SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	**SaaS**
Offer for sale (Shares)	26,666,666
Fresh Issue (Shares)	15,000,000
Net Offer to the Public	**41,666,666**
Issue Size (Rs. Cr.)	475-500
Price Band (Rs.)	114-120
Offer Date	19-Nov-25
Close Date	21-Nov-25
Face Value	10
Lot Size	125

Issue Composition

	In shares
Total Issue for Sale	41,666,666
QIB	20,833,333
NIB	6,250,000
Retail	14,583,333

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	94.59%	59.09%
QIB	5.41%	22.81%
NIB	0.00%	5.43%
Retail	0.00%	12.67%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Excelsoft Technologies IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding of capital expenditure for purchase of land and construction of new building at the Mysore Property.
2. Funding expenditure for upgradation including external electrical systems of our Existing Facility at Mysore, India.
3. Funding upgradation of the company's IT Infrastructure (Software, Hardware and Communications & Network Services).
4. General Corporate Purposes.

Book Running Lead Manager

- ANAND RATHI ADVISORS LIMITED

Name of the registrar

- MUFG Intime India Private Limited

About the company

Founded in 2000, Excelsoft Technologies Limited is a global Vertical SaaS company specializing in learning and assessment solutions. It offers AI-powered platforms for testing, online proctoring, learning management, digital content, and student success. Its flagship suite—SARAS LMS, EnablED LXP, and OpenPage—caters to academic and corporate training needs. The company serves over 200 clients, including Pearson Education, AQA Education, and Brigham Young University – Idaho, reaching more than 30 million learners worldwide. Headquartered in India, with operations in Malaysia, Singapore, the UK, and the USA, Excelsoft employs over 1,100 professionals as of June 2025.

Strength

Comprehensive Expertise in Learning and Assessment Systems: Excelsoft possesses deep expertise in product engineering, development, and implementation across digital learning, assessment, and information management systems. The company offers a robust suite of versatile, feature-rich solutions covering the entire learning and assessment lifecycle. Through a consultative approach, Excelsoft collaborates with business leaders from the design stage to deliver scalable, secure, and cost-efficient cloud-based platforms. Its proven capability in migrating legacy applications and maintaining strict adherence to data security and industry best practices further strengthens client trust and solution reliability.

Enduring Relationships with Global Clients: Long-term partnerships with marquee clients across the USA, UK, India, Japan, and Saudi Arabia serve as a key competitive advantage. Excelsoft's client-centric focus and consistent delivery have fostered enduring relationships with leading organizations such as Pearson Education, AQA Education, and Brigham Young University – Idaho. These trusted associations ensure stable revenues, brand credibility, and valuable market insights, while acting as strong entry barriers for competitors and enabling the company to continuously refine its products and services.

Global Reach and Compliance Excellence: With subsidiaries in the UK, USA, Singapore, and India, and a presence in Dubai, Excelsoft delivers globally compliant, scalable, and culturally adaptive digital learning and assessment solutions. Certified under ISO/IEC 27001:2022 and ISO 9001:2015, the company ensures stringent data protection, operational reliability, and adherence to local and international regulations—positioning itself as a trusted technology partner for educational enterprises worldwide.

Technology Agility and Innovation: Excelsoft's flexibility across diverse technology stacks, powered by agile methodologies and domain expertise in both pedagogy and technology, enables it to design right-fit, customized solutions for varied customer requirements. This adaptability ensures scalability, performance, and cost efficiency across its platforms. Continuous upskilling in emerging technologies such as AI, AR, and VR keeps its offerings at the forefront of the global Vertical SaaS market.

Robust Operating Framework: The company's strong operational framework, defined by clear guidelines, structured processes, and measurable HR metrics, ensures organizational alignment and efficiency. Standardized KPIs and workflow protocols promote accountability, minimize risk, and enable predictable execution—enhancing scalability, customer satisfaction, and the consistent delivery of high-quality, customized solutions aligned with market demands.

Strategy

Expanding Global Reach and Customer Base: Excelsoft's growth strategy focuses on enhancing revenue from existing clients while acquiring new customers across untapped geographies such as Egypt, France, Brazil, and the Philippines. The company evaluates these markets based on ease of business, client accessibility, and financial viability. Its objective is to deepen relationships with existing clients by meeting evolving needs through upgraded product solutions while simultaneously expanding its global footprint through a data-driven marketing and business development approach. This dual focus aims to strengthen brand presence, foster long-term loyalty, and drive sustainable revenue growth.

Strengthening Brand Positioning and Market Visibility: To establish itself as a thought leader in the global Vertical SaaS and EdTech ecosystem, Excelsoft is strategically enhancing brand positioning and visibility. The company employs data-backed market research to refine product development and customer segmentation, empowering its sales teams with precise market intelligence for targeted client acquisition. Through optimized digital marketing initiatives and a unified brand message across all touchpoints, the company aims to build credibility, improve recall, and maintain competitiveness in an evolving global market landscape.

Continuous Product Innovation and AI Integration: Excelsoft follows a structured, customer-centric innovation process to ensure its products remain relevant and competitive. Through systematic feedback loops—including surveys, interviews, and analytics—the company continuously upgrades key products like SARAS, EasyProctor, and OpenPage, while developing new solutions aligned with market demand. Future innovation will be driven by investments in Artificial Intelligence (AI), integrating capabilities such as automated test creation, AI-assisted marking, adaptive assessments, and smart analytics to provide personalized, efficient, and next-generation learning experiences.

Expanding Sales and Marketing Presence Across Geographies: To strengthen its global footprint, Excelsoft is augmenting sales and marketing operations by deploying teams across multiple regions and potentially establishing dedicated offices in new markets. This geographically distributed approach enables deeper engagement with local customers, cultural adaptability, and flexible resource allocation based on regional potential. The company's goal is to build a scalable global sales engine that enhances market responsiveness and customer acquisition efficiency.

Pursuing Strategic Acquisitions and Partnerships: Recognizing the fragmented nature of the education technology landscape, Excelsoft's growth plan includes inorganic expansion through selective acquisitions, investments, and partnerships. The company aims to identify synergistic targets that complement its service offerings, technology stack, and market reach. These strategic moves are designed to accelerate growth, enhance profitability, and consolidate its position as a comprehensive vertical SaaS provider, while maintaining disciplined financial management and leveraging internal cash resources.

Advancing AI and Frontier Technologies: AI and frontier technologies form a cornerstone of Excelsoft's long-term vision. The company is developing AI-powered applications that enhance automation, personalization, and intelligence across its learning and assessment platforms. These include solutions for AI-driven question generation, test design, predictive analytics, and real-time feedback mechanisms. Furthermore, AI integration into operations—from code generation to quality assurance—enables efficiency, scalability, and consistent innovation, ensuring the delivery of modern, high-quality products aligned with global education technology trends.

Building a Culture of Excellence and Accountability: Excelsoft's people strategy emphasizes cultivating a transparent, performance-driven culture grounded in accountability and shared values. The company focuses on hiring, training, and retaining top talent aligned with its mission of innovation and quality. Clearly defined goals, periodic appraisals, and structured development plans ensure alignment between individual performance and organizational objectives. This people-centric approach fosters trust, collaboration, and ownership—empowering employees to contribute meaningfully to long-term business success.

Risk Factor

- Heavy revenue reliance on the Pearson Education Group (41.89–59.24% over FY23–FY25) poses concentration risk.
- A corporate guarantee covering 79.8% of net worth may impact finances if invoked.
- Absence of definitive agreements for land acquisition under IPO objects.
- Inability to keep pace with evolving technologies could impact competitiveness.
- Potential coding or configuration errors may lead to costs or reputational risk.
- Incomplete asset coverage over the last three fiscals may limit protection from operational hazards.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
MPS	749.19	178.46	95.96	24.06	8.06	286.51	10	2309.2	3950.08
Sasken Technol.	821.55	39.28	25.94	55.24	2.71	529.03	10	1433	2169.96
InfoBeans Tech.	436.84	63.49	26.55	23.34	4.52	137.01	10	619.6	1501.9
Silver Touch	304.45	25.97	20.48	40.00	7.16	114.34	10	819.15	1038.76
Ksolves India	148.38	31.02	13.08	23.97	22.38	14.01	5	313.5	743.37
Excelsoft Technologies Limited	233.29	34.69	3.01	39.81	2.48	48.43	10	120.00	1381.01

***Peer companies financials are TTM based**
*****Excelsoft Technologies Limited. financials are based on TTM**

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.120, the stock is priced at pre issue P/E of 34.62x on FY25 EPS of Rs.3.47. Post issue, the stock is priced at a P/E of 39.81x on its EPS of Rs. 3.01. Looking at the P/B ratio at Rs. 120 pre issue, book value of Rs. 37.70 of P/Bvx 3.18x. Post issue, book value of Rs.48.43 of P/Bvx 2.48x.

Considering the P/E valuation, on the lower end of the price band of Rs.114, the stock is priced at pre issue P/E of 32.89x on FY25 EPS of Rs. 3.47+. Post issue, the stock is priced at a P/E of 37.82x on its EPS of Rs.3.01. Looking at the P/B ratio at Rs. 114 pre issue, book value of Rs. 37.70 of P/Bvx 3.02x. Post issue, book value of Rs.48.43 of P/Bvx 2.35x.

Industry Outlook

The industry outlook for the vertical SaaS, learning, and assessment market is defined by a landscape of high growth driven by rapid technological advancements, particularly Artificial Intelligence (AI) and automation, which necessitates a massive demand for upskilling and reskilling for the future workforce. The overall global Software-as-a-Service (SaaS) market, which underpins the service delivery model, is forecast to grow substantially, from $261.10 billion in 2024 to $733.72 billion by 2030, representing a CAGR of 18.79%. Geographically, the Asia Pacific (APAC) region is leading the growth in the global Learning & Development (L&D) market, fueled by economic expansion, digital transformation, and government initiatives promoting workforce development. Within the Assessment & Proctoring sector, the future involves the deepening integration of AI and Machine Learning to create adaptive, personalized, and secure evaluation systems, which is a key growth driver, with the North American market, for instance, projected to grow at a CAGR of 12.07% through 2030.

Outlook

Backed by deep domain expertise, global client relationships, and strong compliance standards, Excelsoft is well-positioned for sustained growth. Its strategy of expanding into new geographies, driving AI-led innovation, and strengthening brand visibility supports long-term scalability. However, concentrated client exposure, contingent liabilities, and technological execution risks necessitate continued diversification, disciplined management, and operational vigilance to ensure stable growth.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	19-November-25
BID/ISSUE CLOSES ON	21-November-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	24-November-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	25-November-25
Credit of Equity Shares to Demat Accounts of Allottees	25-November-25
Commencement of trading of the Equity Shares on the Stock Exchanges	26-November-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Jun-25 (3 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	55.72	233.29	198.30
Total expenditure	45.54	160.03	143.32
Operating Profit	**10.18**	**73.26**	**54.97**
OPM%	18.27	31.40	27.72
Other Income	4.56	15.51	2.40
Total Net Income	**14.74**	**88.77**	**57.37**
Interest	0.92	4.57	10.07
PBDT	**13.82**	**84.20**	**47.31**
Depreciation	6.03	24.65	28.99
PBT	**7.79**	**59.55**	**18.31**
Tax	1.78	24.85	5.56
Profit & Loss	**6.01**	**34.69**	**12.75**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Jun-25	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property Plant & Equipment	6.65	6.68	30.55
Right-of-use assets	7.77	8.46	194.15
Goodwill	12.42	12.42	0.00
Other intangible assets	102.37	107.15	111.26
Intangible assets under development	3.63	0.00	0.00
Financial assets			
Investments	0.00	0.00	0.00
Other financial assets	1.59	1.61	14.76
Income tax assets (net)	1.65	1.65	1.65
Other non-current assets	10.39	0.39	0.00
Total non-current assets	**146.46**	**138.36**	**352.37**
Current asset			
Financial Assets			
Trade receivables			
Billed	18.77	34.41	28.56
Un-billed	34.88	16.70	18.22
Cash and cash equivalents	6.61	8.41	4.81
Bank balances other than (ii) above	241.31	244.38	0.07
Loans	3.47	3.31	0.07
Income tax assets (net)	0.00	0.00	2.86
Other current assets	26.84	24.92	14.08
Total current assets	**331.88**	**332.13**	**68.67**
Total Assets	**478.34**	**470.49**	**421.03**
Non-current liabilities			
Financial liabilities			
Borrowings	0.00	0.00	48.81
Lease Liabilities	5.62	6.28	0.73
Provisions	21.01	18.63	15.62
Deferred tax liabilities (net)	4.93	5.71	0.89
Total Non- Current liabilities	**31.56**	**30.62**	**66.06**
Current liabilities			
Financial Liabilities			
Borrowings	37.82	26.59	27.91
Lease Liabilities	2.33	2.26	0.89
Trade Payables			
- Total outstanding dues of MSME	0.01	0.09	0.37
- Total outstanding dues of creditors other than MSME	5.86	10.40	9.72
Other Current Liabilities	19.51	23.15	15.14
Provisions	4.50	3.98	3.64
Income tax liabilities (net)	0.82	2.11	0.00
Total - Current Liabilities	**70.84**	**68.58**	**57.68**
Total Liabilities	**102.39**	**99.20**	**123.73**
Net worth represented by:			
Equity share capital	100.08	100.08	1.60
Other equity	275.87	271.21	295.71
Total Equity	**375.95**	**371.29**	**297.30**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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