

Date: August 28, 2022

To
The Manager- Listing Compliance
National Stock Exchange India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla complex, Bandra (E), Mumbai 400051.

Subject: Highlights of Chairman's speech delivered at 8th Annual General Meeting of the company.

Ref: Regulation 30 of the SEBI LODR (Listing Obligations and Disclosure Requirements) Regulations, 2015

Scrip Code: KSOLVES; ISIN: INE0D6I01015

With reference to the captioned subject, please find enclosed herewith the highlights of the Chairman's speech delivered by the Chairman and Managing Director of the company, Mr. Ratan Kumar Srivastava at the 8th Annual General Meeting of the company held today, on August 28, 2022, at 11:00 a.m. (IST) through Video Conference.

This is for your information and records.

For Ksolves India Limited



Manisha Kide
Company Secretary and Compliance Officer

Highlights of the Chairman's speech delivered at the 8th Annual General Meeting of the Ksolves India Limited.

We achieved significant milestones during the year passed. Highlights of those are:

- For FY 21-22, total Revenue increased 70% YoY
- For FY 21-22, Profit After Tax (PAT) increased 76% YoY
- Employee base of 350+ gives best in class IT solutions to a global clientele. Client base remains widely diversified with 35+ IT services clients across 20+ countries with a top 5 client's contribution of 48%.
- **Growth remained broad-based and robust especially in the USA region and BigData/ AI/ML space.**
- **So far, the company has seen no demand softening from the ongoing global recession undercurrents .** Cost challenges of increased salary costs, post covid reopen expenses, increased employee engagement expenses and re-start of business travels were adequately offset by increased utilization percentage and gradual billing rate revisions for legacy clients.
- Company continued its focus on building on technology partnership programs as quality assurance frameworks. As a result, **Ksolves is now an Odoo Gold Partner, Adobe Bronze Partner, Salesforce Ridge (Silver) Partner and Registered Red Hat ISV Partner in addition to being Certified for level 3 of the Capability Maturity Model Integration (CMMI).** Such partnerships add to the Company's credentials in front of existing and prospective clients.
- Company has a good business continuity plan, managing the deliverables appropriately and flawlessly even during the pandemic and post-pandemic effects. Hence all the projects were successfully delivered.
- As we are aware that the previous year has been called the "Great Resignation" year and at the same time Ksolves employee base was intact which itself has been an achievement. We handled a higher attrition rate environment by offering Industry leading salary hikes and by increasing employee engagement. This cost pressure was mitigated by non linear business growth and hence Ksolves is amongst a select few companies in the Indian IT Industry which was able to maintain its profit margins.

Ksolves India Limited (Formerly known as Ksolves India Private Limited)

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CIN: L72900DL2014PLC269020

Focus on Future growth

- Sustenance of growth: Since inception 10 years back, Ksolves group has grown at ~45 %. While as the base grows, growth will moderate but **we aspire to grow at a significantly higher rate than wider Industry as well as comparable peers.**
- **Our aspiration is to reach at QRR (quarterly recurring revenue) of INR 25 cr in next 2-3 quarters and INR 100 cr by end of FY 26.** I wish to remind you that these are business goals and not guidance. In the past, we were always able to achieve our goals and we aspire to continue doing so with extreme dedication and integrity.
- Ksolves currently has one of the best profitability profiles in Industry and that is reflection of our financial discipline on a very asset-light business model with zero debt. OPM may moderate a bit as the base grows, but I expect it to remain at the leading end of Industry Profit profiles.
- This business growth is only possible if we continue to invest people and technologies. Ksolves aspires to be a niche player on high end Technologies hence **we are heavily investing in such as Big data console of Kafka/ Apache/ NiFi/ Cassandra and Hadoop, in Internet of things (IOT) space, in AI/ML in areas such as Natural Language processing, Deep Learning, Computer Vision as well as growth engine of salesforce. In addition, business domain understanding is getting beefed up specially in areas such as Telecom/ Banking/ Governance/ E-commerce and Cyber Security.**
- The major Business strategy of Ksolves in the last one year has been to achieve non-Linear Growth by increasing revenue per employee and **where the employee base remained stagnant but revenue increased by ~50% in the last 3 quarters.** This was achieved by increasing the billing rate and utilization percentage of the bench and picking complex technology projects which give better rates. This phase is almost exhausted and hence a large part of growth in the coming year will come with a similar increase in employee base.
- To support the growth journey from here, we are focusing on a **hybrid model of delivery.** In this model, we foresee around 25-35% employees working from offices across three locations that are Noida, Indore and Pune while the rest will work from anywhere they desire to work from. This allows us to hire the best talent from all over India compared to pre-covid model of hiring only in NCR.
- We have a **strong and dedicated business development team which works 24*7 to capture all regions globally.** These efforts are getting supported by increased business travels to client locations in the USA/UK as well as attending Industry events. **For example, Ksolves will be present in this year's annual salesforce event, Dreamforce 2022 in San Francisco, BIG Data AI meetup in Santa Clara, California and Odoo Annual Summit in Brussels , Belgium BIG data/AI/ML space. I also wish to add that Ksolves is one of the nominees in this year's Odoo Awards.** Business travels are helping us deepen existing client engagement as it increases the trust factor from both sides.

- Ksolves currently is a 100% offshore delivery model and we are working on creating **onshore development centers in coming years specially in the USA region**. Ability to offer dual engagement models onshore and offshore is very important to crack bigger enterprise clients.
- Due to tailwinds of the wider technology Industry we continue to attract new business. However, the **biggest challenge is hiring, training and retention of the best talent**. We have recently strengthened hiring teams and redrafted employee training and engagement models to address this.
- This year we have also invested heavily in CyberSecurity under the guidance of a senior lateral hire in this space. This is especially important to mitigate any business risk in work from home environments.
- Product Division : In coming quarters, we are aiming to launch products in Salesforce which is a significantly larger business catchment area and that will be in addition to our products in Magento and Odoo. We are a leading player in the global Odoo product market.

Migration to the mainboard of NSE & BSE

The company's application for migration into NSE's mainboard as well as listing on BSE Limited is currently under process and we expect this to be completed by mid September subject to the approval of authorities. I expect an even larger shareholder base subsequently and we continue aiming for the **highest standards of corporate governance under the guidance of a very highly qualified and experienced board**. Periodic disclosures for any material event as well as detailed business commentary along with results are tools we use for reducing any potential for Information asymmetry between various stakeholders. I also wish to highlight that Ksolves is amongst the select few companies in NSE's SME board which declares quarterly results voluntarily even though the minimum requirement is for half yearly results.
