Management Discussion

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited

Thanks, Nisha, 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 FY '26 was a year of strengthening our organization, building center of excellence-led operating model and creating a stronger foundation for long-term growth. As we entered FY '27, 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 INR177.9 crore in FY '27 quarter one, 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 INR11.5 crore and PAT at INR6.5 crore during the quarter. It is important to note that the corresponding quarter last year included a one-time other income of INR18.5 crore before tax and INR13.5 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 INR240.9 crore and annual contract value of INR195.6 crore, along with more than 25 new client wins across our key markets. These numbers include approximately INR80 crore of renewals of existing contracts and balance/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 Center 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 maintained 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'm 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 & Analytics remained our largest business segment during the quarter, contributing to 73.5% of total revenue, supported by sustained demand for application modernisation, digital transformation, data and analytics, and AI-led solutions. Building on the CoE-led operating model introduced in FY '26, we continued 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 Business 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 center 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 continued to demonstrate resilience. India revenue increased to INR66.6 crore from INR63.5 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 INR91.2 crore compared with INR98.3 crore in quarter four FY '26, reflecting a temporary 7.2% sequential moderation due to normal project timing and seasonality. Asia Pacific remains stable at INR4.3 crore, while the Middle East delivered exceptional momentum with revenue increasing to INR15.9 crore from INR9.7 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 markets 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 had 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 leading 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 FY '27. Our strategic priorities remain firmly anchored around the six 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'll continue investing in our people by strengthening leadership, developing future-ready talent, and fostering a high-performance culture. Through processes and productivity, we remain focused on enhancing governance, improving execution, driving operational efficiencies, and delivering a superior customer experience. Under platform, we will continue to strengthen our differentiated solutions and intellectual property to address our customers' evolving technology requirements, while partnering 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 profitability, 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 Q1 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 longstanding investors whose confidence in 3i Infotech 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.

Questions & Answers

Operator
Thank you very much, Mr. Raj Ahuja. We will now begin the question-and-answer session. [Operator Instructions] 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, Sanjot Khare is in the line, so you are allowed to speak.

Sanjyot Khare - Analyst, Individual Investor
Hello, good afternoon. Am I audible?

Operator
Yes, you are.

Sanjyot Khare - Analyst, Individual Investor
Thank you. First of all, congratulations Raj and the team. We are seeing now the margins have improved and revenue has stabilized. Recently there are like multiple announcements about orders when -- and you also mentioned about PCV of ISV of around INR200 crore. So I'll be saying that now from Q2 onwards, the revenue will start improving because so far in last five, six quarter the revenue

was just between INR170 crore and INR180 crore for last four, five quarters. So how it's going to be happening, and how the business scenario now? All the tractions are going well. Are we seeing that our engagement, I mean, the implementations are going on or something on hold? Just wanted to understand how the things will progress in the remainder of the year.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Okay. Thanks, Sanjyot, first of all for joining this call. And to answer your question on the revenue, I think revenue has already started showing up improvements. If you see -- if you have seen the last four quarters, starting from quarter four of last year till quarter three of FY '26, we were in the range of around INR170 crore to INR175 crore, and the last two quarters we have now been INR175 crore to INR180 crore range. It's not a major improvement, I agree, but at least the needle has moved from INR170 crore levels to INR180 crore levels now.There are a lot of initiatives which -- some of which I've already mentioned as a part of my address. All the fractions are like equally kicking in as of now. The three businesses what we have, all the three businesses, we have been demonstrating a better outcome this quarter and the previous quarter. Similarly, all the three geographies, four geographies in which we are operating, all the four geographies had shown signs of improvement. And what we as of now don't declare the sales funnel, the sales funnel has become quite healthy with the new leadership team in place now.And the implementation of this project, so whatever the order booking has happened, some of them are the renewal cases, and those will continue to be serviced the way it was being serviced. I mentioned in my address that around INR80 crore of this INR240 crore is renewal cases. So this INR80 crore, the performance will continue to be there without any stoppage or blockages. The balance projects will start kicking in from the quarter two onwards, depending upon when and how the full implementation starts happening.I think you'll start seeing more and more traction from the next quarter. We've already seen some traction in the last two quarters. It'll keep increasing quarter on quarter after that, as and when we go ahead and continue to implement more and more projects. While this INR240 crore of the ACV, we continue to see that how do we implement it and grow our businesses. In parallel to that, our sales engine, which I just mentioned, the funnel is also becoming healthier and stronger in all the four geographies.In addition to that, our -- the whole CoE-led program what we have started where we are building up capabilities across the new-age technologies, which includes like cloud, cybersecurity, ERP, artificial intelligence across our product lines and our other new platforms. A mix of all that will start giving us more and more the sales funnel opportunities powered by our sales leaders, which are there in US, Middle East, and India now. I think we are well poised for a growth story in the coming quarters to go.

Sanjyot Khare - Analyst, Individual Investor
Thank you, Raj. So my next question is about what is the latest update on the case filed with eMudhra. And just last week there was announcement that this capital group, I think, acquired a 5% stake in 3i Infotech. So is that anywhere related to eMudhra, or what is happening with eMudhra and 3i Infotech?

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah. So the case is under investigation as of now. We have filed a formal complaint to the EOW wing, which had declared it earlier as a part of our communications. There has been -- the normal process of the government machinery is being followed. The statementing has been done from our side, statementing has been done by the other party's side. And internally the discussions are happening on how do we take it forward. With respect to the Capital NxT, yes, this is the same eMudhra Group. So if you've seen the Capital NxT and its people working or acting in concert, they

are Mr. Srinivasan and his family members. And Capital NxT also, we have been informed that it's also part of his family group. So yes, eMudhra has indirectly acquired, through its people in acting concert around 5% plus share. We are watching that situation. As of now, there has not been any formal discussions with the team of eMudhra. And these two activities are happening in parallel, and we continue to watch and we'll continue to update as and when there is more information on this topic. But rest assured that we continue to follow through this case as of now, and there's not -- there will not be any mixing of the shareholding with the case what we had, like, say, gone ahead with. So those are two separate events, and though it is happening with the same group of people.

Sanjyot Khare - Analyst, Individual Investor
Thank you. And my last question, Raj, about this annual increment for the company and for the employees, is it already done in Q1 or it will be happening in future quarters?

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Our annual increment cycle is October -- October to September. And last three, four years we have been doing it in October, and this year also we are planning to do in October only.

Sanjyot Khare - Analyst, Individual Investor
All right. T hank you, Raj. I'll come back in the queue.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah, sure.

Sanjyot Khare - Analyst, Individual Investor
All the best.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Thank you, Sanjyot

Operator
Thank you very much. [Operator Instructions] The next question comes from the line of Saket Kapoor. Sir, you can now speak.

Saket Kapoor - Analyst, Individual Investor
Yes, namaskar. Thank you, madam. Namaskar, sir, and thank you for the opportunity. Just, sir, in continuation to your reply to the earlier participant, firstly, sir, it seems, and correct me here, that this is a better operating -- operation generating profit per quarter, because I think so the other income Q-on-Q also and year-on-year is also down significantly. So first of all, that understanding is correct that the forex component has come down significantly, and whatever profits we have posted that has a higher operating contribution for this quarter.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah. So Saket, you want to finish your questions, and then I answer all...

Saket Kapoor - Analyst, Individual Investor
No, sir, we can keep on discussing that.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Okay. No issues. So thanks, Saket, for joining. Yes, your understanding is right. Because there has

not been much movement on the forex rates this quarter. So our contribution to profitability from the forex is limited to only four plus year -- INR4 plus crore. And so yes, forex has not contributed much to the bottom line as compared to in the previous quarters, when quarter one of FY '26 had one-time income of the US ECS refund of almost INR18.5 crore. And last quarter also we had forex revaluation of around INR15 crore, contributing to some of the profitabilities. So yes, so this year, this quarter, we don't have any of those, neither the forex event nor any other one-time income events hitting us in this quarter.

Saket Kapoor - Analyst, Individual Investor
Okay. Now, sir, I just put forward the question for your understanding. You mentioned about the commencing of the transformative journey for the company, and we have done some strategic investments that are making our organization future-ready. So if you could just allude to us in terms of revenue profile, how the revenue run rate is going to improve, say, over a period of time with these strategic and transformative steps taken by the company executives. And also, sir, what is the current closing order book? If you could just quantify it to us 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 so it's a multi-year contract that we will be executing. So, on these two aspects, if you could just apprise us.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Okay. Saket, first of all, we don't give future guidance in terms of the revenue numbers, so I'll not be able to put a scale or a range or a number to the future businesses' revenues. And I have already mentioned that the kind of order book we have this year, we have got around INR240 crore of new order booking. Cumulatively, we stand at around INR400 crore of order booking across our businesses and geographies, which is very normal for us because most of our contracts, especially in the staff augmentation in the AAA side or in the infrastructure side, they are renewable on an annual basis. So we keep renewing it. And then there's a history that most of our customers renew it, and we have customers around five years, seven years, 10 years working with us. So there is almost like a 90% plus, like, probability that the contracts will keep getting renewed as we move forward. That assures us that at least for the next 12 months, we have sufficient revenues, including the opportunities to renew the existing contracts, the orders in hand, as well as the sales funnel, what we are having. With that, we are very comfortable in the current revenues. With all the new initiatives what we have taken, whether it's a CoE-led delivery models, or whether it's expansion into Canada and East Africa, or whether it is working beyond BFSI and government vertical, getting into retail, healthcare, and e-commerce space.And also in terms of the partnerships, we already started the partnership with SAP in US. We are working with Oracle for our partnerships in Middle East and India. We are working with Microsoft. We are working with any -- so many other topmost OEMs as of now, across geographies and businesses. We are quite positive about the trajectory at this point of time. And though people obviously have a little bit of a doubt on how do we -- how we are going to achieve our Vision 2030, but I'm quite positive that we are in the right direction and we'll be able to get into that Vision 2030. And the details will be visible to you in the next two, three quarters.

Saket Kapoor - Analyst, Individual Investor
Sir, can you reiterate that 2030 revenue, or what the size of the company you are eyeing? What is the 2030 number? I'm new to the company. Yeah.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah, we have said INR2,030 crore by 2030.

Saket Kapoor - Analyst, Individual Investor
Okay, INR2,030 crore top line.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah, that's right, which is basically INR2,000, but then we just rhymed it with 2030.

Saket Kapoor - Analyst, Individual Investor
So other expenses include all the admin and other related expenses, which include cost of our offices, maintenance, administrative cost, travel of employees. And other things like your audit and sitting fees. And so everything else other than the employee and the third-party products, which is the subcontracting, everything else is part of the other expenses. Just rhymed it. Yes, yes, yes. Sir, hopefully, God willing, it happens. And for the other expenses part, if you could just explain to us the nature, because that ranges between INR25 crore on a topline of INR176 crore, and even it is down to INR13 crore on a similar topline. So if you could just explain the nature and what should we model in, in our expectation in terms of the other expenses line item? What is the nature of this?

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
So other expenses include all the admin and other related expenses, which include cost of our offices, maintenance, administrative cost, travel of employees. And other things like your audit and sitting fees. And so everything else other than the employee and the third-party products, which is the subcontracting, everything else is part of the other expenses.

Saket Kapoor - Analyst, Individual Investor
So what should we factor in? What explains this INR25 crore to INR13 crore dip in a quarter basis? And even for a year-on-year basis, the number is down from INR18 crore to INR13 crore.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah, so like we have been explaining in the previous calls also, there have been a lot of focus on cutting down the wasteful expenditure, cutting down offices, and the impact of that has started coming in into our books in the last two, three quarters. We had closed down offices, we had merged some few offices, we had restricted all the expenses, like whether it's a consultant hires or whether it's advisors, whether it is your travel expenses. So everything was cut down drastically, and that has started reflecting into, like, the profitability now. Last quarter, this amount was high because we have taken one or two big items, which we had also disclosed it that we had an old ServiceX demand of almost like, say, INR5.5 crore to INR6 crore, which was provided in quarter four. We also had done some of the books cleaning because of this annual book closing of our other accounts, including some of the receivables and creditors, which also get us another roughly INR3 crore of hit. So those were the exceptional items last quarter, which obviously has not been there this quarter.

Saket Kapoor - Analyst, Individual Investor
So run rate should be this INR14 crore, INR15 crore only for a quarter basis, for a conservative or on the higher side also?

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah, you're absolutely right. We will be hitting this range only now, unless, like, our scales goes up to the INR2,000 crore, which our vision is. Then obviously the scales will change. But with the current range of revenue and plus maybe another 25$, 30% of revenue will continue to be at this

range.

Saket Kapoor - Analyst, Individual Investor
Okay. And last point, I think with the investment, sir, which we have done in, which you were explaining to the earlier participant, can you just reiterate of what exactly are we eyeing in the NuRe FutureTech, the subsidiary? And what are the rationales of the investment in terms of these redeemable preference shares, or what is the nature of this transaction?

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Oh, I think you're talking about eMudhra case, right?

Saket Kapoor - Analyst, Individual Investor
Sir what I see in your annexure number 3, you have mentioned about NuRe FutureTech, the company's 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 think so, some -- I'm just referring to your annexure number 3.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
I got it. So, I had not referred it for, like, say, as a response to my previous participant. This is basically, we have a RTA business in our holding company as of now, which is a 30-year-old business. It's not a very big business, roughly around INR6 crore of topline. That business, due to some regulatory requirements of the net worth, now we are supposed to put it into one of our subsidiaries, and that's what we are doing. So it's not a new investment, it's a wholly owned subsidiary. It's only carving out of our -- one of our existing business in 3i Infotech to one of our subsidiaries. So it's just an internal restructuring. It is not a new investment because the team and the platform and the customer base is already existing for this business.

Saket Kapoor - Analyst, Individual Investor
Okay, sir. I'm joining the queue. Only point which I was trying to make good sense was I'm not looking for any forward-looking statement, but on a scaling up if we achieve a number of, say, closer to 2,000, say, four years or three and a half years down the line, just, ma'am, I will conclude. I have no questions, only a submission. Three years down the line, we should also have that understanding of what should be the yearly exit rate for us. Because on top of everything, we are not going to reach 2,000. Say, for an exit of FY '27, there should be a hurdle rate, FY '28 should be a hurdle rate, and then we would be understanding whether we are going to achieve that number. I hope I'm trying to convey...

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah, yeah, absolutely, Saket. Point well taken. We have our internal plans. Like I said, we don't public our -- the forward-looking numbers, but we have internal plan, and we are well in the course of that plan for FY '27 and FY '28. And then obviously '29 and '30 are a little far off, but we have a trajectory which is well-defined and approved by the Board.

Saket Kapoor - Analyst, Individual Investor
Sir, in fact, INR2,030 crore is also a forward-looking number only. It is not a...

Operator
Saket, sir, I'm so sorry to interrupt you. But...

Saket Kapoor - Analyst, Individual Investor
Since, it is a forum. Yeah, we can only convey the fact. Very sorry for that, for continuing. I'm joining the queue.

Operator
Yeah, yeah, I got it. But...

Saket Kapoor - Analyst, Individual Investor
Yeah. It is only a suggestion, sir. INR2,030 crore is also a forward-looking statement which you are making. So when investors are asking you what should be the number for 2027, '28, '29, you are saying that we are unable to give a forward-looking number. So that is my submission. I'll join the queue.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah. T hank you.

Operator
Thank you, Saket Kapoor, sir. [Operator Instructions] Next question comes from the line of Rajaram Khanolkar. Hello, sir.

Rajaram Khanolkar - Analyst, Individual Investor
Good afternoon. C an you hear me?

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yes, Raja, we can hear you.

Operator
Yes.

Rajaram Khanolkar - Analyst, Individual Investor
See, just now also, and we see a lot of documents that we are into many areas. Many areas, in the sense, we may have 20 different or 25 or 30 different areas. Just now, previously answering one of the question, you mentioned about, many areas. So, Oracle, SAP. So, I would like to know which of these areas, okay, which 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 one or top two or top three, wherever, whether in one of the market, whether in all the markets.And the second thing is recently we entered into SAP, which is like a late entrant. So second question is also related that how do we plan, what is the strategy, whether we become like HCL which is into SAP for 20 years, or whether we have any -- we are focusing on any niche? So these are like two questions. So over to you, and I have written it in my chat also, you can read the details.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Sure. Thanks, Raja. I'm with you. At the company of our scale and size, which is in the range of around INR700 crore annual turnover at a console level, we are into too many areas. And that's what has been our history that we were -- we have been equivalent of any other tier 1 software companies in the country, doing whatever any big tier 1 company does, but obviously at a much,

much lesser scale. And that brings its own complexity of the overheads and the capability building and investment in people and time.And for that purpose, only around -- roughly around seven, eight months back in the quarter three of last year, we had started focusing on a few of the areas. Though our business model continues to be around those three pillars, what we have is the AAA, IS, and the BPS. And geographically also, we are well spread out between US, Middle East, India, and Asia Pacific. We have started a journey where we are trying to focus only on the -- few of the technologies as of now. And some of this technology, which we have shortlisted for growth, future growth, is the -- one is that ERP, like you rightly said, SAP, Oracle. ERP is one of the new areas which we have started working in. We have no presence, so whatever we start from now onwards, it's all like, say, going to be infinite growth because the base is zero.Second, other than the ERP, is cloud. We are doing a lot of investment in the whole cloud technologies, working with very closely with hyperscalers, which include cloud transformation, cloud migration, cloud consulting, and cloud maintenance. So all the four areas of cloud, which we are continuously working to develop the capabilities.Third area is, which is a very high-growth area internationally, and we have very small business as of now, is on the security. There's both the cybersecurity and information security, where we have built up the capability now to start working on the cybersecurity. We have done partnerships with the cybersecurity product companies. We have started implementation. We have built up -- we have created capabilities. And in addition to that, we are also working on information security in addition to the cybersecurity, which include all your certifications. And so working as a consultant for the information security to the customers.Fourth important area which we are working on is all the artificial intelligence, machine learning, blockchain, and IoT. So all the newest technologies. So there is a separate capability which we have started now which is working purely on all the newest technologies and not limited to only AI. All the four, five technologies what we have with a lot of prospects being discussed on the blockchain technology now. India has started embedding a lot of large-scale solutions with the blockchain technologies now. So we started working on that.So these are four, five areas where we have creating deep expert knowledge, and we'll be focusing only on these four, five areas while the other business model will continue. There are separate teams now working on the old traditional businesses and the teams which are started working on building up capabilities, funnels, and customer interactions on these five areas. So these -- this is going to be our focus going forward. Have we answered your question, Raja?

Rajaram Khanolkar - Analyst, Individual Investor
Yeah, but which one is where you want to be top two or top three? Any ambitions you have listed which is missing, or anything which you think in your company will be the top sector, 30%, 40%, 50% a critical mass?

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah. So to tell you frankly, I think we are too small. We are very small in this area as of now. So having the aspiration of being number one, number two is not going to help us because that's going to be only a vision or an aspirational statement. Because everybody else is at the billion and, like, say, multi-billion range, and we are just starting the journey. The good part is that in each of the area which I said, these are the four areas which we are going to continue to get focused, and we want to build up leadership around these four areas. And each of the four areas are high-growth areas in today's IT space. Whether it's customer, whether it's geographies, whether it is applications, everything is roaming around these four or five big areas currently. So there is not even one or two areas. There are the four areas which we are working on, and aspiration is huge, but not in terms of

we want to be the leaders or number one or two, because there are already players with a very different size and scale of the operations.

Rajaram Khanolkar - Analyst, Individual Investor
Yeah, thank you for your answer. I request you to have a three- to five-year-long plan for these four areas of investment so that your 80% efforts or 90% efforts will go in developing and building a critical mass around these four. Otherwise, it keeps changing, maybe year-on-year or quarter-on-quarter, then we don't reach anywhere. Thank you.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
I agree with you. I agree with you. Thank you.

Operator
Thank you, Rajaram, sir. Moving forward, next in the line is Sharon N. You can now speak, sir. Hello, you are audible, sir. Yes.

Sharon N - Analyst, Individual Investor
Yeah. First of all, congratulations to the entire team to have packed some good amount of orders. So this is something with regard to the orders. So I have been kind of -- we have been seeing like you've been getting a lot of big contracts, like INR40 crores worth, INR46 crores worth. At the same time, you're also bagging INR6 crores to INR8 crores of contracts and small amount of contracts. So, going forward, can we see more such bigger contracts coming up rather than all these small, small ones? This is my first question. And second question is, what is the CAGR, the topline that you're looking at?

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Okay. So, Sharon, I think coming to the big versus the small orders as of now, the kind of journey we are into, I don't think we have much of a choice of neglecting the small base and then looking and fighting only for the large order. So we have separate teams which is working on the large orders and separate process and the winning strategies for the large orders, and there is a separate one which is focusing on the run-of-the-mill small projects. And like the way I keep telling my team, that in a cricket match you have fours and sixes, which are important, but you also have ones and twos to keep your averages running. So for me, everything is important. I'm not -- at this point of time, we are not deprioritizing on the small versus big.Another reason for us to have that strategy is also the small orders helps us in starting the journey with the customer because the customers are already used to working with the tier 1 and tier 2 big vendors. And a lot of these guys, obviously, 3i is a good name in the market, but they have not experimented with us. So they would like us to try for a small project to start with, and then -- or a small team staff augmentation project. And then once they start getting that comfort, then it starts getting into a big order.So neglecting the small ones is not the right thing to do. We continue to do both small and big. Also, with the existing customer also, if we allow this -- if we stop accepting the smaller orders, then there's a good chance that the competition will enter into those, and they will also get their path into the bigger orders. So for us, everything is important, small and big. There is no focus. The only thing is that we have separate teams and separate processes to manage the run rate versus the large orders. So we work that way as of now at least. Maybe over a period of time, once we actually get into INR2,000 crore levels, maybe we'll start having some kind of hygiene where we stop entertaining the smaller ones, which adds too much of bandwidth and consumes the team bandwidth.

Sharon N - Analyst, Individual Investor
Which means we can expect more such big orders coming in this quarter?

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah. So see, you don't see the small orders because we announce only INR1 crore plus orders. So, but there is a long list of the less than INR1 crore orders, which will keep -- which keeps coming to us. So the INR240 crore is the addition of all those orders included. So, big orders will continue to get focused. There are, like, say, many such orders which are there in the pipeline as a part of our funnel on which we are working currently, and we'll continue to focus on that in parallel to not leaving our eyesight on the smaller ones.

Sharon N - Analyst, Individual Investor
So what is the CAGR on the topline that you are looking at? Is it like 25% to 30%?

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
So if we have to reach the 2030, we can't afford to have less than 30% growth for sure. Whether the 30% will happen immediately or whether it's a CAGR for the next four years, 30% obviously comes as a mathematical number.

Sharon N - Analyst, Individual Investor
Because it's just we do have just three and a half years or four years. So to reach that 2,000 mark, I think the CAGR would be around -- definitely around 25% to 30%. So are we looking such sort of numbers is what I was a bit curious about.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah. So I think if we don't grow that much this year, then there'll be a lot of pressure on the next three years for us. And this year obviously we built up a lot of capabilities. The traction is good. So our internal target is to achieve that CAGR, which will take us to the INR2,030 crore number.

Sharon N - Analyst, Individual Investor
Great. So that was my question. So thanks, and all the best for the entire team.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Thanks, sir. Thank you.

Operator
Thank you, Sharon, sir. Moving forward, we have next in line Tushar, sir. You can now speak, sir.

Tushar - Analyst, Individual Investor
Am I audible?

Operator
Yes, you are.

Tushar - Analyst, Individual Investor
Okay. My question is around the RailTel dispute. So, any update on that? And are you anticipating any resolution in the near future?

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
So RailTel, there have been developments like any other normal legal case, it happens. We have

already intimated everybody that we have gone into the arbitration. We have invoked arbitration as per our contract with RailTel. There have been a statement of claim filed by us, there have been a statement of counterclaim filed by RailTel. And post that, we have also submitted the statement of defense. So this is all the events of the current quarter. So it is that the arbitration stage, the hearing will start maybe by next month after all the statement of defense and every other documentation work is done from both the sides. Arbitrators are already in place, and everybody is now aware of the case, and they understand the details of the case.I'm not expecting any fast result, very frankly. This is a legal case, and the legal process will have to be followed after the arbitration. If any of the parties is not happy with the arbitration order, we have the right to go to the appellate courts. And 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, which we also raised objection on legally. That they cannot work with any other party till the time this case is sorted out either ways.As of now, the silver lining is that we don't see any further exposure to our balance sheet. Whatever is the -- whatever is the payable or whatever the claims, we have an equivalent provision for that in our books, not that we are expecting that to be paid, but we have provision. So we are covered from the negative side. But the case might take years to get into conclusion.

Tushar - Analyst, Individual Investor
Okay. T hank you.

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Yeah. T hank you.

Operator
Thank you, everyone. That was our last question due to time constraints. You can reach us -- you can reach out to us on Investor Relations team, NNM NextGen Advisory at research@cokaco.com for questions. [Operator Closing Remarks]

Raj Ahuja - Chief Executive Officer, 3i Infotech Limited
Thank you, everybody.