

# ANNUAL REPORT 2021



3i Infotech®



## 3i INFOTECH LIMITED

INNOVATE | INCUBATE | INVENT



# CEO's MESSAGE



As the all-new 3i Infotech, we speak as one team and one voice: we have raised the bar high and set our sights on Intrapreneurial leadership. In order to achieve this, we are looking at transformation in right earnest; a cultural transformation at our core with the right skills, talent and attitude in place, top down; an operational and strategic transformation pivoting on efficacy and a high-growth mindset across board; an image transformation that puts us at the helm of rising enterprises with the agility of a start-up, the backing of a solid legacy customer base and the hunger to grow anew, globally, even as we speak.

3i Infotech is where people, ideas and innovation come together to realize the full opportunities of today's competitive and fast-moving digital ecosystem. Our goal at 3i, is to pursue excellence in this ever-evolving industry with rapid adaptations of technology, keeping our clients equipped with the latest tools required for day-to-day management of business and services in this new digital decade. The 3i differentiator would be a human humanoid approach to digital disruptions.

With our focus on a thought through growth plan, for our customers' and our stakeholders, as we strive for profitable operations. We see 3i Infotech as an adaptive learning organization, transformed, skilled and trained; to RUN with the demands of a new digital decade, GROW to be future ready right now and BUILD on its strengths to annihilate any challenges to its aspirational vision and goals. With our all-new values and vision internalized by our 4000+ talent pool across several geographies, we are gearing up to deliver the best solutions and services to boost our customers' productivity and profitability in the age of digital and cloud-based business transactions. It's a new dawn on our horizon, and as one team, we are raring to go forth and show the world our mettle.


# Financial Highlights

## TOTAL REVENUES

Gross Margin Rs.90.7 Cr  
EBITDA Rs.9.7 Cr




Rs.608.6 Cr  
(\$81.1 mil)



Rs.343.3 Cr  
(\$45.7 mil)

## USA REVENUES

SAG Rev. Rs.178.6 Cr



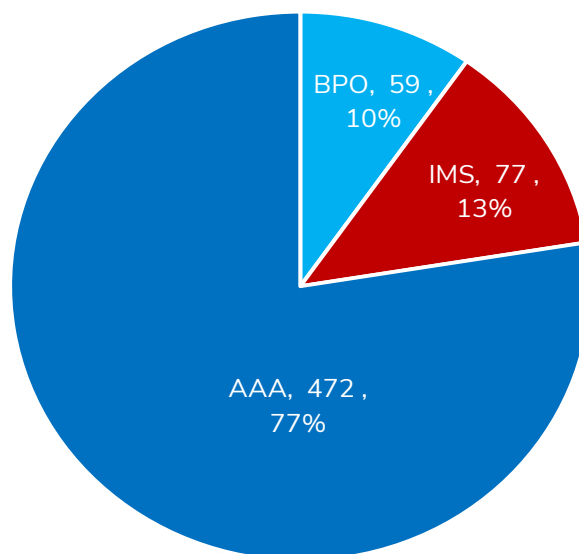
Rs. 472.2 Cr  
(\$62.8 mil)

## AAA Revenues

IMS Rs.77.5 Cr  
ADMS Rs.54 Cr

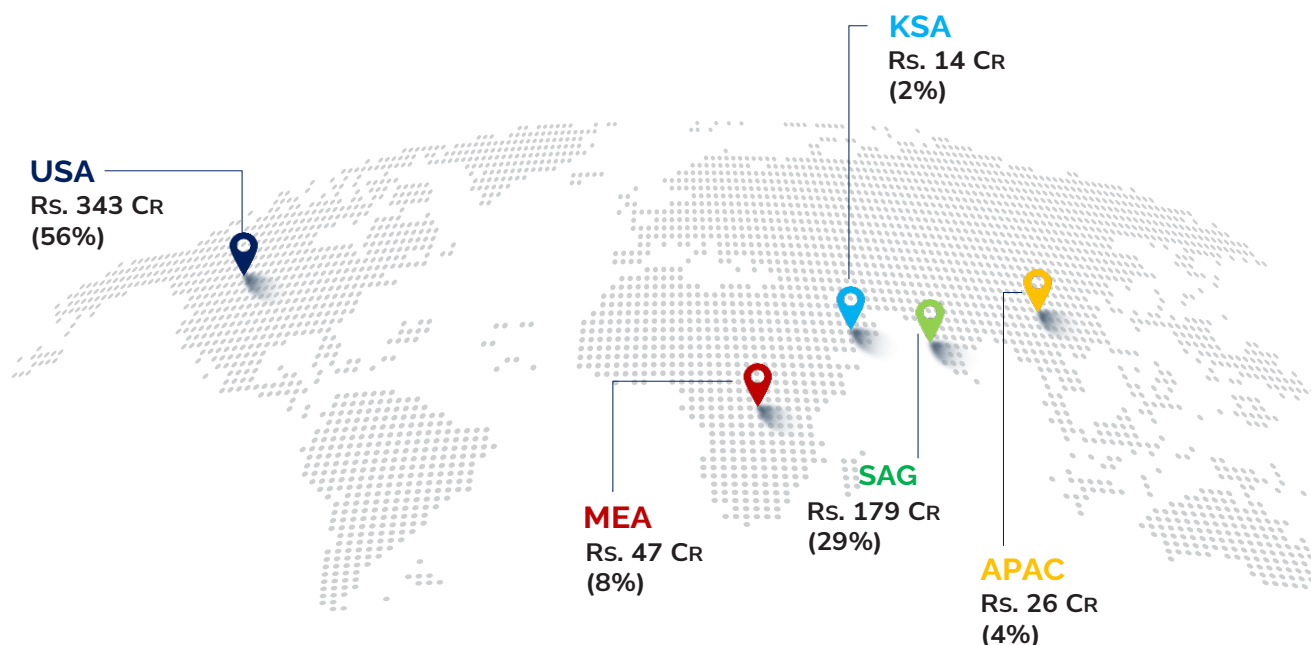
## Revenues

- 3i Infotech reported total revenues of Rs.608.6 Cr (US\$ 81.1 million) with Gross Profit margin of Rs.90.7 Cr (15%) and EBITDA of Rs.9.7 Cr (1.6%)
- Region wise, USA contributed Rs.343.3 Cr (US\$ 45.7 million) to the total revenues (56% of total) and SAG reported Rs.178.6 Cr (US\$ 23.8 million) which is 29% of total revenues
- We have a highest segment revenues of Rs.472.2 Cr (US\$ 62.8 million) coming in from our Application Automation Analytics (AAA) business which is 77% of our total revenues, followed by the IMS practice revenues of Rs.77.5 Cr (US\$ 10.3 million- 12% of total) and 10% from BPO segment which is Rs.59.2 Cr (US\$ 7.9 million)



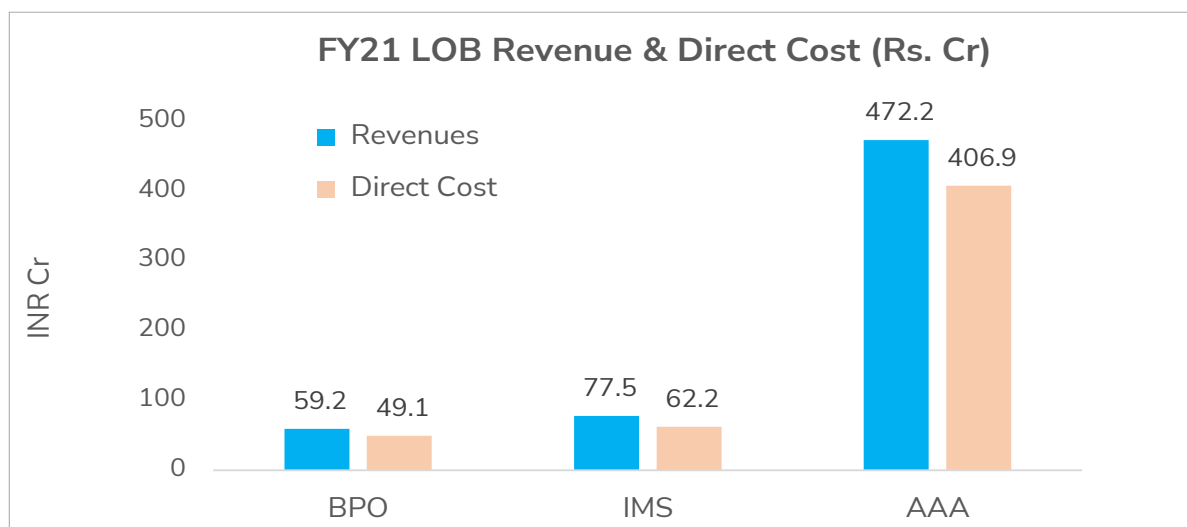
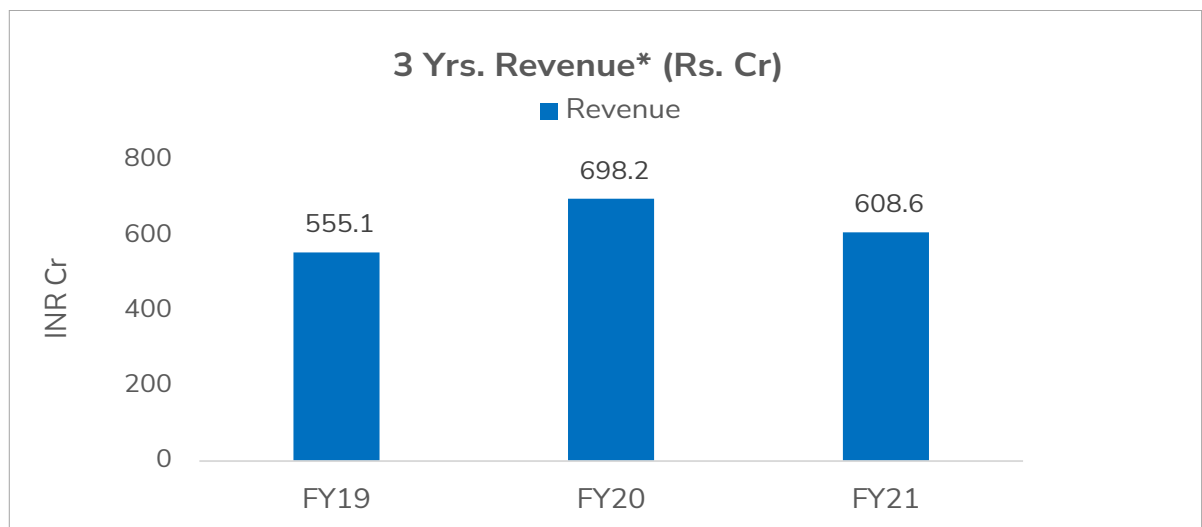
## Geographic Revenues

**Rs 608.6 CR**



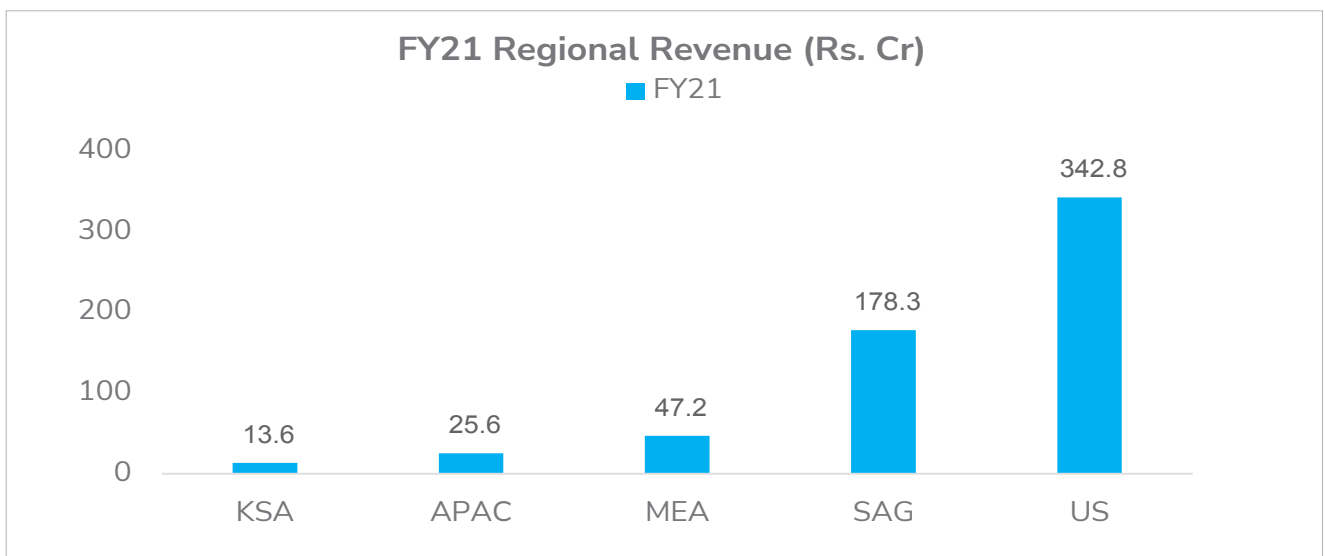
## Revenue Analysis

\*After sale of product business FY19 & FY20 Revenues are adjusted for service business. FY21 are as reported figures



- 3i Infotech has reported FY20-21 revenues of Rs.608.6 Cr (US\$81.1 million) supported by direct costs of Rs.519 Cr (US\$69 million) and Gross Profit margin of 15%
- AAA business is still one of the highest contributor with revenues of Rs.472.2 Cr (US\$ 62.8 million) followed by IMS revenues of Rs.77.5 Cr (US\$ 10.3 million)
- Our FY20-21 direct cost for AAA was Rs.406.9 Cr (\$54.2 million) and Rs.62 Cr (\$8.3 million) for IMS business

# GEO Revenue Analysis



## GEO Revenue Analysis

- GEO wise USA contributed Rs.342.8 Cr (US\$ 45.7 million) which is almost 56% in the total revenues followed by SAG regions with Rs.178.3 Cr (US\$ 18.3 million)
- USA and SAG regional gross margin stands near 15% and 10% respectively

# Our Strategy

## PRODUCT/SERVICES

		Existing		New	
MARKET	Existing	Existing Services Existing Market	Run-Market Development FY21-25)	New Services Existing Market	Build & Grow - Diversification
	Existing	<b>Services</b> <ul style="list-style-type: none"> <li>Enterprise Services</li> <li>Digital Business Services</li> <li>Digital Transformation Consulting</li> <li>Partner/Alliance Services</li> <li>Direct &amp; MM Deals</li> <li>Indirect Deals</li> </ul>	<b>Markets</b> <ul style="list-style-type: none"> <li>Existing locations</li> <li>Identifying cross opportunities with existing clients</li> </ul>	<ul style="list-style-type: none"> <li>Digital Transformation</li> <li>NextGen Business Services               <ul style="list-style-type: none"> <li>5G powered services- Cyber Security, Block Chain, Real time Analytics</li> <li>OT(Industrial &amp; Other)</li> <li>Edge computing – IMS</li> <li>Partner/Alliance Services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Direct &amp; MM deals</li> <li>Indirect deals</li> </ul>
MARKET	New	Existing Services Existing Locations	Run-Market Penetration(FY21-25)	New Services New Market	Build & Grow – New Product Development
	New	<b>Services</b> <ul style="list-style-type: none"> <li>Enterprise Services</li> <li>Digital Business Services</li> <li>Digital Trans. Consulting</li> <li>Partner/Alliance Services</li> <li>Direct &amp; MM Deals</li> <li>Indirect Deals</li> </ul>	<b>Markets</b> <ul style="list-style-type: none"> <li>Increasing reach in North America &amp; Europe</li> <li>Increasing network/Meetings</li> <li>Tagging new clients</li> </ul>	<ul style="list-style-type: none"> <li>Digital Transformation</li> <li>NextGen Business Services               <ul style="list-style-type: none"> <li>5G powered services- Cyber Security, Block Chain, Real time Analytics</li> <li>IOT(Industrial &amp; Other)</li> <li>Edge computing – IMS</li> <li>Partner/Alliance Services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Direct &amp; MM deals</li> <li>Indirect deals</li> </ul>

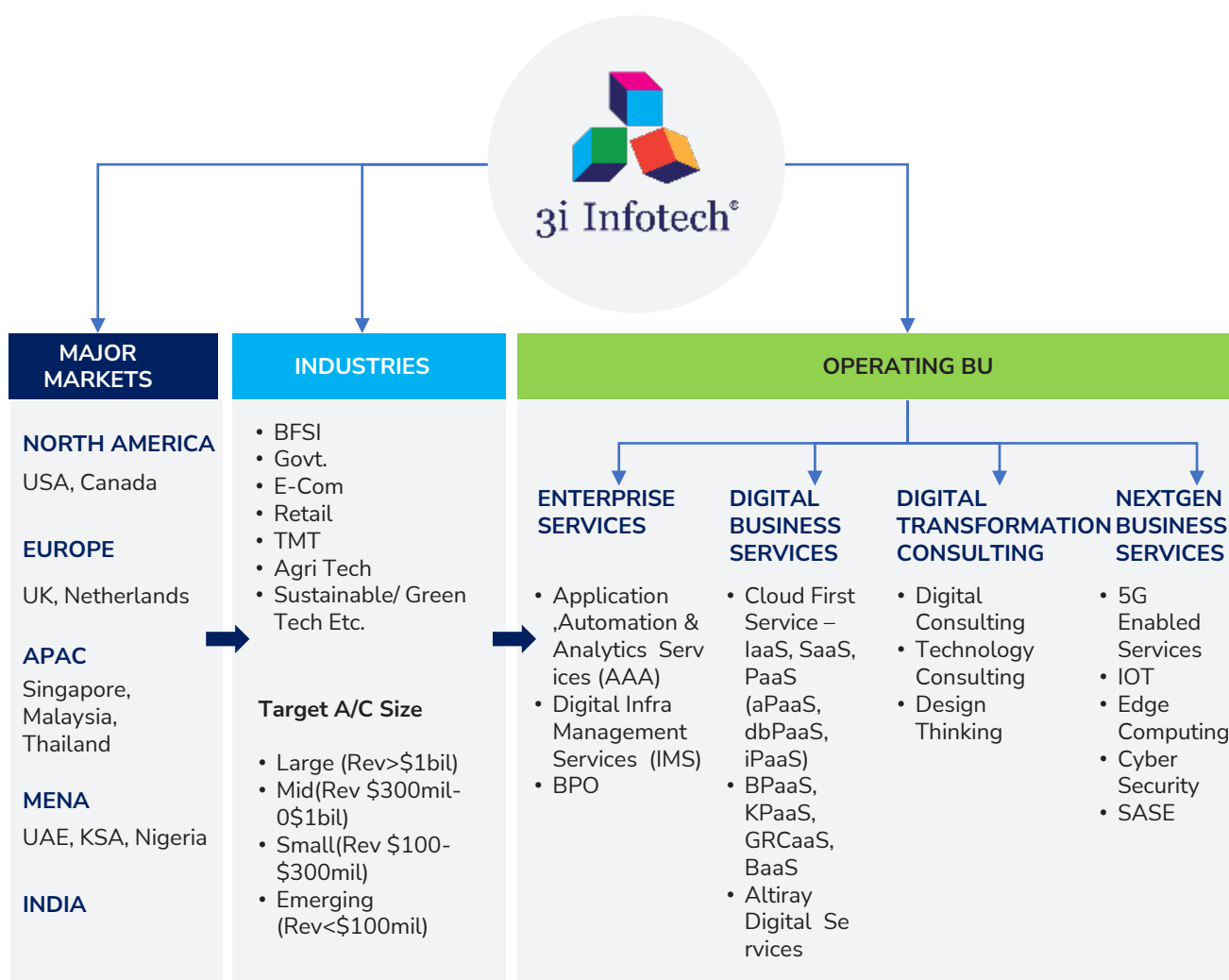
Our strategy is to continue to enhance our efforts in Market Development and Market Penetration for the next couple of years which is our RUN business. At the same time, we are working towards New Product development and Diversification strategy within the technology space with our BUILD business such as Digital Business Services and NextGen Services.

In RUN business our focus would be around getting more business from our existing clients with our existing offerings along with adding new locations for the same. In BUILD business we are investing in such technologies where the market is shifting its gears post pandemic. Our BUILD business offers 5G technologies offering with edge ready computing for all emerging needs of the business.



# Go-To-Market

Our focus is on the major markets such as North America, Europe, APAC, MENA and India, as a separate business unit. For new 3i Infotech the industry focus areas are BFSI, Government, E-Commerce, Retail, Telecom-Media-Entertainment (TME), Agriculture Technologies and Renewable Technologies. We foresee strong adoption of digital transformation technologies in Mid Market segment. For FY2021-22 our focus will for business size Mid-Market (Revenues US\$300 mil to US\$1 billion) and Small Size (Revenue US\$ 100 million to US\$ 300 million).

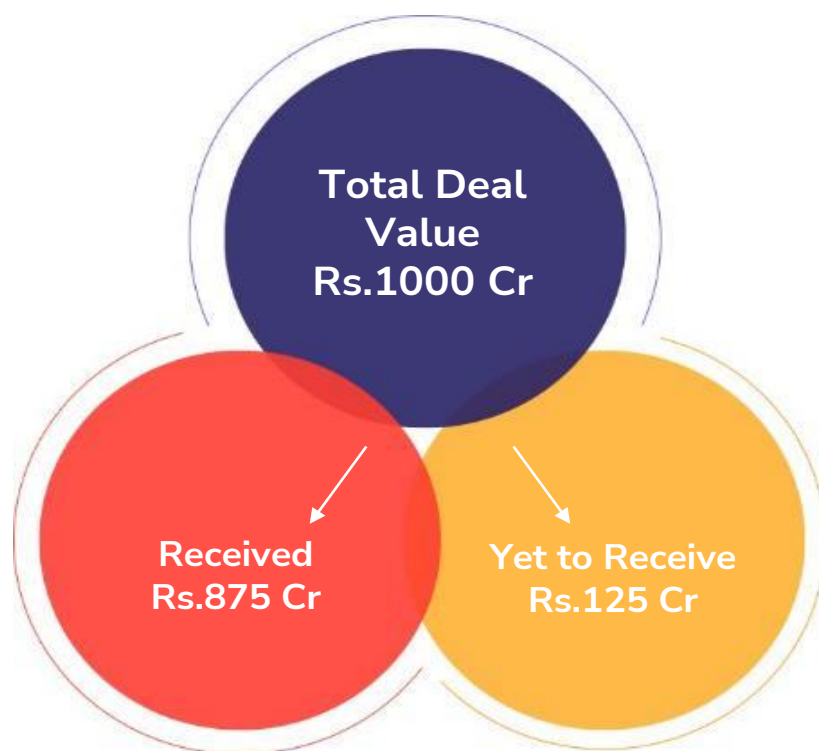


# 3i Infotech & Azentio Software

## Deal Highlights

Pursuant to the business transfer agreement dated 28 December 2020, we completed the slump sale of our global software products business on a going concern basis to Azentio Software (and its affiliates) which is wholly owned by the Apax Funds for a total consideration of INR 1000 Cr.

Out of total consideration so far, we have received transaction amount of Rs.875 Cr and Rs.125 Cr is yet to be received including Rs.50 Cr for India entity, Saudi Arabia Rs.43 Cr and Thailand Rs.33 Cr respectively as of March 31<sup>st</sup> 2021 (awaiting regulatory approvals)



As of March 31<sup>st</sup> 2021

CONSIDERATION		INR Cr.
<b>Total Deal Value Rs.1000 Cr</b>	India	592.00
	FZLLC	260.00
	Singapore	8.85
	Malaysia	5.85
<b>Received Rs.875 Cr.</b>	UK	6.11
	US	1.99
	Africa	0.20
	Saudi Arabia	43.00
<b>Yet to Receive Rs.125 Cr.</b>	Thailand	33.00
	Pending India	50.00