“3i Infotech Limited
Q2 and H1 FY27 Earnings Conference Call”
November 02, 2026

MANAGEMENT: MR. RAJ AHUJA – GROUP CEO
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MRS. VARIKA RASTOGI- COMPANY SECRETARY

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY27 Earnings Conference Call of 3i Infotech Limited. We have with us the senior management team, represented by Mr. Raj Ahuja, Group Chief Executive Officer, and Mr. Kalpesh Shah, Chief Financial Officer. The management will be sharing the key operating and financial highlights for the Quarter and half year ended September 30, 2026, followed by a question-and-answer session.

Please note that some of the statements made during today's discussion may be forward-looking in nature and may involve risks and uncertainties. Documents relating to company's financial performance is available to the stock exchange. We trust, you have been able to go through them.

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 management's presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * followed by 0 on your touch-tone phone.

Please note that this conference is being recorded.

I now hand the conference over to Mr. Raj Ahuja. Thank you, and over to you, sir.

Raj Ahuja: Thanks, Anne. Before I begin, just to add, our Company Secretary, Mrs. Varika Rastogi is also on the call. Therefore, we have all the 3 Key Managerial Personnel (KMPs) representing 3i Infotech on this call.

Good afternoon, everyone, and thank you for joining us for 3i Infotech's Quarter 2 and Half yearly FY27 Earnings Conference call.

It is my pleasure to connect with our shareholders, analysts and stakeholders as we review our performance for the first half of the financial year and share our outlook for the period ahead.

At the beginning of FY27, I had spoken about our transition from building the foundation of transformation to deliver measurable business outcomes. During the first half, we have made steady progress in strengthening our core business, improving execution and aligning our organization with our evolving capabilities.

We are done with the base work of building capabilities and execution and now, as we move into the second half of FY27, our focus is on building business momentum, expanding our market presence, and driving sustainable profitable growth. We will continue to prioritize operational and delivery excellence and disciplined execution as we advance towards our Vision 2030 ambition.

I believe the progress made so far provides a strong foundation for the next phase of our journey, where our priority will be to translate our strategic initiatives into consistent business performance. With this context, let me take you through our financial performance, key business developments and strategic priorities.

Let me begin with our financial performance. During Quarter 2 FY27, revenue from operations stood at approximately ₹182 crore, representing year-on-year growth of around 4.1% and sequential growth of approximately 2.3%. For half year FY27, revenue from operations reached approximately ₹ 360 crore, around 4.2% higher than the corresponding period last year.

For the second Quarter, EBITDA stood at ₹ 13.7 crore with a margin of approximately 7.5% and profit after tax was ₹ 6.7 crore. For the first half, EBITDA stood at ₹ 25.2 crore with a margin of approximately 7% and profit after tax was ₹ 13.2 crore. The numbers are strictly not comparable to the last year's numbers, where we had onetime income of approximately ₹ 27 crore, net of taxes, in the first half of the last year due to U.S. ERC credit.

For the half year FY27, despite investment of working capital in new contracts for more than ₹ 20 crore, especially in India and Middle East, and expanding capabilities through CoEs, cash flow from operations were positive at ₹2 crore, adding to our cash reserves.

Our focus remains on sustaining growth in core operating revenues while improving delivery productivity, strengthening cost discipline and enhancing the quality of our business mix. We are aligning our investments in sales, talent, and technology with opportunities that support strong operating performance over time.

Our results include investments made so far in creating capabilities through AI, automation, ERP, security and application modernization center of excellences, adding relevant subject matter expertise, completing creation of our leadership team and investment in processes and technologies.

It also includes onetime costs pertaining to cybersecurity event, some old tax dispute settlements, and legal costs pertaining to our investor matters. We continue to maintain a healthy talent environment, with voluntary attrition declining to 18% in half year FY27 from 22.2% in half year FY26, reflecting improved workforce stability and the positive impact of our people-focused initiatives.

Turning to our business performance, Quarter 2 FY27 saw continued momentum through new business wins, contract renewals and expansion of existing engagements. We added 25 new clients during the Quarter, strengthening our presence across banking, insurance, energy, manufacturing, government, consumer and technology sectors.

In India, our engagements covered application development and maintenance, infrastructure management, data analytics and business intelligence. Internationally, we secured opportunities across North America, the Middle East, Asia Pacific in digital engineering, cloud services, APIs, integrations, DevOps and automation.

Our efforts to diversify the consumer portfolio are also reflected in the revenue mix, with the contribution from our top 5 customers declining from 27.2% in half year FY26 to 23.5% in half year FY27, reducing concentration and strengthening our business base.

During the first half, we recorded a total contract value order booking of ₹ 467.3 crore and an annual contract value of ₹ 379.5 crore, including renewals and new businesses, reflecting continued business opportunities across our portfolio.

Going forward, our focus will be on strengthening existing accounts, acquiring new customers and converting our opportunity pipeline into larger, solution-led engagements to support sustainable growth.

Coming to the geographical performance, our international business continues to be the key contributor to overall performance, with the U.S. remaining our largest market, accounting for approximately 49.1% of Quarter 2 FY27 revenue, followed by India at 34.9%.

The Middle East delivered strong growth, with revenue increasing 54.3%, Quarter-on-Quarter to ₹ 24.5 crore, driven by new business engagements. During the Quarter, the U.S. contributed ₹ 89.4 crore, India, ₹ 63.6 crore, and Asia Pacific ₹ 4.5 crore.

Going forward, we will focus on strengthening our presence across key international markets, expanding strategic accounts and pursuing new opportunities aligned with our evolving technology capabilities. We are also focusing on increasing our base in new geographies added last Quarter, namely Canada and East Africa, where the initial interactions have been good, creating a reasonable funnel in the very first Quarter of operations.

As part of our ongoing business transformation, we have moved towards a more capability-led structure. Building on the Center of Excellence-led model introduced last Quarter, we have aligned our business offerings with our growing capabilities to better serve our customers and support technology-led growth.

Effective October , 2026, we transitioned our business into 3 capability aligned service lines to depict our new and evolving center of excellences. One, Digital Engineering Services, which was formerly known as Application, Automation and Analytics division. Second, Cloud Infrastructure & Security Services, formerly known as Infrastructure Services.Third, Business Process Services, which retains its existing identity with an enhanced focus on AI and automation-led services.

This transition brings together our domain expertise, technology capabilities and delivery strength under a more focused structure. Our objective is to move beyond individual service engagements towards broader integrated solutions and long-term customer partnerships.

With this business realignment, let me take you now through the performance of our three business segments. Digital Engineering Services remains our largest business, contributing approximately 74.1% of half year FY27 revenue. With capabilities spanning application engineering and modernization, enterprise applications, data and analytics, intelligent automation and quality engineering, we are focused on supporting customers in their digital modernization and transformation journeys.

Cloud Infrastructure & Security Services contributed approximately 17.9% of half year FY27 revenue. Our focus in this unit is on strengthening capabilities across hybrid cloud, cybersecurity, digital workplace, enterprise automation and AI Operations to help

the customers build secure, resilient and efficient technology environments. Business Process Services accounted for approximately 7.8% of half year FY27 revenue.

There are a lot of headwinds in this business due to increased usage of AI automation and regulatory tightening, especially in BFSI segment in India. We continue to enhance our offerings across customer experience, intelligent business operations and digital services, leveraging AI and automation to improve efficiency, quality and scalability.

Across all the 3 businesses, our emphasis remains on developing market-ready solutions, strengthening delivery capabilities and translating our expertise into measurable customer outcome.

Alongside our business capabilities, artificial intelligence remains an important focus as we continue to integrate AI and automation across all our services, platforms and internal operations. During the Quarter, we advanced our capabilities in GenAI, agentic AI, intelligence automation and AI-led quality engineering by developing a centralized AI repository to bring together reasonable solutions, framework and use cases.

Our technology capabilities are supported by over 150 data and advanced analytics professionals and 350 certified automation and quality engineering specialists serving more than 20 active customers globally.

Going forward, our focus will be on translating these capabilities into scalable AI-enabled solutions that improve customer outcomes, enhance delivery productivity and create new business opportunities for us.

To create an enhanced value and focus synergies, we have decided to integrate all our AI analytics and automation CoEs into a separate legal entity. These businesses require a different rhythm with consulting and senior level partnership mind-set to be successful. To enable this, the Board has already approved setting up of a subsidiary in their last meeting, which is part of our stock exchange filings. We also might look into some partnership in this entity in future to increase share overall stakeholder value.

To further support our technology-led growth, we continue to strengthen our NuRe platform ecosystem and proprietary solutions, focusing on scalable offerings that complement our core business services. There has been some improvement both in product and GTM strategy in this area, which should mature by the year-end FY27 and will start adding their weight to the 3i story.

We are also deepening our strategic technology partnerships to expand our solution capabilities, strengthen market reach and create new business opportunities. Our emphasis remains on leveraging these collaborations to deliver greater customer value and support long-term growth. With the addition of leadership in this area, we have started working closely with large partners, both in India and internationally, to focus on long-term industry-specific solutions rather than just being in services.

As we move forward, operational efficiencies, delivery excellence and accountability remains key priorities. We continue to strengthen our delivery practices, optimize resource utilization and leverage automation to improve productivity and support sustainable profitability.

Our people remain central to this transformation. We are investing in leadership development, multiskilling and future-ready capabilities across AI, cloud, cybersecurity and digital engineering to support our evolving business needs. Our 6-pillar framework: People, Process, Productivity, Platform, Partnering and Profitability, continues to guide us our efforts towards building a stronger, more agile and scalable organization.

Before moving forward to our outlook, I would like to briefly touch upon the ongoing matters. The RailTel contractual dispute continues to progress through the arbitration progress, while the in e-Mudhra related matter remains under review post response from EOW and we are expecting closure of the matter in the current Quarter.

In parallel, we continue to work on old legacy matters pertaining to RBI, FEMA, entity simplifications and closing old inter-company transactions. Being old matters, the progress has been slow but steady, and the impact of that will continue to be part of our financial and disclosures as per requirements. We remain committed to following the appropriate legal processes and will keep stakeholders informed of any material development as required.

Looking forward to second half of FY27, our priority is to build on the progress made so far by driving business growth now, strengthening our sales pipeline, expanding customer relationships and converting our CoE-led capabilities into larger solution-led opportunities. We will also continue to advance our AI and platform initiatives, develop industry-focused offerings and improve delivery productivity to support sustainable and profitable growth.

Our Vision 2030 is not just about achieving a financial milestone, but about building a stronger, agile and technology-led organization recognized for its capabilities, customer trust and consistent execution. The first half of FY27 has laid a foundation through our business alignment, capability development and operational improvements.

Our priority now is to translate this progress into measurable business outcomes and long-term value creation for our shareholders. I believe we are moving in the right direction, and my leadership team and I remain focused and committed on delivering the next phase of our transformation with discipline and commitment.

Before I conclude, I would like to thank our customers for their continued trust, our technology partners for their collaboration and our employees for their commitment and dedication. I also extend my appreciation to all our shareholders and investors for their continued confidence and support.

We remain committed to building a stronger, more agile and technology-led 3i Infotech with a clear focus on sustainable profit growth and long-term stakeholder value. Thank

you once again for joining us today. With that, I'll hand over the call back to the moderator for the question-and-answer session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press * and 1 on their touch-tone telephone. If you wish to remove yourself from the question queue, please press * and 2. Participants are requested to use their handset while asking a question. Ladies and gentlemen, please wait for a moment while the question queue assembles.

The first question is from the line of Rushda Saifee from RoboCapital.

Rushda Saifee: I just wanted to know, what do you expect the revenue growth to be in H2 FY27 and FY28?

Raj Ahuja: Hi Rushda, if the question is only on the revenue numbers, we do not give any outlook for the future as of now. What we are expecting is this momentum to continue to build and the growth will continue from where we have finished the H1FY27. We have set the pace at this point of time and from here, based on our order booking, funnel and on our customer relationships, that we have built over the last 1.5 to 2 years, we are now working on increasing the revenue base to the next levels. All the numbers are in line with the vision we had given for 2030, and we are progressing towards that.

Rushda Saifee: Okay. The second question is that, over the last several years, our revenue growth has been modest. So, what type of growth catalysts do you see in the future for our Vision 2030?

Raj Ahuja: The revenue growth has been modest, and in the past, we have given the guidence that the revenue will be de-growing in FY26 and FY27 will have modest growth. So, the revenues are in line with the expectations which we have set for the market.

The reason is that the last FY26, we had taken a lot of time to clean up the whole revenue book, and we have decided to give up some of the businesses which were loss-making or very low-margin businesses, not adding value to our overall market value. So, for FY26, it was announced that we will be de-growing and in FY27, we said that since we were building up capabilities post our rights issue, which we did in October 2025. Those funds are being invested into the next level of growth. That has taken some time since October 2025, when we received the funds and then invested into building capabilities through Centres of Excellence. Now we have started seeing modest growth and expect it to accelerate over the next two to three quarters.

The growth catalysts are going to be more in the new age technologies. Our focus has been very clear. There are a few areas where we are focusing on building capabilities beyond a reasonable investment, which are AI-led technology platforms, cybersecurity, cloud and automation-led opportunities. So, these are three or four areas where we are very focused on growing beyond an average number.

Moderator: The next question is from the line of Sanjay Rawa, an Individual Investor.

Sanjay Rawa: Congratulation on the good set of numbers. I had a few questions, more on the operating side. I will come back if time permits on any other questions that I have. So, first is, if we can indicate what is the revenue growth in constant currency in both Quarter on Quarter (Q-on-Q) and year-on-year(Y-o-Y). That was my first question.

Second, it looks like the DSO has gone up. So, how is the company looking into getting this on track and improving the cash conversion cycle? That was my second question.

Third, I think there is no tax provision for the Quarter. So, is this something that has been looked into going forward? Or how is it placed for this Quarter?

So, one more question with the rupee appreciating, is the company looking into any hedging policy to cover any forex risk that may come into the P&L in the future period? These are my few questions, Raj. I will come back if time permits later.

Raj Ahuja: Thank you, Sanjay. Thank you for joining this call and being former-KMP of the company, I think it is good to hear your voice again after some time.

Revenue growth in constant currency, which we do not calculate or do not publish because all our units are self-sufficient in nature. For example, the U.S. has its own operations, which is managed from U.S. other than a small part which is done from outside US.

We can calculate it, and maybe we can publish that going forward. Everything is consolidated at the latest currency levels as of now. This is one parameter which we do not track, but we can look forward to adding that parameter also in the future.

Our U.S. business, which is 49% of the total business, is self-managed because most of the business is managed through the staff in the U.S. only. While my revenue is in U.S. Dollars, my cost is also mostly in U.S. Dollars, except for a very small portion, which is serviced from India.

The DSO number has gone up. Yes, there is a specific reason for that. We have got two big opportunities in the Middle East and a couple of reasonably sized opportunities in India, which has built up in end July 2026 and the beginning of August 2026. So, the collections have started happening post September, and that itself has added roughly around ₹ 20 crore of receivables in the last two months and the collection started happening from Quarter 3 onward.

Prima facie, it looks like that the DSO has gone up because we have got revenue only for two months, and then the complete revenue was outstanding as of September 2026. But as we go forward, the cycle will keep improving, and as revenue starts getting accrued for the full Quarter, the DSO will come back to normal levels.

Tax, as you know, we have huge carry-forward tax losses. Because of that, in India there is no tax liability. U.S. tax liability is calculated based on some carry-forward adjustments that need to be done. Based on that, the teams, in consultation with the

statutory auditors, have made the relevant provisions, whatever is applicable. So, there is no exposure or any other provision for taxes in that regard.

We have a hedging policy not to hedge forex exposure, and the reason is very clear, which I just mentioned in response to your first question, that most of our U.S. operations are independent. While my revenues are in dollars, my costs are also mostly 70%, in dollars. So, they are self-hedged from that point of view and that is why we do not have hedging policy on that.

Sanjay Rawa: Okay. So, I was more into – because, as part of the receivable in India, from the exposure that we have in various countries. So, are we covering that part? Because that movement hits the P&L or it comes back as income in the P&L. So, if we cover that appropriately, the variation may not hit the P&L as much. That is the reason I was more covering that question on hedging.

And on the constant currency part, that would be great if that can be added because we'll know the true revenue growth in the consolidated books because most of the elements, when the dollar either appreciates or depreciates, it has an impact on the growth on the revenue.

One more question I had, Raj, before I come back again, is the wage increase taken into account, or is that going to come in the future Quarters?

Raj Ahuja: It will come in the future quarter because our wage increase happened from October 1, 2026, So, in Quarter 3, we will see an uptick in the wage costs.

Sanjay Rawa: Any impact that we see on the EBITDA level, because there is a good improvement in EBITDA. So, do we see any impact, or all that is getting nullified in the margins?

Raj Ahuja: Yes, it will get nullified. I am not seeing any impact flowing through the EBITDA and the PAT levels, so it will be self-funded.

Moderator: The next question is from the line of Deepak Karwa, an Individual Investor. Please go ahead.

Deepak Karwa: Congratulations on a good set of numbers. I have a couple of questions regarding the business and the balance sheet. Recently, you stated that you have realigned businesses into DES, CIS and our legacy business from October 2026, supported by our 12 specialized CoEs and the 2 corporate CoEs. So how will this new structure translate into measurable productivity gains, larger deal winds and improve profitability?

Also in our investor presentation, we have stated that we have some legacy issue, which has been closed. So, I want to know that these legacy issues are fully resolved or there are some legal proceedings pending?

Also on the balance sheet front, we have a short-term borrowing increasing to the ₹ 40-45 crore with cash in hand, we have nearly ₹ 70- 75 crore. So, like what led to increase

in the borrowings? How does we are planning to balance working capital and investment growth?

Raj Ahuja: With respect to the realignment of the businesses, earlier we had a confused structure where we were trying to do everything for the customers that came our way. Now, we have started working on setting up the CoEs, which are very focused on the offerings that we have, and we do not offer anything that is not part of our new structure.

The CoEs we have created, including those I mentioned earlier, such as AI, cybersecurity, cloud, automation and hybrid cloud, where we are working to create value for our business. So, the business realignment is taking place through these CoE-led business units.

Each business unit is supposed to be completely independent and will have its own pipeline, funnel, customer relationships, partnerships, capabilities, SMEs and delivery model. Each of these will be evaluated based on their individual performance, other than the corporate function, which remains at the centre.

This was not the case earlier because we were monitoring it only at a AAA or an Infrastructure Services level and not the business line-wise, So, that will help us have a focused approach across all our LOBs.

On the legacy issues, we had a couple of issues, that we have been reporting over the past three years now. The majority of those have been cleared, but lot of items are still pending, which I have also mentioned during my remarks.

One is the old RBI and FEMA issues, for which we had represented to the RBI for closing those receivable and payables settlements. That application is still pending with the RBI, and we are actively working with them on that.

Secondly, there are a lot of old receivables and payables within our inter-company entities. We cannot write them off or write them back without looking at the complete tax and accounting implications, including any FEMA requirements, if applicable. So, we are working entity by entity and clearing them up.

And, as you would have seen the last two annual reports, our number of subsidiaries has come down post-resolution of some of those balances and there are some more subsidiaries which are being closed and cleaned up after we do a proper analysis of the tax, accounting and the legal aspects.

So, some of the RBI, FEMA issues are still open. Similarly, some of the old intercompany transitions are open. The biggest legacy matter, which is e-Mudhra, where we have filed a legal complaint against the ex-employees'/Board members. That is also being discussed and sorted out based on the new information which we have received from the EOW and other sources, which we did not have a direct access to, being a private company.

We have received some additional information, which is being evaluated and we will take a call very soon. That is regarding the legacy issue.

Coming to the balance sheet side, regarding the short-term borrowing increase, there are a couple of things which need to be understood.

First, in India, after the rights issue proceeds were received, we made short-term investments in FDs, bonds and other investments. We are parking those funds as it is beneficial for us not to break those FDs because the loss on breaking them is higher than the savings. So, we are retaining these investments and taking loans against them, through short-term overdraft facilities, which get utilised in the last day of the month because of salary pay-outs and other expenses. These get recouped immediately in the following week.

So, at any month-end or at the quarter-end, the borrowing number goes up, but that is not the average number. The average number is hardly around 20% of the balance sheet number. These borrowings get repaid in the first week of the following month instead of breaking FDs and booking losses on them. So, these are more like working capital borrowings. They are not permanent borrowings.

We also have a credit in in the U.S., which is utilized, but that number keeps coming down on a month-to-month, quarter-to-quarter basis, based on the profits we generate in U.S. and that is the reason for the short-term borrowings in the balance sheet.

Deepak Karwa: I have a follow up on this legacy like you have said that some receivable and the payables are there. So approx., what the potential cash outflow is remaining?

Raj Ahuja: Actually, the cash outflow is huge, and that is why we are not able to settle it. In some entities as huge as almost, let us say, ₹ 900 crore to ₹ 1,000 crore, where it is the past legacy receivables, payables. So, this is within the group and wherever we have an understanding that these are not payable and we cannot generate enough cash, we have made some provisions against them. In FY24, we continued to evaluate that every half year to see if there are more provisions or write-offs required. So, we continue to top them up if required, which has not been the case in the last two quarters, at least.

So, ₹1,000 crore plus is the cash outflow, which we do not have to do the transaction. That is why we approached RBI for doing a settlement of receivables and payables rather than physically moving cash.

Deepak Karwa: And Raj, you stated about e-Mudhra like in Q1 that e-Mudhra matter was under investigation by the Economic Offences Wing, and while related group had indirectly acquired over 5% of the company's shareholding. So, what is the like, status of that investigation? It will like, in H2FY27, any financial or operational implication we can, see?

Raj Ahuja: On the legal case, EOW has finished their investigation, and they have obviously used some of the data which was available in their domain, and they got some more

information as a part of investigation from the e-Mudhra team. Accordingly, they have taken that call that this complaint is not a criminal complaint. At best, it can be a civil complaint.

We are evaluating that additional information which we received from EOW and indirectly through e-Mudhra. Accordingly, we will take a call on whether we want to pursue this case further or drop it. So, that clarity should emerge in the next 4 weeks maximum.

There is no financial implication of this because there was no claim from their side. It was our claim and which we have not accounted for. So, if we get some money from them, obviously, it will be a one-time gain in future. But if we drop the case, there is no implication on the balance sheet.

Deepak Karwa: And approx., like, what will be the inflow if we get from?

Raj Ahuja: It is very difficult to assess because our claim, which we made it public through the stock exchanges, was upwards of ₹ 100 crore. But there are a lot of calculations and assumptions in that, which obviously will have to be seen when the case is heard and moves to the next level.

Our expectation is that even if we want to go ahead, this is not the case which will get settled in one or two quarters. This is a case which will take maybe a few years to get resolved because it might go through a lot of litigation, if we continue to pursue it.

Another reason for us to re-evaluate is whether we want to pursue a civil case or not, because there will be a lot of legal costs involved in pursuing the case. Also, if we pursue a civil case, the law of limitation and court fees becomes applicable.

We are taking a holistic view of the situation and considering whether we can still challenge the decision and pursue it as a criminal case or process with a civil case. All the options are open, and we will take the call in the next few weeks.

Deepak Karwa: And one last on RailTel dispute, had like, entered arbitration and equivalent provision had been made for the claim and payable. So, has there been any material development since then?

Raj Ahuja: There have been multiple hearings already. Arbitration hearings have started and three arbitrators, one from their side, one from our side and one common arbitrator selected by both the arbitrators' sides. The proceedings have started.

As of now, it is all about documentation, where we have filed our statement of claim. They have filed their statement of counterclaim, and both parties have had the opportunity to present and dispute each other's claims. That has been done. The witnesses have been identified and documented, and now the hearings will start with the witnesses. It will take maybe one or two quarters more before it gets into a shape where we can assess whether there will be any kind of exposure to us or not.

As of now, their base claim, as per the contract, has already been provided for, excluding whatever additional amounts they have claimed, obviously, for the purpose of the legal case. The base claim is already provided for and is reflected as part of our provisions in the balance sheet.

Deepak Karwa: So in this like any financial or execution risk will be there?

Raj Ahuja: There is no execution risk now because the contract is already closed and everything is done. And for the financial risk, we have provided for the base values. If any further liability arises as part of the arbitration proceedings, then that might be over and above this, which might include some interest or maybe any other kind of cost reimbursement, but that I am not expecting that to be huge.

Moderator: Thank You. The next question is from the line of Saket Kapoor from Kapoor & Co.

Saket Kapoor: Thank you, firstly, for the opportunity and for giving us a very detailed understanding of the numbers. Sir, as the segregation or the new nomenclature as defined by you in the Digital Engineering, Cloud Infra & Business Services, if you could just provide us the industries, end industries or the end user industries which we are catering to firstly?

Raj Ahuja: Business unit-wise, the industry specification is more from the region or the geography and not from the businesses. The business lines are open, and we are creating solutions across all industries, but we have a matrix which aligns the focus of the CoEs with geographies.

To give you some examples, in cybersecurity, we are focusing on all three regions and there, our focus is more on the BFSI and telecom industries. These are 2 industries which we are focusing on for cybersecurity, but the solutions which we are creating are across for all the businesses. The second one is the ERP practices. In U.S., we are focusing more on SAP. In Middle East, we are focusing more on MSD and in India, we are focusing more on Oracle, while all the 3 ERP practices will be available across all geographies.

In the U.S., we are focusing more on BFSI. BFSI is common across all regions, being our strong foothold. Healthcare in the U.S. is the second one, and the technology companies, particularly supporting technology companies, are the third industry focus. In Middle East, we focus more on the retail and the logistics in addition to BFSI. And in India, in addition to BFSI, it is government, that we focus on, along with some retail and manufacturing.

And all of our solutions, which we are creating is agnostic to the industry-segments, especially across the top 3 or 4 industries. In summary, BFSI, telecom, IT companies and retail, health care and logistics.

Saket Kapoor: Okay. And sir, then what kind of differentiation 3i offers since the industries which you are catering to have a largest TAM? So how is the -- what is the differentiation that has

been created, which will allow us to garner more business going ahead, or improve our order wins?

Raj Ahuja: Our differentiation has been more on creating subject matter experts from the respective industries. The most important piece in any solution, in any industry, is that you should be able to talk and understand the customer's business and requirements and translate that back to the customer in their own language

And that, I will not call differentiation, because most of the IT companies behave the same way. But till now, we have not been working like that. We have been more as a BFSI-focused customer. So, when we go to a retail or a health care customer, we still talk banking language. That is the change we are doing.

So, I will not call it as differentiation as compared to the market practices, but that is the change we are doing within ourselves. We are now bringing in subject matter expertise from very focused industry veterans so that we can understand the nuances of each industry and provide solutions which are very industry-specific and not generic or BFSI driven.

Saket Kapoor: Right, sir, ESG has also become a very prominent aspect today in all the businesses. So, creating tools and functionalities that help us in predictability model also would be a good business opportunity for technology companies facing companies like us. So, what percentage of our bid pipeline is towards ESG aspect, if any?

Raj Ahuja: ESG has not been our focus. We do not have a separate product line or service line on the ESG side. We have a tool called EnGRC, which is on the Governance Risk & Compliance framework. That is a product we had created, and we are working with a couple of resellers and distributors as well as directly with customers, to implement EnGRC.

Other than that, and that is a very small product. It is like a workflow tool as of now. We are trying to enhance its functionalities and cover a lot of other things. We can evaluate internally and see if that makes sense or not. But as of now, we do not have any specific strategy around ESG.

Saket Kapoor: Sir, 2 Balance sheet questions rather and one business aspect. Firstly, sir, business aspect is about our pie of business coming from the global capability center, the GCC. Our end customer or interface that are serving the GCC platform. What kind of -- can you give a segregate or quantify to us what percentage of business is directly flowing to us through the GCC platform? Other one is relating to your balance sheet line item, property plant and right to use asset. So that's a very different set of questions.

Raj Ahuja: We are starting a new GCC industry segment, where we do not have any major presence today. It is a different market segment, and managing these customers requires a different approach. We do not currently have the internal expertise to manage GCC clients.

We are setting up a separate sub-team under sales to manage GCCs, which we will have to build by bringing expertise from the outside market.

On the right to use assets, we have signed a long-term lease, which is for 5-years. Based on the accounting principles, we have to recognise the right-of-use asset for the next 5-year lease period, and then, over a period of time rental expense gets charged to the P&L. So, the right-of-use asset has certainly gone up in this half year, mainly because of that long-term lease, which we have signed for one of our locations.

Saket Kapoor: Okay. And about goodwill also, sir, if you could throw some more light, how this line item shapes up and what effects or this number going ahead? What factors.?

Raj Ahuja: We are not adding anything to goodwill. This is historical, when we acquired 1 or 2 companies, which are now integrated into 3i. The goodwill is actually part of those acquisitions. Since it also includes goodwill in foreign currency, every quarter, based on the forex fluctuation, that goodwill keeps getting revalued. There is no P&L impact to that. It is direct balance sheet to balance sheet adjustment.

Saket Kapoor: Last point, and then I will join the queue, sir. I think we garnered some business from the Vedanta Group also earlier, correct me there, sir?

Raj Ahuja: No, we do not have any business with Vedanta of India. Maybe you are confused with business from Vedant in Middle East. That is a different group.

Saket Kapoor: Okay. And they are catering to which segment.

Raj Ahuja: They are servicing IT services company, and we are working with them in a couple of big projects for the Middle East government.

Saket Kapoor: Sir, the short point I am trying to understand when we pursue the long-term goals of 2030, this should be directly aligned to the industries, which will grow in mix and bound and then will add to our revenue profile. So, the category or the business verticals should be the ones which are anticipated to grow. So, that is the reason I was looking why.

Raj Ahuja: Absolutely right, Saket, and that is how we have selected these industries, as I just mentioned. We have done a detailed study across each of the geographies; to understand which industries and solutions are in demand and where the CAGR is expected to be higher than in other industries. Based on that, we have chosen BFSI, health care in one country and retail, logistics in other country and retail and FMCG in others.

So, for each geography, we have shortlisted industries based on their expected growth rates and focus areas, which align with our capabilities. It is a mix of geography, business line and the industry. Based on that, we did analysis in the last 2 quarters or so and then finalized these focus industries.

Saket Kapoor: Sir, again, why I am coming to the point is because we are seeing many industries opting to robotics and all in terms of the industrialization activities. So how do we, as a company, offer them the solution-led because robotics and all will be enabled through the software programming and would be monitored constantly by a group of people having an understanding on the same.

So, mines, minerals, infrastructure activities, a lot of robotics, automation goes into what the growth which we are ensuing in the years to come. So that was my question that how is our company placed, or our product offering placed to garner business out of that segment, sir?

Raj Ahuja: We are not into the production robotics as of now as we do not even have expertise. If we need to create expertise, we will evaluate it later. We are into the process automation as of now, which focus on automating back-end processing and not the manufacturing or physical robotics. We are very clear that we are not into the robotics at this point of time.

Saket Kapoor: Can you explain where we are present? I did not get the understanding, sir.

Raj Ahuja: We are more into the process robotics, which is more process automations. Not the physical manufacturing automation.

Saket Kapoor: Any example you can give me to understand, sir?

Raj Ahuja: Sorry?

Saket Kapoor: Can you give me an example? I am unable to comprehend it. So, what you are trying to explain, I am not able to understand, sir. Can you help me out?

Raj Ahuja: What I am saying is that in robotics or automation, there are two areas. One is that physical manufacturing robotics, where you are using physical robots to speed up your manufacturing. Second is more on the process side, which involves processing applications, claims or automating those activities.

We are more into the automation and process simplification on the process side and not on the manufacturing or production line, which involves the hardware and software deployment. Because manufacturing is not our strong area, and we are not into focusing on manufacturing as an industry.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. Raj for closing comments.

Raj Ahuja: Okay. Thank you. I would like to thank everybody who has joined the call. It has been a good interaction; a couple of homework points I have taken it for myself. Thank you for your value-added comments. See you next Quarter. Thank you.

Moderator: On behalf of 3i Infotech Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.