

Date: July 28, 2025

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Subject: Transcripts of Post Earnings Conference Call- Q1FY26.

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

BSE Scrip Code: 543599; **NSE Symbol;** KSOLVES; **ISIN:** INE0D6I01023

Dear Sir/Madam

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the transcripts of Post Earnings Conference Call- Q1FY26.

For Ksolves India Limited

Manisha Kide
Company Secretary & Compliance Officer



KSOLVES INDIA LIMITED

Q1 FY26

POST EARNINGS CONFERENCE CALL

July 21, 2025

Management Team

Mr. Ratan Srivastava - Chairman & Managing Director

Mr. Umang Soni - Chief Financial Officer

CA Darpan Audichya - Head of Business Transformation and Consulting

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, I welcome you all to the Q1 FY '26 Post Earnings Conference Call of Ksolves India Limited. Today on the call from the management team we have with us Mr. Ratan Srivastava, Chairman and Managing Director; Mr. Umang Soni, Chief Financial Officer; and CA. Darpan Audichya, Head of Business Transformation and Consulting.

As a standard disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which are subject to certain risks and uncertainties. Also, a reminder that this call is being recorded. In terms of the structure of today's call, Mr. Umang Soni will take you through the detailed financial performance, followed by Darpan, who will outline the business vision and strategic road map for the coming year. And in the Q&A session, Mr. Ratan Srivastava will be addressing your questions.

With that, I now request Umang and Darpan to take us through the business and performance highlights for the quarter ended June 2025. Over to the management team.

Umang Soni:

Thank you, Vinay. And good evening, everyone, and welcome to Ksolves' Q1 FY '26 earnings call. We are genuinely excited to share not just our numbers today, but the story behind them, our strategic choices and the incredible people who make our success possible. So, starting with what matters the most. So Darpan, next.

Yes, so let me begin with which you are here to learn about. So, our performance has been strong, with revenue from operations for the quarter growing 19.3% year-on-year and reflects a double-digit sequential quarter-on-quarter growth of 13%. Our OPM stood at 26.4% and PAT margin at 17.1% for the quarter. And this 17.1% PAT margin and EBITDA, so 26.4% EBITDA margin in Technology Services reflects key strengths that is our pricing power that we are not competing solely on our cost, but we are delivering value that the clients are willing to pay premium rates for along with our financial management that indicates that our growth is a profitable growth.

And further, the Board has declared first interim dividend of ₹1 per share. So, thank you, everyone, who believed in our vision. And what does this margin reflect for our stakeholders? So, for our shareholders, this operating profit margin and PAT margin represents sustainable returns. For our employees, it represents job security and growth opportunities. For our clients, it represents a financially stable partner

who will be here for the long-term to support their digital transformation journeys. Next.

So, this slide depicts our sequential quarter-on-quarter growth with EBITDA up by 16.3% and PAT up by 9.6%. Next slide.

So, this slide depicts our performance with the same quarter last year. As you can see, so now coming to next slide, which will like to be completely transparent about something that might concern some of you. So, our EBITDA margins for this quarter was 26.4% as compared to 38.06%, same quarter of last year. But what we need you to understand that this wasn't a decline in our operational excellence. This was a series of strategic investments we made in our future, which we also discussed in last quarter's earnings call as well.

So let me share what these investments really mean and the real story behind them. So, we invested ₹66 lakhs in ESOP expenses as compared to last year, same quarter. So, we believe that our people come first. Then ₹1.24 crores was spent on building our leadership and top-level hirings, because they bring the experience and they will take us to what exactly where we want to be in the next five years. And the next ₹1.93 crores investment in events and market presence. So that's a strategic investment we made for our brand recognition by attending at large industry events where our potential clients approach us, and they finally understand what Ksolves do and how Ksolves do it differently.

So, if we exclude these investments, our adjusted EBITDA margin would grow up by 10.64%, which is approximate around 37%, identical to last year same quarter. So, these investments position us for accelerated growth in the quarters ahead. Next.

So, this data of top five customers who shows trust in us, contributing 42% of our revenue and top 10 contributing 58%. And it's the quality of partnership. You can see that we are now working with Fortune 500 companies and top 100 global banking brands and many other big high-profile brands as well. So, as I reflect on this quarter, we are filled with genuine optimism. We made investments that impacted our margins in the short term. But being in business long enough, we know that the best investments may often look costly in the short term, but brilliant in the hindsight.

So, thank you, everyone, for your trust, your patience with our strategic choices and your continued partnership in this journey.

With this, I will pass the call to Mr. Darpan to explain further.

Darpan Audichya:

Thank you, everyone. I think we started with a good thought around numbers. And there is a defined story behind numbers around what we are doing and how we are doing and what is the progress we have made. What is our vision, which actually drives the whole thought around the organisation. So, I'll take this opportunity, not a long thing, but I will take this opportunity to showcase how Ksolves is working here, what culture Ksolves has created till now, and then what is the foresightedness, which we are having for next quarters or supposedly years.

But before that, it's a good milestone, which we are celebrating this quarter, the milestone of five successful years of listing. So, I wanted this to be celebrated first before we start on any story or any thoughts. And that's a core milestone or core effort, which is driven by the team plus by the investors who are here to support us and to trust on the thoughts, which Ksolves has been driving from last five years. So, thank you, everyone. Thank you, everyone, for your continuous trust and unwavering support.

We have completed 20 quarters, five good years in the market. And the market capitalisation has also grown tremendously from last five years, that is a whopping 5,780% rise. With this, we'll still be a total debt-free company, which is an achievement in these days for any organisation. And we have given tremendous results, 10x of revenue, 50x of profit. We have given tremendous results in the last five years. Excluding one or two quarters up and down, we have been consistently driving or giving results around revenue, profit, growth, technology everywhere. So, a big shout on the whole stakeholder team, the whole forum through which we are connected and delivering things for this specific milestone, this amazing milestone.

Let me showcase some more things or some more strengths, which we were able to create in last 13 years of innovating things or five years of this specific enlisting milestone. The team, which was actually somewhere around 100 plus has grown to 600 or somewhere around 550 plus in these five years. And coincidentally, the good achievement for us is that 50% of that initial team is still with us. So that's the culture, that's the bond which we have created. And you can understand any IT organisation is actually more connected with the team and the skills which they possess because these are the core assets which we drive, which we connect for any specific evolving technology or any specific service delivery, which we are doing for the organisation.

So, we actually keep a proud moment for us as a team that we have been growing tremendously and enhancing the culture of the team. The profit that I mentioned has been actually connected with the team and the stakeholders, which we are driving with.

Now a good thing or a thing or an achievement is that team is not directly getting connected with Mr. Ratan, who is our CEO and Founder. The team is actually creating leadership layers in the environment, in the ecosystem. That means that there is a hierarchy, which is getting created in the organisation. Earlier, what was happening, everyone was connected or directly linked with Mr. Ratan and his initial conversations was with that team weekly or monthly supposedly.

But now, even the leaders are actually able to create their own team. There are multiple such examples, which are available in the whole organisation. I'll just take a few names. Mr. Om Prakash, who is actually leading the Odoo team. He is actually taking up the position of Delivery head ERP. He has been driving the team from last 13 years. He was the initial team member of this organisation. He is now leading the whole team of Odoo, whole practice of Odoo, which is actually a helpful thing for the whole organisation. And under his leadership, now people are able to complete seven years, five years of time. That means it is not only connected with one person. It is not a one person show now. It is actually driven among multiple leaders.

Similarly, Mr. Anil, who has been the fore founders of this specific organisation who was the initial member of this specific organisation is actually connected as a Technical Lead now and driving his own team for multiple specific areas. Similarly, Ms. Kirti Sharma, who has been delivering good around the business development has also been driving things. And under her leadership, there are multiple members who have completed five years of this -- like stay in the organisation.

So that's around the team area or that's around the culture, which we are bringing. We actually recently onboarded multiple people from outside organisations also to enhance this thought to accelerate the growth, which are also now maintaining the multiple pillars of our organisation. Like supposedly, I'll take an example, Mr. Jerry, whom we onboarded as VP Salesforce, is now actually taking lead around the salesforce and giving a global exposure to the organisation, to the Ksolves. Similarly, Mr. Nishant, who joined us in the last year, he is taking lead around AI. He is actually positioned as VP AI, and he is taking lead around the

artificial intelligence and GenAI evolving technologies, which are coming up in the market.

Mr. Aseem, who has joined us as Director of Program and Operations, is giving exceptional support and specific standards, setting specific standards in the organisation to enhance the operations and to be very vigilant around the costs and supposedly the procedures which we were creating. People are coming from multiple experiences and are actually helping the Ksolves to grow around the organisational thought.

I, myself, is leading the specific area of Business Transformation and Consulting, initiating a new practice around the organisation to lead more on RFPs and detailed deliberations. With this, it's not only the employees or leaders whom we are connected with. The exposure is also going tremendously high. In last five years, we have been able to move the ticket size from supposedly \$10,000 to now \$600,000, that is not a one day or one year job. It's a rigorous growth of five years or supposedly the initial 13 years, which I'm talking about, through which we are now able to get an exposure of global services, multiple clients and organisations.

Now we are able to send our people, we are able to connect with our clients globally also, which actually gives a good position to us in negotiating, in communicating. Our team members are connected with our clients, not through Teams or Google Meet, they are connected face-to-face also on multiple occasions during the year. That exposure is actually helping them to connect with the client apart from formal discussions to informal thoughts also, like it is not a black box, how Europe is or how U.S. is or how Dubai is now for our employees. We are very much connected with the thought. We are very much driven into the thought, and we are able to deliver to their expectation there.

The clients have also grown tremendously, initial client size, initial ticket size, initial exposure, everything has grown. Like I mentioned, \$10,000, or supposedly a deal which was initially being discussed in one day or two days is being now taken up for multiple iterations, multiple deliberations and finally coming up on their own expectations, and the delivery cycle is also growing. Initially, supposedly, if you were closing out any specific delivery in one month or two months has now been into a ticket size of one year. So that's a consistent growth or consistent inflow, which we are getting from these specific ticket details and supposedly ticket clients' intentions.

Now consider a thought that technology is also evolving from the last 13 years. It is not that we are actually coming up or going ahead with the same specific technology. That's the beauty of Ksolves. We have been involving. We have been showcasing our expertise in multiple such technologies, which actually initiated in this specific middle frame, like supposedly GenAI, AI, Salesforce, Odoo, whatever it is, you count, you mention the name, and we have an expert for that specific thing.

That's because we have always been evolving. We have actually created our own niche-specific set to grow and to showcase our experience on the big platform. Now this actually is helping us to be on a front step or supposedly a one step ahead of the organisation to showcase what we have been delivering. And this is how we are creating our own intrinsic value or our own specific real value through all these factors.

The expansion was also very much good. We actually expanded to multiple Indian cities in these five years, setting up our offices in Indore and Pune. And globally also, we were actually visible in U.S. and Dubai for all the specific set of clients which were there. In these five years, we'll say the global visibility has also increased. We have started participating in multiple events. It is not a participation or presence just by being there, it is a participation wherein we are sharing the stage. Our CTO, our CEO, our VP are sharing the stage and showcasing what we are able to deliver, what we have as a capability.

And we are now getting multiple leads from there also. The client satisfaction has always been a priority for us. We have been continuing with a high rate of client satisfaction, somewhere around 85% or more and we have been continuing with all the clients, there are multiple clients which are connected to us from last five years or before. With this, we again connect with the same thought. All these are getting converted into strong financial performances and public trust. Like I mentioned, our prudent financial policies and strong financial performance help us to deliver the best.

This is very much or aptly connected with the value we have created for the shareholders. As you can see on the screen, the initial investment of ₹120,000 when we were listed is actually now on an absolute term is delivering ₹75 lakhs of whopping return.

So that's the specific or that's the conversion we have done in the last five years on those initial invested amount. We have delivered multiple splits bonus, etc. And with all these, we have been able to pay good

dividend amount also. If we talk on absolute terms, we have been delivering ₹813,600 of dividend from the initial year of listing till now, which is 7x of the investment, which we did. And the overall investment supposedly gives, if we check on IRR perspective, the overall investment is delivering over 150% of IRR in these five years of listing.

So, on a lighter note, I, sometimes, feel if I have a time machine, I'll go back and I'll get into the investment from 2020. But that's the value we are creating for our strong set of stakeholders and investors. And moving ahead. This specific value which we have created is actually connected to a consistent and solid financial policy. So, it is not a onetime thing or a quarter thing.

We are able to efficiently rotate our working capital and manage our debtors. We have been maintaining the improved working capital of less than 50 days and debtors of less than 60 days from last two years, which ensures our strong cash flow. So that's the core thought which we are connected with.

Now coming on the risk supposedly of defaults by payments from any specific clients, like supposedly, I'll just be very clear around this. Over 95% of our revenue is actually secured through a defined insurance. So we are not in that specific worry that, okay, if there is any default, it would be impacting our numbers or supposedly, the growth of our shareholders. So, we have a good set of insurances, whether it is credit insurance, whether it is directors and officer insurance, whether it is any other insurance relating to performance. All our areas, key areas are connected to a detailed insurance.

I'll take an example here. Recently, there was one such occasion wherein there was a default from one of the clients of over somewhere around ₹36 lakhs, that specific amount was duly recovered through the insurances, which we have been taking up. So that's the beauty of this specific protection, which we are having through which we are not actually impacting the numbers from any such customer or any such transaction.

Now what is the conversion? The conversion of all these financial provisions are connected to the consistent and healthy dividend, which we are paying. So we have discussed in the previous slide, we have been maintaining a consistent and healthy dividend history. I'll move towards the next part of this specific slide.

See, in the last 13 years or supposedly the five years of listing, there were multiple locations or there were multiple instances where we validated our own strategy, the strategy to go-to-market strategy or the strategy around how to connect with the customers. There were three major instances or there are three major areas, which we wanted to share it with you. And we have been growing with these three steps even today. Now the only thing is these three steps are now clubbed, but initially, we were actually partnering with SMEs for mutual and concurrent growth.

That was our initial stage wherein we were actually looking for a ticket size of 10,000, 15,000, 20,000 and we were partnering with SMEs. So, what was happening initially, that SME was actually giving us some work. And then coincidentally, gradually, he was also growing with the ticket size also growing and through which we were getting multiple amounts of tickets or multiple amounts of transactions.

Now with this as a base step, we connected with the second layer. Second layer means starting small with large enterprise, like supposedly, there is a large organisation who is actually thinking to give us some amount. Obviously, as per the size of the organisations and as per the confidence of that specific organisation, they'll give some specific tasks to us. But then based on the quality, which we are delivering, based on the thoughts in which we are actually delivering to the customer, they'll increase the team size. That's the second stage or second layer of this category.

And then the third stage is wherein we are now executing high-impact projects after a steady pursuit via RFPs or detailed deliberations. So, this specific pillar, this specific set of pillars are actually helping Ksolves to grow. These are the core thoughts which we wanted to discuss with you. Let me take certain examples.

Supposedly, there was one of the organisation, which was actually -- like these two are the examples of starting small with large enterprises, like supposedly, initially, we are actually connected with a large enterprise. We are initiating with one or two team members. But based on our quality, based on our delivery, we are able to expand it to a good team. Same happened recently also. So, I just thought to share these examples.

A client, U.S. based client, who is connected with e-commerce analytics platform initiated something in January, wherein they only took one or two resources for the initial ticket. However, based on the delivery,

which we did based on the quality, they extended it to a 10-member team within the quarter. That's very huge. You can understand this thought, that's very huge for any specific team who is getting connected.

Now based on this, the team now actually is an overall or end-to-end IT team, DevOps, data science, front end, back end. So that's not a one layer or one channel connection, which we are making with the team. We are now trying to connect as a delivery partner or as a digital partner for those clients also from whom we initiated very small. This rapid ramp-up enabled the accelerated growth for this specific client.

Similarly, now supposedly, there are multiple clients whom we have connected the relations from last two, three years. And recently, they expanded to a six-member team. So, these examples set a thought around this specific point that, okay, we have a strategy that, okay, if you are giving us a small ticket size, well and good, we'll penetrate into that specific organisation. And then based on our quality, based on our expertise, based on our technology understanding, we'll evolve and we'll grow in that specific industry.

Okay. Now the third layer also, executing high-impact project. This, we are able to get after steady delivery or after a steady quality of three years, four years. Now we are able to deliberate more. Now we are able to connect with high-level stakeholders of any organisation. And we are able to get proposals via RFPs also.

Let me give some examples on this thought also. I'm just taking two such examples. We have multiple such examples, but I'm just taking two such examples. We actually connected with the AI-driven market research platform. This specific project was deliberated for supposedly two months, three months because these are all big sized tickets. These are not one-month or two-month projects. These are one-year project supposedly. So, for any one-year project, the client, the organisation would also take steady steps. They'll also deliberate more. They'll also check the market. They'll also check the competitors. And these deliberations, they'll assign this task to you.

So, this engagement, we initially started or disbursed around February. And then based on their specific requirements, which include an on-site presence at the client office, which is these days, very hard while being in hybrid or work from home environment. We actually got connected to this project. And we, in no time, we actually extended to another project of the same ticket size supposedly. And basis this, we are able

to now create an account in that specific organisation, giving us somewhere around \$600,000.

So that's a huge confidence for us also, wherein we are going very openhanded towards any specific RFPs or supposedly high-level deliberations because we know that the conversion time would get increased basis the ticket size. RFPs are mainly around these thoughts also. You can understand what would happen. Any RFP would be floated, then we'll submit some proposals. Then there would be multiple deliberations.

There would be multiple presentation. There would be a defined evaluation, which they'll have. And basis that supposedly, they'll be able to come up with a selection parameter and onboarding of any organisation. So, this is happening in our situation also. We are also maintaining a good pipeline and we are also able to submit multiple such RFPs in this specific quarter.

But let me just take the example of the second organisation. This organisation, which is connected with the technical mesh solution actually came up for an overall end-to-end ERP implementation. This engagement started in February with multiple ad hoc decisions. And this specific small size of ticket gradually grown into a big transformation project.

And this transformation project is not dedicated to one team. It is a multiple team, multiple employees set up, which is helpful for the organisation and the client both. And we are now actually delivering it through our presence in relevant location of clients. So, the thought behind the whole story is the conversion time is getting extended because the ticket size is getting extended.

For any specific decision, which is of high financial stake from any client, the conversion cycle will also be relatively connected to that specific project. We actually take proud and successful participations of key industry events also this quarter.

We presented our thoughts on multiple platforms, whether it is Stockholm or California or New York or Las Vegas. All these events are actually standard events are actually a very credential -- are very defined events with a good name. So coincidentally, wherever we are going, we are able to take stage, we are able to present our thoughts, we are able to connect with the leads. I'll take some examples, what we have churned out of all these events.

Supposedly in Gartner, which is a fame name in this industry. In Gartner, we were able to connect with multiple high stake business holders. We were able to connect with two of our leads, which are right now ongoing, one specific thing we were able to connect with the VP of that specific organisation who is now getting connected on detailed AI implementation.

And secondly, we were able to connect with the organisations who are having big revenue also, like it is not a small organisation. Gartner is not actually connected for the organisations who are of low-scale organisations. We are actually getting connected with big organisation, having good revenue. So, the other one which we are taking, this organisation actually helped us to connect with their VP. And we are now in talks of implementing end-to-end product, which we have recently developed, our DFM product in that specific organisation.

Our first client was also connected in this Gartner event. So, our first client shared the stage, shared his experience with the audience and helped us to actually take the credentials to the world. So, all these events are actually helping us to brand, brand ourselves, present our products and services and actually get multiple good initiatives or multiple good leads.

Not taking much time, I'm just concluding with this slide, but this is an important slide to understand. We have been connected in this business from 13 years. We have been growing in this business from last five years. Every business has their own transitions as every business would be having their own platforms, their own stages. This specific stage or this specific phase we call is a transition phase to a matured business model.

So, what is happening? We are actually maturing to a full-fledged business model. Like I mentioned, initially, we were doing mostly T&M projects wherein we were actually aligning multiple personnels and we were actually getting multiple ticket size on that personnel. But now what is happening, we are moving towards turnkey projects. Turnkey project, as in we don't have a risk of person or we don't have a connection of that project with a defined employee. So, we have our own freedom of selecting employees. We have our own freedom of managing the team and delivering it in a defined manner, in a defined period, which has been agreed earlier. So, the turnkey project is the phase or is the model in which multiple big IT organisations are also delivering things.

The product-centric growth is also ongoing, like we mentioned in earlier quarters, we are very much optimistic and we are very much positive with the growth our products are doing, especially DFM. So DFM is having a big market. DFM, we are able to get multiple calls daily or demos daily with high-end organisations like Vodafone, supposedly to check out what they need for this specific area. And DFM is actually able to match most of the needs through which we are trying to enhance and connect with these specific organisations.

So, product-centric growth strategy is on. We are very much connected on this thing. And if this goes very smooth, we might be having a dedicated profit centre for these products, so that it is impacting or not connecting with the core service area.

Now a focus on this thought is the bigger deals, the longer clocks. This is one such thought, which we wanted to share with you. Now since we are actually connected on big ticket size, we may have to check for a conversion timeline of month and quarter. That is very important to connect here, because the ticket size would grow, but then initially, when we were actually getting some small set of tickets, we were actually able to deliver the same in one year, one month or so, two months, three months. But now what is happening since the ticket size is good, since the client is good, reputé is good, the conversion time is also taking some time.

Practically, it is a quarter, sometimes it is four months, three months, whatever. Because you can understand, these clients whom we are connected with are actually the level, the hierarchy in which we are now getting connected mainly give two, three meetings in a month for deliberations, for flowing the thoughts, for understanding the conversion and all. So, the decision-making since it is going on a higher level of hierarchy, it is taking a long time.

Similarly, when it is connected with the big deals, the expansion is mostly connected with the year-on-year thought because what is happening, we are able to deliver the same. We are able to get the task for a year or so. It is not a quarter or six months task now. It is a year or more than. We recently got an end-to-end transformation, RFP submission and proposal conversion through RFP, which is actually a 15-month project. So that means we are now moving from a quarter or six months ticket size to a year or more than that.

And since it is a journey to a mature business model, we may be connected with some fluctuations, but our intrinsic value, our real-time growth, our long-term vision is actually very clear. We are mostly here to connect, to accelerate, and to showcase our capabilities and experts.

I think I'll not take much time. We'll open for Q&A. But before that, I just wanted to conclude with a thought, the thought of "Karmanye Vadhikaraste". The actions are in our hand. We are focused and fully flown towards those actions. We are actually driving towards expansion, driving towards growth. This growth is not specifically or not connected directly with revenue or supposedly numbers, this growth is also connected with the growth around the employees, the ticket size and the continuity which we are having.

So, I think I'll close the call here, and we can continue for Q&A. Thank you. Thank you, everyone.

Question-and-Answer Session

Moderator: Thanks, Darpan. We'd request if you can end the presentation. We'll now take Q&A. Our first question from Apoorv. And Ratanji will be joining us on the call in the active discussions. Apoorv, you can go ahead, please.

Apoorv Bandi: Thank you for the opportunity. Thank you for very well explained the presentation. My question is on the AI side. If you can explain what all things are moving on the AI side?

Ratan Srivastava: AI side, see, basically we are continuously -- I can say that increasing the team size on the AI side. We are exploring as much as Generative AI, but it is not something that we have recently started. We are working in a traditional machine language I think since last five, six years before, okay? And we have for the traditional machine learning, the predictive analysis is the core part, if you will say, that machine learning, now the traditional machine learning.

So, we are doing predictive analysis, since last five years. I have already explained in earlier calls that, for example, we have implemented predictive analysis for a telecom domain where we can analyse that which modem is going down. We have done same thing for the one health care agency company where we were analysing that which compressor is going down. And for the recent work, we have implemented much, this predictive analysis for a Fortune 500 company. And it is still it is going on, so in the AI section.

But honestly speaking, as per my understanding, customers are very conservative at this moment. Everyone is taking time to invest money in the AI side. However, you will see a buzz around the world that AI is growing very fast and all, but everyone is very careful while spending money in the AI because they are not aware with the result, okay? That's what is going to happen, okay? Because in most of the cases, accuracy is a problem, okay? And they are still validating the accuracy.

Apoorv Bandi: So, the revenue, which we get from this AI side, which you have explained from telecom and the compressor part. How much percentage that would be from a complete or total revenue?

Ratan Srivastava: In the future or right now?

Apoorv Bandi: Right now, currently?

Ratan Srivastava: Umang, do you have any data?

Apoorv Bandi: I think -- is it less than 1% or like it is a significant?

Ratan Srivastava: No, no, no. It is more than 1%. Definitely, it is more than 1%.

Umang Soni: For AI/ML, collectively, if you can say because there are multiple -- more technologies in our forte. So, technology-wise, bifurcation is getting tough. But on a broader level, AI/ML roughly would contribute around 10%, 11% of our total revenue?

Ratan Srivastava: AI/ML, it is not something that it is AI/ML. Python also belongs to AI/ML, okay? Predictive analysis also belongs to AI/ML. Generative AI also belongs to AI/ML. So, there are so many branches, okay? And so overall collective, if you will say that it is more than 10% of the Ksolves.

Most of the problem is that, that is the cost, the profitability in AI as compared to other technology is less. Because the resource cost is very high, three-year resource takes approximately ₹30 lakhs. And at the same time, customer does not want to pay more than \$35 per hour. So, profitability is less as compared to other technology, for example, Big Data or micro services and all. But yes, it is growing.

Apoorv Bandi: And also, one more thing, which you have mentioned in your presentation regarding the EBITDA margin, where you have mentioned

three things. ESOP expenses, leadership, and events participation. That figure is per quarter basis?

Umang Soni: Yes, it is compared with last year same quarter.

Ratan Srivastava: Last year, same quarter, if you will see. And you will not see any in this quarter, what we have added new things if we will compare the last quarter. ESOP, approximately ₹50 lakhs, okay? And then what we have done, we went to attend events, and we have spent approximately ₹2 crores in this event in this quarter, which is huge. And it was required for this year, but it is not something that we are going to have, again, same kind of events or again, same kind of expense from the next year, okay. So, we have -- it means it is not going to have the same expenses for the next year, the ₹2 crore for the events.

Okay. So, if you add ₹2 crores plus ₹50 lakhs ESOP, okay, then you will get the answer that why our percentage is down. ₹2.5 crores is a huge.

Apoorv Bandi: Yes, understood. My next question is on the DFM part. In the last quarter con call, you have mentioned that we have got our first client for the DFM, right? So, want to know what is the traction right now? Have we got more clients on that and at what price have we given? Because earlier, we have mentioned that we have given at \$40,000 although it was way less, right, as it was the first time we have given. I just wanted to know what's the scenario right now?

Ratan Srivastava: See, in this call, it will be very tough to explain everything about the DFM, because DFM is itself, I can say that a very big project for Ksolves, means we have invested approximately one year, okay. And yes, the first answer is that, yes, we have got one more customer. And approximately 10 customers are in the pipeline. We are talking to them, and a trial will be start by September and three months will be that trial. I have a lot of things about the DFM. But first, I would like to update all these things to exchange, and then I will update all about them.

Apoorv Bandi: Sir and the way we do pricing in DFM is subscription base, right? It is annually charged, right?

Ratan Srivastava: It is annually.

Apoorv Bandi: Okay. And sir, just last question regarding on the growth or something like we have guided for around 20% growth and around 25% EBITDA margins. Are we on the same lines for the year or have we changed?

Ratan Srivastava: I'm still rigid on the same line. One thing I have stated in previous calls that a 30% EBITDA margin, and it will not go, it will not go down, but we went down, right? But we can explain you, I would like to explain you even.

Darpan or Umang, can you share this screen? Can you share the screen that I have asked you to prepare?

Darpan Audichya: Yes, yes. Okay. I'm sharing my screen. Is it visible?

Ratan Srivastava: No. Okay. So, if you see, 37.33% we have done this time and 26.41% is the operational profit margin, right? And ESOP expense is ₹0.3 Crores and ₹1.7 Crores is approximately event. And if we have not done this, our profit margin would have been approximately 31.71%, which I have stated that our profit margin will not go down below 30%.

So, you can see that simple ESOP and events, which will not -- means event will not simply happening from the next year. And ESOP will continue. It is much for our employees. So, we are still, if you see that we are still above 30%. And I'm not counting my salary, other salaries which we have explained. That is required. But if you add all these things, we are still about 31.7%. And what I'm saying right now, assume we don't do any growth. 37.33%, assume, however, it will not happen, assume. And if you remove all these expenses, event participation, we would be above then we will -- 25%, right?

So, I can see that I'm getting a lot of questions and they are comparing EBITDA with the previous year and previous quarter and all. But they should also see that what I have done in this quarter means I have spent approximately ₹1.7 crores for the event only. And ₹0.3 crores for ESOP. So, suppose ₹0.3 crores ESOP will continue, but ₹1.7 crores will not happen from the next year.

Apoorv Bandi: Just one more thing I want to understand like as recently, we have done the...

Ratan Srivastava: Sorry, you asked about the DFM. DFM is going to be the next Dashboard Ninja. Dashboard Ninja cost was approximately \$500 per download. But it has created a business of ₹10 crore per quarter, means more than 100 employees are working in the Odoo. So DFM will not just create a onetime business, one time revenue. It will also give us, and even we are getting a lot of enquiries for the Big Data things, NiFi, Apache, Kafka, Spark, Cassandra and all these things, okay.

So that's why I said that I will send some updates to first exchange and then I will talk more about the numbers and future prediction about the DFM revenue.

Apoorv Bandi: Sure. Okay, that's it from my end. And all the best team. Thank you.

Umang Soni: Thank you.

Darpan Audichya: Thank you.

Moderator: Thank you. We'll take the next question from Prateek Sen. Prateek you can unmute and ask.

Prateek Sen: Thanks for the opportunity. My question is that we have mentioned that 85% of our revenue comes from repeat customers, right? But roughly 40% of the revenue is from Salesforce and Odoo. And if my understanding is correct, these are largely one-off implementation projects. So how are we getting to this 80% - 85% number?

Ratan Srivastava: See, Salesforce, what I am seeing right now in Salesforce is something where competition is very tight, very tight. So, we are not getting a lot of business in the Salesforce. We are waiting for the person; means we have recruited Jerry from the Australia as a VP. And it is only just three months he has joined and one month he was continuously traveling. So, I hope that with the help of Jerry, we will get good businesses in the Salesforce. But for the Salesforce, I can say that definitely we have not added any good accounts, very good accounts in this quarter. But with the help, what I'm seeing right now, the Big Data and Big Data and open sources. These technologies are growing very fast and AI also. We have done very good growth in the AI as well.

So, the accounts which are already existing, they have started using Big Data as well as the AI for their better growth to increase the efficiency. They have started using the AI and Big Data. Earlier, they were using the traditional technologies.

Darpan Audichya: All right. And to connect more around the question. So, Prateek, what is happening, if supposedly there is any specific account, we are actually extending the account from AMC's perspectives also. So, it's not that, okay, we are delivering and moving out. We are actually there. We are actually connected with that specific organisation. We actually out of sight, out of thought type of thing is not there. So, we are trying to be there to get more revenue from that specific organisation. So, it's

not a onetime thing. It's an AMC also which is continuing with that thought.

Ratan Srivastava: AMC, and as you explained in the previous slides that so many customers start from the small tickets and they continuously add new features, they continuously add new resources so. In that way, we have our retention as well as we have increased our revenue.

Prateek Sen: Okay. So, what's the split between implementation and recurring revenue for Salesforce and Odoo, if you can share?

Ratan Srivastava: That, I have not right now. I can send you in the e-mail. You can drop me e-mail, okay? I will send you.

Prateek Sen: Sure, sure. And what's your outlook on the percentage revenue contribution from our products over the next three to five years?

Ratan Srivastava: As I said that expectation is high, but I will send my updates to first exchange. Definitely expectation is high with the DFM.

Prateek Sen: Sure, thank you, sir. I'll get back in queue.

Ratan Srivastava: Thank you.

Moderator: Thank you. We'll take the next question from the line of Apoorv.

Apoorv Bandi: Sir, I just have one follow-up question. So, you mentioned that in AI, we are working on the GenAI as well. So, if you can elaborate what exactly on GenAI we are doing?

Ratan Srivastava: Our CTO is not in this call. Okay. So, I cannot elaborate too much, but I will try my best to explain. So basically, GenAI is not moving very fast, honestly speaking, at least in Ksolves. We are working mostly in traditional ML. GenAI is generally, I can say that people are coming to us. They are doing lots of enquiries. But with the end result, what I'm seeing that is still they are confused okay that they should invest or not.

I can give you one example. So many people are coming for the chat enhanced version of the ChatGPT. For example, one driving agency from the Dubai, they contacted us that, okay, can we replace their support system with the GenAI, ChatGPT. We have done some demo, but the output, what they were getting. For example, suppose if their customers are asking any wrong question, in that case, GenAI was not

giving 100% correct result. And in that case, they said that we will believe on humans in this case.

And another case is that GenAI means if the security, people want to deploy LLM on their own environment, which is very costly, means on premises. And they are avoiding OpenAI, means they are not very open to - even OpenAI and other companies are giving them guarantee that their data will be secure, but they're not ready to use it. They are saying that we can use Generative AI if you will provide your own LLM specifically designed for their requirement, and that will be deployed into their premises, which is very tough, very costly.

So right now, if you will see, that means people are not relying on cloud for their data. They are very concerned about the data. So that's why this and what I am seeing that this is going to be our biggest concern. For example, bank. If bank wants to use ChatGPT or Gen AI, they will say that they will use only and only when you will deploy LLM on their premises with the zero Internet. If someone can provide a customised LLM for their premises only, then they will use. Otherwise, they are not going to use cloud.

So that is the major concern, means people are avoiding which we lost so many, means at least four to five businesses just because they are not ready to connect their data with OpenAI. They are saying that if we can have our own LLM, we can deploy on their servers, which is not possible at this level.

Apoorv Bandi: And sir, you were mentioning about some updates regarding the DFM, you would be telling the exchanges, right? So, will this take long time, maybe two, three months or like soon you would be updating this to exchanges?

Ratan Srivastava: Can you come again, please? DFM?

Apoorv Bandi: You were mentioning about some updates regarding the DFM, right? DFM projects, right? I want to know that like if it will take more time, like couple of months, it would be...

Ratan Srivastava: Before AGM, we will come up there. On AGM, we will come up with the whole idea that how we are going to use DFM.

Apoorv Bandi: Okay, thank you, sir. Thank you.

Moderator: Thank you. Anyone who wishes to ask the question, please raise your hand or put it in the chat box and we will ask the question.

Moderator: There's a question in chat from Maitri Shah. Event costs for the next three quarters, would it be in the range of approximately ₹2 crores?

Ratan Srivastava: No, no. From the Q1, per quarter, it will be less than ₹50 lakhs from Q4.

Moderator: You mean Q4 of this financial year?

Ratan Srivastava: Yes.

Moderator: The second question is, what can be the ESOP cost for FY '26 and FY '27?

Ratan Srivastava: Umang?

Umang Soni: Yeah, ESOP cost would roughly be the same as in this quarter. So that would somewhere around ₹60 lakhs, ₹70 lakhs each quarter. And it will get reduced if we don't grant another new options to somewhere around ₹50 lakhs each quarter.

Ratan Srivastava: And we don't have any plan to grant new options.

Moderator: And then the third question is, any more leadership recruitments in the pipeline?

Ratan Srivastava: No. We are done.

Moderator: Okay.

Ratan Srivastava: We are very careful about the hiring because we have already hired good numbers. So, we have enough bench. So, on the leadership, I do not see any open position. And the middle layer or on the junior, fresher level, we will keep hiring because they get billable.

Moderator: Thank you, sir. We'll take the next question from Rushabh Doshi. Rushabh, you can unmute and ask.

Rushabh Doshi: Yeah, hi. So, my question was like going ahead, I wanted to understand our thought process for returning money to shareholders, like, let's say our stock is down from 50% around from the peak. Does buyback make more sense? So that's my thought because also currently, like the first

dividend, which you announced it is ₹1. So, this is the lowest amount which we are going to pay adjusted for all the splits and bonuses.

So, I just wanted to understand the thought process, like buybacks versus dividends. And also, like earlier dividends made more sense since you weren't taking any remuneration directly. But now, that is we have some remuneration, so are you more open towards buybacks? So that's my question.

Ratan Srivastava: It is a future prediction, if I will predict right now, if I will say anything, it may change. Okay. I cannot say that 100%, it will be done. It depends on the situation. But my future planning is that definitely buyback in future and by keeping this dividend on the lower side.

Rushabh Doshi: That's all from my side. Thanks.

Moderator: Thank you. We'll take the next question from Bharath. Bharath, you can unmute and ask.

Bharath: Sir, thanks for the opportunity. Sir, just wanted to understand the breakdown of revenue between onetime services and product. If you could give broad percentages, that would be fine.

Ratan Srivastava: Product is right now, very less. I think 1% or 2%.

Bharath: Services in one-time and the recurring services breakdown?

Ratan Srivastava: I have not done this, but I think it is related to the repeated customers, right?

Umang Soni: If you talk about services, around 98.5% or 98% revenue total come from services, and that again breakdowns to fixed cost and T&M, right? So around 80% is T&M and the rest comes from fixed cost.

Bharath: Fixed cost. So basically, all of this 98.5% revenue is recurring, is it? So, if I have it, this year, I'm going to have it next year also? There is no onetime implementation revenue?

Ratan Srivastava: Not completely 100% recurring, okay. So many projects get closed. But at the same time, few projects get start. Okay, new projects get start. So not 100% of 98% is recurring.

Bharath: So, what percentage would be recurring, sir, that's my question.

Ratan Srivastava: At least, I can say that 70%.

Bharath: 70%, sure, sure. That is very helpful sir. Thank you. All the best.

Ratan Srivastava: At least 70%.

Moderator: Thank you. We'll take the next question from Ravish. Ravish, you can unmute and ask.

Ravish Channe: Thanks for giving me the opportunity. Good afternoon. My question is related to the order book progression. I see that we are dealing with the big projects, the bigger customer, bigger orders, so which are making sometimes the delays in the revenue recognition, but even the order finalisation. But how is it progressing like quarter-on-quarter, if you look at the last three sequential quarters and the pipeline of mix, at least one or two quarters, how is the order book placed? Is it growing? And if it is growing, what is the indication it is giving?

Ratan Srivastava: Umang, would you like to give answer?

Umang Soni: So, Ravish, if you see all these big projects started in the December '24 quarter. So, after that, we started the talks were earlier from the June '24, but it took six months to convert the project. Many projects took more than six months as well. So, in quarter four, we had some revenue from those projects, which we booked. And in this quarter also, as Darpan highlighted, we have added a few customers, which were already in the pipeline. So yes, the order book is progressing.

Ravish Channe: So, if I have to ask you like the total contract value or the total order value that we have as of let's say, 30th June, is it bigger than what it was at 31st March?

Umang Soni: Definitely, yes.

Ravish Channe: Yeah, okay, right. So, we are progressing on the forward log. That's what you are saying, right?

Umang Soni: Yes. Yes.

Ravish Channe: Okay, thanks.

Ratan Srivastava: Only thing is that the conversion time is getting increased.

Ravish Channe: And is that because the order sizes are big?

Ratan Srivastava: For example, let me give you one example. The lead came for Apache Kafka, and they said that they are a leading bank, okay. And they said that they will take one year to evaluate. They will find out three vendors. We were selected. And the project duration is approximately five years, one example.

Second is another bank, South America. We are talking to that bank, I think, more than six months, even we visited to their place. We visited to their place. And still, we are talking to that company. Right now, they are working with one of the top 5 companies in India, and they want to leave that company. They're into Salesforce. So, there are so many companies, means that the conversion cycle is now increasing.

Ravish Channe: Okay, thank you. All the best.

Moderator: Thank you. We will take a follow-up question from the chat from Maitri Shah. We mentioned in the last quarter, there were 12 demos done of DFM, Airtel, Red Hat mentioned. So, any progress from these companies?

Ratan Srivastava: Unfortunately, we are not able to reach to the decision makers for most of the companies, big brands. They like the product, but somehow, the decision makers are someone else. But no need to worry about these things. There are so many companies which are giving us importance and they are ready for the trial. I cannot take the name. They are also big companies because it is not some -- means Big Data can be only used by the \$100 million revenue companies, okay.

So good thing is that we are getting enquiries. We are giving the demos. And we have a very good pipeline for the DFM. And I hope that actual revenue, we will see very soon next to next quarter. But because the trial period, we are giving them three months because initially, we need to give them as much as time to evaluate. Once we will have the good customers in our bucket, then we can increase the cost as well as we can decrease the trial time, then we can tell them our terms and conditions. But right now, we are doing whatever they are saying. So that's why the conversion time is high, but customers are good.

Moderator: Okay, thank you, sir. We'll take the last question of the day from Piyush Patel. Piyush, you can unmute and ask.

Piyush Patel: Thank you for the opportunity. Sir, you have delivered 13% quarter-on-quarter revenue growth in Q1 versus Q4, which is reaching around

₹37.67 crores this quarter. Is this the sustainable quarter-on-quarter growth rate that one can expect in this year? Or do you wish to guide us what would be the realistic quarter-on-quarter revenue growth?

Ratan Srivastava: This time, we are not going to give the guidance. Last time we gave the guidance because it was first time when our sales was down. But now I believe that we can do better in future. So, guidance, I'm not going to give. I'm very sorry. But yes, we will try our best to sustain and grow from here as well.

Piyush Patel: Okay, sir. Thank you.

Moderator: Thank you. Since that was the last question of the day, I request the management to give any closing comments.

Ratan Srivastava: No, first of all, thank you to everyone for joining the call and believing in Ksolves. We are looking forward for the better growth. We are working very hard. Let's see how it goes.

Moderator: Thank you, sir. Thank you to the management for your time. Thank you to all the participants for joining. You may all disconnect now.

Ratan Srivastava: Thank you.