



“Excelsoft Technologies Limited
Q4 & FY26 Conference Call”

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MODERATOR: **MR. AMIT SHARMA – ADFACTORS PR**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 and FY26 Conference Call of Excelsoft Technologies Limited. hosted by AdFactors PR. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. I now hand the conference over to Mr. Amit Sharma from AdFactors PR. Thank you and over to you, Mr. Amit.

Amit Sharma: Thank you, Sagar. Good afternoon, everyone. Welcome to the Q4 and full year FY26 earnings conference call of Excelsoft Technologies Limited. Today, from the management side, we have with us Mr. Dhananjaya Sudhanva, Chairman and Managing Director, Mr. Doreswamy Palaniswamy, Chief Executive Officer, Mr. Prashanth H.M., Chief Strategy Officer and Head, Investor Relations, Mr. Subramaniam Ravi, Chief Financial Officer, Mr. Adarsh M.S., Chief Innovation Officer and also the AdFactors IR team. We will begin the call with the opening remarks from the management, after which we shall open the forum for the Q&A session. I must remind you that this conference may include forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the management as on the date of this call.

The statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict. I now hand over the conference to Mr. Dhananjaya Sudhanva for the opening remarks. Thank you and over to you, sir.

Dhananjaya Sudhanva: Thank you very much. I am Dhananjaya Sudhanva. Good afternoon and a warm welcome to everyone joining us today. Thank you for being with us as we discuss Excelsoft Technologies financial performance for the fourth quarter and full year FY 2026. FY 2026 has been a defining year for Excelsoft, marked by strong execution, strategic science wins, expanding global relevance and significant investments in future-ready technologies. Our progress this year reflects the strength of our platforms, the trust of our clients and the commitment of our teams across geographies.

Before I speak about the business, I [inaudible 0:02:48] developments that will shape the next phase of our journey. First, pleased welcome to Mr. Doreswamy Palaniswamy as our Chief Executive Officer [inaudible 0:03:04] and a strong track record in scaling businesses through strategic and inorganic growth initiatives, including more than 14 acquisitions over the course of his career. His expertise will be invaluable as we continue to expand our global footprint and we are evaluating strategic acquisition opportunities, overseas particularly.

Second, during the year, we finalized one of the largest engagements in Excelsoft's history, a landmark partnership with a leading examination body in the UK, arguably the world's largest examination body. This engagement has gone live and represents a transformational milestone for the company. This engagement will grow significantly over the next three to six years.

The transformational milestone for the company, both from a revenue perspective and in terms of strategic positioning within European and global assessment system. That's the key landmark of this contract that we won recently and we are already working on it. Our performance this year has been driven by disciplined execution across three core priorities, expanding our market presence, meaning getting into newer markets, deepening client relationships, meaning better customer account management and enlarging the revenues from customers who we were already working with, and strengthening operational excellence of Excelsoft as an organization.

On market expansion, we continued to broaden our geographical reach, strengthen our presence in strategic international markets, and enhance the depth of our offerings across assessment, learning, and digital transformation services. Today, our solutions support clients across more than 20 countries and our long-standing client relationships remain one of our competitive advantages. The fact that we have not lost a client but we are able to do more with clients from last year gives us a competitive edge in the marketplace.

The average tenure of our top 10 clients now stands at approximately 11 years, reflecting the mission-critical role our platforms play in the business and operations of our clients. We also made meaningful progress in the public sector and institutional assessment space. Our recently concluded partnership with the Civil Service Commission of the Philippines is an important example of our growing credibility in large-scale digital exams and assessment space.

It is also an example of starting to address newer territories, which is on the southeast and east. Growing credibility in large-scale digital exams and assessment space is evidenced by what I said. Similarly, our expanding presence in the UK vocational testing ecosystem with awarding bodies, awarding bodies or certifying bodies for skills and vocational education.

The big ones are AQA, which is also a very large multi-year contract, TQUK, again a qualification awarding certifying body for vocational assessments and testing, VTCT and CQI. They are all in the vocational space. It reinforces our positioning as a trusted global assessment technology partner, not only in the education space but also in the vocational training space.

Another important growth vector for us is the increasing convergence of AI assessments, AI assessments and digital learning. Across clients, we are seeing rising demand for intelligent, scalable and secure technology enabled assessment solutions. The intelligent assessments come basically driven by our AI capabilities, both in-house hardware and software AI capabilities, which I'm sure will be explained in more detail by the next speaker.

This trend is also gaining momentum in India. Operationally, we remain focused on building a scalable and sustainable business. We continue to invest in infrastructure, talent, cyber security and AI capabilities while maintaining disciplined capital allocation and balance sheet strength.

On the strategic front, we are also evaluating selective inorganic opportunities that can accelerate our access to new customers, capabilities and markets and enable us to create presence in countries where currently the regiment makes it difficult. We can actually accomplish it via acquisitions, like in the US for example. While discussions remain ongoing, we continue to approach these opportunities with financial discipline and long-term strategic alignment in mind.

Looking ahead, we remain confident about the structural growth opportunity before us, the global shift towards digital assessments, workforce skilling, professional certification and AI-enabled learning ecosystems continue to accelerate. Excelsoft is well positioned to benefit from these trends through our integrated platforms, domain expertise and growing AI capabilities. With that, I will now hand over to my colleague, Prashanth, who will take you through the operational and business highlights for the quarter in great detail. Thank you for listening to me patiently. Thank you. Over to you, Prashanth.

Prashanth H.M.:

Thank you, sir. Thank you, Mr. Sudhanva and good afternoon, everyone. I will provide a more detailed overview of our operational performance, client engagements, geographical trends and product initiatives during the quarter and full year 2026. We delivered another quarter of strong top-line growth led by continued momentum on our education technology services, as well as assessment solutions business.

Our education technology services segment recorded growth of approximately 37% year-on-year, while assessment and proctoring solutions increased their contribution to overall revenue compared to the previous quarter. Assessment and proctoring solutions contributed to 27% of the overall revenue. Education technology services contributed to around 56%.

Learning and student success solutions contributed to around 12%. Learning design and content solutions contributed to around 5% in FY26. From a client acquisition standpoint, FY26 was one of the strongest years in the company's history.

As Mr. Sudhanva mentioned earlier, we secured a transformational engagement with one of the largest examination bodies in the United Kingdom. The implementation is currently underway, followed by a broader rollout over the next three years. We believe this engagement has the potential to make a meaningful contribution to revenue growth, while further strengthening Excelsoft's global position in large-scale digital assessment infrastructure.

While learning design and content solutions within that business sector, we secured a strategic engagement with one of the world's leading online course content providers in the United States. This partnership is particularly significant because it reflects increasing recognition of Excelsoft's AI-led content transformational capabilities and deep domain expertise in digital learning workflows. On the product side, one of our key launches this year was Saras Assessments in a Box, a compact plug-and-play assessment appliance designed to enable secure digital testing environments with minimal infrastructural requirements.

The product is particularly relevant for emerging and underserved markets, where traditional deployment models are often operationally challenging. We are encouraged by the early market response and see strong long-term potential for this platform. We also continue to deepen our footprint in vocational and institutional testing.

During the year, we signed a major multi-year engagement with VTCT Skills in the UK to deploy our new generation Saras e-testing platform, supporting approximately 300,000 vocational and technical examinations annually. In Southeast Asia, as Mr. Sudhanva mentioned, our partnership with the Civil Services Commission in the Philippines marks another important

milestone. Excelsoft is powering the Civil Services Digital Examinations Initiative, further reinforcing our capabilities in high-scale government assessment programs.

Geographically, North America remains our largest market during FY26, contributing approximately 65% of annual revenue, followed by Europe and United Kingdom at approximately 23%. On a quarterly basis, North America contributed 63%, and Europe and the UK contributed 25% of revenue. To support future growth, we have continued investing in native business development, delivery, and technical teams across key international markets.

Strengthening local presence remains critical for deeper client engagement, faster execution, and long-term account expansion. Demand for domain-based AI tech services are on the rise, particularly in the markets where we mainly operate, that is USA and Europe. Some of our product customers have expressed that they are more comfortable to give us technical services work if we have near-shore capability, that means a team in the USA or in that region.

In a significant move, we have created near-shore service capability in the USA by hiring a team of 30 professionals who specialize in our domain. This significant move means that a directly attributable expense of 85 million in Q4 towards establishing this team is part of other expenses because they were hired as consultants. So this explains the decrease in our Q4 margins.

With this offshore near-shore combination, which has already started earning revenues for us, we expect to grow our professional services business further in domain-based AI tech services in particular. It has already seen results. We have been seeing it in the current year.

Just to give an illustration, we have clocked 23 crores in April, the month of April, against 15 crores last year. In terms of client concentration, our top five clients contributed approximately 68% of full-year revenue, while the top 10 contributed approximately 78%. Importantly, growth from existing clients remained strong during the year, reflecting both the strategic nature of our engagement and the increasing adoption of multiple Excelsoft solutions across customer organizations.

We added 14 new clients during the year and continue to strengthen our sales pipeline across education, certification, publishing, and public sector markets. We have hired three additional salespeople, all senior folks, in the USA, one in the Middle East, and one in UK. All additional to our existing sales teams.

Apart from that, we have engaged two senior professionals as consultants for marketing and business development. With that, I now hand over to Adarsh, who will discuss our AI strategy, innovation roadmap, and technology initiatives in greater detail. Adarsh, over to you.

Adarsh M.S.:

Thank you, Prashanth, and good afternoon, everyone. I would like to spend a few minutes discussing Excelsoft's AI strategy and how we are positioning technology innovation as a core driver of our long-term competitive advantage. At Excelsoft, we view AI not simply as a productivity tool, but as a foundational capability embedded across our platforms, our infrastructure, and product roadmap.

Over the last few years, we have made deliberate investments in building full-stack AI capabilities internally, spanning GPU infrastructure, model deployment, orchestration frameworks, fine-tuning environments, and governance systems. This approach gives us significantly greater control over security, scalability, customization, and compliance, particularly in highly sensitive sectors such as education, government examinations, and professional certification. Our investments are already translating into measurable outcomes.

To date, we have developed 38 AI-driven concepts, 16 working prototypes, nine active customer pilots, and four commercially deployed AI products. Operationally, AI has enabled meaningful improvements across engineering and platform efficiency. We have achieved substantial reductions in code complexity and more than 60% optimization in database footprint, resulting in lower infrastructure costs, improved performance, and faster development cycles.

Commercially, our AI capabilities are becoming an increasingly important differentiator in client acquisition and engagement. Several strategic wins in the learning design and digital content transformation space were driven specifically by our ability to combine deep domain expertise with AI-enabled workflow automation and intelligent content delivery. Another important aspect of our strategy is infrastructure architecture.

We are building AI-enabled infrastructure capabilities at the network edge and within our own secure data center environments, rather than relying entirely on public cloud ecosystems. This allows us to deliver higher levels of security, data governance, and regulatory compliance for clients operating in sensitive and mission-critical environments. Finally, I would like to emphasize our commitment to responsible AI.

As AI adoption accelerates across education and public systems, reliability, transparency, explainability, and fairness become critically important. We have established governance frameworks and operational controls to ensure that our AI systems remain secure, ethical, and aligned with evolving compliance standards. We believe AI will play a central role in Excelsoft's next phase of growth, strengthening our core platforms, enabling new products, and creating deeper value for our clients globally.

Thank you, and I will now hand over the call to our CFO, Mr. Ravi Subramaniam.

Subramaniam Ravi:

Thank you, Adarsh. Good afternoon, all. Let me now walk you through the financial performance for the quarter and full year ended 31st March 2026. Q4 FY26 versus Q4 FY25 year-on-year. The revenue from the operations for Q4 FY26 stood at 812 million compared to 699 million in Q4 FY25, registering a robust growth of 16%. This growth was driven by strong contributions from the educational technology services segment, which increased by 117 million, representing 37% year-on-year growth.

The EBITDA for Q4 FY26 stood at 246 million compared to 283 million in Q4 FY25, marking a de growth of 13%. EBITDA margins were 30.3% compared to 40.5% in the prior year. The reductions in the margin is primarily attributable to a 76% increase in other expenses, which rose from 118 million to 209 million, driven by new hiring of the consultant that was explained by Prashanth earlier.

Profit after Tax for Q4 FY26 was 166 million compared to 205 million in Q4 FY25. PAT margins were 20.5% compared to 29.3 % in the prior year. FY26 versus FY25 year-on-year comparison. For FY26, the revenue from the operations stood at 2,725 million compared to 3,333 million in FY25, representing a year-on-year growth of 17%. Revenue from the assessment and proctoring solutions increased from 630 million to 744 million, reflecting a growth of 18%. EBITDA for FY26 stood at 731 million compared to 725 million in FY25, growing marginally by 1%.

EBITDA margins stood at 27% compared to 31% in the previous year. The decline in margin is attributable to increase in other expenses, primarily due to higher legal and professional fees, as well as hiring of new employees in the U.S. mentioned earlier. PAT for FY26 was 434 million compared to 347 million in FY25, showing a significant growth of 25% due to large reductions in the tax.

The PAT margins for the period was at 16% with a growth of 105 basis points. The segment performance. Q4 FY26 educational technology services contributed to the largest share of the revenue at 54%, followed by the assessment and proctoring solutions 29%, learning and student success solutions 14%, the learning and design and content solutions at 3%.

FY26 educational technology services contributed 56%, while assessment and proctoring solutions contributed 27%. Learning and student success solutions 12%, and learning design and content solutions is 5%. Geography and time concentration.

North America remains our largest geography, continuing to 62.7% of Q4 revenue and 64.9% of FY26 revenue. Europe and UK contributed 25.4% in Q4 and 22.7% in FY26. With this, now I am opening the floor for question and answer session.

Moderator: Thank you very much. Your first question comes from Raman KV with Sequent Investments. Please go ahead.

Raman KV: Hello, sir. Thank you for this opportunity. I just want to understand, you said that you have spent around INR8.4 crores

Moderator: We are getting background noise from your line.

Raman KV: Hello, can you hear me now?

Moderator: Yes.

Raman KV: So I just want to understand that you have spent around INR8.4 crores additional expense during the quarter for hiring people for your AI-led digital learning business. I just want to understand, can you just throw some light on this particular aspect? Where is the demand coming from? How is the demand growing for the coming years and what are the opportunities which the company is utilizing going forward?

Prashanth H.M.: As mentioned earlier, I will just elaborate a little bit more from what I already mentioned. In our services, tech services area, we operate on a time and material basis, right? So that means we set

up teams for our customers. So generally it is offshore; the teams are here in India most of the times. If there is a lean team in the US combining with the offshore team in India, the results can be much better.

That means during their time zone, that means our customers' time zone, if there was a team addressing the customer requirements, the customers would be that much more happier. So we wanted to set up a team in the US by sending people from India, which as you are aware, the visa complications and all of that, that is not easy. So that means we had to hire in the US. So when we came across this opportunity -- most of our customers were also asking for, if we had to give you any kind of a tech services business, we would prefer that we have a nearshore capability also.

That means their requirements are addressed in the same time zone. So we wanted to set up a team anyway, came across an opportunity in January where we could hire a team of about 30 people, and we went about doing that and incurred the expense for the first three months of about INR8.5 crores. Not that it's only expense; we did generate revenue from those people as soon as we hired. We have started deploying them to our customers, Pearson included.

We were able to convince Pearson that we could deploy these people there. However, most important thing is that it will not be a typical offshoring kind of business here; it will be a combination of nearshore-offshore, which will lead to increased opportunities for us. For example, our existing product customers in the US -- we work with a large publisher in the US apart from Pearson -- so they have also been hinting that had you had a nearshore capability, we would have been happy to provide you with services business.

So we have now gone to them and said that we have established a nearshore team and they are quite happy about it and they are examining whether they can outsource business to us. And all of these are not in the typical tech services, but domain-led AI. That is interesting because this is the time when there is a huge opportunity opening up for us, particularly in US and UK.

With our AI capabilities and decades of rich domain expertise, we think we are best positioned to harness this opportunity and that is why we have made this investment. Although an investment, we have expensed it because we were able to generate revenue with Pearson particularly right from the word go. Therefore, we haven't taken it for any capitalization.

Raman KV: So my understanding is this expense is just one-off, like quantum expense, and going forward you won't be having such one-off expenses? And also, just a follow-up on that, are you planning to -- moving forward, are you planning to grow the business in this particular manner with some nearshore plus then offshore combination, especially if you want to grow in UK and USA?

Prashanth H.M.: This was particularly to address the opportunities with the services sector. Notwithstanding, even in our products business, we need to have a local team which takes care of customer success and account management, right? So the model of having a small team in the customer location is always helpful. So we anyway wanted to do that and this came as an opportunity and we grabbed it.

Raman KV: Understood, sir. Thank you. I will join for the follow-up.

- Moderator:** Thank you. The next question comes from the line of Deepak Poddar with Sapphire Capital. Please go ahead.
- Deepak Poddar:** Yes, am I audible, sir?
- Prashanth H.M.:** Yes, we can hear you.
- Deepak Poddar:** Yes, thank you very much, sir, for this opportunity. So I just wanted to understand, I mean just to re-clarify this INR8.4 crores that you mentioned, is it a one-off or will it re-occur?
- Prashanth H.M.:** This is a team that we have created and we have already generated revenue. Going forward, we will be generating revenue from this team, right? This won't grow further because the US team that we have created will not grow further.
- Deepak Poddar:** But this INR8 crores per quarter – INR8.5 crores per quarter will keep coming every quarter, right? Because it's your hiring cost?
- Prashanth H.M.:** Correct. But then our revenues also have grown. I was illustrating in my remarks that it is already visible in April. Typically we did last year about INR15 crores in April and we were able to INR23 crores in April, one of the reasons where we had new business coming in because of this.
- Deepak Poddar:** Understood. And why it has been included in other expense and not in employee cost?
- Prashanth H.M.:** Because we haven't taken them on our rolls; they are not part of the employee benefit expenses. They are taken in as consultants, with proper backing and all of that. We have hired them as consultants for legal reasons.
- Deepak Poddar:** Okay, I got it. So in view of this cost and the revenue, how should one look at EBITDA margins now going forward?
- Prashanth H.M.:** Sir, I think it will come back to our normal ranges. This was pretty much one-off where the margin was shrunk because of this expense. And going forward, we will be in the similar range of what we were earlier.
- Deepak Poddar:** Earlier, you're talking about FY25, we had entire year margins of 31%? Around 30% to 31% is where we will get back?
- Prashanth H.M.:** Correct.
- Deepak Poddar:** Okay, 30% to 31% is the -- okay, understood. And in terms of your investments that we have been doing that you mentioned also, so can you throw some more light on what sort of investment we are -- it's sitting in the balance sheet in terms of intangibles and how are we looking for amortization of those?
- Prashanth H.M.:** Correct. Investments have significantly been in the area of AI-enabling our products. All work that we did was in that space. Maybe Adarsh is the best person to talk about what we have done in terms of AI-enabling our products. Adarsh?

Adarsh M.S.: Yes, so I'll take that question. So we have set up a dedicated team of about 45 people only for looking into AI research and development. So all the new innovation that is happening in the AI space is being tracked by this team. We bring that into practice within Excelsoft, we pilot it, we bring it into our products, we present that to our customers, we try for pilots with the customers, and then turn these ideas into fully mature products.

So this entire lifecycle is managed by this team of 45 people. These 45 people have been equipped with state-of-the-art infrastructure, so they have laptops with NVIDIA GPUs running on them, 16 gigs of VRAM, enabling them to run large language models locally on their laptops. So they have access to very powerful beefy hardware, GPU hardware in our data center. We are also experimenting on AI on edge compute, NVIDIA Jetson as well as Raspberry Pi boards we have procured quite a number of these boards.

Like Prashanth said in his speech, we have launched a new product called Saras Assessment in a Box. It's a box that fits onto your palm, the size of a matchbox, that can run our assessment enterprise software. One can carry this box in their pockets into any remote village, set up a data center and start delivering exams remotely. All this is outcome of our investments into research and development. This team of 45 people equipped with state-of-the-art hardware is able to build these new products.

Deepak Poddar: How much investment we would have done? I mean, just in rupees crore?

Adarsh M.S.: Yes, can you repeat the question? Sorry.

Deepak Poddar: How much investment you would have done in rupees crore that you would have capitalized?

Prashanth H.M.: Sir, this is intangible assets for INR12.2 crores in the last financial year.

Deepak Poddar: Cumulative?

Prashanth H.M.: Cumulative is [inaudible 0:35:30] Book value is 100 crores

Deepak Poddar: Okay, INR100 crores. And what is the amortization plan of that?

Prashanth H.M.: Sir, we haven't changed the amortization policy. We have discussed in the last investor call that we have taken a useful life of products like 10 years depending on the product and we'll continue to do the same. And one important thing to again say what we said last time, that the ratio of the intangible asset investment into new products to the revenue is constantly on a decline.

So what we want to do is we want to reduce over a period of time, we want to reduce the investment into product development to be once which whatever can be expensed, we'll expense it so that we carry a smaller net value in our books.

Deepak Poddar: Okay, understood. And when you say it's 5 to 10 years, so this INR100 crores, 5 to 10 years amortization, does it mean that per annum INR10 to INR15 crores depreciation can come because of this?

Prashanth H.M.: It is INR18 crores already. Currently it is INR18 crores and it will continue maybe around that.

- Deepak Poddar:** Current year it was INR18 crores in this. Got it. And just one last thing, I mean in terms of growth, how are we looking for this year and when will the revenue from AQA start that would be from my side?
- Prashanth H.M.:** Sir, you will see a clear announcement soon. The work with AQA has, like what we mentioned earlier also, already started basis the LOI that we had on the 1st of March, about which we announced to the stock exchanges as well, we had the disclosure. We have gone beyond that as well and soon you will see the announcement. We have concluded everything from that aspect. In the matter of one or two days, we will be announcing about our larger engagement with AQA.
- Deepak Poddar:** And about the growth this year?
- Prashanth H.M.:** About the growth, sir, that included, that work included, we are confident that we will come back to our earlier growth of about 20% to 25% overall.
- Deepak Poddar:** Okay, that's very helpful, sir. Wish you all the best. Thank you so much. That's it from my side.
- Prashanth H.M.:** Thank you very much sir.
- Moderator:** Thank you. The next question comes from the line of Karthi Keyan with Suyash Advisors. Please go ahead.
- Karthi Keyan:** Sir, good afternoon to the entire team. Mr. Prashant, two clarifications. One is this INR8.5 crores expenditure on consultants, would that be for the entire quarter or for a part of the quarter?
- Prashanth H.M.:** It started in January, sir, so it was for the quarter of Q4 all three months.
- Karthi Keyan:** So on an annualized basis, that would be about INR34 crores. That's the way to think about it, right?
- Prashanth H.M.:** Yes, that's correct.
- Karthi Keyan:** Right. And based on current billings, what is the annual revenue potential of the 30-member team?
- Prashanth H.M.:** It's already at least 15% more than the cost, sir, already. But we are looking at expanding that much further. The gross margin from that team at this point in time is about 15% to 20%. One second, it's currently 30%, whereas our gross margin from typical technology services is about 56.0%.
- A combination of offshore and nearshore, the average will be somewhere in the same range, sir. While we do more business, you know what I mean, so we'll do more business, we'll have this smaller team which will contribute to getting more business, and that combination of onshore and offshore will yield better margins.
- Karthi Keyan:** Got it. What I'm also trying to understand is whether these people are on a temporary basis or on a permanent basis?

- Prashanth H.M.:** They are all hired as consultants. We have an engagement with them where they are hired as consultants for legal reasons. We have had lock-ins for them for a specific period so that we do not lose them.
- Adarsh M.S.:** Sir, this is Adarsh. I just wanted to add one more point. The fact that we have this team nearshore will help us win more offshore business. So what Prashanth meant to say was this INR30 crores expense that we are having because of having this team nearshore will help us get more business offshore. So a combination of nearshore and offshore will help us get to that margins that we typically have. Only this quarter because we had this one-off, we see this reduction in margin.
- Karthi Keyan:** Yes, I got that. Very clear. The other question I had was in terms of visibility for growth, what would be the current confirmed order backlog? I mean, I'm assuming there is some kind of an order backlog and could you separate it out between your ETS and A&P separately?
- Subramaniam Ravi:** Our order book plus confirmed and expected, it may be around just over INR300 crores. It is executable. Out of it, the technology services alone, it will be INR175 crores. This doesn't include the expansion of our existing customers; this is something which is already contracted and doesn't include the new customer wins that we have made.
- Karthi Keyan:** Right. So you said INR300 crores is confirmed for FY27, is that correct?
- Subramaniam Ravi:** Yes, right.
- Karthi Keyan:** Right. And A&P, how many tests would you have conducted last year overall?
- Prashanth H.M.:** Sir, come back again? How many?
- Karthi Keyan:** I said last year, FY26, how many tests would you have conducted, A&P?
- Prashanth H.M.:** We will come back to you on that, sir, because there is a combination of different kinds of tests. Some are formative tests, some are high-stakes tests, some are proctored, some are not proctored, and a wide range of that. I'll come back to you on that, sir. Maybe we'll make an announcement so that you can pick it up from there.
- Management:** We can give a break-up.
- Prashanth H.M.:** Yes, we will do that. We will work on that and make an announcement, probably, that would help.
- Karthi Keyan:** Sure. Okay. Thank you and best wishes.
- Management:** Thank you very much, Mr. Karthi.
- Moderator:** Thank you. The next question comes from the line of NGN Puranik with Enam Securities. Please go ahead.
- NGN Puranik:** Hi, Mr. Sudhanva. Congratulations for a good set of numbers. I want to understand, you mentioned about a new CEO joining the company. Can you talk a little more about him, his

background and his experience, what difference is he going to make to the company? Can you talk about that?

Dhananjaya Sudhanva: Sir, until now in the organization....

Moderator: Sorry to interrupt sir, we are not able to hear you clearly.

Dhananjaya Sudhanva: So far in the organization structure, we had a CEO position but we never hired a CEO. Now Doreswamy comes in as CEO and hence completes the senior management, senior leadership team for Excelsoft. Otherwise, it was me; I was Chairman, Managing Director, and pretty much CEO. That happened because earlier I was acting as CEO and my father who co-founded this business was the Chairman.

Since he passed away, I had to become the Chairman and the CEO position fell vacant. Doreswamy started his career with us. He spent a year in a finance role at Excelsoft and then moved to Mumbai. He was in Mumbai for -- I will actually let him explain his profile and I'll say why it is impressive and it will make a big difference to Excelsoft.

NGN Puranik: Is he a go-to-market person or is he from a technology development background? What is his background actually?

Doreswamy Palaniswamy: Sir, good afternoon. This is Doreswamy here. I am there, sir. I was just hearing from the call. Sir, I am a -- basically if you look at my profile, I'm a Chartered Accountant. Initial years of my career was in the finance where I was a CFO and then for some listed companies and then I was working with international companies like Convergys, KPIT, and then ISS, West Corp, etc. Initial 10 years of my career was in the finance, later point was more of into operations side or the delivery side.

And then later, I also built my own fintech business, which is a deep-tech company I co-founded along with another gentleman. So my background, if you take into 25 years of my career, the first 10 years is into the finance role, but the rest of the 15 years, 15 to 16 years is more of into building a businesses, acquisitions, integrations, and then as a Chief Operating Officer running a large businesses and scaling up. So in that way, today if you ask me, you're an accountant? I'm not an accountant, sir.

I'm full-time into operations role. That's my background. I lived almost my majority of my career was based out of Mumbai and then recently I shifted back to South and then I'm here now with Excelsoft. I've also done roughly around 13, 14 acquisitions and then I integrated them very well, making sure that whatever the investments we did in the acquisitions were good. So that's my one of the biggest strength. And then I'm a people person; I always search for leaders who can run these businesses, work with us, making sure that we deliver what we promise.

NGN Puranik: So you are going to build a team now?

Doreswamy Palaniswamy: Sir, I don't have to rebuild a team. We have a team right now, so I'm just giving a direction. And then I'm also thinking, since I don't have any baggage about the existing business or the customers, I'm thinking a little different from the older team is doing right now. So I'm giving a

direction and then I see a lot of opportunities for us to go and tap. One is the existing strength of our product and then the services, customizations, etc., plus the how do we platformization of these products and then tap into a next set of customers.

NGN Puranik: What's your strategy to take this company from the current size to let's say INR1,000 crores? So how will it happen? Nearshore strategy is one step and is there any other way you take this to -- if you can explain, Mr. Sudhanva, if you can explain nearshore strategy, why did you choose this? One is to do onsite and convert that into offshore. But is it coming from customers' felt need of customer which are in the services value chain part of your platform which you are missing out and use that and convert that into offshore? Or is it a fresh talent acquisition? Are you not diluting your model? I'm worried only about that.

Dhananjaya Sudhanva: Sir, some of the important customers -- this is mainly the US story -- some of the important customers there, for instance Pearson or GMAT, they've always wanted us to establish a team in the same time zone, preferably if not closer to their time zone, where they can quickly get a turnaround if they have a support requirement or if they have a requirement for additional software. Being in India, those logistics were difficult.

If we had to understand a new enhancement they wanted us to do, we had to fly people there and then they come back and the video conferences post that was only so much effective. And there was pressure on us to create this team. And I personally believe that with this team being close to the customer will help us not only do more with the customers but also find more opportunities, new opportunities. That was the rationale for investing in these 30 resources.

NGN Puranik: And what is the skill set and experience of these guys, these 30 people?

Dhananjaya Sudhanva: Same skill set and domain as us. We run two different technology stacks, one on Linux, the other one on Microsoft. So they have a lot of experience on the same stack. And now the AI familiarity and AI skills and be able to integrate AI into solutions that we provide. And Prashanth wants to add something.

Prashanth H.M.: The team is primarily in the services sector and they come from the same domain, earlier employed in companies operated in the same domain. So that's the advantage.

NGN Puranik: And where do you put this in the value chain? This service, where does it come?

Prashanth H.M.: You mean to say the business unit?

NGN Puranik: Yes, from various services you provide on this. So it could be an education tech or assessment or learning design. Where does it come?

Prashanth H.M.: Mainly education technology, but will also contribute to other sectors, particularly assessments.

NGN Puranik: But where does it come in the value chain, top bottom where?

Prashanth H.M.: EdTech services, education technology services.

- NGN Puranik:** No, where do you put it as a value chain? Is it the higher, lower, middle? How do you price it from where you can make out?
- Prashanth H.M.:** Got your point, sir. So I would say it is high because it's all about domain, which is not a commonplace, it's rare, as well as high-tech. So it is definitely high on the value chain. Definitely high.
- Dhananjaya Sudhanva:** And the team being in the US, which is an important market for us, is also another factor why I would put it high in the value chain.
- NGN Puranik:** Interesting, very interesting.
- Moderator:** Sorry to interrupt Mr. Puranik. May we request you to rejoin the queue. Thank you. The next question comes from the line of Abhishek Kamdar from Value Plus Advisors LLP. Please go ahead.
- Abhishek Kamdar:** Yes, hi. Thanks for the opportunity. I just wanted to understand in terms of the team that's been hired in the US, you mentioned that they will service our existing opportunity and create new opportunities for us. But just in terms of the quantum of the investment that we've made, about INR33, INR34.00 crores on a INR300, INR325 crores business, what is the kind of growth we are expecting from this team?
- Prashanth H.M.:** At this point in time, we already have a 30% margin from this team. So like what we explained, it will grow beyond the 30% and will be in the range, the same range of about 54% gross margin when we are able to scale other businesses beyond what we have already been doing with this team. You know what I mean.
- Abhishek Kamdar:** So when you guide for growth, you're saying that the growth that this team will bring for us will be beyond the organic 25% to 30% growth that we want?
- Prashanth H.M.:** What I mean by growth is that in the services business, right? So we have always been discussing about having additional customers in the services area beyond Pearson, right? So this is where this team will contribute significantly. So Pearson and others as well.
- Abhishek Kamdar:** All right. Okay. Thanks.
- Moderator:** Thank you. The next question comes from the line of Akshat, an individual investor. Please go ahead.
- Akshat:** Hi, sir. Am I audible?
- Prashanth H.M.:** Yes, please.
- Akshat:** Thank you so much for the opportunity, sir. I just had one question regarding the acquisition. So I think for the probably for the last six months or so, we have been trying to get into the acquisition thing and we're still not confirmed as of now regarding that and taking expenses on behalf of that acquisition. I think the market is also waiting for that acquisition to happen currently, which was, I think I spoke to the management in March end also regarding the

acquisition. I was expecting maybe we could hear a statement on that thing. I think you've also touched upon in this con-call, so just to re-clarify that?

Prashanth H.M.: Fully appreciate your question, Mr. Akshat. So like what we promised earlier, the acquisition strategy is intact and in progress. It's only that we had Mr. Doreswamy join in early April and he being an expert in acquisitions -- he has done 14 acquisitions as we have discussed, right? -- whilst the other members of the leadership in Excelsoft haven't had that kind of an expertise. So rightfully so, we said we will pause whatever we have done till then until such time that Doreswamy takes a look at what we have done and then progress it further.

And that's exactly what we have done and Doreswamy is fully involved in the acquisition strategy now and we have been progressing significantly at this point in time. So the due diligence that we had done earlier, so we are just rehashing that due diligence for the remainder period and we will soon see some progress there.

Akshat: Okay. Sure, sir. Thank you so much.

Moderator: Thank you. The next question comes from Krishna Rao, an individual investor. Please go ahead.

Krishna Rao: Hi, sir. Thank you for the opportunity. What I wanted to ask is that what is the roadmap of the management going forward the next three years? Like, I don't need any specific guidance, but what is the roadmap that they are looking at for growing this company ahead?

Prashanth H.M.: From the next three years, there are multiple strands to it. One I would like to start with the organic growth and I would request Doreswamy and Mr. Sudhanva to add in whenever they think so. From the organic growth point of view, we are all set. Like what we said earlier, we have an order book, confirmed order book, which is waiting for execution. We'll continue to do our best job in operations and confirm that those revenues are in.

While we do that, we do better account management and expand our revenues from our existing customers. There is always an opportunity to solicit more business from the existing customers; we want to do that. So that is the second important aspect. Third is our investments into the new products, from the point of view of Saras in a Box what I mentioned, Saras Assessment in a Box, or the other AI products that we have been mentioning.

So this is also going to add value to the existing businesses because some of our customers will be able to do better business with these new products. So while these are with our existing customers and existing products and new products, what do we do with the expansion to new customers? So that is where we have added significantly to our sales team. Like what we were discussing in the last call also, we have progressed from there significantly.

We have three more additional sales team in the US, we have one in UK, one in Middle East, and a few in India. So we have enhanced our sales team significantly, which is going to add to our efforts in that manner so that we get more customers who bring in revenues. So that's the second aspect of it. And thirdly, of course, the inorganic opportunities.

So like what we discussed just now, we are actively looking at inorganic opportunities as well. So in the next three-year roadmap, three-year strategic plan that we have, all these are strands. We want to grow customers, we want to grow products, we want to look at acquisitions, and we want to build a team that could service all these and integrate the acquisition that we would have done.

Krishna Rao: Got it. So just a follow-up question on this, will you be going forward focusing just on the assessment and the EdTech side or will you be looking at any ancillary segments also and taking it forward on a more stronger basis?

Prashanth H.M.: In the assessment domain itself, if you have noticed what we have done in the recent past, we have added newer use cases and newer exam models or exam systems. For example, the whole domain of handwritten exams, which are on paper, which are scanned and then text extracted, AI-based text extraction and the e-marking and all that thing, that whole thing is a new addition to our business line which happened in the recent past.

And that itself is a huge business because that runs into hundreds of millions of answer scripts being written and marked every year. That is 12 million from one customer. So there are so many more, so it's hundreds of millions of such answer scripts that are generated every year.

Management: There are not too many companies who have the ability to do this at this point in time.

Prashanth H.M.: At the accuracy rate that we have been able to deliver. So the assessment segment itself has so much more opportunities. While this is one, there are other things like skills assessments or persona-based assessment of people in corporate sector. So there are multiple such areas where we can -- we have already been started to work on.

Management: One suggestion is AQA as a customer alone, how much revenue will they add is...

Prashanth H.M.: Sir, we will come out with an announcement soon as soon as we conclude everything. It is a very large business.

Krishna Rao: Got it. Thanks.

Moderator: Thank you very much, sir. As there are no further questions from the participants, I now hand the conference over to Mr. Dhananjaya Sudhanva for closing comments.

Dhananjaya Sudhanva: Thank you all. The questions will help us a lot to introspect, dissect not only our numbers to be sure and also to have more clarity on how much we can do quarter on quarter going forward. I think the questions have greatly helped and we will benefit from internally discussing and will be able to improvise on the accuracy of the numbers going forward.

So thank you all, sir, for taking time to have this discussion and have a good evening, sir. Thank you very much. Thank you.

Moderator: Thank you. On behalf of Excelsoft Technologies Limited, that concludes this conference. Thank you everyone for joining us and you may now disconnect your lines.