

DALALBYTES RESEARCH

Ksolves India

A Dividend Machine at a Growth Crossroads

A founder-led IT services firm with elite cash economics and a stalled growth engine

NSE: KSOLVES · BSE: 543599

October 21, 2026

Reference: Rs 246.19, NSE close of October 21, 2026.

Market cap about Rs 584 cr; 52-week range Rs 237.50 to Rs 353.99.

Founding story, services, financials, competition, management, valuation vs peers, risks, and FY2029 scenarios.

■ VERDICT

61 / 100 : Selective Positive

The economics are elite, the growth engine has stalled, and the price knows it. Ksolves is a 600-person, founder-led IT services firm built around three niches (Salesforce, Odoo and Big Data) that earned operating margins above 42% in FY22, FY23 and FY24. Revenue has compounded at about 36% since FY22 to Rs 162.7 cr in FY26. Profit has not followed for two years: PAT was Rs 34.2 cr in FY24, Rs 34.3 cr in FY25 and Rs 34.3 cr in FY26, because the operating margin reset from about 43% to about 30% as the company hired, paid ESOPs, spent on branding and events, and absorbed a failed product detour.

The reset is now the thesis, in both directions. In Q1 FY27 management cut FY27 revenue guidance from 18 to 20% growth to flat to plus 4 or 5%, after two top-10 clients ramped down late in the quarter. That is the concentration risk (top 5 clients about 40% of revenue, top 10 about 53%) arriving on schedule. The same quarter showed the defence: EBITDA margin expanded to 30.3% from 26.4% a year earlier, PAT rose 43.3% to Rs 9.21 cr, and the company declared its 18th dividend since 2021. A USD 0.5 million agentic AI order from Demerara Bank, announced on September 28, 2026, is early evidence the AI-first repositioning can win paid work, not just slideware.

Why Selective, and why Positive at all. At Rs 246.19 the stock trades at 15.7x trailing earnings and 17.0x FY26 earnings, about 30% below its 52-week high and about 4% above its 52-week low, with a 4.47% dividend yield and a 76% FY26 payout. Free cash flow was Rs 29 cr in FY26 on Rs 163 cr of revenue. The rating is a valuation and cash-return call, not a compounder call: the five pillars grade only one pass (free cash flow), and the position case rests on the market having already charged for the stall. If Q2 FY27, due October 23, 2026, shows the ramp-downs spreading, the bear case is live.

Reference price: Rs 246.19 (NSE close, October 21, 2026; October 20 was a Dussehra trading holiday). Market cap about Rs 584 cr. 52-week range Rs 237.50 to Rs 353.99.

FY2029 targets: Bear Rs 155 / Base Rs 305 / Bull Rs 515. See Section 14 for assumptions.

■ 1. SNAPSHOT

Item	Detail
Company	Ksolves India Ltd, Noida, India
Founded	2012 as Kartik Solutions in Indirapuram by Ratan Srivastava; incorporated July 17, 2014
Listed	NSE Emerge IPO June 2020 at Rs 100; migrated to the main boards September 23, 2022; face value Rs 5 after the February 2025 split

Item	Detail
Business	IT services: Salesforce, Odoo, Big Data, AI and ML, DevOps, web and mobile; services 98.3% of Q1 FY27 revenue
Credentials	Salesforce Summit Partner (top tier), Odoo Gold Partner, Databricks and Red Hat partner; CMMI Level 3
FY26 revenue	Rs 162.7 cr (+18.4%); operating profit Rs 48.3 cr (29.7%); PAT Rs 34.3 cr (flat); EPS Rs 14.47
Q1 FY27	Revenue Rs 41.44 cr (+10.0% YoY, -3.7% QoQ); EBITDA Rs 12.56 cr (30.3%); PAT Rs 9.21 cr (+43.3% YoY)
Balance sheet	Net worth about Rs 30 cr; borrowings Rs 6 cr; cash about Rs 7 cr at March 2026 and Rs 17 cr at June 2026 (company call)
Promoters	58.92% (June 2026), unchanged since March 2023 in substance; pledging 0.00%
Reach	About 600 professionals; delivery in Noida, Pune and Indore; subsidiaries in the US, UAE and Australia; North America 58.1% of FY26 revenue

2. FOUNDING STORY: FROM AN INDIRAPURAM DESK TO A SUMMIT BADGE

A services firm from day one. Ratan Srivastava, a B.Tech in computer science with prior stints reported at Tech Mahindra, Birlasoft and Persistent Systems, started the business in 2012 in a small Indirapuram office under the Kartik Solutions name. The legal company followed on July 17, 2014, incorporated as Keyon Softwares Private Limited and renamed Ksolves India Private Limited that October. The distinction matters for precision: 2012 is the operating origin, 2014 the incorporation.

The niches came early and compounded. Odoo came first (the first free app in 2017, the paid Dashboard Ninja app in 2018, which became the top-ranked app on the Odoo store in 2019). Big Data work around the Apache stack (NiFi, Spark, Kafka, Cassandra) built a second leg, and Salesforce consulting a third. By the 2020 IPO the firm had about 350 people and three specialisations that were each deep enough to win partner status rather than generalist staffing work.

The listing was tiny, the follow-through was not. The June 2020 NSE Emerge IPO raised Rs 4.02 cr at Rs 100 a share, a micro-issue by any standard. Two bonus issues followed in 2021 (3:1 in June, 1:1 in September), migration to the main boards in September 2022, and a 1:2 split in February 2025 that set the face value at Rs 5. Revenue grew from about Rs 10 cr in FY20 to Rs 162.7 cr in FY26, roughly 16x, funded almost entirely by internal accruals: there has been no QIP, preferential issue or acquisition of size since listing.

The badge ladder is the strategy made visible. Salesforce Crest (Gold) in 2022, then Summit, the top partner tier, in 2024 and retained since; Odoo Gold Partner, and the Odoo Best ERP Implementation Partner (India) award for 2025; NASSCOM Impact Award 2025 and a Deloitte Technology Fast 50 India 2024 place.

For a firm of about 600 people, the credential stack is disproportionate, and it is the core of the sales model: badges substitute for brand in midmarket deal rooms.

3. WHAT THE COMPANY SELLS: THREE NICHE AND AN AI WRAPPER

The mix is unusually balanced for a firm this size. The latest disclosed technology split (9M FY25 investor presentation) shows no single line above about 22% of revenue.

Technology line	Share of revenue, 9M FY25	What it covers
Odoo	21.6%	ERP implementation, customisation, migration; 70+ own apps on the Odoo store
Salesforce	21.4%	Implementation and integration across Sales, Service, Marketing and Experience clouds; ISV and product development outsourcing
Big Data	20.9%	Apache NiFi, Spark, Kafka, Cassandra, Airflow; Snowflake and Databricks consulting
Open Source Technologies	18.4%	Java, microservices and open-source stacks
AI and ML	12.3%	Model development, predictive analytics, NLP, computer vision, GenAI
Mobile Apps	3.6%	iOS, Android and cross-platform builds
QA and Automation	1.8%	Testing services

Company investor presentation, 9M FY25. DalalBytes table.

Geography is the concentration the mix table hides. FY26 revenue by region: North America Rs 94.51 cr (58.1%), India Rs 36.93 cr (22.7%), Rest of World Rs 13.66 cr (8.4%), Europe Rs 11.55 cr (7.1%) and Australia Rs 6.02 cr (3.7%). Q1 FY27 pushed North America to 63% and overseas revenue overall to 82%. Clients are midmarket and enterprise departments, not consumers: about 200 clients, 11 of them with revenue above USD 1 billion by company account, and more than 80% of revenue from repeat customers.

Products are now a rounding error, by management choice. Services were 98.3% of Q1 FY27 revenue and products 1.7%. The catalogue (Data Flow Manager for Apache NiFi, Dashboard Ninja and about 70 Odoo apps) still exists, but in the Q1 FY27 call management said the focus is solely on services and the company plans to be completely service-based. Section 5 covers what that reversal cost and what it signals.

4. HOW THE WORK IS DELIVERED: THE TECHNICAL CORE

The delivery model is India-cost, niche-deep. About 600 professionals work from Noida (headquarters), Pune and Indore, with sales and client-facing subsidiaries in the US, Dubai and (newly approved in January

2026) Australia. Directory pricing for Ksolves sits around USD 25 to 49 an hour, the classic offshore midmarket band: cheap enough to win against US boutiques, senior enough to hold Salesforce Summit and Odoo Gold status.

The NiFi practice is the deepest technical moatlet. Ksolves built Data Flow Manager, a tool to create, test and promote Apache NiFi flows across environments, and sells 24/7 SLA-driven support for enterprise NiFi estates (a Q1 FY27 win with a US financial services client). This is genuinely scarce skill: NiFi expertise is a thin global market, and the practice anchors the Big Data fifth of revenue. Its limit is equally clear: the commercial NiFi centre of gravity is Cloudera, and a microcap tool competes with the platform owner.

AI-first is a delivery claim before it is a revenue line. The company reports more than 80% of active engagements now include an AI component, 550+ AI-certified staff and 100+ AI projects delivered, organised under an internal framework it calls En(AI)bling and an AI Excellence Hub for LLM, SLM and agentic AI skills. AI and ML was 12.3% of revenue in 9M FY25 as a standalone line; the honest reading is that AI is being embedded into the other 88% rather than sold separately, which defends existing engagements even as it compresses the hours each engagement needs.

The cost line tells the operating story. Employee cost is the business: roughly Rs 21.5 cr of the Rs 28.9 cr quarterly expense base in Q1 FY27. Operating margin held above 42% through FY24 when the firm was smaller and leaner, then reset to 34.8% in FY25 and 29.7% in FY26 as lateral hiring, ESOP cost (Rs 94.6 lakh in FY25, the first year of the charge), global events, travel and branding spend were layered on. Management said FY25 EBITDA would have been 8 to 9% higher without those investments. Whether the reset bought growth capacity or just cost is the open operational question; Q1 FY27 margin recovery to 30.3% is the first data point in favour.

■ 5. THE GUIDANCE RESET AND THE DEAL FILE

The Q1 FY27 reset, stated plainly. Guidance given earlier in FY27 pointed to revenue growth of about 18 to 20% with EBITDA margins of 25 to 30%. After Q1 FY27 (revenue up 10.0% YoY but down 3.7% sequentially), management revised FY27 revenue growth to flat to plus 4 or 5%, held the 25 to 30% EBITDA margin band, and said softness could run for two to three quarters. The stated cause was specific: two large clients, both in the top 10, scaled down engagements late in the quarter as they reassessed spending, which management attributed to cost priorities and geopolitical uncertainty, explicitly not to clients taking work in-house with AI.

Why this section leads with guidance, not strategy. A guidance cut of 13 to 15 points within months, caused by two clients, is the single most informative event in the file. It proves the concentration arithmetic (Section 8 and Section 12), it tests forecasting credibility, and it sets the base the FY29 scenarios must start from: FY27 is a flat year being managed for margin, not a growth year.

The deal evidence since the reset is small but real. On September 28, 2026 the company filed receipt of an order of about USD 0.5 million from Demerara Bank Limited of Guyana to implement an agentic AI solution with supporting technology infrastructure over about 7 months. Terms that matter: it is a fixed-scope implementation, not staffing; the counterparty is an existing client (the bank's digital transformation work

predates the order), so it is land-and-expand evidence; and the filing states no promoter interest and no related-party element. USD 0.5 million is about Rs 4.4 cr, roughly 2.7% of FY26 revenue: material as proof, immaterial as arithmetic.

The product detour belongs in the deal file too. Through FY25 the company invested service profits into Data Flow Manager development and marketing. The product underperformed its internal case, and by Q1 FY27 the strategy had reversed to services-only. No impairment figure for the product investment appears in the sources reviewed, so DalalBytes does not quantify it; the capital allocation lesson is qualitative but important: the one time this management team stepped outside services, it stepped back within about two years.

6. FINANCIALS: THREE YEARS OF MARGIN GLORY, TWO YEARS OF FLAT PROFIT

Year	Revenue (Rs cr)	Operating profit (Rs cr)	Operating margin	PAT (Rs cr)	EPS (Rs, spl it-adjusted)	Dividend payout
FY22	47.1	20.1	42.8%	15.9	6.70	43%
FY23	78.3	32.9	42.0%	24.7	10.43	53%
FY24	108.6	46.4	42.7%	34.2	14.41	68%
FY25	137.4	47.9	34.8%	34.3	14.47	54%
FY26	162.7	48.3	29.7%	34.3	14.47	76%
Q1 FY27	41.4	12.6	30.3%	9.2	3.88	n.a.

Consolidated, Screener and vendor P and L series. Operating profit is as reported by the data vendors (Screener rounds FY26 operating profit to Rs 49 cr and margin to 30%); EPS is restated for the February 2025 split. DalalBytes table.

Read the margin line, not the revenue line. Revenue compounded at about 36% a year from FY22 to FY26 and still grew 18.4% in FY26. PAT compounded at about 21% over the same span only because of the early years: across FY24 to FY26 profit is a flat line at Rs 34 cr while revenue added Rs 54 cr. Every incremental rupee of the last two years was spent, on people, ESOPs, events and product. That is either investment or leakage, and FY27 will mostly settle which.

The quarterly path shows the inflection clearly. Quarterly revenue climbed from Rs 37.67 cr (Q1 FY26) to Rs 43.03 cr (Q4 FY26), then slipped to Rs 41.44 cr in Q1 FY27, the first sequential decline in over a year. Operating margin troughed at 26.4% in Q1 FY26 and has recovered for four straight quarters to 30.3%. PAT followed margin: Rs 6.43 cr in Q1 FY26 to Rs 9.21 cr in Q1 FY27. The recovery is real but runs into the guided revenue softness of Q2 and Q3 FY27.

Returns are spectacular and need a footnote. Screener prints FY26 ROCE of 132% and ROE of 137%. Both are arithmetic artefacts of a tiny equity base: the company pays out most of its profit (Section 7), so net worth stays near Rs 30 cr while Rs 34 cr of PAT flows through it. The economics underneath are genuinely strong (a people business needs almost no capital), but quoting 137% ROE without the payout context would

mislead, so the report does not.

■ 7. BALANCE SHEET AND CASH FLOW: STRONG CONVERSION, DELIBERATELY THIN RESERVES

The fortress question has a twist. Borrowings fell from Rs 14 cr in FY25 to Rs 6 cr in FY26 against net worth of about Rs 30 cr, a borrowings-to-equity of about 0.2x, and management describes the company as debt-free (the residual is largely lease-related). There is no refinancing risk and no lender ahead of shareholders. But there is also no war chest: cash was about Rs 7 cr at March 2026 on aggregator snapshots of the audited balance sheet, and Rs 17 cr at June 2026 by company call reporting. The balance sheet is light because the dividend policy keeps it light.

Cash flow is the cleanest section of the file.

Year	Operating cash flow (Rs cr)	Free cash flow (Rs cr)	CFO / EBITDA
FY22	10	10	66%
FY23	21	20	78%
FY24	33	31	90%
FY25	34	27	95%
FY26	31	29	87%

Screener consolidated cash flow series, rounded. DalalBytes table.

Conversion is consistently high. Free cash flow has held a Rs 20 to 31 cr band for four years because growth needs laptops and salaries, not plant. FY26 free cash flow of Rs 29 cr is about 85% of PAT. The watch item is working capital quality: debtor days rose from 54 in FY24 to 70 in FY26, and receivables plus unbilled revenue are the largest asset block (other assets of Rs 56 cr inside total assets of Rs 62 cr). Cash conversion stayed high in FY26 despite the debtor drift, but the drift is the wrong direction for a firm whose clients are cutting spend.

The dividend is the capital allocation. FY26 paid three interim dividends totalling Rs 11 a share, an outflow of Rs 26.08 cr, a 76% payout. The trailing twelve months to October 2026 distributed Rs 14 a share including the Q1 FY27 interim of Rs 4. Eighteen dividends have been declared since February 2021, on top of the two 2021 bonus issues. A second interim dividend for FY27 is on the agenda of the October 23, 2026 board meeting. For a minority holder, the cash genuinely arrives; the cost is a balance sheet that never accumulates.

■ 8. MANAGEMENT, PROMOTERS AND GOVERNANCE

Who owns it. The promoter group (Ratan Kumar Srivastava, his wife Deepali Verma and family members) held 58.92% in June 2026, with pledging at 0.00% in every filing checked. The trend needs an honest split:

the holding stepped down from 68.01% in March 2021 to 62.45% in March 2022 to 58.94% in March 2023, and has then been flat for three and a half years (58.94% through March 2025, 58.92% since). The early step-downs belong in the record; so does the subsequent stability. Ratan Srivastava individually held about 31.82% in July 2025 reporting.

Quarter	Promoter %	FII %	DII %	Public %
Mar 2023	58.94	0.16	0.00	40.91
Mar 2024	58.94	1.87	0.08	39.11
Mar 2025	58.94	0.63	0.00	40.43
Mar 2026	58.92	0.08	0.01	40.98
Jun 2026	58.92	0.01	0.01	41.06

Screener shareholding series. DalalBytes table.

Who runs it. Ratan Srivastava is Chairman, Managing Director and the public face of every call. Deepali Verma is Whole-time Director; she was CFO at IPO stage and stepped down as CFO on February 28, 2021, with professional CFO Umang Soni appointed from March 1, 2021, a professionalisation step that deserves credit. Manish Gurnani is CTO, Manisha Kide is Company Secretary, and four independent directors sit on the board. Senior sales hires in Q1 FY27 (a VP and Head of Global Sales for the USA, and a Head of Sales for North America, Canada) show the growth problem being attacked commercially.

Governance positives are verifiable. Zero pledging across the record. No equity raises or dilutive deals since the Rs 4 cr IPO. ESOPs are small and disclosed (a 2024 scheme with a 2.5% pool; 60,000 options granted by Q3 FY25; ESOP expense recognised from FY25). Earnings calls and investor presentations are regular for a company this size, and the Q1 FY27 guidance cut, however unwelcome, was disclosed promptly with a specific cause. CRISIL reaffirmed a BBB/Stable corporate rating in December 2025 (as reported in results coverage).

Governance watch items, stated plainly. One: it is a family board at the top (founder as Chairman and MD, spouse as Whole-time Director), so independent challenge rests on the four independent directors. Two: marketing claims run ahead of audited figures in places (the website's 89% global revenue line versus about 77 to 82% in audited and call disclosures; client counts of 200+ versus 225+ across pages; founded 2012 versus incorporated 2014). None is thesis-breaking; together they argue for auditing every company claim against filings, which this report has done. Three: institutional sponsorship has gone backwards, with FII holding falling from 1.87% in March 2024 to 0.01% in June 2026 and no mutual fund presence. The register is about 41% retail public holding, which supports the dividend constituency and explains part of the valuation.

■ 9. STRENGTHS AND WEAKNESSES

What to watch

Q2 FY27 results on October 23, 2026 and the second interim dividend decision at the same board meeting, whether sequential revenue growth resumes after the guided softness, and whether the operating margin holds at or above 30 percent. Those prints decide if the reset was investment or leakage.

Strengths. One: niche depth with credentials (Salesforce Summit tier, Odoo Gold, a scarce Apache NiFi practice) in a balanced three-line mix, no line above about 22% of revenue. Two: elite cash economics (free cash flow of Rs 29 cr in FY26, CFO to EBITDA of 87 to 95% across FY24 to FY26, near-zero capex). Three: a repeat-revenue base (more than 80% of revenue from repeat customers, about 90% retention claimed) that cushions project lumpiness. Four: a debt-light balance sheet, zero promoter pledging and a promoter holding that has been stable since March 2023. Five: a dividend record (76% FY26 payout, 4.47% yield) that returns the cash the model generates instead of empire-building with it, the DFM detour notwithstanding.

Weaknesses. One: client concentration that has already bitten (top 5 about 40%, top 10 about 53% of revenue; two clients caused a guidance cut). Two: PAT has been flat at Rs 34 cr for three fiscal years while costs reset the margin from 43% to about 30%. Three: scale (Rs 163 cr revenue, about 600 staff) shuts the firm out of large enterprise deals and leaves it a price-taker at USD 25 to 49 an hour. Four: products failed to become a second engine, so there is no IP cushion if services pricing deflates. Five: thin liquidity (about 22,650 shares traded on October 21, 2026, about Rs 56 lakh of value) and a near-zero institutional register.

10. COMPETITION: BADGES AGAINST SCALE

The honest competitive statement. Ksolves competes in three arenas at once. In Salesforce consulting it faces the global majors (Accenture, Deloitte, Infosys, TCS, Wipro, Cognizant, Capgemini) for enterprise work and hundreds of mid-tier specialists for midmarket work. In Odoo it faces Indian Gold partners such as Brainvire, CandidRoot and Serpent Consulting, plus Odoo's own direct channel. In Big Data it faces data-engineering practices of far larger firms, and its DFM tool faces Cloudera's own NiFi tooling. It wins on cost, niche depth and partner badges; it loses on scale, brand and large-deal eligibility.

Comparator	Scale marker	P/E (approx.)	What the comparison shows
Ksolves	Revenue Rs 163 cr; PAT Rs 34 cr	15.7x trailing, 17.0x FY26	Highest margins in the set, smallest scale
Kellton Tech	Revenue about Rs 1,237 cr TTM	About 6.9x	Seven times the revenue at thin margins earns half the multiple
Saksoft	FY26 revenue Rs 1,007 cr; PAT Rs 133 cr	About 14x	The closest quality smallcap comparator trades slightly cheaper

Comparator	Scale marker	P/E (approx.)	What the comparison shows
Nucleus Software	Banking software products	About 16.4x	Product revenue earns a similar multiple at six times the market cap
Happiest Minds	Revenue about Rs 2,061 cr (FY25)	About 22x	What institutional sponsorship and scale add to the rating
Persistent Systems	Quarterly revenue above Rs 4,300 cr	About 47 to 51x	The ceiling for Indian engineering services, not a direct comp

Peer multiples from market data vendors, October 21, 2026, approximate, definitions vary by provider. DalalBytes table.

The margin paradox is the comparison that matters. Ksolves earns a 30% operating margin where Kellton earns roughly 11% and Saksoft about 18% at the EBITDA line, yet trades at 3.6x sales where asset-light quality usually commands more. The market is not doubting the margin; it is doubting the durability of the revenue the margin sits on, given concentration and the guidance cut. That is a judgement this report shares, which is why the rating is Selective.

11. VALUATION: 15.7X FOR FLAT PROFIT, WITH A 4.5% YIELD WHILE YOU WAIT

Where the stock sits. At Rs 246.19: market cap about Rs 584 cr, 15.7x trailing EPS of Rs 15.65, 17.0x FY26 EPS of Rs 14.47, about 3.6x FY26 sales, about 19.9x book value on the Screener book value of Rs 12.4 (the P/B is inflated by the payout-thin equity base and is the least useful multiple here), EV to EBITDA estimated at about 11 to 12x, and a dividend yield of 4.47%. The share sits about 30% below its 52-week high of Rs 353.99 (April 2026), about 4% above its low of Rs 237.50 (October 2026), and below both its 50-day (about Rs 261) and 200-day (about Rs 282) moving averages. One-year return is about minus 25%; the three-year price CAGR is about minus 24%, the five-year about plus 8%.

What has to be true. On the base case below, FY29 EPS of about Rs 19.2 at a 16x exit gives Rs 305, about 9% a year of price appreciation from the reference price, plus a dividend yield near 4.5% if the payout holds. That is a fair total return for a de-risked microcap, and it requires only a return to 10% revenue compounding with margins held near current levels, not a return to the 43% margin era. The asymmetry is acceptable: the bear case (Rs 155) is a further 37% down if growth stalls outright, the bull case (Rs 515) needs the AI-led growth story to actually land. Selective Positive at 61/100 prices that balance.

12. RISKS

Concentration risk, realised not theoretical. Top 5 clients are about 40% of revenue and top 10 about 53%. Two of them ramped down in a single quarter and cut guided growth by 13 to 15 points. Another two doing the same is the bear case in one sentence.

AI deflation risk. The same AI wave the company sells also compresses billable hours per engagement. Management says the Q1 FY27 ramp-downs were cost and geopolitics, not in-housing with AI, and is itself using AI for delivery efficiency while not actively replacing leavers. If AI reduces the market's total spend on mid-tier services faster than Ksolves wins AI work, revenue deflates structurally.

Margin risk. The reset from 43% to about 30% was presented as investment. If competition for Salesforce and Odoo talent, ESOP cost and client pricing pressure push margins into the low 20s, the earnings base falls even if revenue holds.

Geography and currency risk. North America is 58 to 63% of revenue and overseas revenue about 82%. US client budgets, visa and trade policy, and the rupee all sit outside management control. CRISIL's BBB/Stable rationale flags concentration and forex exposure.

Key-man and succession risk. The firm is founder-centric: Ratan Srivastava is Chairman, MD, deal face and call lead. Depth below the founder, CTO and CFO is thin in public disclosure.

Scale, liquidity and register risk. About Rs 56 lakh of stock traded on the reference day. Entry and exit for size move the price, and a 41% retail register with near-zero institutional holding means no sponsorship cushion in a selloff.

Reporting risk. Q2 FY27 results land on October 23, 2026, two days after this report, with a second interim dividend decision at the same meeting. A weak print reopens the de-rating immediately; a steady print with the dividend maintained supports the base case.

13. WHAT WOULD CHANGE THE RATING

Upgrade triggers. Two consecutive quarters of sequential revenue growth after the guided softness; a second and third agentic AI order of Demerara type, converting the AI claim into a pipeline; operating margin sustained at or above 30% through FY27; top-10 concentration disclosed below 50%; any institutional (FII or mutual fund) holding above 1%.

Downgrade triggers. FY27 revenue declining year on year; margin below 25%; the dividend payout cut sharply (which would remove the yield leg of the case); promoter holding falling again or any pledging appearing; debtor days above 80.

14. FY2029 SCENARIOS

Scenario	Revenue CAGR FY26 to 29	FY29 revenue	PAT margin	FY29 PAT	EPS	Exit P/E	Target
Bear	4%	About Rs 183 cr	18.0%	About Rs 33 cr	About Rs 13.9	11x	Rs 155

Scenario	Revenue CAGR FY26 to 29	FY29 revenue	PAT margin	FY29 PAT	EPS	Exit P/E	Target
Base	10%	About Rs 217 cr	21.0%	About Rs 45 cr	About Rs 19.2	16x	Rs 305
Bull	16%	About Rs 254 cr	24.0%	About Rs 61 cr	About Rs 25.7	20x	Rs 515

Assumptions, stated. Bear: the ramp-down pattern repeats, FY27 declines and recovery is slow, margins drift to the high teens of PAT as pricing pressure bites, and the market pays a low-teens multiple for a stalled services firm. Base: FY27 is flat as guided, then growth recovers to low double digits on the North America sales hires and AI-embedded delivery, with PAT margin rebuilding toward 21% as the Q1 FY27 margin recovery holds. Bull: agentic AI work scales beyond the first order, growth re-accelerates to the mid-teens, PAT margin recovers toward 24%, and the stock re-rates toward quality smallcap services multiples. FY2029 is the year ending March 2029. Targets are DalalBytes estimates, not guidance.

Sources: Screener.in consolidated financials, shareholding and ratios for KSOLVES (accessed October 21, 2026); company Q1 FY27 results reporting and earnings call coverage (July 2026); company investor presentations (9M FY25 mix, client concentration); BSE filing for the Demerara Bank order (September 28, 2026); NSE listing and migration records; market data vendors for prices and peer multiples (October 21, 2026). Where vendor series differ (operating profit rounding, book value basis), the difference is noted in the text rather than blended.