"3i Infotech Limited

Q1 FY27 Earnings Conference Call"

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MANAGEMENT: MR. RAJ AHUJA – GROUP CEO

Moderator:	Ladies and gentlemen, good day and welcome to 3i Infotech Limited Quarter 1 Fiscal Year 27 Earnings Call. Before we begin, a few quick announcements for the attendees. Everything said on this call, which reflects outlook for the future, or which could be constructed as a forward-looking statement, may involve risk and uncertainties. Such statements or comments are not guarantees of future performance, and actual results may differ from those statements. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the opening remark concludes. If you wish to ask a question, please use the raise hand feature available on your Zoom dashboard. We will announce your name on the call and unmute your line. Post which, you can proceed with your questions. Please note that this conference is being recorded. To take us through the results today, and to answer your questions, we have Mr. Raj Ahuja, Group CEO, supported by the top management team of 3i Infotech Limited. Mr. Ahuja will start the call with the business update. After that, we will open the floor for question-and-answer session. With that said, I will now hand over the call to Mr. Ahuja, over to you.
Raj Ahuja:	Thanks, Richa, and a very warm welcome and good afternoon, everyone. and thank you for joining us today. In our previous earnings call, we had shared that FY26 was a year of strengthening our organization, building Centre of Excellence-led operating model, and creating a stronger foundation for long-term growth. As we entered FY27, our focus shifted from building capabilities to translating these investments into measurable business outcomes. I'm pleased to say that the first quarter reflects encouraging progress with improving execution, healthy business momentum, and continued operational discipline. Let me begin with our financial performance. We reported operating revenue of ₹177.9 crore in FY27 Quarter 1, representing 4.3% year-on-year growth, and 1.3% sequential growth. Gross margin improved to 14.4% from 12.6% last quarter and 11.2% year before. This reflects continued operational improvement and disciplined execution across the businesses. EBITDA stood at ₹11.5 crore, and PAT at ₹6.5 crore during the quarter. It is important to note that the corresponding quarter last year included a one-time other income of ₹18.5 crore before tax, and ₹13.5 crore after tax pertaining to ECS credit from our US operations, which resulted into a higher base for comparison. Excluding this one-off impact, our operating performance improved significantly, supported by stronger execution and healthy underlying business fundamentals.

	Beyond the reported financial performance, the quarter demonstrated encouraging business momentum. We secured order booking with a Total Contract Value of ₹240.9 crore, and an Annual Contract Value of ₹195.6 crore along with more than 25 new client wins across our key markets. These numbers include approximately ₹80 crore of renewals of existing contracts, and balance as fresh new projects. These wins further diversified our customer portfolio, strengthened our order pipeline, and improved revenue visibility for the coming quarters. The strategic investments made over the past one year are increasingly translating into stronger execution across our businesses. During the quarter, we continued to strengthen our organization. We enhanced our leadership team across key business and functional lines, further embedding our operating model. We also expanded our Centre of Excellence, technology partnerships, and AI-enabled capabilities. These initiatives are improving collaboration across delivery, solutioning, and go-to-market teams strengthening execution, and enhancing customer delivery. We also maintain a healthy talent environment with voluntary attrition improving to 8.5% from 11.7% in the same quarter previous year, reflecting the stability of our workforce and the effectiveness of our people initiatives. This progress was achieved despite the absence of any significant foreign exchange tailwinds, underscoring the strength of our underlying business fundamentals, and positioning us well to deliver sustainable long-term growth. Moving now to our business segment performance. I am pleased to share that each of our business lines continue to make steady progress during the quarter, supported by the stronger execution and continued investment in our capability building. Application, Automation and Analytics (AAA) remained our largest business segment during the quarter, contributing to 73.5% of total revenue, supported by sustained demand for application modernization, digital transformation, data and analytics, and AI-led solutions. Building on the CoE-led operating model introduced in FY26, we continue to strengthen our capabilities through AI-enabled engineering, intelligent automation, and reusable solution accelerators. These investments are enhancing delivery excellence, improving execution, and positioning us to capture emerging opportunities across application modernization, analytics, and ERP transformation. Second business, Infrastructure Services (IS), contributed 18.7% of total revenue, and continued to demonstrate steady execution across cloud, cybersecurity, hybrid infrastructure, and managed services. We further strengthened our cloud and cybersecurity, AI operations, and digital

	workplace capabilities, positioning the business to capitalize on growing demand for hybrid cloud, data centre modernization, and AI-driven infrastructure operations across our key markets. The third business, Business Process Services (BPS), contributed 7.8% of total revenue, and continued to progress on its strategic transformation agenda. While the operating environment remains challenging, the initiatives implemented over the past year are beginning to show encouraging early signs of progress. We continued to strengthen the business through dedicated delivery and sales teams, digital operations, workflow automation, and expansion beyond the domestic BFSI sector into the US, Middle East, and other industry verticals, laying the foundation for sustainable long-term growth. Geographically, our diversified global footprint continues to demonstrate resilience. India revenue increased to ₹66.6 crore from ₹63.5 crore in the previous quarter. Reflecting 4.9% sequential growth driven by expansion across key customer accounts. The US, our largest market, reported revenue of ₹91.2 crore, compared with ₹98.3 crore in quarter 4, FY26, reflecting a temporary 7.2% sequential moderation, due to normal project timing and seasonality. Asia Pacific remained stable at ₹4.3 crore, while the Middle East delivered exceptional momentum, with revenue increasing to ₹15.9 crore from ₹9.7 crore last quarter, representing 64% sequential growth driven by the new business wins. This balanced geographic mix continues to provide resilience while reducing concentration risk and creating multiple growth opportunities across our priority markets. Our geographic strategy remains focused on deepening our presence in core market, while selectively expanding into high-growth regions. North America continues to be our largest market, while we are steadily strengthening our presence across the Middle East. During the quarter, we also established local leadership teams in Canada and East Africa, where sales pipeline development and customer engagement activities are gaining encouraging momentum, laying the foundation for future growth. Operational resilience and cybersecurity remain key priorities for the company. During the quarter, we responded swiftly to a cybersecurity incident through our established incident response framework, ensuring timely containment, recovery, and full regulatory compliance. There was no material impact on business continuity or customer delivery, and we have since further strengthened our cybersecurity framework through additional security enhancements to reinforce the resilience of our technology environment and our commitment to maintaining the trust of our customers and stakeholders.

	As we continue to strengthen our execution capabilities, our operating model is increasingly enabling closer collaboration across delivery solutioning and go-to-market teams, resulting in greater agility, consistency, and customer responsiveness. Artificial intelligence continues to evolve as an enterprise-wide capability across the organization, embedded well within our services, platforms, and internal operations to improve productivity, automation, and customer outcomes. During the quarter, we further strengthened our capabilities in generative AI, Agentic AI, machine learning, intelligent automation, data engineering, and AI-led quality engineering. Today, these capabilities are supported by more than 150 data and advanced analytics professionals, and over 350 certified automation and quality engineering specialists, serving 100-plus customers globally. These capabilities are being applied across a range of enterprise use cases, including demand forecasting, intelligent document processing, fraud analytics, AI-powered knowledge assistance, and AI-enabled software engineering, helping customers accelerate digital transformation while improving operational efficiency. Alongside these capabilities, we also continue to strengthen our technology ecosystem through deeper collaboration with strategic partners including SAP, Hyperscalers, and other leader technology providers. We also continue to expand our NuRe™portfolio of platforms and IP-led solutions, including Nure Flexib+, NuRe Campus, NuRe EnGRC and NuRe Intelligence, enabling customers to accelerate cloud adoption, governance, compliance, quality engineering, and AI-driven business transformation. Together, these capabilities, platforms, and partnerships are enhancing our ability to address larger and more complex enterprise transformation opportunity across our portfolio. Before I conclude, let me briefly share how we see the remainder of FY27. Our strategic priorities remain firmly anchored around the **‘Six P’** pillars that define our growth agenda, People, Process, Productivity, Platform, Partnering and Profitability. Together, these pillars continue to serve as the operating framework for our strategy and execution. We will continue investing in our **P**eople by strengthening leadership, developing feature-ready talent, and fostering a high-performance culture. Through **P**rocesses and **P**roductivity, we remain focused on enhancing governance, improving execution, driving operational efficiencies, and delivering a superior customer experience. Under **P**latform, we will continue to strengthen our differentiated solutions and intellectual property to address

	our customers' evolving technology requirements, while **P**artnering will remain a key growth enabler as we deepen our relationships with strategic technology partners to expand market opportunities, enhance solution capabilities, and deliver greater value to our customers. Underpinning all these priorities is **P**rofitability, where we remain committed to disciplined capital allocation, prudent cost management, and sustainable margin improvement as we continue to scale the business. The encouraging progress achieved during quarter 1 reinforces our confidence that the strategic foundation built over the past two years is translating into measurable business outcomes. Supported by a healthy order pipeline, a diversified business portfolio, expanding market presence, and improving execution capabilities, we believe 3i Infotech is well-positioned to capture emerging opportunities, accelerate sustainable profitable growth, and create long-term value as we advance our vision 2030 aspirations. Before I close, I would like to thank our shareholders, customers, partners, and employees for their continued trust and support. I would also like to acknowledge our long-standing investors, whose confidence in 3iInfotech has been invaluable throughout our transformation journey. We remain committed to delivering sustainable long-term value for our stakeholders. Thank you once again for joining us today. With that, I will hand over the call back to the moderator to begin the Q&A session.
Moderator:	Thank you very much, Mr. Raj Ahuja. We will now begin the question-and-answer session. Kindly use the raise hand so that I can allow you guys to talk. Our first question comes from the line of Kiran Rao. You can now speak, please. Kiran Rao, you can unmute yourself and you can speak. Kiran Rao , we are not able to hear you, so moving forward. Sanjyot Khare is in the line, so you are allowed to speak.
Sanjyot Khare:	Hello, good afternoon, am I audible?
Moderator:	Yes, you are.

Sanjyot Khare:	Thank you. First of all, congratulations, Raj and the team. We are seeing now the margins have improved and revenue has stabilized. Recently, there have been multiple announcements about order wins, and you also mentioned about TCV of around ₹200 crore. So, are we saying that from quarter 2 onwards, revenue will start improving? Because over the last 5-6 quarters, revenue was just between ₹170 crore and ₹180 crore. So, how is it going to happen? How is the business scenario now? Are all the tractions going well? Are you seeing increased customer engagement? Are implementations progressing as planned, or are some projects still on hold? We just wanted to understand how things need to progress during the remainder of the year?
Raj Ahuja:	Sanjyot. First of all, thanks for joining the call. To answer your question, on the revenue, revenues have already started showing signs of improvement. If you have seen the last four quarters, starting from quarter four of last year till quarter three of FY26, our revenue remained in the range of around ₹170 crore to ₹175 crore. Over the last two quarters, we have now moved into ₹175 crore to ₹180crore range. While It is not a major improvement, I agree, but at least the needle has moved from ₹170 crore levels to ₹180 crore.. There are a lot of initiatives, some of which I have already mentioned during my address. All the fractions are equally kicking in as of now. All three of our business segments have been demonstrating a better outcome this quarter as well as the previous one. Similarly, all the four geographies in which we are operating, have shown signs of improvement. While we do not disclose our sales funnel, I can say that it has become quite healthier with the new leadership team now in place. Regarding the implementation of the projects arising from these order booking, some of them are the renewal contracts, which will continue to be serviced in the same manner as before. As I mentioned during my address, that around ₹80 crore of the ₹240 crore are renewals. These contracts will continue without any stoppage or blockages. The remaining projects will start kicking in from the quarter 2 onwards, depending on when and how the full implementation starts happening. You will start seeing more traction from the next quarter onward. We have already seen some traction over the last two quarters, and It will keep increasing quarter on quarter, as and when we go ahead and continue to implement new projects. With the ₹240 crore of TCV, we continue to focus on effective implementation and business growth.

	As I mentioned earlier, our sales funnel is becoming healthier across all four geographies. In addition, our COE-led program, where we are building capabilities across the new-age technologies, which includes, cloud, cybersecurity, ERP, Artificial Intelligence across our product lines, and other new platforms. A mix of all ,will create more sales opportunities, powered by our sales leaders, who are across the US, the Middle East, and India. Overall, I think we are well positioned for a growth story over the coming quarters.
Sanjyot Khare:	Thank you, Raj. My next question is about the latest update on the case filed with e-Mudhra? And, just last week, there was an announcement that, this Capital Next Group acquired a 5% stake in 3i Infotech. So, is that anywhere related to e-Mudhra, or what is happening in e-Mudhra and 3i Infotech?
Raj Ahuja:	Yes. The case is under investigation as of now. We have filed a formal complaint to the EOW wing, which we had declared earlier as a part of our communications. The normal legal process is being followed. Statements have been recorded from our side as well as from the other party, and internally, the discussions are happening on how to proceed further. With regard to Capital Next, yes, this is the same e-Mudhra group, If you look at Capital Next and the people acting in concert, these include Mr. Srinivasan and his family members. We have been informed that it is also part of the same family group. So yes, e-Mudhra has indirectly acquired more than 5% of our shareholding. We are monitoring the situation as of now. There has not been, any formal discussions with the team of e-Mudhra. These two activities are happening in parallel, and we will continue to watch. We will continue to provide update as and when there is more information. But rest assured. We continue to pursue this case as of now, and there will be no linkage between the shareholding and the legal case what we have initiated. These are two separate events, although they involve same group of people.
Sanjyot Khare:	Thank you. And my last question, Raj, is about this annual increment for the employees. Has it already been done in quarter 1, or it will happen in the coming quarters?
Raj Ahuja:	Our annual increment cycle is October to September. For the last 3-4 years, we have implemented salary increments in October, and this year as well, we are planning to do so in October.
Sanjyot Khare:	All right. Thank you, Raj. I will come back in the queue.

Raj Ahuja:	Sure.
Raj Ahuja:	Thank you, Sanjyot.
Moderator:	Thank you very much. Before we move on to the next question, there is something I would like to add. Please keep the questions limited to two and fall back in the queue so that we can give everyone a chance, since we are short in time. The next question comes from the line of Saket Kapoor sir.
Saket Kapoor:	Yeah.
Saket Kapoor:	Thank you, Madam. Namaskar sir and thank you for the opportunity. Sir, in continuation to your reply to the earlier participant, firstly, it seems and correct me here, that the company's operations are generating better profits per quarter because, I think, the other income, both quarter-on-quarter and year-on-year is down significantly. So, first of all, is my understanding correct, that the forex component has come down significantly and whatever profits we have posted have a higher operating contribution this quarter.
Raj Ahuja:	Yes, Saket. You want to finish your questions, and then I will answer them all?
Saket Kapoor:	No, sir, we can keep discussing.
Raj Ahuja:	Okay, no issues. Thanks, Saket, for joining. Yes, your understanding is right. There has not been much movement in the forex rates this quarter, so our contribution to profitability from the forex is limited to only ₹4 crore. Forex has not contributed much to the bottom line as compared to previous quarters. In quarter one of FY26, we had one-time income from the U.S. ECS refund of almost ₹18.5 crore. Last quarter also, we had a forex revaluation of around ₹15 crore, which contributed to some of the profitability. We do not have either the forex gains or any other one-time income events contributing in this quarter.

Saket Kapoor	Okay. Sir, I would just like to put forward another question . You mentioned about commencement of the transformative journey of the company and that we have done some strategic investments that are making the organization future ready. So, if you could just allude us, in terms of how the revenue profile and revenue run rate are going to improve over a period of time with these strategic and transformative steps taken by the company executives. And sir, what is the current closing order book, as on event date or as on 30th June, and the term of the execution, or the average term of orders that we have. I think these are multi-year contract that we will be executing. So, on these two aspects, if you could just apprise us.
Raj Ahuja:	Saket, First of all, we do not give future guidance in terms of revenue numbers. So I will not be able to put a scale or a range or a number to our future businesses and revenues. And I have mentioned earlier. We have secured around ₹240 crore of new order bookings Cumulatively, we stand at around ₹400 crores of order booking across our businesses and geographies. This is very normal for us, because most of our contracts especially in the staff augmentation, in the AAA business, and in the Infrastructure Services, are renewable on an annual basis. We keep renewing them, and historically, most of our customer renews it. We have customers who have been working with us for 5, 7 and even 10 years. So, there is almost, like more than 90% probability that these contracts will keep getting renewed as we move forward. That assures us that, for at least the next 12 months, we have sufficient revenue visibility through contract renewals, the current orderbook , as well as the sales funnel. With all the new initiatives what we have undertaken, whether it is our CoE-led delivery models, expansion into Canada and East Africa, or diversification beyond BFSI and government verticals and getting into retail, healthcare, and e-commerce space. We have already started our strategic partnership with SAP in the US. We are working with Oracle in the Middle East and India, and continue to collaborate with Microsoft and other top-most OEMs across geographies and business lines. We are quite positive about our growth trajectory at this point. People may have a little bit of a doubt on how we are going to achieve our vision 2030. But I am quite positive, that we are moving in the right direction, and we will be able to achieve vision 2030. The progress towards that vision will become visible to you over the next 2-3 quarters.
Saket Kapoor:	So, can you reiterate that 2030 revenue target or what is the size of the company you are eyeing by 2030? I am new to the company.

Raj Ahuja:	Yes. We have stated a target of ₹ 2030 crore, by the year 2030.
Saket Kapoor:	Okay, ₹ 2030 crore top line.
Raj Ahuja:	Yes, that's right, which is basically ₹ 2000 crore, but then we just aligned it with the year 2030.
Saket Kapoor:	Hopefully, God willing, it happens. And for the other expenses part, if you could just explain its nature? It ranges between ₹ 25 crore on a top line of ₹ 176 crore, and even it is down to ₹ 13 crore. If you could just explain the nature and what we should model in our expectation in terms of other expenses and what is the nature of the same?
Raj Ahuja:	Other expenses include cost of our offices, maintenance, administrative expense, employee travel, audit and sitting fees, and all other operating expenses apart from employee costs and third-party products, or sub-contracting costs.
Saket Kapoor:	So, what should we factor in? What explains the ₹ 25 crore to ₹ 13 crore dip on a quarter basis and even for a year-on-year basis, the number has come down from ₹ 18 crore to ₹ 13 crore?
Raj Ahuja:	As we have explained in the previous earnings calls also, there have been a lot of focus on cutting down the wasteful expenditure, and the impact has started reflecting in our books over the last two to three quarters. We closed and consolidated offices, restricted all the expenses, like consultant hiring, reduced advisory costs and curtailed travel expenses, everything was cut down drastically, and that has now started reflecting in our profitability.. Last quarter other expenses were higher because we had one or two exceptional items, which we had also disclosed. These include an old service tax demand of almost ₹ 5.5 to 6 crore, that was provided for in quarter 4. We also carried out some book clean-up as part of annual closing of our accounts, including certain receivables and creditors, which also resulted in in an impact of roughly ₹3 crore. These were exceptional items that were present last quarter but not in the current quarter.
Saket Kapoor:	So, run rate should be ₹14-15 crore only for a quarter, on a conservative basis or on the higher side?.
Raj Ahuja:	Yes, you are absolutely right. We expect to remain within this range unless our scales go up toward our Vision target of ₹2000 crore. With our current

	revenue range and maybe another 25-30% of growth in revenue, we expect other expenses to remain broadly within this range.
Saket Kapoor:	Okay, one last point, with respect to the investments which we have done and you were explaining to the earlier participant. Can you just reiterate of what exactly are we eyeing in the NuRe Future Tech, the subsidiary? And what is the rationale of the investment in terms of these redeemable preference shares or what is the nature of this transaction, sir?
Raj Ahuja:	I think you are talking about e-Mudhra case, right?
Saket Kapoor:	Sir, what I see in your in the Annexure 3, you have mentioned about a NuRe Future Tech. The company is a wholly owned subsidiary, wherein you have mentioned about conversion of some corporate loan and some activities, so if you could just explain to us what exactly are we doing here and what is the next course of action? I am just referring to Annexure 3.
Raj Ahuja:	I was not referring to that in response to my previous participant. Basically, we have a RTA business in our holding company as of now which is a 30-year-old business. It is not a very large business, with an annual revenue of around ₹6 crore. Due to certain regulatory net worth requirements, we are now planning to run this business through one of our subsidiaries and that is what exactly we are doing. So, it is not a new investment, it is a wholly owned subsidiary. It is only carving out of one of our existing businesses from 3i Infotech into that subsidiary. It is an internal restructuring rather than a new investment, because the team, platform and the customer base already exist.
Saket Kapoor:	Okay, sir. I am joining the queue. Only point which I was trying to make sense is that I am not looking for any forward-looking statement, but on scaling up if we achieve a number, say, closer to ₹2,000 crore, in next 4 years, then 3 years down the line we should also have an understanding of what the expected yearly exit run rate should be. Because on top of everything, we are not going to reach ₹2,000 crore. Say, by the end of FY27, there should be a huddle rate and similarly for FY28 and then we would be able to understand whether we are going to achieve that number. I hope I am trying to convey my point.
Raj Ahuja:	Yes. Absolutely, Saket, point well taken. We have our internal plans. As I mentioned we do not publish, our forward-looking numbers. However, we have a well-defined internal plan and we are progressing in line with it for FY27 and FY28. FY29 and FY30 are still some distance away, but we have a well-defined trajectory that has been approved by the Board.

Saket Kapoor:	Sir, in fact, ₹2030 crore is also a forward-looking number only. It is not a backward combination.
Moderator:	Sir, I am so sorry to interrupt you.
Saket Kapoor:	Since it is a forum, yeah, we can only convey the fact. Very sorry for that, for continuing.
Moderator:	Yeah, I get it.
Saket Kapoor:	It is only a suggestion, that ₹2030 crore target is itself a forward-looking statement. So, when investors are asking you what should be the number for FY27, FY28, FY29, you are saying that we are unable to give a forward-looking number. So that is my submission.
Raj Ahuja:	Thank you.
Moderator:	Thank you, Saket Kapoor sir. I would like to add, please keep your questions limited to two and fall back in the queue, so that everyone gets their chance.
Moderator:	Next question comes from the line of Rajaram Khanolkar.
Rajaram Khanolkar:	Good afternoon.
Rajaram Khanolkar:	Can you hear me?
Raj Ahuja:	Yes, Rajaram, we can hear you.
Rajaram Khanolkar:	Just now , and in many documents we have seen, that we are into many areas. Many areas in the sense we may have 20, 25, or 30 different areas. Just now, previously answering one of the questions you mentioned several area ssuch as oracle, and SAP. So, I would like to know which of these areas you are going to critically expand to, say, 30-50%, and we become a dominant force, compete with anybody and everybody, and we will be visible strongly in the market, as top 1top 2or top 3players in at least one of these markets. And the second question is, recently we entered into SAP, which is like a late entrant. What is our strategy, whether we become like HCL, which is into SAP for over 20 years, or whether we are focusing on a specific niche? These are my two questions. I have written it in my chat also, so you can read the details there.

Raj Ahuja:	Sure, thanks, Raja. I am with you. At the company of our scale and size, which is in the range of around ₹700 crore in annual consolidated revenue , we are into too many areas, and that's what has been our history. We have been equivalent to other Tier 1 software companies in the country, doing everything any large Tier 1 company do, but obviously at a much smaller scale. That brings its own complexities in terms of overheads, capability building and investments in people and time. About 7-8 months back, during the third quarter of last year, we began focusing on a select set of the growth areas. Though our business model continues to be built around our three pillars- AAA, IS, and the BPS, and geographically, also, we are diversified across the US, the Middle East, India, and Asia Pacific, we have started a journey where we are trying to focus only on the few specific technologies as of now. Some of the technology we have shortlisted for future growth, include ERP. As you rightly mentioned, SAP and Oracle are among the new areas, we have started working in. We currently have no presence in this space, so whatever we build from now onwards will represent significant growth because our base is zero. The second area other than the ERP, is cloud. We are investing significantly across cloud technologies and working closely with hyperscalers. Our focus covers cloud transformation, cloud migration, cloud consulting, and cloud maintenance. We are continuously working to develop our capabilities. The third area, which is a very high-growth area globally, and we have very small business, are cybersecurity and information security. We have built the capabilities required to deliver cybersecurity services. We have established partnerships with cybersecurity product companies and started implementation work. In addition to that, we are strengthening our information security practise, including certifications, and consulting services for customers. The fourth key area is Artificial Intelligence, Machine Learning, Blockchain, and IoT and all new-age technologies. We have established a dedicated capability that is focused on these emerging technologies. Our focus is not limited to only AI, but extends across all the four or five technologies, with a lot of opportunities emerging in blockchain technology. India has started implementing many large-scale solutions using blockchain technology, and we are starting to work in that area as well. These are the four or five areas where we have created deep domain expertise, and these will be our primary areas of focus. While our other business model will continue, there are dedicated teams managing our

	existing businesses, alongside dedicated team building capabilities, developing sales funnel, and driving customer interactions in these five areas. This is going to be our focus going forward. Have I answered your question, Raja?
Rajaram Khanolkar:	Yeah, but which one of these areas do you want to be top 2 or top 3? Any ambitions you have listed which is missing? Or anything which you think in your company will be the top sector achieving a critical mass of 30, 40or even 50%?
Raj Ahuja:	Yes, to be frank, I think we are still too small in these areas, and aspiring to become number one or number two at this stage is not going to help us, because that would be a vision or an aspirational statement. Everybody else is already at the billion or multi-billion range, and we are just beginning our journey. The good part is that in each of these areas we will continue to focus on, and we want to build leadership around them. Each of these four areas are high-growth segment in today's IT industry. Whether it is customers, geographies or applications, everything is centred around these 4 or 5 key areas currently. So, there is not just one or two area, these are the four areas we are focusing on. Our aspirations are significant, but not in terms of becoming the market leaders or the number one or two player, because there are already companies at a very different size and scale .
Rajaram Khanolkar:	Thank you for your answer. I request you to have a 3-5 year long plan for these 4 areas of investment, so that your 80% to 90% efforts will go in developing and building a critical mass around them. Otherwise, if focus keeps changing, maybe year on year or quarter on quarter, we don't reach anywhere.
Raj Ahuja:	I agree with you. Thank you.
Moderator:	Thank you, Rajaram Sir. Moving forward, next in the line is Sharon N. You can now speak, sir.
Sharan N:	Hello.
Moderator:	You are audible, sir, yes.
Sharan N:	First of all, congratulations to the entire team to have, tagged some good amount of orders. So, my question regarding the orderbook. We have been seeing, you have been getting a lot of, big contracts, like, ₹ 40 crore or ₹ 46 crore worth. At the same time, you are also bagging, smaller contracts of ₹6 to

	₹8 crore range. Going forward, can we see more such bigger contracts coming up, rather than the smaller ones? This is my first question. My Second question is, what is the top-line CAGR, that you're looking at?
Raj Ahuja:	Okay, Sharan, coming to the big versus the small orders. At this stage of our journey, we don't have much of choice of neglecting the smaller orders and focusing only on the large ones. We have separate teams that work on the large orders, with dedicated process, and winning strategies for those opportunities. At the same time, we have another team that focuses on the run-of-the-mill smaller projects. As I keep telling my team that like in a cricket match, fours and sixes are important, but you also have ones and twos to keep your averages running. So, for me, everything is important. At this point of time, we are not prioritizing on the small versus big. Another reason for us to follow that strategy is that the smaller orders helps us in starting the journey with a customer. Most of the customers are already used to working with the large Tier 1 and Tier 2 vendors. While 3i Infotech is a well-recognised name in the market, many customers may not have worked with us. They would like to start with a small project or a staff augmentation project. Once they gain confidence those engagements can eventually grow into a larger orders. So, neglecting the smaller orders is not the right approach. We continue to pursue both small and large opportunities. Even with the existing customers, if we stop accepting smaller orders, there is a good chance that the competitors will enter those accounts, and they will get access to the larger orders. So, for us, everything is equally important, small or big. The only difference is that we have separate teams and separate processes to manage the run rate versus the large orders. That is how we operate today. Maybe over a period of time, once we actually get into ₹2,000 core level, we may establish a discipline of not pursuing the smaller opportunities, as they require too much of effort and consumes the team bandwidth.
Sharan N:	Which means we can expect more such big orders coming in this quarter.
Raj Ahuja:	Yes, you do not see the smaller orders because we announce only orders worth ₹ 1 crore and above. However, there is a long list of the orders less than ₹1 crore which we continue to receive. So, the ₹240 crore order booking includes of all these orders. We will continue to focus on large orders. There are many such orders in our pipeline that are currently part of our Sales funnel. At the same time, we will continue to focus on that, without taking our focus away from the smaller ones.

Sharan N:	So, what is the CAGR on the top line that you are looking at? Is it, like, 25 to 30%?
Raj Ahuja:	If we are to achieve our vision the 2030, we cannot afford to have less than 30% growth for sure. Whether that 30% will happen immediately, or whether it is a CAGR over the next 4 years, 30% obviously comes as a mathematical number.
Sharan N:	Because we have only three and a half years, or four years to reach that ₹2,000 mark, I think, the required CAGR would be around, 25%to 30%. So, are we looking at such sort of numbers, is what I was a bit curious about.
Raj Ahuja:	Yes, if we do not grow that much this year, then there will be a lot of pressure over the next 3 years for us. This year, however, we have built a lot of capabilities, and the traction is good. Therefore internal target is to achieve that CAGR, which will take us to our vision ₹2030 crore.
Sharan N:	Great. that was my question. So, thanks, all the best, for the entire thing.
Raj Ahuja:	Thank you.
Moderator:	Thank you, Sharon, sir. Moving forward, we have, next in line Tushar, sir.
Moderator:	You can now speak sir
Tushar K:	audible?
Moderator:	Yes, you are.
Tushar K:	Okay, my question is around the RailTel dispute. So, any update on that? And are you anticipating any resolution in near future?
Raj Ahuja:	Regarding RailTel, there have been developments, like any other normal legal proceedings. We have already intimated everybody that we have invoked arbitration as per our contract with RailTel. There has been a statement of claim filed by us, statement of counterclaim filed by RailTel, and thereafter, we submitted our statement of defence. These are all the key developments during the current quarter. The matter is now at the arbitration stage, and the hearings are expected to begin next month, after all the statement of defence and all other documentation have been completed by both parties. The arbitrators are already in place, and everybody is now familiar with the case and its details. I am not expecting a quick result. This is a legal case, and the legal process will have to be followed after the arbitration. If either party is dissatisfied with the arbitration order, we have the right to go to the appellate courts. So, it can be a little bit of a long-drawn battle for both the parties. In the meantime, RailTel wanted to continue with the project through some other party. We have legally objected to this, they cannot work with any other party

	until the matter is resolved. As of now, the silver lining is that we do not see any further exposure on our balance sheet. Whatever the payables, or claim may be, we have made an equivalent provision for them in our books. It is not that we are expecting those amounts to be paid, but we have made necessary provisions, so we are covered from the downside. However, the case might take years to reach conclusion.
Tushar K:	Okay, thank you.
Raj Ahuja:	Thank you.
Moderator:	Thank you, everyone. That was our last question, due to time, constraint. You can reach us You can reach out to us on Investor Relations Team, NNM NextGen Advisory, at research@cokaco.com . For questions on behalf of 3i Infotech Limited. That concludes our conference. Thank you for joining us, and now you can disconnect your lines.
Raj Ahuja:	Thank you, everybody.

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.