

**3i Infotech Limited**  
**Q4 FY22 Investor Call of 3i Infotech Limited**  
**May 10, 2022**

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**Moderator:** Welcome everyone to the Q4 FY22 Investor Call of 3i Infotech Limited. On the management we have Mr. Thompson Gnanam, Managing Director and Global CEO, Mr. Harish Shenoy, Chief Performance Officer, Mr. Sanjay Rawa, Chief Financial Officer, and Mrs. Varika Rastogi, Company Secretary and Compliance Officer. We will begin this call with the opening remarks from the management following which we will have a full time to answer your questions. Before we invite the management, we would like to share a few guidelines for smooth progression of event, all participants will be placed on mute mode, we will take questions post management address. For any queries, we request you to use the Q&A window to type your questions or you may use the raise of hand to ask your questions. We will accordingly unmute you and you can unmute yourself and go ahead and ask the question for the smooth progression of the interaction. I would like to request Thompson Gnanam to address the participants now. Thank you and over to you, sir.

**Thompson Gnanam:** Good afternoon, Good evening, Good morning, everybody. It has been a wonderful year, thanks a lot for the great support from all our shareholders. It was a really remarkable year for all of us, because we have come out of the carve out last year, and a new 3i is born and we have been building this new 3i and it has been a fantastic year for all of us. It was just four quarters ago, we had our first presentation and you know time just flies and it's been really exciting and we are also very happy to share the progress we have made and also the plans which we have for coming financial year. So quickly, just to refresh ourselves when we started the year, we wanted to kind of set a goal for ourselves and we said that we will be a billion dollar company and we said we will be at AIM30 So this is very important for us, as an organization, to galvanize and to seamlessly see how the entire organization will move single mindedly towards the goal of being a billion dollar company. It was very important for 3i because 3i used to be a billion dollar company way back in 2008. This milestone we achieved as a team in this new rebooted organization of 3i Infotech. So we also redefined our vision, mission and goals for ourselves quickly to be a vision for ourselves. Just to remind all of us, we said we are a trusted global, one stop digital transformation partner who will deliver business excellence and exceptional outcomes to our customers in this new digital decade. It is very important for us, this is a kind of a north pole for all of us. We also set ourselves with a 10 year plan very clearly saying that what is that we are going to achieve year on year. So the year gone by we set ourselves a goal saying we want to hit INR 630 crores and we will share the highlights of our results and we also had milestones in terms of what is that we will be able to achieve in various points of time in our journey to become a INR 7,500 crore organization. So as we move

on to the next slide We said we will break this 10 year journey into shorter milestones. So the next 5 years, the year one, we very clearly said this is a year of change and differentiate because we are coming out of a carve out a profitable product management, product division has gone away. We only inherited the services organization, we had to build an all new organization again. Good thing about that is the product organization main 3i is free that's the positive, but then we have to restart rebuild ourselves. So we probably call ourselves, you know, a kind of a \$90 billion startup organization. So that's the mantra which we have been building. So change and differentiate was a theme for the first year. We wanted to kind of lay a strong foundation for future growth started to drive the change management because it is very important as a company which is rebooting, we need to rediscover ourselves. We kind of recalibrate ourselves, reskill, and right skill of people so the important point is to align the lever and drive business with conviction. The important thing is an organization which realizes for where we 3i is at this point of time, where we are in a catch up mode, that all appears, we need to differentiate to survive and thrive, it is very important for us, we cannot do what our peers do, because we have a catch up and we have to differentiate and to survive and thrive. It as a key message, for year one change and differentiate. I will touch upon some of these points as we go by. The second year and now as we embark in this new year, very clearly, we want to disrupt and challenge a very clear year of disruption and challenge because that is the only way that I will thrive. So we need to catch up and accelerate, we want to hunt together as one pack of one organization, across functions, across teams, we want to hunt together as one pack, that is very-very important for us. Disrupt competition with commercial models, because we have to be a disruptor by coming up with more intelligent, innovative commercial models. We want to be an organization who's not risk averse, we are ready to explore, we are ready to experiment, we are ready to fail fast as a challenge and that is going to be the core DNA of the company going forward. So just to quickly refresh our memories of our offerings. Fundamentally, if you look at it, we can have sharpened our offerings. If you look at the next slide, we call it AAA, which is our core offering, which is (Application Automation and Analytics) as a service, which is our core site we kind of made our offerings more streamlined, very focused. Cloud First is a kind of Arrowhead, which we built now, with a new range of services, we will talk about it. We have a digital Kpass and repass, digital DBS and future technologies is our build organization where we are building next generation, cognitive computing, edge computing, and so on so forth. We talk about that digital infrastructure management business, which is a mainstream business and we also know selling global command center as a service. So broadly, these are key offerings by which we are going to the market and so what I will do is, I will quickly give up a business summary of the year gone by. See, quarter on quarter, we have been having a challenging year, because we are managing a lot of our legacy issues, One time cost, we have been doing a lot of proactive cleaning of our P&L, but Q4FY22 was a great quarter for all of us, because Q4, as an organization, we got our operating rhythm or operating profits. So if you look at Q4FY22, we kind of exited with INR 175.6 crores, which is almost 6% growth, quarter on quarter and an annual INR 677 crores, which is 11.2% growth on last year's exit services revenue. I think this has been the first major growth of 3i in quite some time and that was a

covered entity. I think that is a remarkable performance by the organization with so much of variables and now this momentum will help us to go forward. On the EBITDA level if you look at our Q4 we have been at INR 3.5 crores profit, though at consolidated PAT level, we have been minus INR 3.9 crores, but the good point is at an operating level, we have now hit profitability. That's the message I want to leave to the shareholders that is the profitable, we turn around. We got our numbers, right. We have reversed our all the exceptional cards and we are now into the green zone. So that's the positive, which I want to call out. If you look at the net cash, we exited with INR 73.4 crores. We spoke about the revenue growth, which has been pretty good for all of us and if you look at the year-on-year gross margin growth as we have really grown almost like around 11.2% which is also an addition of almost INR 28.9 crores on the gross margin level. So as we optimize our cost as we drive improvements, my other colleagues will also talk about all that, we will see that the upside in terms of the EBITDA coming in, in terms of the business and strategy, we will sign a strategic alliance with MDEC Malaysia. In fact, we are launching our first NuRe 3i plus services, which is the Oracle powered sovereign cloud services in July. Unfortunately, due to the recent supply chain delays, we are supposed to go live in April, we will finally go live in July. This is a huge strategic way forward for the company, because we will offer new NuRe 3i+powered services for the SMB segment in Malaysia. This is a huge one of the strategies which are executed. The second thing is from a NuRe product launch from a 3i plus we have gone live on your NuRe 3i edge and Desk and in fact, the good news is that some of these products are now started getting their own customers. So they are becoming independent line of businesses for this year. So we are considering revenue plans for these products we are built and launched last year. So that's a very good news for the organization. We have invested in Exium you have seen the press releases, it is also part of a build strategy where we want to have strategic partnerships with startups brought to bring them part of our kind of ecosystem and we want to kind of see how we can co-create IP. So this is a first step forward. Exium is our next generation technology company with 5G frameworks in terms of which are the deployment 4g, this is going to give a huge, momentum for our edge computing business. So in terms of SASE in terms of its security in terms of edge analytics, edge application being in 5G, this is a huge step forward for the company and we will co-create IPs which you want to take in the market along with next year. Resident entrepreneur programs is live. We spoke about in Q3 as well cognitive computing services is now calling revenues this year and we have EduTech what resonates as a second entrepreneurial program where we are going to offer cloud based educational ERP as a service for our clients. The other important aspect we are also making progress and SD-WAN and SASE built on SDN technology as well. Finally, our telecom media and entertainment Co is now live. We have other teams going live this year. This year is a huge focus area for us to kind of execute our promise around 5G powered services. We are now selling about 5G lab as a service. As we are speaking our first build or NextGen services lab is now being set up in IIT Madras Research Park and you will see the launch very shortly. An oracle COE is now being built and we are launching this as an exclusive Oracle COE end to end not just for the cloud, the entire end in terms of application development testing focused on Oracle we are launching this 100 member

COE and in tier 3 city and we are opening it in mid of third week of June, we will keep you updated about it we are very excited about it because all these are going to enable the company to generate more profitable revenue and in terms of career excellence, this is one thing which we want to kind of stay focus this year is very important for us to keep, you know optimizing our run business investing in our grow business so that we can change the revenue mix and invest in building business so that we can grant IP and valuation for the company. So delivery excellence is extremely very important aspect of it and Harish here joins this along with Sanjay because it's important that we drive this margin enhancements programs. So that we are able to kind of, and this is the first time I think, 3i is giving an outlook to our shareholders right now. So we are confident that we are going to hit these numbers on kind of what I call the blood commit and quarter on quarter we will come back and report back on that. On client side, if you look at it, we have added a lot of new MSAs this year, we need to expand these MSAs. It is a very important point we have new MSA almost 40 new customers, every small customer, big or small is important. It is important for us to now start finding these customers expanding these accounts. So the good news is that. If you look at last year, we almost added INR 106 crores from our existing clients in terms of new revenues, which we added last year, which is very helpful for us to bring some of the erosions which happened, and then still also grow almost close to 11%. So building our existing customers, found them is very important and how we want to maximize our revenues, our new logos is also really important strategy and this year, again, we are taking a target of almost INR 100 crores on a book across our growing well, I will talk more about it in the way forwards slides. We spoke about some of the large deals we have taken in the US, which is now contributing revenues. Our run rates are increasing those profitable revenues will change the revenue mix on the margin mix for the years to come. So we quickly go to the Q4 highlights, if you look at it, last year, we exceeded 6.8 if you look at it, and we are hit around INR 676 crores which is a very positive momentum. In terms of revenue momentum we got have proportionately optimized our direct costs. If you look at gross margin (GM) has gone up from 66% to 95.4%. Now we need to work on conversion from GM to EBITDA. So that's a real focus for this year. So we got our basic foundations right in terms of revenue momentum in terms of GM enhancements, We did an optimize our costs and this year, without all the one-time costs which we had last year, just to refresh our memories, we proactively took a hit almost 16.3 Cr in Q3FY22 of our slow moving debts because as a company, we said that we are going to clean up all these slow moving debts to get up foundations, right. So we took a hit of almost INR 60.3 crores. Our selling cost is now optimized, because we will not kind of write what I will say that we want to deploy our selling cost more towards the growth in the build more than the run. So we kind of calibrating our cost, redeploy our cost in such a way that we get the maximum bang for our buck. Our GA cost is getting optimized, we will optimize it further this year, because a lot of optimization and I will allow Harish and Sanjay to talk more about it because we want to optimize that further, because that is the only way we will be able to hit the outlook, which we are promising all of you. So as you go to the next slide, if you look at it will give you a kind of lines of businesses performances across the various lines, if you look at it across application automation and

analytics, the infrastructure management business has been around pretty good for us. I think there is a huge momentum in that space. Even right now as we speak we call it the digital infrastructure management business. We have been disrupting our own traditional data center management, your FMS business. We are disrupting it with our own technology, power enablement into that. So we got an upside on our GMs there. If you look at it has gone up to almost 23.2%, which is the plus side that I want to call out and if you look at the one on one as well as the cloud first, which is our new baby last year, which is opening account and the good news, we got a large wheels, which is going to build further, if you look at it, the GM is almost 48%. This is the type of business we want to change this year. This is important that we get into this revenue mix change We are going to change the mix and that's the margins and create value for all your all of you. So as we move on to the next slide, if you look at it, I will quickly go out of business region above in these as well for a benefit of everybody. We have kind of renamed our regions I spoke about in Q3 as well. IBR is a India business region, GBR is global business region, which is Americas and EMEA, EBR is the emerging business region which is South Asia, Japan, Australia, New Zealand, Japan and Australia are new geographies we want to expand this year, It currently is just Southeast Asia, if you look at it, fundamentally, broadly, the areas for improvement for us this year very clearly, we want to look at our IBR business in terms of profitability, about a huge tailwind in terms of order books and in terms of business growth, which is there from IBR we are expecting this year, but in parallel, we will have to work on optimizing costs and increasing our margins, which is our focus area. GBR, we have been kind of holding growth of this year, we need to change our focus on the revenue exchange, big geographies, we want to focus on grow and build business, not really focused on the volume, we are really focused on value change. So IBR will drive volume for us. GBR will drive value for us. So that's a very, very clear mixture, we want to talk about it in terms of the new lines of business, we want to how the GBR accurate and that's the kind of business plan we are put together and EBR is our is something that we want to rebuild ourselves, get back some of our lost ground in some of these territories, and relaunch ourselves in some of the new geographies as well. So broadly, to summarize, if we look at it, EBITDA margin will be a key focus across all regions, it is a relative statement, they all have improved and you know, we're looking at GBR going up on both like 15% and India going up to almost like 8% and that's what we have to kind of target and the EBR going up to almost 10% on business EBITDA levels. So, this is the key focus for the business regents. I will move the next slide, which gives you a kind of, I am not going to talk through it, but broadly gives you a kind of split off the business because these are most of the questions which are normally asked, we kind of wanted to share them itself. So this year, clearly our focus area will be on telecommunication. We are now building our telecom CoE, which is sell to Telcos and sell through Telcos. So as I am talking to you, we are now working with Telcos to partner to take on NuRe Edge to their customers. So this is a first multiplier. So next year, when we talk about it, we will see telecom revenue mix changing dramatically. The second focus area will be manufacturing, very clearly, we want to focus on the mid-market and SMB, again, NuRe powered SMB segments in the manufacturing FMCG is something that you want to focus. So these two will be our focus areas and we want to kind of

invest in building this as we defend and grow our BFSI, high tech information technology as you continue to do that, but we want to grow these new industries. So I go to the next slide, which also gives you a kind of a split across top clients. So it's an opportunity for the company. I've always said that because it is important for us to build on this million dollar customers, we have 17 customers who have given us greater than a million dollar plus. So this is a very clear revenue and where we are targeting to get our first some of them are we got \$3 million, or \$4 million. But now we want to get this \$5 million club. So how do we get to this \$5 million dollars at target for some of these million dollar customers and we also need to kind of increase this 500k to 1 million also \$2 million. So that's a very clear account based strategy, which we are working on this year. So that's a company is super focused on it's an account based strategy, whether it's an account P&L right from a geography P&L, we want to look at an account P&L, I want to see how an account based strategy in terms of marketing of sales in terms of practice, in terms of now offerings, we want you to stay focused on this. So this is going to be a very, very important business KPI which we you want to focus and report all of you are caught on product bases of how this makes changes how our auto book changes, how our revenue recognition changes, how our profitability changes across customers. So maybe I will take a break here and then maybe I will request Sanjay to give us update on the next slide.

**Sanjay Rawa:**

Thanks Thompson. Good evening, everyone and thanks for joining the call today evening. Just want to give a kind of a snapshot of our key financials that is the profit and loss statement and balance sheet most of you guys will have gone through the numbers. So I will give you some key numbers that we have which I wanted to highlight the numbers for the top line. We grew by you know, for the year by 11.2%, which is about INR 10 crores revenue in terms of top line. Primarily our revenue has come up due to our US region growing and the India region growing, these are the two major regions which have grown. On the employee cost side, on a quarterly basis have done a lot of margin improvements. I think that has been one of the significant reason for our EBITDA to be positive. Thereafter, I would say, we are working now, on the bottom line to see that we come from the breakeven to show that we get to a positive PAT in the coming quarters, that has been our endeavor and that is what we are working towards, quickly going through the balance sheet part, I want to give some basic, highlights on the balance sheet, our CAPEX for the entire year has been if I remove the right to use assets, right to use assets have been about INR 29 crores on the various leased assets that we have taken for our activities, which primary laptops that we take. So we have, our own laptops, which we have taken for about 7 crores and in office renovation, so it has been about along with the capital work in progress that we have also, actually accounted in Q4 towards the build projects that we have. We have a total capitalization of about 18 crores, which excludes the leased assets, right to use assets. That is one of the key factors in the asset part of it. That's more on the asset part and on the current assets part our trade receivables are more or less in line with the last in fact, on our increased revenue, we will be able to kind of collect a lot of sticky debts, I would say over the last one year that has resulted in our DSO going down by two days, our billed DSO has come down from 53 days to 51 days and put together unbilled has been more

or less the same number we are working towards so unbilled is at about 40 days right now. So all put together we are at 91 days, so billed and unbilled as a DSO for the company which we are working towards to further streamline and see that how we can reduce that over the coming quarters. Our cash balance has been at INR. 128 crores that also includes certain margin money deposits that we placed with our various customers for performance guarantees. On a pure play, I would say our cash balance has increased over the last I would say not over the last quarter we have made a significant improvement, but our net cash after the borrowing is at INR 73 crores, that's kind of a positive side. So we are not negative cash position. So, I mean, these were the few of the major highlights and other lines have been already been talked about. We have been able to clear all our debts we are accounted on as a company we are a debt free company, we have some short term working capital borrowing for our expansion purposes, which we are in a time and again kind of taking but on our long term debts we are clear. We do not have any debt for the company. So that's the highlighting point. So that's all I have from the finance. Any questions further we have. We are happy to take any questions.

**Thompson Gnanam:**

Thanks, Sanjay, maybe we will quickly go to that and we will keep more time for the questions. So quickly what I thought this is the year gone by but let's talk about the year ahead and also I think that's the most interesting part, which we wanted to share with you. We are excited to share with you, so some quick glimpse on the business strategy for everybody's benefit. We are going to next slide just to refresh our memories, I think we use these three terminologies which is run, grow and build, which has become our fundamental methodology by which we want to run this businesses and each and independent P&Ls in various stages of maturity. So the run is predominantly our current enterprise businesses, grow is the new lines of businesses which we are building. So the run plus grow are like the total to P&L which we are so focused and if you look at the statement, which we make in the run plus grow has to be profitable as simple as that, actually, it is very, very simple. Build is something which we are building for the future. This is a value creation, IP creation and this build once we build these platforms product AI services, IP creation, beyond that it also becomes commercial grade and gets the growth. So that's the kind of cycle which we want to get off, view that so build for grow and come back to grow as a P&L and that's the way we want to do that some of the build projects will accelerate very-very quickly so that we can commercial allies that very-very fast and are allies can be faster. So quickly on some headlines, one of the key things you want to do is also see, we have legacy subsidiaries and organization structure, which has been handed over to this new 3i, we are quickly working on shutting down subsidiaries, which are not part of the global way forward, advised by one of the big fours and we are going to restructure the entire global organization structure and shutting down all the old subsidiaries and realign the new organization structure with the way forward. So that is the one thing what we are doing in our war footing, it is very important for us to hit align the strategy of the organization design. The second thing is also very clearly, we want to be ruthless about eliminating any non-profitable engagements, done that in a systematic way, we want to do more, that is why I said in terms of account P&L focus is going to be account based, it's going to be project based, we want to

be very, very clear about that and we want to have reduced/right cost the support of existing businesses, we need to dimension discussed, because post any carve out or when you have a highly profitable product business going away, and the residue organization services business, versus the product lead organization, and we need to kind of ignored right cost, or right size, the entire support organization, which we're doing it, we have made some progress, but we need to get that right, because that has to be kind of, lean and trim to support it, because we need to kind of fund the future organization. So we need to kind of going to right size, the several organizations, is very, very clear about it and again, they are very important to rightScale and rescale, the organization, because it's very important for us to fortify to run accounts as we are growing new lines of business, we need to re-influence our run businesses because it pays our bills. We also want to proactively cannibalize some revenues in deploying the new grow and build lots of new kind of taking down budgets. It's a very bold call. Companies do not do that, but you are taking a budget saying that we are going to proactively cannibalize some of our revenues to demonstrate our grow and build. Because it is again part of the entire DNA of experiment, explore and sail fast, and demonstrate to the world what we want to kind of practice what we preach, we will practice this is very clear, this is the message on what we want to do. The grow business I think we talked a lot about it. So this year is a year of NuRe. NuRe is a new brand, which 3i is pushing across, and this year, we will see very, very clear change in terms of new lines of services, the new revenues being added across plus 3i, Edge Desk, and all the new lines of services to talk about it and secondly, we want to kind of come up with more commercial models, which will challenge the competition, so we all kind of do that. We spoke about the central telecom. So watch out for us in terms of reporting the same lines, what is our Telcos' businesses going to give with 'sell to Telcos' or 'sell through Telcos', it is new industry vertical, the SME segment in market manufacturing, we want to talk about in a new ray line of services is something which you want to kind of focus and drive the revenue with change, to build business just to say we will, cognitive computing is going to be the spearhead there, which is going to lead and we have all the investments we made last year will now start giving us revenues built in data science and analytics is going to be in self learning technology. So we are going to do that. We invested in Oracle COE, we are going to do that and some of the investments we make this year will be on 5G lab as a service is something we want to focus. I will update on how we are going to take it forward and there is a good market for it and we want to be leaders in that and we lead us in edge computing and industry 4.0 in terms of manufacturing, convergence of IoT Edge computing in analytics is a way forward. Private Networks and SD-WAN is a huge focus area, which we want to talk about it. We got some good funnel in this and we will be happy to report some of the victories of deals once we grow them in the coming quarters. So quickly just to refresh everybody's memories, because this is the design structure on the go to market for the company, we are divided as regions, which is a P&L of the company is broken down into GBR, IBR and EBR. The next is the industry verticals, within industry verticals, we have the accounts. So that's the entire P&L structure of the organization, the way we want to look at. Horizontally, we have the run business, which is Enterprise Services, which is our traditional lines of businesses, the digital business, which is



the grow business or the new lines of services we spoke about. FutureTech is the name we have given for our next generation technology, cognitive 5G, that's how it is and we are also building a consulting business today, because last year, due to our priorities, we couldn't do it this year, the focus area will be to strengthen our consulting business, because we want to be that end to end business outcome service provider, but we need to strengthen our consulting business consulting capability to bring that convergence between domain, industry and technology. So that's very, very important. The balance of the horizontals will support this organization structure and design. So we will go to the next slide again, it's just a refresher for all of you, because this is our North pole we don't change it, this is a way we want to look at it, how we want to change the mix of revenue from volume to value from, transaction pricing to outcome based pricing, and how we want to increase the profitability from 15 to 25% to higher margins is what we want to focus. So this is a very, very important slide, which will keep reminding ourselves on what are the lines of services, what we are doing today, and how we want to change this mix and as the quarters go by, we will be happy to share how the revenue mix is changing in each of these quarters because that's the focus for this year. This is not only a year of providing sustainable profits, at operating level, but also trying to see how we are going to change the revenue mix for the company. I move on to the next slide. So here I would want to, request Harish to come and talk about it. Because it is very, very important for us of how to convert this entire business strategy into a business excellence framework, our human capital and people strategy, because very-very important for us request Harish to kind of talk about this.

**Harish Shenoy:**

Good afternoon. Good evening, everybody. So I think a lot of information on these slides, few numbers on the topside is the vision that we want to achieve. We have given the timelines also and the numbers that you want to achieve and the entire purpose of this slide is how we achieve the goals that we have set for us as an organization, all the segregation of business focus areas, all that Thompson has mentioned all this while in the call. I think we would need to have strategy to achieve those. So to achieve some strategies, we first need to assess where we stand as an organization and what we have done in this first year of new 3I Infotech, I would say. So we identified where are the baseline? Where do we stand as an organization? We clearly defined what are the key objectives after we did define the baselines whether it is market development, whether it's process improvement internally, whether it's people development, nation technologies, or the culture improvement as such. So we start if you look at the initial slides we defined, we started with defining key values for our employees. So that's where we started from as an organization. When we are talking about all these things, we also mentioned about a Rs. 835 crores, and EBITDA30 crores as the focus for FY2023. So please do not get misled by this number. This is the focus for us internally to build capabilities. Okay, we cannot be building capabilities, what we want to achieve, we want to get capabilities beyond that, because at the end of the year, we will want to have an INR 100 Crore order book. So, first of April next year, when we are sitting on INR 100 crore order book, we should not be looking here and there to see how to deliver that because we not will scale to that level. So to

scale to that level, we are looking at building capabilities beyond what we will be achieving. So that is where we have split this into like five key areas where the organization strategy and the people strategy gets aligned. Key initiatives that we are internally taking is we are very clearly moving away from the bell curve people evaluation to a goal congruence evaluation for the employees. When we are talking about this it's like the bellcurve used to be relative performance of an employee to his peers within the organization. Here we are very clearly defining what the organization should achieve and what the employee should do, it is not relative what his peers are relative to what his targets were to be achieved for the year and how he is faring. So it helps us benchmark achieve what we decided rather than looking around peer competition and in fighting among themselves. So it's a cultural change that we are taking up as an organization and we are moving ahead. So having said that for market development very clearly we know that we have to have increased focus on customers across all verticals that we intend to get into the industries. So the selling has been more of about what our competencies are. But now we will move into storytelling consultative sales pitch about how we can as an organization help your areas of improvement, I think, there are quite a lot of areas we have picked up on Market Development quite a few of them, you would have seen how we have fared in this last year gone by I think we have done a substantial on the brand visibility where we stood as an organization, the beginning of the year, and where we are today, Thompson definitely has been like interacting with you all I think more than once every quarter, within various forums, I would say that is only going to increase here on because is also starting to get on to international forums and share our organization's pitch there. So the various initiatives on the market development where that we are doing, taking up and internally like I think we have defined the key performance indicators for each of the key objectives that we want to achieve. I will not go through each one of them. But I think very specific approach in terms of the process automation that we have done, the people development that we are doing, we have had a lot of challenges with people development, I will say instead of a people attraction would have was a challenge for us at the beginning of the year, I think we have a sort of tide it over that challenge, we have sort of got a strong team and the senior management of the organization and I think we are building the next level organization now which will help us achieve the top big numbers that we have quoted at the top of the slides here. So that's about what we are talking about people development, obviously, like the entire industry is hit by the attrition rate that's like going on, we are trying to have multiple different modes of engagement, whether it's flexibility to the people, how they want to engage with us whether it's full time, part time, different models we have internally which is helping us at time through this tough times, though we had very poor brand value as an employee friendly organization in the beginning of the year, I think we moved on from on the Employee Development Index, also. NextGen I think Thompson has mentioned enough about it in the earlier slides I will leave it you all to go through it and I think cultural improvement also, when I think in year FY22 to 23 we are targeting 100% employee satisfaction internally and customer satisfaction externally with this entire cultural improvement program that we have done. In towards the mid of last year, we have employed market leaders who we have worked very closely with our senior and

mid management teams, identifying areas, cultural issues within the organizations and we have like worked quite a lot, quite a bit of the distance there and achieved that. So by and large, this is how we are like as an organization, aligning people to the business strategies that we have already defined for us in the years to come I would say. So over to you Thomson.

**Thompson Gnanam:**

Thanks Harish, so just to you know, summarize on that I think it is very important for us to have this goal congruence and goal cascading, what Harish spoke about, because translation of this business strategy to the last trane is very important. That's the focus for us and in fact that changing the entire, methodology of marrying the business KPIs to the rewards philosophy for employees. So there's absolute congruence in terms of what is it for them and what is working for the company What does it for all of us have all essentially so it's very important and this year is really critical year where we want to kind of accelerate on this. Thanks Harish. So quickly on finally for the outlook, I think there is a very important point we wanted to have for a first time, we want to kind of set up a form of goal which all of you can hold as accountable as a management team. As of now as an exit, as you saw our exit numbers, we are saying we will be, our outlook is almost at INR 760 crores with an EBITDA of INR 15 crores before all of you jump off saying I have some of my well-wisher shareholders say why only INR 15 crores? I am going to proactively answer some of these questions before you guys ask me. So this INR 760 crores is visibility of order book and backlog what we have today confirmed and plan which we have. Secondly, we are also having investments in our sales organization, If you look at it, we investing quite a sizable amount of amount in the sales organization, who are now building consultative sales organization, who can help us change the revenue mix, change from volume to value, that's a very, very important point for us as an organization. So that is where we are now targeting an INR 100 crore order book. It is very important for us to get this INR 100 crore order book, obviously, the next question is what percentage of that we want to kind of convert this year. So that's the upside we are hoping for, and we can maybe as the quarters go by, we can come and tell you the good news of how we are progressing around it. So this INR 100 crore order book is kind of given for us. We are much focused to ensure that we do that. The key part is we want to have a considerable change in the value business in this INR 100 crore order book. So you look at all the new logos which are there is all the hard work of the build teams, which happened last year. They have been extremely busy in building this new line of businesses. This has been a parallel light, how we are safeguarding the run business in building the grow business in parallel we are building the new platforms and products. It is a remarkable year for all of us. It's a remarkable, challenging year, but we thoroughly enjoyed it as a team if you ask me, and you know, we are so excited about that. Because these are the new babies, which we want to see how they can now to crawl, walk and run. I think that's very, very important and finally, if you look at the revenue mix also because this is some of the targets, we want to take for ourselves, getting down into the compound, one of it what is the revenue, the exchange we are going to, whether it's part of COE or cloud first, or digital B/K PaaS, AAA cognitive, these are targets we have taken. So even if we look at from INR 100 crore order book or even within the INR 760 crores, we want to see can we get this revenue contribution from

these lines of business because this is very important. It's not just getting the top line. But can I change of revenue mix design because this is going to be hugely, adding to our bottom line, and also some of the other SASE businesses where we want to sell through our Telcos. If you look at it, this is huge business. If you look at the NuRe edge, if some of our POCs go well with the Telcos, it's a huge force multiplier because we are going to sell it to the Telcos customer. So this is huge and these are some targets we are taking for ourselves, which is sell through Telcos. So broadly, these are the outlook is maybe I will pause here because I think we are kind of going beyond on time, we need more time for the questions.

**Moderator:** We will now move to the Q&A session. So the first question is from the line of Asif Iqbal. We will unmute you Asif. Please introduce yourself and ask your question.

**Asif Iqbal:** We had earlier talked about the result of this quarter in the last meeting also, many congratulations for coming to the very near profitable target. Before I start, I just want to highlight one thing, the EBITDA that you are giving for FY23, it is just 2% of the total revenue that is INR 760 crore, with that EBITDA, and we see on a projected basis, we see it is unable to come to the profitable bottom line. There is something wrong with the EBITDA. So I want clarification on the EBITDA for FY23 and what would be the EBITDA margin going forward by when would we see the normalized EBITDA of industry level 15% or 20% EBITDA level that is the industry average we have this is one question. Second, I would like to as we have discussed earlier, some guidance for the next quarter. What would be the revenue and profitability, if not on the growth part, how the growth would be for the next quarter and what the attrition rate is right now because we have seen big companies having an attrition rate of 20-27%. So what is the attrition rate 3i right now and how we would see going forward SASE business go for what and what is the traction we are seeing in the market?

**Thompson Gnanam:** Okay, you have got four questions here. One is on the outlook. I will try and answer one by one. The first one on the outlook is just to set a context, I think this is the first time 3i is giving an Outlook. So one is we are first coming out of the worst and this is a position from a point of time from right now where we are today and it only improves ourselves, the way we look at it as a management team as this is where we are today and I say if you see my last slide, I spoke about a INR 100 crore order book we are talking about and the conversion of the order book will be done definitely conversion of the order book of revenues this year, right. It is not just you will just book orders and you don't convert revenues and we are hoping that will be the upside to EBITDA to your point. So you know, I would probably leave it at that because that is where the very important point is that what is the outlook today and how it converts into our final numbers is where we are we are looking at it and we will keep giving you a progress report on this quarter on quarter because this is the first step forward Asif, in terms of at least what we want to communicate is that the past is behind us. The variability is behind us because you can see last three quarters, every quarter, we had some exceptional item coming to us, we were cleaning up, and we were doing all that. So we want to kind of you know, ensure that there is predictability to our shareholders. So that is the first step I will do that. The second

question is maybe the quarter question, maybe I will not be able to do it right now, maybe we will take it there. The third question which you asked about is the employee attrition, which is what you spoke Asif. So if you look at the attrition rate, it is an industry phenomena I do not think, obviously, we are also having a challenge. Definitely our attrition is higher than, almost equal, if not much, too much, you know, it's more or less, maybe one or 2% higher than the industry as well where we are. So what we are doing is we are mitigating our risks. As I said, we are now as I am speaking to you, we are setting up these COEs in tier 3 cities. I do not want to talk about the city because there will be a formal press release of this opening. The opening is for June 24, 2022. So that is our first CoE in our tier 3 city focused on Oracle CoE. So that is something is a mitigation plan. We are looking at it because there are other peer companies who have done it and there are literally zero attrition in some of those territories if you look at it. So that is what we want to kind of do that. The second other question he asked is when will we get to the level of other peer organizations IT industries. So I think just to remind all of you because we have this question is being there quite and often in every quarter, because see 3i was a typically a product led company, it was not typically a services company, which you can benchmark with other companies, the product led company, which also had services. Now, when you get carved out of that, you are redefining yourself. So what we have today, if you look at it, if you look at our revenue mix itself, our offshore business is hardly 25%, which is if I say my export business, which is a straight opposite for any other peer company, you go, because obviously there is no brainer, when somebody is doing 75% offshore delivery to US, and any of the developed economies, doing that margins are no trouble at all. So for us is, we have to systematically change that mix. That is one, that's what we are attempting to do. The second is we also have to develop new products, so that we have higher margin business. So we needed a journey. If you ask me, can we overnight do that? Is it possible? Is it possible to do that, because it is a journey, where we have to change the revenue mix of what we inherited to what we are now building, and then maybe we will be able to change the revenue mix. So that is what if you look at it, if you look at our slightly medium term forecast, which we gave in three years, where we will be able to hit at least to that levels by that time all these new lines of businesses, what we call as value business or grow and build we will start generating those higher margins. So if you see that chart also, if you look at our cloud business it is generating 48% gross margin, none of our current businesses do that. But it is very small today, but this year that will become bigger, some of the new lines will become bigger. So those contributions are changing. So over a period of time, the spiritual lines will come down, and the new grow and build lines will start going up and then that is where we'll we will be able to catch up with the marketplace so that is my question Asif and you also had a question on SASE businesses right, I got all your questions.

**Moderator:**

The next question is from Mr. Harpreet Punj. Sir I request you to unmute yourself, please introduce yourself and the firm you represent and go ahead and ask a question.

**Harpreet Punj :**

I just want to understand there are two targets we are taking rather what I understood one is INR 760 crores and INR 15 crores EBITDA. Then second is basically INR 835 crores and then INR 30 crores EBITDA, so we would like to be, certain which one targets as an investor we should take rather than as a management you are taking internally, but when we are, when we should take number one, number two, what is our employee strength right now and number three, any pipeline for the new business lines?

**Thompson Gnanam:**

So, the first target I think what we should commit is that our group we are given is as of today, we will quarter on quarter, we will review it and upgrade it which is INR 760 crores and INR. 15 crores is what we are saying right now, INR 100 crores order book is what we are trying to achieve that is our target we are running with conversion of order book of INR 100 crores we will translate. So to your question think we should take INR 760 crores to team as a commit from the management team as of today, right assuming even if we do not sell anything the whole year, and my entire sales team go proper. We will get these numbers. It is as simple as that. Okay, that's the one. The second point is you had a question on what is the employee headcount. So the exit is 5,600. So there also if you look at it, we are more focused on trying to increase our employee mix loss. It is a very very clear strategy. We are closing out low value contracts which are high on net count, low on margins, and low on value on revenue per employees. So for us the very-very important aspect this year is growing the revenue per employee. So our focus will be not growing the number of headcount but you know, replacing accounts with more profitable revenue. So more of cloud first, more of AAA, and more of digital IMS, more of automation led BPS is our focus and so we want to change that mix of revenues drastically and not allow any of these volume driving mixes away and though it is very tempting for all of us, because it gives you a top line, it gives but you have taken a very -very clear view, we are not going to do that, because that is not going to help us in the long run. So that is my point on employee mix. The other question you asked about is the pipeline we are talking about, I will quickly touch upon some pipeline we spoke about last time about large deals in terms of the cloud transformation those fields are now starting to give us better revenue, better run rate revenues or realization of those largely revenues to be here this year. That is a positive sign. Similar pipeline is building because we want to kind of, see how we can leverage the best practice across the world. So the cloud first cloud transformation very similar to back rows kind of deals are our focus areas we are focusing, a second also is that we are also having plenty of pilots now in terms of automation lead, digital be classified call in the mortgage industry. We are very hopeful some of these paid pilots will pay off, because these are next generation deals because they are disrupting existing incumbents in terms of its cost per transaction because it has to be higher on automation, high on cognitive index. These pilots are paid pilots, hopefully, these are now main geographies like US. We are hoping that these will materialize into large deals for us this year and this will be really, if we win it, Harpreet I we will come back and change the outlook by end of Q1 for sure. We got to in fact, we are all busy traveling and trying to close these deals as well. Finally also one important pilot also we are running is block chain powered background verification. It is a very, very important project for

us close to our hearts, because this again, disrupts the way background verification is done today, in the industry today. If we are successful in our pilots, this could be path breaking for 3i Infotech. This could be a massive change in the revenue mix itself and these are pilots happening in UK, we are very hopeful these pilots have POCs commercial to large deals and I am just hoping we close these deals in Q1 and come back and tell you guys in Q1 end that we have closed these deals Harpreet and of course beyond that a lot of volume deals which are happening. In fact, in our infrastructure management space, there are plenty of deals, we are one and we are adding them in the digital infrastructure management and then went into application development as well which the funnel is pretty good which is building quickly.

**Moderator:** There are a few questions in the chat box. We will just take a few of them before we go back to the raise of hands. One Mrs. Sudhakar in terms of debt to FCCB. Is there anything outstanding or everything is converted?

**Sanjay Rawa:** No we are not converted to any of those debts to any kind of long term options. Yeah FCCB has been completely repaid. There is no outstanding and nothing has converted to like it is like zero debt zero liabilities

**Moderator:** The next question is what is the expected net cash position for 31st March, 2023. Does the company need to raise equity or debt this financial year to carry out the plans outlined here?

**Sanjay Rawa:** We may have to take some working capital limits to the extent that we may need for growth engine for the growth of our revenue but not any long term debt. We may not be needing any long term debt nor we may need any kind of capital equity infusion.

**Thompson Gnanam:** Absolutely, absolutely I think our focus will be to work within what we have and work within our residual receivables from our

**Sanjay Rawa:** Working capital that may be needed for the expansion. Absolutely. Thank you.

**Moderator:** We will take a question from the raise of hands. Mr. Siddharth Gupta we are going to unmute you. Please unmute yourself Introduce yourself the firm you represent and ask your question.

**Siddharth Gupta:** Good evening I am Siddharth Gupta I am partner at Voyager Capital. Congratulations on posting such a great set of numbers. It could have been better, but it's still pretty good. I will just start off with a comment for and which is a suggestion from my end and the others are a few questions. The first one is, it sounds actually a little unethical to say this, but Ukraine has actually thrown up a great opportunity because it is the hub for outsourcing for Central and Eastern Europe. So given that we do have certain presence in Europe, we could probably explore peddling our products there and capitalizing on this opportunity that has come up. That is the comment. My questions are, first of all, could you elaborate? So I mean, it is great that we posted a standalone profit, but as a consolidated, we have posted a little loss, we have

nearly broken even. So could you just elaborate on what has been pulling us towards the negative territory? Secondly, are there any receivables left over from the carveout which are still to be properly received or I mean, which if you could elaborate where and exactly they are on the balance sheet, this is more for the general public so that the information is more clearly dispensed. Great that you clarified about the EBITDA with Harpreet's question. So just correct me if I am wrong, from what I understand, INR 15 crore is the minimum EBITDA that the company will achieve, assuming there is further no sales that is happening, and you are trying to be a 30 crores EBITDA company by the end of the FY if that is the maximum range that we are looking at. So that is the ideal range we are looking at and the revenue is from INR 760 crores to INR 835 crores. That being said, you did mention INR 100 crore order book. So, is the INR 760 crore incorporating the same or is it exclusive of that.

**Thompson Gnanam:** Exclusive, INR100 crores is the sales target Siddharth.

**Siddharth Gupta:** So, assuming that INR 100 crore order book does not go through, I wish it does, but assuming it does not, we will still hit the INR 760 crore revenue.

**Thompson Gnanam:** Yeah, absolutely.

**Siddharth Gupta:** And my last one is, I mean, you did mention that you are not looking to dilute any further equity. There was an exchange filing yesterday about a new about an ESOP plan that was implemented. Could you just elaborate a bit more on what more sort of equity dilution are we looking at through the ESOP program because that has been a concern for shareholders for a while.

**Sanjay Rawa:** Okay, I think the impact of our government theories that we are operating in is pretty low in terms of the overall consolidated results, I would say, it is not even material to that impact, because we do not have any running expenses in those territories primarily we are waiting for certain intercompany transactions to get closed and probably that will take care of closure of those dormant territories as one secondly, on the essential research builds, the account receivables that we spoke about, we have about approximately INR 60 crores to be received from essentials now this is on couple of accounts one is deal related, deal related is more on the CPs that we have signed with them, which is getting close, one by one, I mean, we close one CP on the VTA transfer of the Saudi related entity. We also have another Thailand one which is getting through, we have certain regulatory related, I would not say something documentation to get completed, which is getting closed in the next one month or so. So, these are some of the you know, I would say CPs that we have for the deal related, receivables to get through, other than that we have some current account receivables on account of, customers long awaited what we also are in the verge of transferring all the customers to them. So, whichever is a non-related customer for that we are supporting. So we have some invoicing, which we still do. So that all together we have about INR 60 crores which we have to get I think that's planned during this year.



**Thompson Gnanam:** Yeah, so the other ones kind of first question. I think, also that you spoke about Ukraine. In fact, we were on the verge of setting up our center in Ukraine, it is unfortunate that this war has broken and because there is a fantastic talent and even from a cost perspective, it is aggressive. So we also, as I am speaking to you, we are also trying to evolve a lot of Ukrainian refugees today. Now in Poland and Slovakia are willing to work and these are very aggressive rates, and we are trying to see if we can leverage that code. One is how do we leverage them, and in fact, is remarkable some of the rates are more aggressive. So that is what we pay in Bangalore and Hyderabad and, very, very good quality resources are available. So we are trying to leverage that. So that is the, like I said, it's unethical, but we also want to kind of see how to leverage them. One is trying to provide livelihoods to the refugees, but also from a business perspective, we are also able to attract good talent from at that point. The other point which you spoke, I think I clarified on the INR760 crores, and on the profitability stuff, and because of the important aspect is for us to convert this INR 100 crores order book, you know, into revenue and, we want to kind of write better margins for us, I think that is a very, very key focus for us this year and because of margin change, margin mix change is our focus for the year. So if you are not really good to go on the top line, just because you want to hit the volumes, we want to look at the quality of revenues, change the margin mix, optimize our cost, eliminate waste, systematically.

**Moderator:** Yes, we will go to the next question. Mr. Asif Koti, we are going to unmute you. Please unmute yourself and ask your question. Yes, Mr. Asif, please introduce yourself?

**Asif Koti** Yeah, I had put in a couple of questions. One was about 5,000 employees or 5,600 employees, if you have to break it up into offshore and onshore? and in terms of marketing and others, how do we break it up? That was one and then there are a couple of other questions, which I have already put it on the chatbox.

**Thompson Gnanam:** So See, the mix of employees predominantly, we are all is India based if you look at the other way around US we have around, total on site will be around 600 and the balance is India based and now the important mix, like the other question, which was asked also was what is the mix of, India-India versus India to onshore export business because that is what was really important for us to make a change in that and if you look at our sales and marketing perspective, if you look at it, from a cost perspective, we are investing almost close to the 37 crores if you look, number of people, if you look at it, because if you look at sales, marketing, if your question is on a SG&A as a whole, if you look at it. Yeah, so it's all put together will be around, 100 people, sales, marketing, and everything all put together inside sales to deliver will be this across the world. Predominantly most of them will be of course, India based, of course, we have people across the world in the geographies as well, who are client facing client partners, sales hunters and that is the structure which we have one and also one question, I think there is a ESOP question by Siddharth that maybe we can answer that you want to answer that, because this is a latest filing on the results. So we see an addition to equity to the range of about INR 3 to 4 crores during the current year the ensuing year, but we need to see also

the charge to P&L that we have not taken. Equity should be in the range INR 3 to 4 crores. The new scheme which we're launching. I think the filing was on that. I think the main point Siddharth also is for us, we have spoken about it is very important, we have to do this balancing act on ability to attract talent, because for us, the single biggest problem is in order to attract talent so unless we have some of these instruments, whether it is for ESOP for grow and ESOP for build it will be very difficult for us to attract the mixed in class crowd. So, we need to do that balancing act in the support of the shareholder as well as also designed to see how we can because this will have long term gain for all of us.

**Moderator:** Thank you. So we will move to the next question by Mr. Iqbal. Mr. Iqbal, please unmute yourself, introduce yourself and ask a question.

**Iqbal:** Sir I have already asked a question and the question is answered.

**Moderator:** Alright, thank you. Mr. Purshottam. Please go ahead, unmute yourself and introduce yourself and ask a question.

**Prushottam:** Let me at the outset congratulate Thompson, you and your team for coming up with the much improved numbers as compared to what we were seeing earlier, there is clearly a turnaround, which is visible now. So that gives satisfaction. Now I have a couple of questions just bear with me. One is, we talked about last time that there is business mix in current portfolio, which is low margin, we want to get rid of that business, get it replaced by a new business, which is 20% plus kind of operating margin or EBITDA. So one is I wanted to understand how much is that low margin business left in terms of percentage, and what is the timeline we are looking at in terms of bringing it to the normalized level. That is number one. Second is not too criticize because I am a shareholder, I always remained a well-wisher, just wanted to highlight a point that look we talked about our cost structure being high, because we have more of onshore mix, as compared to the other service organizations, which have a higher offshore mix and that is why they have an advantage of coming up with better operating margins, but then if that is the case, then our revenue realization should be much better than others whereas what we see is that 5,600 employees our regularization per person in case of 3i Infotech works out to say around \$15,000 to 16,000 whereas if you compare it with the other organizations, as your competitor, they are in excess of say, around USD40,000- USD45,000 a year. So I mean, at one end, it is a double whammy kind of thing that our revenue realization is say around 1/3rd, or maybe around that, at the same time, our costs are also higher. So maybe this is something which you as an organization like to look at to normalize. So these are two things I wanted to ask and just a highlight of third question. Now, if we talk about INR 15 Crore EBITDA for next year, which say around INR 760 crore of revenue, which works out say around 2% of revenue, now, with 2% of revenue being EBITDA. If we have the other costs like depreciation, amortization and other expenses, that, it will again, put us into negative territory. So are we saying that next year again, we will have a negative PAT? So these are the three questions I have thanks.

**Thompson Gnamam:**

I will try and take it, one by one. See one is the revenue mix you spoke about. See the revenue mix is today all said and done, whether it is a low margin, or what we call the run business is still paying our bills, whatever it is, so we will have to safeguard them, drive efficiency, can we get better and in parallel, we are trying to build the other lines of business, which I have been telling consistently. So this year, if you look at it, last year was a year of building some of these new lines of businesses highlighting and doing all that. So today, we are taking hardcore P&L numbers of some of those lines of business this year. So you will feel more of cloud first, more of cognitive, more of NuRe lines of businesses, which are coming which are more profitable this year, which will change the overall mix. So that is very, very important. Then the second thing you spoke about, it is a very valid point, you spoke about the cost structures, vis-à-vis to the onshore versus offshore which we spoke about. So just to again, yeah, re-underline that, see, when the carveout happened, the services business was subsidized the way I look at it, because it is our the primary business, let us be very clear about it. 3i Infotech was a product led company, let us be really clear about it product led company, co-products, which are generating profits, we are paying off the old creditors with that and we also had services business, we had to be really clear about it. Now when that gets sold off, now, a lot of these scars were subsidized, or because services are providing intercompany business services for products and stuff like that. When that gets carved out suddenly you have a cost shock and that's what happens in any kind of carevout. That is what we have taken over, what we are doing is that your question is spot on question. So now we need to see why slides in the run exactly I am talking about the point is saying, how do we right size or dimension this business, what we inherited to those costs, we have been doing it, we will do it even further and so that we maximize our margins there. So importantly, we have to do now. All the new businesses, we are either doing digital lead, cloud lead, we are sure offshore, so the mix up will be changed. So if you will see that in one year, this will keep coming down, this will start going up. So that is where we will get the ideal. We are expecting at least next year. The other question which we spoke about also is the INR 760 crores, versus INR 13 crores EBITDA very clearly, our end our event just again, reemphasize, we go with the others also, this is the outlook we have today. Definitely we have an upside on INR 100 crore or above the talking about it, which will contribute to all the other amortization costs and at the PAT level, also, we will be profitable for sure because this is like a worst case, minimum as of today, where we are today, once we are stabilizing is where you are giving an outlook to you all and then there will be an upside on top of it for sure. So that is the point, actually, if you ask me.

**Harish Shenoy:**

So just to add to the revenue mix, low margin projects, or the cost arbitrage that you are mentioning about having offshore resources as compared to onsite resources. So we need to understand the way of business we are. The contracts that we have for the onset resources are for domestic employees, it is not that something they have outsourced the work completely, this was an in premise development activity that we would have taken because the world is moving away from an offshore development model to a near shore onshore development model now. So they are more comfortable with people being available at their disposal, or at

their working in their time zones, rather than different time zones. So I think if you look at how the industry is moving, more and more on onshore projects are getting executed and I think that is where we are today and that is why we have not been able to leverage the offshore cost margins, I would say.

**Thompson Gnanam:** Yeah, I think two aspect just to add to what Harish said, because what is the cost structures to do that? I mean, the question was more on the cost structures, which we need to work on it right and of course, the endeavor is to change the revenue mix and the important point we want to do is we want to be right shore is the right word does not want to be an it will be digital first, automation lead and they have examples. So that is where we want to make our margins does not matter from where you are delivering, you can even deliver from America or within the UK, but your automation mix is 40%, your cognitive is other 30%, your human is only around 30%. So that is where we want to move, because we have missed the bus very clearly on the offshore model because all our peers are all been in services business for last two decades and so we will never be able to catch up to that overnight. So we have to do something differently. So that is what we are building and doing.

**Moderator:** We have one last question. How much more ESOP's equity dilutions expected in FY23?

**Harish Shenoy:** Yeah, based on our existing ESOP scheme that we have, we have about 29 lakh options still open, which is actually a part is to be vested and part is to be exercised. So it is a combination of options to be exercised and to be vested, which amounts to about 29 lakh options. That is about I would say, the equity amount will be around INR 3 crores.

**Moderator:** Noted sir that would be the last question. With I hand it over to Thompson sir for his closing remarks. Thompson sir over to you.

**Thompson Gnanam:** Yeah, thanks a lot, everybody, I think great questions and thanks for the word of encouragement from all shareholders who spoke as well, because it is very important for all of us also to be motivated. It is very encouraging for all the support you have given us, continue to support us because this could be one of the greatest turnaround stories, which all of us will probably reflect back in the years to come. Thank you.

**Moderator:** Thank you, sir and thank you everyone for participating at the 3i call. We look forward to seeing you next quarter. Thank you and have a great evening.