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To

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Subject: Transcripts of Post Earnings Investor Con Call dated May 10, 2024.

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

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Dear Sir/Madam

Pursuant to the abovementioned Regulation, please find enclosed herewith the transcripts of the Post Earnings Investor Con Call held on May 10, 2024.

You may also find the transcripts on company's website at <https://www.ksolves.com/investors>

This is for your information and records.

For Ksolves India Limited

Manisha Kide
Company Secretary & Compliance Officer



Ksolves India Limited

Q4 & FY24

POST RESULT CONFERENCE CALL

Management Team

Ratan Srivastava - Chairman and Managing Director

Manish Gurnani - Chief Technology Officer

Umang Soni - Chief Financial Officer

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Moderator:

Ladies and gentlemen, I welcome you all to the Q4 and FY '24 Post Earnings Conference Call of Ksolves India Limited. Today, on the call from the management, we have with us; Mr. Ratan Srivastava, Chairman and Managing Director; Mr. Manish Gurnani, Chief Technology Officer and Mr. Umang Soni, Chief Financial Officer. As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risks and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to briefly show us the presentation, talk about the business performance highlights for the quarter that went by, growth plans and vision for the coming year, post which we will open the floor for Q&A.

Over to you, sir.

Ratan Srivastava:

Thank you, Vinay. Thank you for picking all the arrangements. Good evening, everyone. Welcome to our investor conference call. We appreciate you taking the time to join us today. Before we go into the specifics, let me outline the agenda for our discussion. First, we will go for the company overview, then we will go for the technology roadmap, then financial performance and then question-and-answer session. Well, I aim to keep this call informative. Please feel free to raise any question or comments, you may have during the question-and-answer session.

Let's begin with the company overview. So, we have completed 12 years of the services this year. 500, total headcount, we have crossed 30+ countries, and we have 150+ happy clients. Revenue generated by repeat customers are more than 82% and top five client contribution is the revenue of 33%.

Financial year '23'24, we have revenue growth of 39% and PAT growth 38% year-on-year. The biggest milestone of, this year, I can say that we have crossed ₹100+ crore revenue and 500+ headcount this year, financial year '24. CAGR '22- '24, sales is 81%, and net profit, 168%. We have technology partners, Adobe. We have done, partnership with the RedHat. We have done partnership with the Odoo. We have a partnership with the Salesforce. We have partnership with the AWS. And in all this partnership, I would say that

the best partnership was this, Salesforce. Now, we are, platinum, which is called, these days, Summit Salesforce partner.

We are certified from the Salesforce itself. And in India, I can say that, there's very few companies, who have this, top partnership. Okay? And because of these top partnerships, we are getting so many, meeting advice from the Salesforce itself for the future planning. Although we have done excellent business and yes, I will cover other things in the next slides.

Key achievements of quarter four and financial year '24 is, we have highest ever quarterly revenue in this quarter, ₹30 crore 45 lakhs, ₹30.45 crore, and highest ever quarterly pack, which is ₹9.40 cr. We have added a Fortune 500 customer and he is into the telecom domain. And we have several business units. And in those business unit, we have one business unit, which is called Odoo. And in this Odoo, we have 100+ members. We have other total count. Okay. And this Odoo is growing very fast. Salesforce, I have already covered. The new thing is that AI/ML Centre of Excellence, we have set up a Centre of Excellence for the AI/ML considering the future in Generative AI. Okay. And then for that thing, we have hired one very senior person. He has around 20+ year experience, and he will lead this Centre of Excellence. Okay.

Now, coming to the deals we won this year, we have one deal, USA-based automotive, heavyweight sector. And apart of this, we have done one large Australian digital marketing firm and that firm is into the digital marketing. And this firm is the largest, digital marketing firm in the Australia. The UK-based global commercial real estate service company, we won this customer. Data project with the distinguished banking institute in the Middle East. That bank is the huge bank, means the largest bank. We can say that one of the largest banks. Apart of this, we have one deal. This customer is the largest driving school in the Dubai. Apart of these increasing engagements, we have done two new contracts with the USA-based shipping giant. A new order from the largest bank in UAE again, in the Big Data.

Next. Here, we have achieved several awards and achievement. But in this award, the most prestigious, I can say that, we won Indian MSME of the year 2023 by Economics Times. We won a great company's SME Business Award 2022 under the business service and consulting category by great companies.

Next. Now, here, you can see that what are the pillars of outstanding performance of Ksolves. So, lean cost structure, swift turnaround, high-quality delivery, client-centric approach, high customer retention, and definitely flexible and adaptive business model. These are the pillars of outstanding performance of Ksolves.

Next. This is the complete timeline, but I'm directly jumping into 2021. 2021, we listed on NSE, then tech partnership with the Salesforce, Magento, Odoo. And then at the same year, we got certified for a CMMI Level 3. And this year, we have also done the renewal. Means, every third year, you need to go for the renewal and you need to again, submit all the paper and documents and each and everything, then we have done that. Okay. And then we migrated to the main board of NSE and BSE. And we got the partnership with the RedHat. I have already explained you. Salesforce, I explained. And we have started this year, new office in Indore and Pune.

Okay. Now, I'm coming to '23-'24. Achieved the Salesforce Platinum partner I have already explained, and ₹100 crore and 500. This was the major milestone of this '23-'24.

Next. Clientele, top five customers. Revenue from top five customers are 33%. Revenue from top 10 customers are 50%. And here on the right side, you can see some customers. Apart of these customers, we have several other good customers, but due to non-disclosure agreement, we cannot disclose the name. But definitely, most of them are a reputed company and they have a stable business.

Next. Now, I'm going to cover growth strategy. In the growth strategy, the business blueprint, I can say that we have expert management and expert technical team. We have diversified the business, in terms of the customer, in terms of the geographic means. We do not depend on one country and we do not depend on one customer. So, we have so many customers and so many technologies and also the multiple countries. Okay. And definitely, we always focus on the customer satisfaction. And because of this, we get continuous work from the customer. We get references from the customers. Okay. So, these are the business blueprint.

Next. Business strategies. Definitely, we are focusing on the efficiency. Maximum utilization of resources, expanding the current business relationship. For example, I and people from the management team always try to meet customers to understand their requirement and to understand, if they have any other requirement in other

technologies, okay, to showcase them that what we are doing. Okay. And it helps us lot to get new business. We are also investing in infrastructure and the technology as I always say that we are working in the niche technology. So, if we want to continuously work in the niche technology, then we need to continuously upgrade ourselves. So, it requires lots of investment for the training and that infrastructure and technology.

Next. I have already covered most of the thing. Because in this slide, you can see that, Salesforce Platinum, and then Centre of Excellence, and then appointment of 20+ VP engineering. So, we can go for the next slide.

Growth drivers. As I said that we always focus on increasing the utilization resources or any other things. We always focus on the utilization, lean cost structure, then smart investment. For example, we are investing our time, money and resources in the AI/ML, considering the future business, Big Data. Okay. We are doing the tech partnership.

See, we have a partnership with the RedHat and I can see that in future, we may have events some also with the partnership with the RedHat. They have given this offer. Okay. And if everything goes well, then we may have an event that and it will help us to attract the other customers, who are looking for companies, who have the capabilities of AI/ML with OpenShift. So, RedHat has a capability of the OpenShift and we have capabilities of the AI/ML. So, this is something, which RedHat observed and they said that let's do something together. Okay. So, I can say that the RedHat had partnership with the Salesforce is going very fast.

Okay. Client relationship. We have a very good client relationship. Okay. And the proof is that 82% revenue is coming from the repetitive customer. And they are also growing very fast and it is helping us to increase the work. Because our number of resources are continuously increasing, because they are growing fast.

Next. Business generation strategies. As I said that partnership, multi-channel marketing, content marketing. So overall, I can say that organic and inorganic, both. This is the business generation strategies.

Next. Our service process, definitely, it is something that first we do the requirement analysis, then project management and quality assurance and software development; and then at the end of

everything, support and the maintenance. Support and maintenance is very important for every customer, because so many companies do the development, do the requirement analysis. But at the end of the delivery, they don't focus on the support and the maintenance, but we are also providing the support, so that they can grow. And at the same time, they keep enhancing the product. They keep adding the new features. And in that way, we generate more work from the same existing customer.

Next. Now, I will ask Manish to cover the technology from a technology roadmap from here. Manish, over to you.

Manish Gurnani: All right. Okay. I think I'm audible. Am I clear?

Moderator: Yes, yes.

Ratan Srivastava: Yes.

Manish Gurnani: All right. Thank you, Ratan and good afternoon, everyone. So, like Ratan mentioned, right, this year, we have been focusing very strongly onto AI/ML, right. We have even launched a Centre of Excellence. So, keeping that in mind, right, AI/ML has been one of our biggest, I would say, growth drivers. The other one being Big Data. So, AI/ML and Big Data, these have been our prime focus areas for the last year.

The other important areas like Salesforce, where we have become a summit partner, which is the topmost certification. Besides this, we are also working on DevOps, enterprise technology and some products, as well as the bread and butter, which is, like regular application development, which includes your mobile and as well as that, right.

Now going, so I have, when I say we focus on AI and ML so much, right, how does that actually, turn into business? So, these are some case studies. We'll be focusing specifically on those, which are related to AI/ML and Big Data and these have been done for our top clients. This client is one of -- it's a U.S.-based client and they are one of the leading providers for EdTech in Australia.

So, their product is being used across almost all the top Australian universities. And it's like a video product, through which the lecturer or the professor can share the lecture to the students online, offline. So, they came to us. They were looking for an automated Generative

AI-based solution, which could help the professors in assessment, in generating exams, in assessing students, right.

So, we understood -- because we have been already working with them for long time. We understand their domain very well. So, we suggested, no, we will be using open-source large language model, which is the heart of Generative AI. And fine-tune it with the lectures that the professors are giving in the university.

So, based on that, we have created a completely Ksolves' fine-tuned large language model, which is deployed in the customer's premises, in their infrastructure. That model is today able to solve many use cases. For example, once the lecture is done, it understands the context of the lecture, the PDFs, which have been shared. And based on them, it generates questions and answers in real time. It also is able to generate exams, which the students can then take. It is also intelligent enough that it knows, which area of the lecture is more critical or more important, which has to be given more weightage. So, it generates questions and assessments on those topics with, it creates more questions on those topics, right.

So, the other thing that has been done over is, this all requires what we call as a prompt engineering. So, this is where Ksolves shines. All these technologies, prompt engineering, fine-tuning of large language models. These are something, which we have not seen being done by a company within our category going ahead.

So, this is another very big customer. This is again, a Fortune 500 telecom giant. What they were looking for? Sorry. This is for another customer, which is based in Germany. So, they were looking for a very large database movement across a NoSQL database, what they have is MongoDB to a SQL database. The problem was the existing solution, which were out there. They were very slow in terms of processing or either if you were to go for a proprietary license tool, the costs were very, very highly expensive. So, they came to Ksolves, how can this be done in minimal cost; but at the same time, managing the efficiency and the whole process as such.

So over there, we suggested that we will employ NiFi as a solution, and NiFi is being open source. The costs are also, there's no licensing cost per se of NiFi. But you need real expertise to develop such a complex flow. So, we had worked with them. The data was coming in different formats. It was coming at different speeds. There were certain, what do we call as batch, as well as real-time processing. So,

we leverage Kafka also over there. The NiFi flow was connected to this Kafka cluster. It was ingesting data from all that Kafka, transforming that into appropriate schema as per the RDBMS and pushing it all across.

We also worked for this transformation on a framework called JOLT. And JOLT is again, not something, which typically all big companies, which requires a lot of experience. It's not something, which can be done by any small company. So, coming to third case study, this is for a telecom giant, Fortune 500 company. So, they were running huge reports and what they were seeing is that their existing transition work slowly becoming, it was taking a lot of time to generate those reports. So, they wanted a solution, which could process billions and millions of records and give them reports within few fraction of seconds.

A lot of research was done over there. And after all that, we suggested that what we will do for you is we will leverage a technology called Apache Druid. No, this is again, a Big Data technology, very high-end niche technology, I would say. So, from Ksolves, we had people, who were like Druid architects, Druid developers, senior ETL developers, they understood the entire process, and then they helped deploy that Druid infrastructure within their premises. They helped them develop that entire Druid-based pipeline.

And as a result of all of this, finally, the entire report that was taking earlier, what I recall was around 30 minutes to 40 minutes. This was being generated within few seconds now. This entire pipeline is right now live and is working perfectly fine. The client is also very happy. And based on this, the project size itself has grown. They have evolved into other technologies also, right.

So, in short, what I would just like to summarize is at Ksolves, when we are working on AI/ML, we are working on Big Data, right. We are working on things, which are like, let's say, for example, if you log a Generative AI, there's something called as RAG. Now, RAG framework is something, which needs a lot of engineering, as well as experience to build a solution based on that, right. And if you talk about only ML or artificial intelligence, model development is just one part. But building that model and deploying that model, so that it actually serves the purpose, monitoring of that model, getting feedback of that model back into it, so that it becomes efficient and accurate over the time. That also requires a lot of engineering and a lot of, I would say, knowledge. That is where Ksolves excels. And this this has always been our biggest strength, due to which many clients

have come to us and they have stayed with us. And in fact, given more work to us related to these technologies.

So, coming to us, so what we have also been doing last year is, we have been trying to participate in a lot of domestic, as well as international events. The leftmost slide that you see leftmost picture that you see is we participated in a very prestigious international event held at Dubai, which was called Global AI Show. It is one of the biggest events for AI. We were the platinum sponsor over there. I personally had a keynote session over there. You can see our team also interacting with a lot of clients over there and it generated a lot of interest. We have got very good leads from over there.

The second, we also participated at the Predictive Analytics Summit, which was held in Mumbai this year. And again, we were one of the keynote speakers over there. The event gave us very good sort of a lot of clients. We got a lot of leads from that event. And the third one that you see is, this was an Odoo event, which was held at Belgium. Now, Odoo, like, mentioned, right. Ratan already had mentioned right, it's a biggest team that we have. The Odoo itself, the founders are based in Belgium and this event was a very prestigious event for them. We were one of the top, I would say, speakers over there. And over here, you can see Ratan himself giving a speech over there.

So, all in all, we have been trying to sort of share our knowledge as well as do some marketing of Ksolves brand in domestic, as well as international events. All right. Okay. So now, I'll hand it over to Umang.

Umang Soni:

Okay. Thank you, Manish. Good day and very warm welcome to all of you. Thanks a lot for taking time to join us today. Ratan has already walked us through the market outlook and Manish has given us the insights on technological roadmap.

So now, let me quickly walk through the financial performance for the quarter ended March 24, followed by annual performance and some financial insights.

Next. Okay. So, our consolidated revenue for the quarter stood at rupees ₹30.45 Cr, reflecting quarter-on-quarter growth of 7% and year-on-year growth of 34%. Profit after tax for the quarter stood at ₹9.40 Cr, reflecting quarter-on-quarter growth of 5% and year-on-year growth of 28%. Our EBITDA margin stood at 42.5% for Q4 FY '24 as compared to 40.8% for Q4 FY '23.

Next. I've already covered EBITDA sales. We can move to next slide. Okay. So, now coming to annual performance. So, I'm pleased to share that Ksolves has reported a resilient performance and we have crossed the milestone. And we delivered a revenue of ₹108.64 crores for FY '23-'24, giving us a growth of 39% on a year-on-year basis, as compared to FY '23. And profit after tax stood at ₹34.15 crores, giving us a growth of 38% on year-on-year basis as compared to FY '22-'23. So, you can see we've shown a tremendous 10x growth in revenue in last five years and 50x growth in profit after tax in last five years, which shows our commitment to deliver even profitable growth consistently.

Next. Okay. So, in continuation to our growth, we have been continuing to pay heavy dividend with around 68% of dividend payout in FY '23-'24. And if you imagine this, a shareholder, who initially invested ₹1,20,000 in our IPO for 200 shares, now boasts a staggering 9,600 shares. Thanks to bonus adjustments. And since listing their total return has skyrocketed to close to 9,400 percentage, means 94 times.

So that's an incredible journey from an initial investment of ₹1,20,000 to a ₹1,12,00,000 crore, encompassing both stock appreciation and dividends. And in FY '23-'24 alone, this fortunate investor have pocketed a dividend of ₹19.50 per share, outshining the original adjusted issue price of ₹12.50 per share. Okay. And as you can see, around 74% of our free cash flow has been paid as dividend during the year. And being a debt-free company, we have been consistently delivering superior return ratios that is return on equity is around 150% and return on capital employed is close to 200%.

So, in terms of geographical footprint, 81% of our revenue comes from overseas customers, out of which North America remains the largest overseas geography with 86%, followed by 9% from Europe and rest 5% from rest of the world. And 19% of our total revenue comes with domestic clients. Last year, it was 23%. So, this shows our more focus to overseas customers.

So now, coming to revenue mix from technology perspective. So, open-source technology and Salesforce continue to lead with it generating more than around 20% of our total revenue, followed by Odoo, which is 18% and the AI/ML, Big Data more than 10% and rest for mobile apps and DevOps and automation and QA. And you can

see, we are a service-based company, so 97.5% of our total revenue comes from developing and consulting services.

Next. Now, coming to revenue mix by industries that is our customers' domain. So, you can see the provider of our services across diversified industries as displayed here on the screen. With technology, continue to remain largest segment followed by services, telecom, marketing, retail, EdTech, BFSI, etc.

Next, okay. So, with this, I will now pass the call to operator to open the floor for questions. Thank you for your patience and continued interest in Ksolves. Thank you.

Question-and-Answer Session

Moderator: Thank you, management team. Anyone who wishes to ask a question may use the option of Raise Hand. We'll take our first question from Vaibhav Temani. Vaibhav, you can go ahead.

Vaibhav Temani: Hi. Hello. Am I audible?

Moderator: Yes.

Ratan Srivastava: Yes.

Manish Gurnani: Yeah. Hi.

Vaibhav Temani: So, how much growth do you see coming from Salesforce, Odoo, RedHat, etc, in future? And I asked this, because you're saying you're now focusing on AI/ML, and it contributes around 11% of your sales. But your growth up till now in last four years is not driven by AI/ML. So, why is this insistence on AI/ML also?

Ratan Srivastava: Manish, can you answer this?

Manish Gurnani: Yes. Okay. So, first and foremost, why this growth on AI and ML, right. So, we realized that the future cannot be only just Salesforce and Odoo. We are not leaving Odoo and Salesforce, by the way. We are following them also, but what we realized that big billing, big projects, all those will be coming from AI/ML. That is the future for sure. And we cannot be left behind on that. The comparison, if you look at it, maybe one year, if you look at it two years, three years back, AI/ML was very small part of it. Compared to that today, it is 11% that too of the when we are at ₹100 Cr.

So, the pie itself has becoming big, as well as the AI part itself also has become very big. So that is the reason that AI/ML has been one of our prime areas. Secondly, we will still continue to work on Odoo, as well as Salesforce. We'll not let them sort of, they have been doing good. We still have big teams. We have got big projects working on Odoo, as well as Salesforce. But we do not see that they will be able to give us that margin that AI/ML can get.

Vaibhav Temani:

Okay. And on the streamlines, do you funnel your leads through cold calling like that's the prominent mode, or is it more about your clients giving good feedback to other clients and that's how you get more attraction?

Manish Gurnani:

So, client retention has been one of our very big fortes. You can see that in the numbers also, right? So first and foremost, what we do is let's say, some of these clients, right, what you were seeing, right? They were working with us, let's say, on Odoo. Then once we did good with Odoo, then they realize, okay. What else can we offer? So, we upscale them, the other technology. So, in a way, Odoo, Salesforce also help me drive related products with that same client. It's not that a client will be working only on Salesforce, right. It's the Fortune 500 company. They may be having Salesforce only as their part, but they will also be having like the Big Data, all other things related to them, right. So, one is that. We get repeat business from the same client. Second is we have been participating in these events also, right that I just mentioned earlier, right.

Some of those leads have been coming from there also. Because over there, we actually get to meet some of the potential or, let's say, potential leads face-to-face. It gives very clear indication and very good impression. If we can show to them right now, then and there itself, our capabilities. And we have done live POCs over there itself, live demos. So that has been very helpful for us. And thirdly, we do have the word-of-mouth, which flows, because of our existing clients.

Vaibhav Temani:

Okay. And just one last question. We have a purely service-based model, where we get the technological requirements and then we deploy our service team? Or do we also do some products and solutions? And the reason I'm asking this is because, would this business linearly scale with employees? Let's say, you have 500 employees now and you have ₹100 crores top line. If you have to grow to ₹500 crores top line, does that mean you need 4x or 5x more

employees, or are we looking at product solutions to launch generators?

Ratan Srivastava: Well, Manish, I'm taking care from, okay. So, Vaibhav, first of all, Manish has covered that how we are getting the business. But on a lighter mode, it is a secret. Okay. I don't think that we should tell everything correctly about how we get business. But anyway, Manish has covered and I have explained that there are several ways organic and inorganic. Second thing that we are working in the niche technology, so customers are coming automatically, means we do not need to put lots of effort as we do for other technologies. For example, open-source. Okay. E-commerce. Okay. For these kinds of technologies, you need to do a lot of efforts, cold calling and email campaign and Google AdWords and all this. But for the Big Data, AI/ML, if you are able to show your capabilities properly on the Internet, on your website, so customers will automatically contact you and these things are happening with us. Okay.

Vaibhav Temani: Okay. Yeah. Thanks a lot, man.

Ratan Srivastava: Thank you.

Moderator: We'll take the next question from Richa Agrawal, which I can go ahead to.

Richa Agrawal: Sir, thank you for the opportunity and congratulations on a good set of numbers. So, my query was, if you are to compare yourself with in terms of scale or in terms of capabilities within Indian industry companies that you compare yourself with or benchmark yourself against, what would be those names in the listed space?

Ratan Srivastava: See again, there are so many companies who are doing well. Okay. And definitely, it is a tough answer taking the name. Okay. Again, it is something that I'm giving, I'm that clear indirectly, I'm giving them high priorities or importance. Okay. So, I would not take any name. But definitely, there are good companies, who are a billion dollars companies. I can say that they are -- I would like to do something like them.

Richa Agrawal: Okay. So, my next question was that what is it that is allowing us this kind of growth along with the margins, which is kind of industry beating, especially in the recent times when IT industry has suffered some kind of setback, because of the U.S. budget constraints or

limited spending on tech. If you could help me with that differentiation that you bring to the table.

Ratan Srivastava: Sure. So, first thing is that we are working on the niche technology. Second thing is that the lean cost structure. We have a very lean cost structure. It means the costing of the development is low as compared to those company. So still, these companies are struggling to get the business. But for us, most of the companies, who are -- most of the companies are outsourcing to us, because of this lean cost structure. And this is not something with us only. This is something with all the small cap companies. Okay. If in the market, you will see that is the small cap companies are doing good as compared to large cap companies. Okay. And this is just because of this lean cost structure. So, for a small cap industry, costing is low as compared to -- means, development cost is low as compared to, large cap. Okay. So, because of these things, small cap is growing fast.

Richa Agrawal: So, my understanding is that it's more a cost orientation or focus on cost rather than the kind of projects you take. It's not that you are saying no to any kind of commoditized products or demands that lead to low billing. But more of cost focus that is actually leading to.

Umang Soni: Cost is one factor. And then I said that the technology. Okay. I don't say that the billing is the factor. Okay. Means we are not very much compromising with the billing, but definitely, our billing is lower as compared to those companies. But those companies have so many other formalities, which they do before starting the project. Okay. So, that's why their cost is high as compared to us. Here, we'll directly jump into the project. We'd at least start the requirement analysis. Okay. So, you can say that, response time is very quick here. Response is very quick here. Okay. So that is the major reason for the growth.

Richa Agrawal: And sir, what was the attrition rate for the year and the quarter?

Umang Soni: See numbers, I do not remember. But one thing I can say that it is attrition is lower as compared to last year means. Okay.

Richa Agrawal: And sir, if you could also share how many Fortune 500 clients we are working with. I mean, not the names, but what percentage of revenue would be coming from Fortune 500 clients? Like something on the profile of the clients, how big they are?

- Umang Soni:** See, it is continuously growing, one thing. Second thing that I have started working with the Fortune 500, client last year, means at the starting of this year, and that time, assignment was very small. But right now, very huge team is working and they have indicated a signal that they are going to increase the amount of the work. And other companies are also billion-dollar companies. Definitely, we have signed the NDA. They are not very much interested to disclose the names. But most of the companies are very reputed company.
- Richa Agrawal:** Okay. Okay. I'll join back the queue. Thank you so much.
- Umang Soni:** Thank you.
- Moderator:** We'll take the next question from Abhishek Singhal. Abhishek, you can go ahead, please.
- Abhishek Singhal:** Hello. Am I audible, sir?
- Ratan Srivastava:** Yes.
- Abhishek Singhal:** Okay. Thank you so much giving for me opportunity and congratulation on good set of number. Sir, my question regarding currently, we are at the CMMI Level 3. So, from level 3 to level 4, when we're planning to reach?
- Ratan Srivastava:** Okay. So recently, just one week before, we have closed all the formalities to renew the license CMMI Level 3, and we have requested to them that how we can get the CMMI Level 5. They said that it is not, something like CMMI Level 3. For CMMI Level 3, we need to prepare for CMMI, it takes two months for all the preparation. But for CMMI Level 5, it will take at least one year and range can be one to one and a half year. Okay. So, only thing is that what is distracting me to get or what you can say that is stopping me to get CMMI Level 5? Because most of the management, including me, Manish, all the technical project managers, is they spend a lot of time to prepare all these documents. And in that case, it will affect the business. Okay. So, I'm trying to find a way, where I can go for the CMMI Level 5, without much affecting the cost, much affecting the business.
- Abhishek Singhal:** So, in FY '25, we reach at Level 4.
- Ratan Srivastava:** See, CMMI Level 4, I don't think exists. CMMI Level 3, you will have to jump CMMI Level 5.

- Abhishek Singhal:** Okay. In next one year, we reach at Level 5.
- Ratan Srivastava:** No. Again, I say that. See, first of all, company's CMMI Level 3 or CMMI Level 5, it does not impact the business. For example, Pune based one company, billion-dollar company, was CMMI Level 3 for so many years. Okay. And I think still they are CMMI Level 3. So CMMI Level 3 and CMMI Level 5, it is not something that it will create a way of to get a huge business. But definitely, it is a kind of a pride that we are jumping from CMMI Level 3 to CMMI Level 5. And definitely, I would like to get that, but in near future.
- Abhishek Singhal:** Okay. And second question, whether we can make our own marketing team in a strength of Odoo or Salesforce. And continuation on that too, when we're able to develop such marketing team, forecasting your mind if we reach this target, then we develop our team.
- Ratan Srivastava:** See, I think, we have already marketing team. Okay. And it is around 17 to 18 people, marketing team and they are working very hard to get the business. Okay. So, I think we have already marketing team. Without marketing team, how we can support the customer, how we can get the business. And even we get the business, how we can start the discussion. There should be someone, who will manage the new customer as well as who will take care of the existing customers. So, we have already team, support team and marketing team.
- Abhishek Singhal:** So, going forward, business from Salesforce and Odoo, range between 40% to 50% or come down in future?
- Ratan Srivastava:** See, I cannot give you the percentage. But definitely, numbers will increase for the Salesforce, as well as for the Odoo.
- Abhishek Singhal:** Okay. And sir, last question, when the consumer comes with us for Salesforce and Odoo platform, what is the revenue sharing between us and Odoo?
- Ratan Srivastava:** See, I think more than 90%, goes to us. Because there are two ways to develop ERP implementation. One is the community based and one is the enterprise. Okay. So, we mostly go for the community, because customers most of the time want too much customization. And if they will go for the enterprise, then customization is not possible. And even if we will do, it will be very costly. So again, licensing cost and server cost. So, most of the time, customer go for the community. So, when we go for the community, everything comes to us.

Abhishek Singhal: Okay. Thank you so much, sir.

Ratan Srivastava: Thank you.

Moderator: We take the next question from Dheeraj Dave. All those who wish to ask the question may use the option of Raise Hand. Dheeraj, you can go ahead, please. In the meanwhile, I have a question on chat, sir. How much of the 500 staff are overseas? Are any of them developers? This is a question from Abel Aman.

Ratan Srivastava: Okay. So basically, we do not have any staff in overseas and I don't think that we will have an overseas staff in one next year. Because in overseas cost, they are trying to reduce the cost continuously. They are facing the costing problem. So, that's why outsourcing is getting increased. Yes. One thing I can see that there's a progress in Ksolves. In last three months, what we have done, we have sent three to four people; one is in U.S. for 2 weeks, one is for Maldives for two weeks and one is going for another country, Siberia. I think one or two, I'm missing. Okay. Because I have not noted down this thing. But what we have observed that customers are asking people at their place for the requirement analysis for week or two week or three week and then they are sending that, okay, now you can work from your location. And for these things, they are paying, at the same rate what they pay to their employees at their location.

So, it is something that we have started offering to our customers that we are ready to visit your place. And if customer is good, then we are ready to even pay, even we are ready to send our people at our cost. But till now, fortunately, customer is paying. Okay. Because of this, we are getting too many benefits. One is that, customer acquisition is easy now. Because we have ready -- we have people ready with the visa as I explained in the last call that we have got business visa for so many people in the U.S. And second thing that people in our company because, if you will see our company profile on LinkedIn or whatever, wherever, you will see that so many people are working with us since long year, okay, since so many years. Okay. So, it is kind of a motivation for them that they are also getting chance to see other countries, and it is helping us to -- they are understanding the culture of the other countries also. So, multiple benefits I'm getting. But definitely, in one line, I do not have any plan for overseas team in next one year considering the current market scenario.

- Moderator:** There's a further follow-up question coming in the chat. Can you also give us an idea of what will be the headcount addition likely in the next one year?
- Ratan Srivastava:** See, as I said that the growth, it is again coming -- it is related to the growth. Okay. If I'm assuming 35% plus/minus 2% growth, Okay. Then, I can say that, to maintain the 35% plus/minus 2%, I need to have 40% headcount increase from here. So, at least 500 to 700, maybe a bit more than that.
- Moderator:** Means you'll go from 500 employees to 700 employees.
- Ratan Srivastava:** Yes.
- Moderator:** Okay.
- Ratan Srivastava:** Minimum. Because we are hiring at least 40 to 50 to 70 employees every month. Definitely, few employees are leaving. Okay. So, if you will see this run rate, then it is coming around more at least 700 headcount next one year.
- Moderator:** We'll take the next question from Pratik Dedhia. Pratik, you can unmute and ask your question.
- Pratik Dedhia:** Am I audible? Yes. Okay.
- Ratan Srivastava:** Yes.
- Pratik Dedhia:** Okay, yeah. Thank you for the opportunity. So, first question, in the interview, geography...
- Ratan Srivastava:** Your voice is very slow.
- Moderator:** Pratik, can you speak up a bit? Your voice is not clear.
- Pratik Dedhia:** Okay. Is it better?
- Moderator:** A bit more.
- Pratik Dedhia:** Okay. Now?
- Moderator:** Yeah. Yeah. Go ahead.
- Ratan Srivastava:** I have increased the volume. No worries.

Pratik Dedhia: Yeah. Okay. So, my question is on the geographic diversification part. So, are you looking to diversify another geography? So, I see you mentioning that [indiscernible] [00:50:47]

Ratan Srivastava: See, we are already in U.S. We are in Australia. We are in Germany also. We are in UK also. But definitely, if we are talking that stabilizing a new office there. No, that is not in my plan. But acquiring new business from other countries, yes, we are doing continuously and we will do. Okay. We have a business in Dubai. Last year, it was small and this year, it is larger as compared to last year. And definitely, next year, I can see the inquiries. And based on those inquiries, I can assume that it will be better than this.

Pratik Dedhia: Okay. All right. So, the other question, I had to go to the driving part. I would see in driving challenges, on the U.S. side.

Ratan Srivastava: From the?

Pratik Dedhia: On the U.S. front or on the clients based out of U.S. Any pricing challenges, have you encountered in the year?

Ratan Srivastava: See, definitely pricing challenge is there, because they are facing the problems. Okay. But still, since beginning, I'm saying that we are working in the latest technology niche technologies. So, competition is less as compared to other technologies. If I go for the Magento, if I go for the PHP, if I go for the digital marketing, competition is very tight. Okay. But for the Big Data, for the, AI/ML competition is less as compared to other technology. But yes, pricing is challenge. Getting higher rates is tough. Okay. But still, whatever we are getting, it is good for us for now.

Pratik Dedhia: All right. Okay. And one last question from my end, on the niche technology. Can you throw a bit more light on how are you differentiating? Because that's how we should, more on the technical side and how is it that you are able to get the business apart from the cost part that you mentioned earlier? Anything else that you've been through, like, in terms of competitive?

Manish Gurnani: Pratik, somehow, I could not hear you properly. Not sure. Vinay, if you can repeat this question. Because...

Moderator: Because his voice is very fumbled. Pratik, can I request you to put the question in chat? I'll ask on your behalf.

Pratik Dedhia: Okay. I'll do that.

Moderator: Yeah. In the meanwhile, we take the next question from Richa Agrawal. Richa, you can go ahead.

Richa Agrawal: Sir, thanks for the opportunity again. My question is that in the recent years, you have increased the dividend payouts. So, my question was considering that we want to grow in niche technologies and this is an area that keeps getting disrupted or more competition keeps coming in. Do we have any plans for acquisition? And I mean, if you could just share your thoughts on growth, whether it come organically, or do you have plans for acquisition? And if so, are you already evaluating candidates for that?

Ratan Srivastava: Okay. So, first of all, we don't have any plan for acquisition. Because I have seen, that it is very rare that any acquisition got successful. Okay. It is very rare. I don't see that a zero result, but rare. Second thing that what I find the problem, in acquisition, the cultural difference. Okay. If I will acquire any company, which is at the same level of the Ksolves or smaller than this, then managing the employees will be very tough, okay. Because culture will be totally different of these two organizations. So, I don't want to invest my time to manage the culture. Okay. I want to grow organically. I want to hire people and then I will set my expectation. I will define the rules and I will provide them trainings, so that they can fit into our culture and they can be very productive. And it is very hit formula since last 12 years. I don't think that I'm going to try any other formula.

Richa Agrawal: And sir, could you share any kind of targets or guidance, based on the current demand or the pipeline that you see for the next five years or short term?

Ratan Srivastava: Definitely. I don't have any guideline or a target for the future. But yes, everyone has a target for the future. You have target for your future. I have target for the future. I would like to maintain and I would like to grow. Everything depends on the circumstances. But definitely, I would like to grow. I would like to do better than this.

Richa Agrawal: And so, on the margin front, do you think these kinds of margins would be sustainable? What kind of competition are you seeing in these new technologies as well?

Ratan Srivastava: See, as things are moving forward, I can assume, I can guess, I can see that the margins are sustainable for the next few months or few quarters, for the few years. But everything depends on the circumstances. As I said in the beginning that our cost is structured as the lean and we are getting the demands. Okay. And unnecessarily, if we will not increase the costing, then definitely, margins are, I can say that margins we can manage. We can manage, okay. If everything goes well.

Richa Agrawal: Okay. Thank you and all the best.

Moderator: Thank you, Richa. We'll take the question from Pratik Dedhia. He sent me on chat. Can you throw some more light on the competitive aspect apart from Python part that you spoke about earlier?

Ratan Srivastava: See, in the last con call, I said that we do not have any problem on the demand side. Okay. Problem is on the supply side. Okay. Finding the right people, these days are very challenge, big challenge. Okay. People are coming with the mindset with a different mindset as compared to the last few years. So, finding the right people and finding a good talent is the huge challenge for us. Demand is not a problem. Okay. So, that's why, what I have observed that when we see, you are our investors, who are talking very honestly and openly that when we hire someone, having experienced five years, six years in the market and we interview them, then we observe that that whatever they have knowledge, the same knowledge we have people who have two-year experience. Okay. So, finding the right people or in other word, I can say that supply is the challenge, not the demand. I don't see that any problem on that side.

Moderator: We'll take the next question from Dheeraj Dave. Dheeraj, you can go ahead.

Dheeraj Dave: Yeah. Can you hear me?

Moderator: Yeah.

Dheeraj Dave: Yeah. So, congratulation on good set of numbers, Ratan and team. My first question is basically, can you give some indication on your dividend payout? Because that has been 100% two years back to 75% now. And we passed everything whatever I understand from my instruction is that you were looking forward to very high dividend payout. So, just wanted to know, do you have any kind of – isn't this

is the right time to have a dividend policy crystallize? Maybe, say, 70%, 60%, whatever. What's the range kind of there?

Ratan Srivastava: Again, somehow, Umang, we're able to listen this question.

Umang Soni: Yes. So, Dheeraj, currently, we are paying around 74% of our free cash flows dividend. And you can see that if you compare it with the industry or other competitors in the same level. So, they're not paying that much. So, we have a heavy dividend policy and we are continuing with it, for say, next few quarters or few years. And since we are still growing and we are getting more business, so we'll plan a dividend policy for that -- a fixed dividend policy that you're seeing. But currently, as an when we grow and since we are a debt-free company, we don't plan any acquisitions. We are growing organically. So, we'll continue this.

Dheeraj Dave: Yes. Okay. Thanks a lot. And Ratan, just one more suggestion. In fact, I have done study of many companies, almost 500 companies in the IPO. And I can say probably, Ksolves would be when we check quickest to give return the ₹12.50 as a dividend. You should look at Limca Book of Records to get yourself registered on that part. I'm not sure if there's a Guinness book, but ₹12.50, I think you within 16th or 18 months, you will pay back that by way of dividend. So, I must congratulate management and team for that. And probably, you may consider taking one data I can provide. If you need any data, including Colgate, including whatever since inception, ITC, Britannia, none of the company has given that kind of it.

Ratan Srivastava: Thank you, Dheeraj. You made my day. Thank you.

Dheeraj Dave: Wish you all the best.

Moderator: Thanks, Dheeraj. We'll take the next question from Aman Agrawal. Aman, you can go ahead, please.

Aman Agrawal: Hello? Hi, Ratan sir. Hi, Umang. Hi, Manish sir. I am first saying, congratulations close to you to cross ₹100 Cr mark. It's very important in life when we go with this journey. And first of all, still it's a stellar performance by your company. It should be appreciable by the market. It is really very good. I have only one question with you. As coming now recently got a new Dubai client also, as you're telling in your sheet. And you are working on Big Data technology work as you started. I think, as your presence and you are growing as much faster, you may get good opportunities ahead also. So, like, these kinds of

companies are also getting, like, this netweb technologies and other technologies, they were partnering with the Nvidia and all these new technology and both data centres. So, do you have any plans? Because you're also now started to working, but, Big Data technologies and all.

Ratan Srivastava: Manish, you can answer about this.

Manish Gurnani: So, if I get it right, you were asking about we got Dubai, these leads, right. And then we have got working with bigger, right. So, what was that related to data centre that you said? NVIDIA?

Aman Agrawal: Yeah. Yeah. Look, these companies are partnering with NVIDIA now, many of the companies, or any other AMD keeps saying all to manage their data, giving the server data. Because they need a very big data servers for Big Data analysis or Big Data process, yeah.

Manish Gurnani: Correct. Correct. Yeah. Okay. So, when you talk about all these data warehouses, right, that's a very separate skill set. We are very focused on what we want to do, right. We don't want to go everywhere and then not achieve anything. Rather than what we will do is we will focus on some few things and do excellent work at that. Once that is delivered, then we can think about probably, we can now look at something else, right. When we talk about this data warehouse, NVIDIA and all these things, right.

So, this is primarily infrastructure business. We do not want to get into setting up of -- selling of hardware. We are more on the software side. We are not into the hardware side. Number one, right. For these hardware and all those things, right, what we do is we'll we rely on our partners. For example, RedHat. They will do that, they help us on those things, right. If there is a data warehouse set up, right. These guys can help us what needs to be done from the point of servers and hardware specifically, right. If required, if there's a project that we want to get into, probably, we'll get into a partnership with one of these giants, right. Maybe Dell, maybe, other HP, right. But we do not want to focus specifically on hardware right now. Our focus, our forte is software. Within software also, we know exactly where we want to focus on to. Like I said, AI/ML, Big Data and all those things, right.

So, let us focus on that. We are seeing lot of things already are there, which you're not yet to fulfil. So, our focus is let's get that plate cleaned up, then we'll look at something else.

Aman Agrawal: That's nice. Like, to be a focus, that's nice one. Yeah.

- Manish Gurnani:** And we have already explained in the call that that's why we are doing the partnership with the RedHat, and we are doing the event and all. They will take care about the hardware. We will take care about the software.
- Aman Agrawal:** Yeah. I think their biggest length is general electronics, what they mostly, been known for. And yeah, as your performance wise, you are very good. So, you should come in Fortune 100 companies of India, which is in the growth purpose. If there is any kind of strategies there, if there are none, though. Thank you so much. Thank you so much, sir, for all this.
- Manish Gurnani:** Thank you. Thank you.
- Moderator:** Thanks, Aman. We'll take two more questions from the chat. One is for Mr. Shah. Are you seeing any obstacles in future that can hamper the growth of the company?
- Ratan Srivastava:** Aman, What should a say for this answer I'm scared of this Covid Pandemic if it happens. Otherwise, I don't think that anything will go wrong.
- Moderator:** And a question from Vaibhav Temani.
- Ratan Srivastava:** Sorry for this answer. But I don't think that anything is going in the -- anything will hamper the business. If anything like this corona or any World War or anything, which is going all around the world, if it happens, then definitely it will hamper the business. But I don't see that any reason I can say that it will hamper the business.
- Moderator:** And a question from Vaibhav Temani. What is the employee attrition rate?
- Ratan Srivastava:** See, it is lower than the last year. But accurate rate, Umang, can give you here.
- Umang Soni:** It's in the range of around 19%.
- Moderator:** Sir, since there are no further questions, I would invite you to give us a closing comment.
- Ratan Srivastava:** So, see, thank you for arranging this call. I tried my best to give answer to all the investors and thank you to all the investors, and

thank you for showing trust on us. We will try our best to maintain your trust and we will do our best. Thank you, Vinay. Thank you, all the investors.

Moderator: Thank you, sir. On behalf of Ksolves, we thank you all for participating on this call. We end the call here. You may disconnect now. Thank you.

Manish Gurnani: Thank you.