

**Date: May 26, 2021**

To

Manager  
Listing Compliance  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,  
Bandra (E), Mumbai-400 051.

Dear Sir/Madam,

**Sub: Business Update**

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

**Symbol: KSOLVES**

With reference to the above captioned subject, we hereby bring into your knowledge the update on the following:

**Business Update specially in backdrop of Challenges faced due to Covid Second Wave in India**

1. **Potential Billing loss due to Covid-19:** Since past two months, many of the company employees along with their family members have tested covid positive, resultant to which the company has faced unavoidable loss of efficiencies, delay in project delivery and cost impacts. In specific cases, work have been hampered due to health and safety concerns of employees. But the company kept in mind that human safety deserves primacy above output and productivity.

This has resulted into billing losses in many projects. Company considers this as one off challenge and working to get things back on track fast. At the same time, company is confident to still sequentially deliver QnQ growth in revenue in coming quarter on net basis.

2. **Delay in Receivables cycles:** Company has observed marginal uptick in number of receivable days and working with client to arrest this one-time challenge.
3. **Extra Bench Strength & Salary Increments:** In line with wider Industry trends and to rightfully reward performance of employees in these challenging times, company has not only offered Industry beating salary hikes as part of annual hikes in Apr21 but is also revising salary on ad-hoc basis to addresses specific situations in subsequent months.

As tactical business call, company is creating extra bench strength to ensure smooth business delivery and facilitate future business growth. Company always believes that employees are at core of our ability to deliver world class client solutions and sees this as necessary long-term investment.

4. Above mentioned points are likely to create **pressure on operating profit margins in short term** and company is working to address these challenges effectively.

This is for your information and records.

For and on behalf of Ksolves India Limited



**Manisha Kide**  
Company Secretary and Compliance Officer.