schools, government agencies, defence organizations, and businesses. The company catered to 76 clients spread across 19 countries as on August 31, 2025. With operations in India, Malaysia, Singapore, the UK, and the USA, the company collaborates with over 200 organizations and impacts more than 30 million learners worldwide.

As much as 31.5% of the revenue was contributed by assessment & proctoring solutions, 11.27% by learning & student's success systems, 51.46% by educational technology services, and the balance 5.75% by learning, design & content services in Q1FY2026.

Object of the offer

The IPO consists of a fresh issue of Rs 180 crore and offer for sale of Rs 320 crore.

Excelsoft proposes to utilise Rs 61.7 crore from the net fresh issue proceeds for purchase of land and construction of new building at the Mysore property, Rs 39.5 crore for up-gradation including external electrical systems of its existing facility at Mysore, Rs 54.6 crore towards up-gradation of the company's IT Infrastructure and the balance will be utilized to fund growth through unidentified acquisitions and general corporate purpose.

Strengths

Excelsoft has strong expertise in digital learning & assessment technology. The company offers products and services that encompass the entire lifecycle of learning and assessment. The company has expertise across the value chain of product and services.

Has long-term relationship with global clients.

Products are fully compliant digital solutions and comply with the latest global standards and regulations. The cloud-based platforms ensure scalability across organization and users.

Agility allows to customize solutions quickly for diverse client needs.

The management team consists of a mix of individuals with professional, technical and commercial experience in the IT as well as learning and assessments domain. Dhananjaya Sudhanva, Chairman & Managing Director, has over 32 years of experience in IT. He holds a degree in Bachelor of Engineering in

Instrumentation Technology and a degree in Master of Engineering Management from University of Mysore. He also holds a degree in Master of Science in Electrical Engineering from Worcester Polytechnic Institute.

Weaknesses

Customer concentration risk as revenue from the Pearson Education group accounted for 59.24%, 58.79%, 46.51% and 41.89% of the total consolidated revenue in the three months ended June 30, 2025, Fiscal 2025, Fiscal 2024 and Fiscal 2023.

Faces geographical concentration risk as revenue from customers located in North America accounted for 61.97% and 63.93% of the revenue in the six months ended September 30, 2025, and Fiscal 2025, respectively.

Has provided a corporate guarantee that stands at 79.80% of the net worth of as on June 30, 2025, to secure the non-convertible debentures issued by the promoter.

A substantial portion of the customers are concentrated in a few specific industry verticals, namely the publishers and certification & testing agency verticals.

Needs to attract customers in a cost-effective manner.

The SaaS sector is characterized by rapid technological changes, evolving industry standards, changing client preferences, and new service introductions.

The business is subject to evolving laws regarding privacy, data protection, cyber security and other related matters. Many of these laws are subject to change and could result in claims, changes in business practices, monetary penalties, increased cost of operations, or declines in customer growth or engagement.

The loss of, or the inability to hire, retain, train, and motivate qualified personnel could affect operations.

Valuation

Net profit stood at Rs 6.01 crore on net sales of Rs 55.72 crore in the three months ended June 2025.

Consolidated sales were up by 17.6% to Rs 233.29 crore in Fiscal2025. Growth in revenue was on account of increase in education technology services by 41.31%. The OPM expanded from 27.72% to 31.4%, leading to a 33.3% increase in operating profit to Rs 73.26 crore. OI inclined 546.5% to Rs 15.51 crore, while interest cost declined 54.6% to Rs 4.57 crore and depreciation cost declined by 15.0% to Rs 24.65 crore. PBT was Rs 59.55 crore, up 225.1%. Net profit was Rs 34.69 crore, up 172%. The tax expenses stood at Rs 24.85 crore as against Rs 5.56 crore.

At the higher price band of Rs 120, the offer is made at a P/E of 39.81 times Fiscal 2025 EPS of Rs 3.2.

Listed players in the IT services space include MPS, Ksolves India, Sasken Technologies, Silver Touch Technologies and Infobeans Technologies. MPS trades at 23.4 times P/ TTM EPS, Ksolves India at 23.7 times P/ TTM EPS, Sasken Technologies at 55.1 times P/ TTM EPS, Silver Touch Technologies 39.4 times P/ TTM EPS and Infobeans Technologies at 23.0 times P/ TTM EPS.

Excelsoft Technologies : Issue Highlights	
Fresh issue (in Rs crore)	180
Offer for sale (in Rs crore)	320
Offer for sale (in number of shares)	

- in Upper price band	26666667
- in Lower price band	28070175
Price Band (Rs)	114-120
For Fresh Issue Offer size (in no of shares)	
- in Upper price band	15000000
- in Lower price band	15789474
Post issue capital (Rs crore)	
- in Upper price band	115.08
- in Lower price band	115.87
Post issue Promoter and Promoter Group shareholding	
-On higher price band (%)	59.1%
-On lower price band (%)	57.5%
Bid Size (in No. of shares)	125
Issue open date	19/11/2025
Issue close date	21/11/2025
Listing	BSE, NSE
Rating	42/100

ExcelsoftTechnologies: Consolidated Financial

	2303 (12)	2403 (12)	2503 (12)	2506 (3)
Sales	195.10	198.30	233.29	55.72
OPM (%)	34.94	27.72	31.40	18.27
OP	68.18	54.97	73.26	10.18
Other inc.	2.87	2.40	15.51	4.56
PBIDT	71.05	57.37	88.77	14.74
Interest	13.51	10.07	4.57	0.92
PBDT	57.54	47.31	84.20	13.82
Dep.	27.36	28.99	24.65	6.03
PBT	30.18	18.31	59.55	7.79
Share of profit/loss from JV	-	-	-	-
PBT Before EO	30.18	18.31	59.55	7.79
Exceptional items	-	-	-	-
PBT After EO	30.18	18.31	59.55	7.79
Total Tax	7.77	5.56	24.85	1.78
PAT	22.41	12.75	34.69	6.01
Minority Interest	-	-	-	-
Net Profit	22.41	12.75	34.69	6.01
EPS (Rs)*	1.95	1.11	3.01	#
EPS is on post issue equity capital of Rs 115.08 crore of face value of Rs 10 each				
Figures in Rs crore				
Source:Excelsoft Technologies Issue Prospectus				