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Institutional Investors & Analysts Day 2024 Transcript

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Mr. Chirag Jain, Deputy General Manager, Investor Relations, Tata Communications:

It is a pleasure to welcome you all to Tata Communications Institutional Investors and Analyst Meet 2024. Before we begin today's event, a couple of ground rules for a smooth flow. Request to please switch off all electronic devices or keep them in silent mode. Kindly do not take any pictures or videos of the event and the content. A detailed presentation will be made available on our website by end of day today. Some of the statements herein constitute forward looking statements that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are beyond our control. These forward-looking statements include known and unknown risks, and you are urged to view all forward-looking statements contained herein with caution. Tata Communications does not undertake any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise. We look forward to a great event and I would now request Rajiv Sharma, our head for IR, to please come on the stage for the kick-off.

Mr. Rajiv Sharma – Head of Investor Relations, Tata Communications:

Good evening, everyone. BKC is convenient, but thanks to coming down to Santacruz. It is so lovely to see you all in person. We are just out of the election buzz, and we all came across this one data point, I'm not talking about the 400 number, but I am talking about the roads, the ports, the airports which have been put in place. You know, there's a parallel infra in the making - the digital infra. Be it the digital public infra, or be the digital transformation being pursued by enterprises at multiple levels, Tata Communications is well poised to benefit from this larger trend, and the sessions today evening will help you understand this much better that what are we trying to create and how are we going to win this. Let us focus on the bigger picture and maximize our ROI on the time spent this evening. And those glasses with "big picture" are up for grabs. You can take it home.

So let me start first with the introductory video, and then we have our first keynote speaker, our MD and CEO, Mr. Lakshminarayanan. Thank you.

Mr. Amur S. Lakshminarayanan – MD & CEO, Tata Communications:

Hi, good afternoon. Thank you for coming. I'm going to walk you through three main topics today. One is, looking at some of the key metrices of the business, how have we done so far. We will see the market and the market opportunity, both the technology perspective and the market perspective, and then we'll talk about some of the new things that we're doing and finally our right to play and win in this space.

Last year was a phenomenal year for us, looking at the growth, data growth was close to 22%. Our Million Dollar Club customers significantly increased and also our $5 Million Customers increased by 18 last year. And if I look at the digital portfolio over the last four years, which is where a lot of our focus was, that has delivered a 20% CAGR growth in the last four years. And now digital portfolio stands at 41% of our overall data revenues. We said in our reimagine strategy that we want to be at a 50% at the very least, and we are well on our way to get there. And, all of the product areas, all of the portfolios, the collaboration on the CPaaS space or the cloud and security, the next gen connectivity, the media, the MOVE and IoT, all of them if you look at the data which have shown here over the last four years, they have significantly grown in the last four years. Overall data growth was 20% (over last year), but if I further focus down on the enterprise segment so as you know, we split our data revenues into the service provider segment and the enterprise segment and if you look at the enterprise segment, last year we grew 30%. And if I give further colour to this 30%, what happened in India, India we grew 13%. India, we are the market leaders in the chosen segments that we operate in, which is the BFSI segments, the IT and the IT enabled services segments, manufacturing, retail is relatively new for us, but we are beginning to do well in that space, and also in some of the selected government projects which we bid and enter, particularly in the cloud and of course, the network areas. In India a lot of data centres are coming up. We are the leading player in data centre connectivity, and we are also beginning to participate

across the fabric, and you will hear some stories on how we participate across the fabric with many enterprises. So that's in India.

If you look at International, significant growth over last year on the international side. You know, we used to say that India and International is roughly 50-50, but now International is a bit larger, particularly after the acquisition of Kaleyra and The Switch. So International will be more than 50%. In International I want to call out mainly two points. One is, with our expanded portfolio on the fabric, the investment that we have done organically in building out our product portfolio, as well as with inorganic investments that we have done, we are now able to address a market that was not addressable before. So, our addressable market has significantly expanded in the international markets, and we'll explain how and what subsequently. And secondly, with our expanded portfolio with our existing customers. So, one is new markets, new customer segments that we could not address before are opening up. And the second is with our existing customers, with our expanded portfolio, how we can increase our wallet share. So that space has significantly opened up with our expanded portfolio now. And with that, the most significant market, the largest market is the US. We have said that we want to hit a billion-dollar number in the US.

So, I mentioned about our digital portfolio. I'll talk about it, but before I go there, I wanted to give you a view. I think I spoke about this last year, but I will once again mention. We believe our customers; the enterprises are entering a hyper connected ecosystem world. Now, what do we mean by hyper connected ecosystem? Lot of customers were always connected before; enterprises were connected to each other. Insurance companies had connected with service centers, airlines had connections with hotels, if they want to book a combined offer. So, all of this connectedness outside the enterprise always existed, which people used to call it an "extended enterprise". But today in the hyper connected world, things are changing so much that the business models of organizations are changing. So, if you look at auto OEMs, they are becoming more a mobility organization and many of them have declared that their services revenue will be 30% by 2030. All of this is happening because they are entering into a hyper connected world where everything is connected. So, we think that there are four characteristics of a hyper connected ecosystem.

One is, everything is going to happen "Real Time". The connected cars are going to be talking real time to fleet and fleet management, or autonomous vehicles are going to be talking to each other and to their infrastructure.

The other characteristics is it's "Always On, Always Connected". The connectedness is going to be extremely crucial. You can't imagine a connected car working without connectivity, or you can't imagine these days an airline crew, especially the pilots landing and their flight bags what used to be a manual flight bag today is an electronic flight bag, and if they can't download and upload information the flights cannot take off on time. So, the always on, anywhere on and assured and secured connectivity is going to be extremely important.

The third is, everything is going to be "Seamlessly Collaborative". Not just people within the organization, but also there's going to be seamless collaboration between people outside the organizations/enterprises - the manufacturing company talking to the suppliers, designers outside their organization, or even things collaborating seamlessly. People and things collaborating seamlessly, that will be another characteristic of a hyper connected ecosystem.

And the fourth is, the hyper connected ecosystem is going to be "Intelligent and Always Learning". So, in future, as we say with AI, there are going to be agentic systems - agents which are going to be collaborating not just within enterprise, but across enterprises as well.

So, we believe that's the world of hyper connected ecosystem where all enterprises are going to go into, and that is happening sooner rather than later. And in that world of hyper connectedness, what is the role that we can play and how do we set ourselves up for success, and how do we help our customer to succeed and that is where we think our digital fabric comes to play. Our ambition is that we will want to be the Digital Fabric for these enterprises so

that they can succeed in the hyper connected ecosystem world. So that's our mission. And what our Digital Fabric is, the Tata Communications Digital Fabric has four components - one is the Network Fabric, the second is the Cloud and Security Fabric, third is the Interaction Fabric, and the fourth is the IoT fabric. So, these are the four fabrics that we define, and all put together when they orchestrate amongst themselves, will become a Digital Fabric for enterprises.

So today, we are playing with customers in either one or the other fabric. Our vision would be to see how to orchestrate across all of these fabrics for a single customer. And this fabric would be secure by design, this fabric will be a lot simpler to operate for customers and this fabric, our customers, will start consuming with APIs and will be directly hooked up with applications. That's the vision that we are working towards. And in this space, things that have set us apart, besides the digital fabric, which is our portfolio, is one, we are a B2B specialist, because to serve B2B customers, it requires deep knowledge of enterprises, how to work with them, how to co create solutions, and how do we create solutions that will work for each of these enterprises. The second and the third that you see is the strength of our network, the platform on which we are building our other capabilities, the network that's very powerful around the world, where 35% of Internet routes are published on this network, or the number of MNO relationships we have across the world, across diverse set of countries, will help all the fabrics, particularly the IoT Fabric and the Interaction Fabric. And finally, the strength of the fabric and the depth of the fabric that we are going into each of these areas, which we'll explain, and that depth is also one of our differentiators. So, these are the four things that we believe will play out besides the digital fabric when we talk to our customers.

Now, what are the trends, challenges and opportunity that we see with the enterprise in each of these areas. One, if you look at the network, we see a fast convergence of network and the network security aspects. The other is the convergence of the wired and wireless LAN and the wide area network; that convergence is going to happen. So, people used to talk about SD WAN and Security separately. Now all of that is coming together and say, how do you converge network and network security. Many organizations still have their CIOs looking at network and CISOs looking at security, and some of them have realized that is going to be a challenge and they are seeing how to orchestrate and come together, because technologies are coming together. In network security with the advent of SASE, you see that they all will come together.

Cloud networking is becoming a separate category by itself. I was with one of the major customers in the US. The way they visualize the network is one of their core networks that spans across the world, connecting all of the data centres and major hubs. They call it their core network. The second is all their low latency network for trading. That's another layer of network that they see. The third layer of network they see is all the regional networks, the branch office and regions connecting amongst themselves. And the fourth that they have called out this time is about how do I get cloud access and cloud networking? So, cloud networking is becoming a category of its own. And with all this, it is becoming complicated, and we need to see how we can simplify, how can we make cloud network to behave like cloud on demand is a challenge.

And finally, the security. So as people go to Internet, as people go to cloud, how do we make security consistent, setting user policies and delivering the right user experience. Because a lot of technologies that are coming, you can implement them, but the user experience suffers because they are not able to...applications cannot reach the cloud in the best possible way. Similarly, in the interaction fabric, SMS was ruling the world. Today, SMS will grow, but beyond SMS, other channels will come into play. Already we are seeing a lot of fragmentation of channels between SMS and WhatsApp and voice, and they have to converge at some point in time. How do you orchestrate across all of these? And of course, AI and ML, with chatbots and other mechanisms will accelerate the interaction platforms and the experience it seeks to deliver to their customers.

Cloud and Security Fabric similarly, the cloud is still very popular, but people are thinking about hybrid cloud. People are thinking about the cost of going to cloud and maintaining the cloud that is becoming very expensive. There are risks with dependence on single vendors. There are already some countries calling out single point of failure risks

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with some of these clouds and of course increasing compliance, security and complication that arises with being in multiple clouds. And with all of these, the attack surfaces are increasing, and security is going to be a very critical component. And security, how do you respond fast? How do you detect fast? And this trend is going to only accelerate, and we see those opportunities in the market.

In the IoT, there is going to be convergence again of hardware and IoT platforms and systems. Again, complexities are raising out of what we call as multimodal connectivity. If you look at our MOVE platform, the connected cars, not just cellular connection, but how do you grow across cellular into a campus connectivity, how do you go across cellular to satellite connectivity? Thus, multimodal connectivity will become increasingly popular and especially in the industrial IoT, the power of edge is going to become more and more important. How do you create an edge where all the compute and OT and IT integration happens at the edge? So, compute, storage and what you can do at the edge is going to become...and edge will become a continuum of the cloud and IoT will be one of the major players using the edge capabilities.

Now, in this scenario, if you look at each of our fabric, what have we done, what investments and what products we are investing in? In the last two years, we have been investing in transforming our core network. We all know the core network is only delivering between 2-5%, 2-6% growth. But core network is also going through fundamental transformation and organization. We have been investing in that for the last two years. And as a result of that, our core network will become intelligent, it will become more composable, and we can make it more on-demand. We will unveil how we translate this into products and value to our customers. But the transformation of our network is happening as we speak, and this will get completed by end of the year.

We've invested in new platforms like our IZO Multi Cloud Connect. And I talked about cloud connectivity becoming a separate category. This is where we are positioning our Multi Cloud Connect as a platform, which will be software defined and will truly operate as a platform. And there are a number of use cases. One example is in Air India, where Air India is moving to cloud, but some of their ticket systems happen to be in some other country. So how do you connect all of this? That's a cloud connectivity challenge. And there are many, many use cases in the multi cloud connect which we are addressing.

The third is our global scale, our ability to deliver all of these in a converged fashion, whether it's the SD WAN security, the underlay, the overlay, manage all of this holistically, and our ability to implement all of these very flawlessly. Our track record has been to deliver all of these first times right. And with the tooling and instrumentations that we have created, we can proactively identify the faults and rectify them. And this is one of the very fundamental differentiators that we have when we take it to market. In terms of Cloud and Security Fabric, if you look at the cloud in India, we operate the IZO Cloud, which is purpose built, multi tenanted cloud. It's compliant with all the regulations, it's compliant with RBI regulations. So, we launched a finance IZO Cloud. The other thing is the customers don't like lock-in. So many of the public cloud if you go in and if you're especially delivering as a platform as a service, there is a lock-in. It's very difficult to get out. So, one of the key attributes of our cloud is there is no lock-in there. It is performant. We have shown that it can scale, for India citizen programs running huge amount of data and huge number of transactions, we have proven the scalability there. We've just launched our CloudLyte platform which we have invested in delivering as an edge solution that got formally launched. We have been using internally for some of the use cases and I can talk about it later on. So, these are the investments that we are making in the cloud space, and we believe there is a space for private cloud. I don't know how many of you saw Jensen, in the recent interviews, he said 'on-prem is cool again'. That was music to our ears. So, we believe especially with AI and even now if you see only about 40% have gone to public cloud, a lot of data still resides on private, on premises, on edge. So, our purpose-built cloud will address those niches.

And similarly, if you look at security, we have launched our cloud SOC product today. We have more than 100 customers in India and internationally we are testing it out and we already have some in Europe, a few customers have signed up. And the key part of our cloud SOC is our ability to detect and respond much faster. Compared to

what people might have as in-house tools, we are saying that there is a 90% reduction in time, which is a huge benefit. Most often people don't even know that they're attacked. And if they can see this kind of a data point where we can show them that we can detect much faster than how they would do internally using their own tools, this becomes a very powerful value proposition for customers. The second is today we have built in a lot of connectors and plug-ins to pull the data and we are saying that we can implement a cloud SOC within the three weeks of customer giving order to us.

Our Interaction Fabric, one with Kaleyra, we have a stronger platform internationally. Second is we have put our CCaaS solution also as part of the CIS solution. The convergence of CCaaS, the CPaaS, UCaaS we see as an Interaction Fabric coming together and that is where we are investing and expanding the Kaleyra platform from SMS to other channels. So, there is a horizontal expansion of ability to address other channels and there is a vertical expansion of building new capabilities on top of this to define AI enabled, software enabled orchestration across these channels and build other AI capabilities there. We're already ranked 7th in the Juniper Research with over 60 billion interactions that we do today on an interaction platform. And again, some of these customers stories I think Sumeet will talk about. But one I will call out is Isybank, which is a major digital only bank in Italy which uses a Kaleyra platform. I met the customer last week, extremely happy. We are a critical part of that bank. That bank is very unique in terms of their cost income ratio below 30%. They have a good and growing customer base, and we are a major partner with our Interaction Fabric with that bank.

IoT fabric - we believe we can address with our IoT fabric both in-campus requirements that the customers have which is how do I deliver within a factory or a warehouse across different technologies, whether it's a LoRaWAN or a Wi-Fi 6 or a private network, how do you deliver all of these technologies and orchestrate all of these technologies and deliver the use cases for all the in-campus use cases? And similarly with our MOVE platform, how do you deliver anything that moves outside the campus? So, we are able to address the IoT requirements of both inside the campus and outside the campus with MOVE. And these two will seamlessly be able to interact and deliver a single fabric. That's a very key differentiator for us. And there are examples in these customers that we are already delivering both in campus and outside campus solutions.

Now, I mentioned about our addressable market increasing. So, what you see here is across the four fabrics, what is the size of the market we address today in FY25. And with the new capabilities that we have, our addressable market segments are significantly increasing. I don't want to call out each one of them, but just to give you an example. In the past we would not have gone and addressed a very large B2C retail customer who is a national champion in the UK or in the US or any of the markets. Because previously with our network, our value proposition to them was we are globally connected and if you have offices and data centres in at least different continents and multiple places, we are the player because we have the strength of a global network. And so, we went and sought after those kinds of customers. Today with our offering, we can go and address those national champions who are B2C customers. The second example is with our multi cloud connect, IZO Multi Cloud Connect. So, we can go and address opportunities where the customers are connecting to cloud, regardless of how the last mile dependencies are. So, we can go to US, a very large domestic player with our IZO WAN portfolio. We believe we can still be very strong to address some of the regional requirements. But even if I were to take it out, Multi Cloud Connect product can address this customer who is going to cloud because this platform can work independent of how the last mile connectivity works. So that's a second example and there are many examples that we can talk about which allows us to now address these new markets and new segments and within our existing customers, allows us to expand the wallet share.

Coming to media, I think the trends are known. There is an increasing volume of video content that all of us are consuming. More and more need to personalize and target customers individually across multiple devices, whether you're watching on screen or watching on the devices. But also, if you look at the players who are getting the rights to these large sporting events, the rights prices are only going up and therefore they are under pressure to see where else they can save cost, how can they deliver the platforms, deliver this experience at a lower cost. And finally, not

just the transport, but how crowd and the fan immersive experience can be improved is becoming another interesting area for our customers. So, our opportunity here? Again, the addressable market is increasing with our product, not just the video transmission that we were doing before. The video production as a product came as a capability to us as a result of Switch acquisition. And we are building out our digital portfolio with our edge capabilities with CloudLyte and a media hub capability where we are bolting on software platforms, not ours, but third-party platforms which will give a holistic solution to our customers.

One example of that as we speak is the T20 matches that are going in the US and the Caribbean, all of you are watching. We are deeply involved in that. More than a billion viewers are there. So, this is a very unique. I think all these matches are taking place in the US and Caribbean. We are bringing all of that to India for production. And from here it is going to many countries for over a billion people to watch. And for the first time in India, we are also doing a 4k layout using our CloudLyte platform. I'm sure you're watching the 4k experience. We are delivering that 4k to all the set of boxes and that is delivered through our CloudLyte platform at the edge. So here you can see the play, we are not doing the production ourselves, but you can see the network capability here and the cloud and the edge capability playing out in this scenario. And we have multiple other customers to talk about which brings all of these together in a very live manner to all these major players.

So, in essence, what we are trying to do is we are trying to create a very differentiated space with our digital fabric. I don't think there is any other player who is able to address the four fabrics in the way that we are able to talk about. We can create and capture new demand. As I said, our target segment opens up with some of these capabilities which we never had before. And combined with the base platform that we have and the software capabilities that we have created on top of the platform and services, we can create more value to both our customers and us. Even as we expanded our digital portfolio, our NPS has only increased. One of the concerns that we had is some of these are new areas that we are getting into, how will customers behave? What will be the quality of our delivery? But actually, our NPS has increased. Four years ago, our NPS stood at 70, today at 79 we would be happy anywhere between 75 to 80 because it's already an industry leading NPS score.

I'll briefly touch upon two things that we had as part of our reimagine strategy. We said AI at the core and sustainability at the core and I'll give you an update on where we stand on both of these elements. From an AI point of view, we have been making investments in the last four years building up the capabilities. We set up an AI CoE. We have trained over a thousand people inside the company on AI and we have funded over 40 projects, one is for internal efficiency projects and the other is how we are embedding AI into our products. So, if you look at the internal efficiencies, the impact we are creating to ourselves is still, while we are starting out with this, it is significant in terms of ability to deliver faster to our customers, ability to reduce and respond faster to any issues that arises. And the banked benefit is already $4 million out of these investments. In terms of our product, we are embedding AI into every fabric - network fabric for example. I won't read out everything, but how do you do fault prediction, bandwidth on demand for our customers. Security, similarly, we have our own platform of DDoS and advanced threat detection using AI/ML capabilities. Interaction fabric, as I said, we are investing in a layer above these channels to orchestrate with AI and build AI capabilities for chatbots and others. In IoT fabric, already in MOVE platform, we have intelligence we can provide to our customers on what is the best time to push the software over the air updates. So those are some examples of how AI is getting embedded into our products. And finally, we are going to be launching our own AI Cloud which will deliver Infrastructure as a Service, GPU as a Service or with our platform deliver the Model as a Service and Inferencing as a Service. It will allow people to train new models, so it will allow people to fine tune and allow people to do inferencing with RAG and other capabilities. This we believe is going to be a huge thing going forward. Enterprise segments are today doing a lot of PoCs. They will take time to scale, but we are preparing ourselves for the demand that is going to be there from enterprises and other segments, and we will be ready to leap big and fast in this space.

So, I talked about this, products and platforms, embedding AI and delivering the AI Cloud as a Service. And together

with our digital fabric, we will realize the vision of making the digital fabric easy to consume through APIs, digital fabric that is secure by design and a digital fabric that will be intelligent. And with all this, we think we can increase our relevance to our customers.

And finally, on the sustainability part, we had multiple things going on with CSR and sustainability. We have put them all together. Our sustainability goals today we define in these three segments - people, planet and community.

On the people front, the metrices and the results speak for themselves. We are the employer of choice in many countries and in India, particularly with diversity, we've been selected as one of the best places for women to work. Our gender diversity has improved by 80 basis points over last year and especially on the women in middle management, we increased by 1.8%. From the planet perspective, there are a number of initiatives going on, particularly on our renewable energy. How much did we increase? Last year we increased from 18% to 27% in terms of renewable energy that we consume. We are also validating some of our targets. We had declared our net zero target by 2030 and we are going towards a validated Science Based Target Initiative (SBTI) for carbon programs. And we are part of the Carbon Disclosure Project where we were assessed to be in the leadership band. And finally on the community side, in keeping with the Tata ethos, we are investing in communities across multiple areas. The most thing we are very proud of is our own employees volunteering. Per capita volunteering hours at 6.5, is one of the highest. And we have also been assessed by the group for Tata Affirmative Action program and we have come out with good scores. Obviously, we can do more. And on the community side, as the example says, we are trying to bring the communities initiative and the climate initiative together. So, by giving smart cook stoves, enabling women through technologies in rural areas to see how we can… we call it Smart Sakhi and these people are able to earn a much more livelihood and we are measuring the impact of everything that we do for these communities.

These are some of the things that I wanted to update you on the AI and the work that we are doing on the sustainability. FY23 to FY24 as I said, we have delivered good growth. We are not stopping here. Our vision and our target continue to be doubling our revenue from 14,000 crores to 28,000 crores by FY27. And all these investments are going towards that. With expanded market, our addressable market, we are quite confident that we will be able to hit those numbers. Thank you.

Mr. Sumeet Walia – Chief Sales & Marketing Officer, Tata Communications:

Thanks Lakshmi. Good evening. Lovely to see a room full of people. I'm sure there was a lot to digest in what Lakshmi presented, and I'm sure that there'll be some time for you to take those thoughts in. What I picked up from Lakshmi's presentation, which I want to take the opportunity to go a little deeper in, Lakshmi spoke about our expanded portfolio and that expanded portfolio is leading to a much higher relevance for us. That expanded portfolio with the higher relevance and coupled with our strong right to win across the portfolio, across all elements of the digital fabric is what I want to talk about. So, I want to share how our market engagement is working across this expanded capability that we have developed, how the growing relevance that we've created at the back of that invested and expanded portfolio is enhancing our participation and improving our success in the markets in which we operate.

This is a quick view of what is on top of most of our customers minds and this is a survey which was done by PwC. They surveyed over 4000 CEOs across 100 countries and the question that they asked these CEO's is that how do you see your own future? 45% of those CEO said that in the current model in which they operate, their economic viability in the next ten years is under question. So, if you think of it, that's a very powerful comment. 45% of over 4000 CEOs across 100 countries. Now that becomes important because there is openness for those CEOs, and they understand that there is a need to do drive transformation.

The second data point really is that if you...and this was another survey done by Gartner asking another set of questions, again to CEO's is in the post crisis environment, and here crisis is a broad terminology for post Covid, post the Ukraine war, supply chain constraints, etc. etc. So, post the crisis, if you will, how are you looking at your top

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priorities? And here too, the number one priority that came through for the CEO's was investing in technology and driving digitization. So, technology here is really going to be the driver of all transformation. And technology is going to be where the top priority and the investment dollars for these companies and these as a representative set of the universe that we address is going to put their money and their wallet behind.

Then the other challenge and the other interesting data point that we picked up through these surveys was 88% of CEO's felt that their current tech investments are not delivering the outcomes that they want. So here too, this is an opportunity to think about where they want to look at their ROI. They aren't happy with status quo and therefore they are open to transformation. So, when you club all these data points together, the opportunity of creating, transformation, driving change, and therefore improving ROIs for these enterprises in general is what gives us the optimism for our own future.

I want to share a little bit on what we are doing with our customers, and this is incidentally a trend that we see with most of our customers. So, I want to share a little bit of stories and examples on what's happening with our customers, which reflect some of these thoughts as well. Before I go there, as Lakshmi pointed out, while we look at our enterprise business as a whole, we operate really in two worlds. We operate in India, where we are the enterprise data market leader, and we operate in international. And when I use international as a collective of all the other markets in which we operate, in those markets we are really a peripheral player right now. We have great aspirations, we are getting great relevance improvements, we are getting a seat on many of those tables. So, I have broken down the thoughts across what we are seeing in India and what we are seeing in international.

So, in India, as you can see, the trends that we see with our customers, and these are general market trends, but we are observing them very closely with our customers, the need for seamless digital experiences is driving a much stronger need for integrated solutions. So, customers are looking to digitize many parts of their overall processes, but they are also realizing, as they are digitizing, they are also creating fragmentation. And this fragmentation is creating problems for themselves. So, they want to now focus more on driving a more seamless digital experience, and therefore the focus on creating more integrated solutions. And we have over the last one year worked with many customers where we've been able to bring a lot of our integrated solutions, that is the components of the digital fabric that you saw earlier coming together to deliver a much more seamless experience. And I'll talk through some of those examples as we move forward. The second really is in large enterprises, and this is where we believe our secret sauce really lies. Large enterprises will not buy vanilla solutions, so they are really looking for specific co-created solutions which in some senses are bespoke for their requirements. So, this is where we see an increasing relevance, improvement for us. But we see this as an area that is where customers are starting to recognize us a lot more where our focus on creating bespoke solutions for our customers, co-created along with them to drive what their business problems are solving, is where we are seeing our success as well.

The other area where we are seeing, you know, an interesting and strong development and Rajiv spoke about, you know, the infrastructure as you drove in in the country only improved the roads, the highways. So, the government in general is spending a lot more. Irrespective of the more recent elections, I think the continuity of government spends will remain. And I think the journey that we are seeing, especially on spends, on government across cloud security and improving and digitizing citizen services, is only getting stronger. Lakshmi spoke about one or two projects that we are involved with, where we are driving and creating this infrastructure, on which different government departments are delivering these citizen services. We see this capacity from the government to spend more dollars, and our participation in those opportunities only increase. So, this trend is something that we realize we are partnering with multiple players to capture that opportunity in the years ahead.

And lastly, we spoke about retail, and Lakshmi said that one of our important verticals that we see growing for us is the retail segment and retail in India, and modern retail more specifically is at an interesting journey, right? They are actively and strongly driving store expansion, and they want speed of that expansion to really come alive. So, when you think of modern retail, the big problem that they are faced with is driving efficiency and improving agility. And

much of that is really anchored on IT simplification. So, they're driving their processes, they're trying to drive more efficiency, a lot of that is coming down to how are they delivering the experience to their customers in the stores, and how are they driving the IT infrastructure and the technology infrastructure brought broadly to deliver a much more heightened experience to their customers at the stores. And an example of that is really, you know, a lot of the branches are now becoming a lot more cloudified, if you will. And so, a lot of the applications at the enterprise level, and therefore even at the branch is moving to the cloud. They are wanting to invest a lot on video analytics. They are wanting to have the opportunity, if you will, to cross sell and upsell to their existing customers, to drive higher customer experience. So, these are the major trends that we are seeing. Now all of these trends are trends that we've participated in, and therefore they are coming from learnings from our own experiences with our customers. And that's really leading up to a line-up of successes that we've had, you know, in the last 12-18 months and these are some of the logos that represent some of those successes.

Much of these successes are also translating to you know, have led us to important data points, right? And these data points are the journey that we are traveling on. So, if I look at our digital platforms and services, or DPS as we call it, in the context of India, that share has actually grown by 50% in the last two years. So, all our investments directed to our digital platforms and services are seeing a much higher engagement and therefore off take with the enterprises in India and that's reflected in the DPS share and the growth of that DPS share. The second is, you know, our focus on our million-dollar customers and driving larger deals. We've spoken in the past to you about our focus on million-dollar customers and how we are improving our intensity and engagement of our customers to improve the overall wallet of our engagement with our customers. And that is reflected in the number of large deals that we track very intimately. And there's been a 2x increase in our large deals over the last two years. Combined with that is the average ticket size. So, the average deal size is also up 22% in the last two years. So, the focus on driving larger, transformative conversations with our customers, which is improving our wallet and giving us a larger or ticket size with our customers, is getting reflected in some of these messages and the data points that we are presenting. And within that for India the biggest drivers of our portfolio, within the digital fabric, if you will, will be the network fabric, the cloud and security fabric and the CIS fabric. These are three fabrics that we see becoming major drivers across all our customers in India.

If I think about our international markets, and I'm looking at our international markets like I said earlier, as a collective, but these are trends that we see across most of our customers, across markets in which we operate. The first one is really around cost transformation, and I spoke about this last year as well, and this cost transformation focus continues, and it continues to be a dominant factor. And the reason it is a dominant factor because a lot of innovation that enterprises want to do want to get funded from cost transformation and therefore the ability to take cost out and fund new innovation projects is the focus that these enterprises are focused on. So, cost transformation coupled with vendor simplification is the combination of two things that we are seeing. And that's where we, where a large part of our successes is going to come from, really a displacement opportunity, where we are displacing either the incumbent or the current operator in is, which is giving us that window and that wedge to those conversations. And those are the areas where we are participating wholeheartedly.

The second area is CIOs, and we spoke about earlier and in the data point I presented, 88% of CEO's, remember I spoke about earlier, are struggling with ROI. So, they're making the investments, but they're not getting the ROI. So, CIO's therefore, to drive the CEO's agendas, are now focused very rigorously on demonstrating ROI. So, it's not about just getting the coolest technology deployed, but it's actually also demonstrating the ROI across the technologies that you're deploying. And really, while we spoke about AI and the work that we're doing in our experiencing, in engaging with our customers and in conversations that we have, all AI projects actually fall into this category. It's so nascent and enterprises are taking baby steps in terms of what they want to do and how they want to operate in an AI world, if you will. But they are also concerned with not just deploying AI, they are also concerned with the ROI on AI. And so therefore, this combination of the two is what we are seeing on the need to demonstrate a ROI.

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The third is really our move to driving greater transformative solutions for our customers is also forcing us to co-own the ROI point. So, because we are now participating in a broader canvas, we have much more opportunity to participate, and we are delivering greater business outcomes. Those outcomes need to then generate the ROI. So, in some sense, we are actually co owning and co driving with the CIOs to demonstrate the ROI as well. So, this is how we are seeing and how we are participating in the ROI. The ROIs are also forcing customers, and therefore us, to start offering more industry solutions. So, you're not offering vanilla solutions and you're not offering standardized off the shelf packages to customers, but our focus is now to also work with CIO's and enterprises to drive greater focus on industry solutions. So, we are trying to solve industry problems, and therefore customer specific problems in that industry, which is therefore an easier way to demonstrate ROI as well.

The other trend that we are seeing is around customer experience transformation and this is becoming a very key area of investment for our enterprises. In general, digital experiences to offer to most customers through the enterprises that customers or enterprises that have large customers has been a focus for many years. So, this is not a net new point. So therefore, omnichannel exists, but that omnichannel is fragmented. And therefore, that omnichannel also creates data points which are sitting across the value chain. So fragmented data is becoming an important challenge to deliver better customer experience. And these fragmented data points are becoming a barrier to offer more contextual and intelligent customer interactions. So, if you were to think of it, most organizations are thinking to reimagine their customer journey, because they want to get more intimate with their customers, they want to drive more contextual conversations, but they are operating in an environment where the customer journey is getting fragmented. And so, you're not able to bring it all together to bring more relevance to their customers. And that's an area of opportunity where most enterprises are focused and that again, gives us a window of opportunity to participate in there, because they are unable to harness both the power of data as well as, you know, to drive customer delight for themselves. So that area and this journey on customer transformation, or customer experience transformation, is an area that we see as a broader theme. We see this in many of our customers that we are participating, and we see this as an opportunity for us to go in there and really help modernize that customer digital experience landscape.

Lastly, and more importantly, is banks and financial institutions are a large part of our customer universe. Financial institutions and banks, or BFSI in general, are a large consumer of technology and telecom infrastructure in general. They have, however, also been the most conservative in moving generational technologies, and they have been more traditional in their approach, because they want to be more thoughtful before they make a move. But what we see happening is clearly the need to drive greater efficiencies, and the need to have a cloud first operating model is forcing them to think about how they're going to modernize their network as well. So, we are seeing early signs of this, but we see this as an opportunity again for us as we start participating, because that's an important customer universe for us. So, the need to drive network transformation, to drive efficiencies and operate in a cloud first world is becoming a driver and I think many of these large global banks, financial institutions are starting to take that leap of faith in driving to that journey as well.

Again, like with India, most of these logos represented here are a reflection of the data points I just mentioned. These are real journeys that we worked with, these are real problems that we have helped solve, which have given us the strong momentum, if you will, across the regions in which we operate. And the data points across these international markets and again, the international markets are across all the markets in which we operate, our DPS share has actually increased by 90% in the last five years. So now in the last five years, and obviously it's got accelerated quite significantly in the last three, but if you take the overall view on our DPS portfolio again, like India, where we have been creating the investments, where we want our focus to grow with our customers that is growing very healthily for us. I spoke about the fact that, you know, much of our successes in international is also going to come from displacement of existing incumbents and therefore the focus on new logos. And what we are seeing is that we have a 2x growth in our news logos. So, if you think about where our success is going to come from, our success is going to come from like we spoke about the expanded base and that expanded base is giving us a larger opportunity to

engage newer customers and those new customers are translating to logos for us as well. The third is also, a couple of years back we mentioned that we are starting to invest a lot more in our sales efforts, especially in international. We want to create more engagement and intimacy with our customers through these investments that we are making in our teams, that is started to pay off, right? And if you see the funnel and the colour of the funnel, both of them are really a reflection of all the investments that we have done in the past. So, it's not just funnel as well, if you see the large deal count, because this is an area that we have focused company wide, so our large deal count has gone up 2.5x. So, our focus on driving larger deals, our focus on engaging a wider base at the back of the investments we have done is reflected in the increase in our funnel as well as increase in our DPS pipeline and DPS outcomes as well.

The other data point I'd like to share with you is really around some of the questions that we've been working with our customers. You know, recently we did a survey with our engaged enterprises to understand key priorities and where are their priorities really focused on. And we got some interesting results which are called out over here. So, if you want to look at, you know, cloud and look at what's happening with public cloud, more specifically, cloud costs and security are becoming a big concern. With over 70% of them are focused on that cost escalation is going higher than what they had budgeted for, and over 50% of them are focused on security areas, which is related to public cloud. So, if you were to think of it, while there's been a migration to cloud, there is also challenges that are coming in that deployment, and therefore in the enterprises that we work especially in the public cloud environment. Because most of our enterprises also operate in a multi-cloud environment, they don't just put their workloads and their applications on a single cloud; they operate across 2, 3, 4 clouds. And therefore, the opportunity, and therefore most enterprises need to operate in a multi-cloud environment. What that multi-cloud environment is doing, is creating one complexity, and therefore a cost challenge. Because how is the data, which is sitting on these multiple clouds, how are they talking to each other? How are the clouds talking to each other? And how are you talking to the cloud, is a question of complexity, as well as cost. And that is an area that they are concerned, and they are thinking about as well. So that's the other area that we got as an interesting input as we talk to our customers.

50%, if you see, 50% and more of our customers are focused on driving the move to the internet. So, they want to get away from their legacy VPNs and they want to move to the internet. And as you move to the internet and you move away from your legacy infrastructure, there is an opportunity to deploy much more modern generation. As Lakshmi spoke about, network and security are converging. So, the opportunity to look at SD-WAN, SASE solutions. And that is getting represented in this survey as well, and that is also getting represented in our conversations that we are having with our customers. And on our customer interaction fabric and on our customer interaction portfolio, if you were to look at the challenges that the customers are facing, nearly 80% of them want to remodel their experiences. And this ties into what I said earlier as well.

If I look at our portfolio and I look at our value promise and our value proposition that we have across those challenge areas, much of our portfolio fits extremely well into each of those challenge areas or those areas of focus. We are already seeing momentum in these areas because we believe that our value propositions are delivering problem solutions for our customers, and that is improving our intensity of engagement with these customers, which are shown over here. Our funnel also for each of these focus areas is much higher than the average funnel growth that we are having. So, these focus areas, these problem areas for our customers are starting to give us greater momentum, and they are starting to result in wins that are called out on these slides as well.

Our depth and market participation are also increasing. Lakshmi spoke about three things. And I want to break this down a little for you because it's relevant in the way we are engaging our customers, it's relevant in the way we are winning our successes as well. So, because of our expanded portfolio, Lakshmi spoke about the fact that our TAM is increasing. That is also resulting in, like I said earlier, our ability to participate broader with our customers, existing as well as new, as well as aim for a higher wallet share, and therefore a higher dollar returns in terms of our engagement with our customers as well. And that's really happening in three ways.

First is really around our new areas of participation. And what I mean by 'new areas of participation' is, if I think of our portfolio and I look at, as was called out earlier, we've been investing and also creating net new portfolios. So,

portfolios around our multi-cloud conversation, our CloudLyte or our edge capability, our ability to offer managed LAN solutions, are all net new to us. And these opportunities and these portfolios are allowing us to participate with our existing customers, solve problems around these areas, and therefore improve our wallet share. So, one is really around new areas of participation. And I'll share with you some examples of what those new areas of participation mean.

The second area is really around new buying centers. What's happening is that, earlier, technology buying was largely restricted to IT and the IT organization. But increasingly, that budget on technology spend is getting spread across the organization. Our portfolio and our expanded portfolio allow us to now participate in those wallets as well. So, many of our newer conversations are developing beyond the IT organization. We are talking into supply chain, we are talking into marketing teams, which is giving us an opportunity to participate in a broader wallet with our customers. So therefore, we are able to capture a bigger budget as well.

And, lastly, is the opportunity for us to participate in new customer segments. Earlier, when we defined our ideal customer profile, which was a part of our target market that we focused on, we took a very global lens to the identification of those customers. And we took a very network lens as well. So, we looked for customers who were multi-geography, globally spread, because our network capability is cutting across many geographies. And that became the foundation block on how we looked at our ICP and therefore our TAM as well. But increasingly, as Lakshmi pointed out earlier, because of our expanded portfolio, we are now able to address a lot of national retailers, a lot of other opportunities which you would broadly classify as national champions in our international markets. So, enterprises who are focused on a single geography, focused on customers in a single geography, which earlier wasn't a part of our TAM, is becoming the front and center of many of our opportunities, and that is expanding our opportunity to engage with these national champions as well.

So really, if you were to think of it, these three areas, which is improving our addressable market, expanding our conversations with our customers, is giving us our opportunity to increase our wallet share and participate even in a single geography, large national champion conversation. So, our ability to get a seat on the table, participate and win some of these national champions which was not there earlier, is the opportunity that we see for ourselves going ahead as well.

I want to take a couple of examples to illustrate what I mean. So, the first one is around new areas of participation. So, in new areas of participation, like I said, is really where we are able to bring the power of our newer portfolios, engage with those customers, solve those business problems. So, the example that I like to give is around Air India. And this is really the opportunity to migrate and help the enterprise migrate from a legacy tech debt-heavy environment to a much more modern tech dividend environment, if you will. As we all know, really, Air India is now a part of the Tata Group. All of us in this room, I'm sure, would have had the opportunity to fly Air India at some point in your lives. And so therefore, we understand, and we relate to the logo, and we understand the national pride associated, if you will, with the logo as well.

But as the team who's now running Air India started to look at how they want to drive their business forward, customer experience became the pivotal point. And we realized that because they were invested with a lot of legacy debt, tech debt, i.e., they had a lot of legacy infrastructure. Delivering superior customer experience was a problem that they started to confront right out of the gate. And that is where they started to build a much more transformational agenda for themselves. And that agenda really was pioneered on improving their NPS scores eventually, but driving a superior customer experience for the customers that fly Air India. And this transformational project obviously includes improving the product by itself, which is improving the aircrafts and placing new orders for aircrafts. But including not just aircrafts and not just limited to aircrafts, is also the ability to offer newer technologies. And they had to reimagine, therefore, how they want to drive their customer experience. And this is where we stepped in with them, in helping them reimagine their customer experience.

So, what we've started with them currently, is really around two areas, new areas of participation for us as they started to drive their transformation agenda to improve customer experience. One is around helping them deliver a much more scalable, multi-geography, cloud-enabled, cloud-first contact center. So that is the first touchpoint for the customer to drive a stronger experience. And that became our first port of call and that's the first portfolio that we started to engage with them. The cloud-enabled contact center also then talks to the CRM in which they are

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operating in, also delivers for them a much superior uptime, and also does two more things for them. It also allows them to look at their existing contact center infrastructure, but also allows them to scale that infrastructure on the fly, operate through multiple partners who are spread across global geographies as well. Earlier, their contact center was India-based, now their contact center is based across three geographies globally. Earlier, they were working with one partner, now they are working with three partners. Now, to do all of this, you need a scalable infrastructure, you need a scalable contact center, and that's where we've actually delivered value for them, if you will.

The other area that we've worked with them, is really around driving and moving their applications to the cloud. I spoke about most enterprises are focused on driving a much stronger multi-cloud environment in which they operate, and for Air India, as they drive their transformational agenda, moving to the cloud becomes table stakes. So, they are now moving to multiple public clouds. One of the challenges that they had in driving that, is that they quickly realized that the data sitting in one cloud, which was, as Lakshmi pointed out, the ticketing data or the ticketing application, and then the CRM application and the other applications are sitting on other clouds, and the two data or the two applications need to talk to each other. And that's where we stepped in and we were able to deliver to them, through our multi-cloud connection or through our cloud networking, a much more superior, cost-effective, reduced complexity architecture, which is really playing to their overall cloud-first architecture that they want. So today, over 90% of their ticketing revenues are actually happening on these multi-cloud environments which we have created for them, and it's running at 100% uptime.

So those are two areas where we are able to participate new in the context of Air India, just to illustrate the point. But we are not stopping there. There is more to be had with Air India. And many of these customers that I'm quoting, are customers which are going to eventually, and are even today, sitting as part of our million-dollar club. So, these expanded abilities for us to participate is also taking us into our aspiration of a million-dollar club. Like I said, we are also working with them on newer areas, and we want to focus on all our fabric capability across areas in which Air India will participate in the future. You know fully well; Air India is in the process of also integrating with Vistara. So, as they create that integration, we've been working with them very closely on how we are going to see, and how are we going to drive a more uniform and harmonious infrastructure across the two networks, across cloud, security, network, et cetera. We are also moving from not just the existing networks that we have given them, which is on offices, but we are also now starting to participate with them in their airport infrastructure as well. And finally, we want to focus on driving a much more powerful customer experience that we have started with through our cloud contact center, but we are not stopping there, and taking the power of our entire CIS fabric to help them deliver an omnichannel experience to their customers, which also has conversational AI built in. So, these are future areas that we will participate in.

The learnings that we are getting of these new areas of participation is actually also helping us take these examples, take these journeys to other airlines as well. So, these opportunities are also highly scalable. So, they are not a one-off opportunity that we have participated in with Air India, but really these are opportunities, and our ability to replicate these successes with other airlines globally as well. So that's one example on our ability to participate.

The second is an interesting data point, and we've just announced this in the press earlier today, is really around World Athletics, and our participation in World Athletics as an organization. As you know fully well that we deliver over 80,000 live events through our media business that we have, right? And these events range from motorsport to tennis to Formula One, and as Lakshmi mentioned, even cricket, and even today the ICC World Cup that is going on across the U.S. and Caribbean, we have our footprint on that. And as a part of that journey, and especially post the Switch acquisition, and now operating as an integrated organization, we are able to participate in newer areas, and this is really around production.

But a bit on the customer first. So, World Athletics is the third largest… athletics in general, which is really track and field events, is the third largest sporting event that is viewed globally. It covers 150 countries in which they deliver these events across multiple of these 150 countries. What they had, and when we started to engage them, was really they had a lot of legacy, again. So, they were working with multiple vendors, they had a lot of legacy infrastructure, and they had a video production environment that they themselves said to us that we want to modernize the video production environment. We want to take cost out. So much of the themes that we were seeing, and which I called out earlier, is what played out with these customers. So, they wanted to simplify the number of vendors they had.

They wanted to modernize their video production environment to drive and eventually take cost out.

And this is where we stepped in. And therefore, what we've delivered for them, is a best in breed video production environment to offer host broadcast services. We are also partnering with them, and we are speaking to them on how we can look to take these production environments, which we are doing with them, also to the cloud. And we are trying to see how we can enable them in their future journeys. So, what we have signed with them is a five-year contract. When we think of our engagements, we think of our engagements longer term. So, our ability to transform and bring much more transformational change to these customers happen over a longer period. They also give us stickier revenues associated with that.

Like with Air India, we are not stopping at what we have with them today. We are also delivering and talking to them on newer areas of participation. Lakshmi spoke about our media edge solution. So, we want to create a much more hyper-local edge for them, where they can get their content produced, get their workflows put onto that media edge as they drive their production, and eventually move to their cloud as well. So, that's an opportunity that we see into the future.

Driving a superior fan experience using our CIS fabric is an area that we've already started to engage them, because they do want to eventually see, because it's the third largest sport which is viewed globally. So, they want to keep that engagement with fans alive. And how do they get that intimacy and therefore experience with the fans improved? That's where our CIS fabric will play an important role.

And finally, as our AI cloud starts taking shape and it starts delivering, we're looking to deploy the AI cloud for other video production enhancement areas. So whether it is creating an automated package of highlights, whether it is looking at editing or multi-language support, if you will, all of these will be opportunities that we will be able to use from the AI cloud and the applications that will develop on top of that as well.

In general, end-to-end production, as Lakshmi pointed out in his slides, is a huge market. There is over $8 billion of market in our end-to-end production environment. And we see this just as a starting point at the combination of what between… we've acquired the capabilities on Switch and the abilities of what we are tasting with our initial successes, not just to increase in new areas of participation, but also give us promise for the future in what we can do around the production environments for many of these sporting entities.

The other example is really around new buying centers. And really, when you think of new buying centers, like I said, our history has shown us that we've been engaged largely with the IT organizations of the companies that we work with. But our portfolio now is allowing us to talk to a lot more and a broader universe of customers and buying centers within those organizations. So really, this is a story of Maruti and where we've had the opportunity to engage them. It was interesting because as we started to engage Maruti and we realized this, this is true for many of the large automotive companies, they didn't have and they don't have a centralized platform, if you will, to offer customers experience. And because of a lack of a centralized platform, they had lack of visibility, they had lack of control in how the dealer interactions were happening with their customers. So, the challenge that they faced was, this lack of visibility and lack of control in the dealer environments was resulting in inconsistent customer experience. It was also resulting in lower service revenue for them because that engagement was getting broken, and that experience was getting impacted to result in lower service revenues for them.

And that's where we stepped in and that's where we've been engaging them. We delivered for them, but we had multiple co-creation workshops with them. And what we've offered them now and what they're deployed and they're using today, is a co-created omni-channel engagement solution built on our CIS platform. It has an intelligent orchestration, and it has an ability to scale to all the 4,500 dealers that Maruti has today. What this will give them is complete visibility. Because it's centrally orchestrated, it gives them complete visibility and control. So, they can drive a lot more service value and we are seeing the impacts that we are already starting to hear from them. The impact in terms of increase in their service value, their reduction in their costs. So, these are areas that the customer tells us, is areas that we have delivered through this customer experience platform that we have delivered for them.

Again, like with others, in terms of what next, we are operating in and participating in other areas where our fabric allows us to participate as well. So, whether it is around driving smart factories, delivering more IoT and 5G and industrial connectivity as a service, if you will, video analytics, these are areas that we are working with Maruti

around. And that, again, gives us the opportunity to participate across different buying centers inside the organization as well.

The other example really is around new customer segments, and this is the last example that I have. I've walked you through areas where we are focused on expanding our customer portfolio, and therefore, talking into new areas of participation. We have spoken about how we are expanding the buying centers and increasing our wallet, and therefore, share of wallet in areas that we didn't participate earlier.

The last example is really around how we are participating and engaging customers in segments that we couldn't participate earlier. And domestic retailers are a great example of that. And like I said earlier, this was not a part of our sweet spot. This is not where we focused on historically. And so, therefore, the example that I have is of a leading UK retailer, and it's among the top three retailers in UK. They have over 1,500 outlets inside the United Kingdom. What they were challenged with, is consistent user and customer experience. What they were challenged with, is how do you increase the ticket size every time a customer walks into their store? And to increase their ticket size, I need to have a lot more contextual conversations and engagement with my customers.

So, what we've delivered for them is really a no-code platform that allows them to engage across different teams inside the organization. So, whether it's the marketing team that can use the platform, whether it's the delivery team, this low-code platform can cut across different channels of communication as well. So, whether it's SMS, whether it is WhatsApp, whether these channels require one-way or two-way communication, all of this is getting delivered through the no-code platform as a part of our customer interaction fabric that we have.

Now this was not possible for us earlier. I think the ability of what we've gained through the acquisition of Kaleyra, especially for our international markets, has given us that right to play with these national champions. And we are able to then participate not just with these national champions, but we are also able to bring the power of the rest of our portfolio and the rest of our digital fabric to these customers as well.

So, what we've delivered for them also is what we've called out. There are 220 million transactions that we do with them annually. There are other newer areas on which we are also participating with them. And so, like I said earlier, while CIS and driving the platform, omni-channel platform and the low-code platform for them was the first step and the wedge that we had with that customer, there are other areas that we are also keen to participate. And we are building the engagement with our customers. So, whether it's the IoT fabric, the interaction fabric, really more to build supply chain solutions for them. So, we are thinking about how we should look at your supply chain journey and you have a much more real-time, if you will, shelf-life visibility, and how you can replenish your inventory using those real-time analytics as well?

They're confronted with a lot of challenge around loss due to theft. We are building with them solutions on how we can use video analytics to reduce the incident of theft and prevent theft, in general. And this conversation, like with all of what I've said so far, is not unique to one customer. This is really the ability for us to take this narrative, learn from the experience to many other national champions, and build that capability across the other markets in which we operate, which have similar customer segments and have got similar requirements as well.

Also, like we said earlier, we are upping our investment in marketing. And the reason we wanted to up our investment in marketing, is really because what you saw so far is examples of where we have created transformational impact. Marketing and therefore, our visibility to get noticed, is improving because of those transformational stories. We published our successes, what we did with JLR, what we have done with Singapore Airlines, and that has caught a lot of attention, not just in media, but that has also caught the attention for our customers. And our customers want to understand a lot more of what we are doing over there. And we are starting to get acknowledged a lot more, not only by the press, but also because of the work that we are doing with our customers.

And all of this is happening at the backdrop where many international incumbents are actually trying to defocus away from other markets and just focus on the non… defocus from the non-HQ markets and really focus really on their HQ markets and looking at outsourcing and looking at other cost takeout initiatives. We are expanding and we are getting the credibility, and that is really the success that we've been able to demonstrate.

Because of our investments that we've done in marketing, we wanted to really benefit from three major areas. One is, improving our awareness in our international markets. Lakshmi spoke about America being a key market for us and our aspiration to hit a billion dollars over there. So, we have only recently, done a relaunch, if you will, engaging

economists and customers in New York. And we launched our digital fabric capability over there. It was done with customers, it was done with media, it was done with analysts. So, all of these focuses are actually allowing us to, you know, get the attention of our customers in an important market like the US.

The second is really our sponsorship platforms. And what we are able to drive through our sponsorship platforms, for example, Formula One, Formula E, is really the opportunity to take CXOs and take them live track side, right? And we can show them live how we are actually solving and creating mission-critical solutions for those sporting properties, really. The good part is these races are happening every other weekend across the world. So, we are able to take our customers to different races, demonstrate what we are doing. And it's a bit of a show and tell, if you will, right? And that is adding a lot of credibility to our overall narrative in engaging our customers as well.

And lastly, we want to focus on improving our awareness in our overall markets. And therefore, we are taking a lot of industry themes, industry narratives to these markets and strengthening our presence, and making our presence felt in those markets.

Our digital marketing motion also is gaining a lot of currency. A lot of our investment dollars are actually spent in and around digital marketing. You know, more than 60% of buying research is done online. With that data point, we realized that we need to condition our customers and we need to be there when they are choosing and researching companies before they make the buying decision. So really, digital is actually helping us find prospects and work with prospects who are ready to buy when they are ready to buy as well. So, we are working with prospects who are ready to buy and when they are ready to buy, because we're really creating fertility with these customer conversations much ahead of time.

Both our efforts around digital are actually culminating and complementing our direct sales effort. Eventually, we have a very strong account management structure which is engaging our customers as well. Complementing the account management structure is our digital effort. I spoke about the fact that there are multiple buying centers. So, buying committees are also becoming broader. And therefore, how do you touch these multiple buying decision makers who are sitting inside the organization, is creating digital touch points for them. So, this is where digital supports the engagement. And we have acquired, I must admit, many of our new logos started with journeys which were digital. So, they started as digital journeys. We were able to curate those conversations and then transport those conversations to physical conversations with our customers. So, our investments in digital also is starting to pay off for us.

We are also being recommended by analysts across the portfolio that we have in our digital fabric. We have now an expanded coverage of analysts who track us, work with us, and report on us. And this is across the portfolio of services in which we operate. Many of these analysts have also placed us in the Leader's quadrant of their evaluation, and therefore is, in some way, a soft recommendation when customers are evaluating, because this is an important community. It is showing credibility for the company, and it is showing credibility for us. So, when customers make their buying decisions, they often look at analyst reports as well to look at who are the leaders in those quadrants whom they can then call for participation. So, our ability to come in the consideration set for those customers is being influenced through the partnerships that we are doing and the engagements that we are driving with the analysts.

We have been, and this is something that we continue to feel very proud of, this is for the 11th year we are in the Gartner Magic Quadrant, who is an important analyst; many enterprises work with them. But what is most satisfying in the Gartner Magic Quadrant journey for us, is that we have also won the Customer Choice Award from Gartner. And this is not an award. This is an award that is given on the Gartner platform, but really this is based on direct feedback from our customers. So, this is really our customers recommending us to other customers as a peer platform that Gartner has created. And we are the most favored brand for our network fabric in the Gartner peer insights. So, this is not our own validation, this is also customers validating and recommending us as well. Now we've got coverage and leadership across all our portfolio areas. We are getting invited to more and more opportunities by virtue of this participation. And eventually, all of this is helping us differentiate ourselves as we start engaging our customers.

So, if I want to sum that thinking up, how will our success look like? We spoke about the journeys that we are on. I gave you examples of where our success is really coming from and where our future success is likely to come from

as well. Lakshmi spoke about, you know, we stay steadfast in our ambition to double our revenues. And that journey for us continues as we move from FY24 to FY25 and beyond as well.

So really for myself as I look at our color of our success, our digital portfolio that is now becoming mainstream to all our conversations with our customers and which is now today 40% of where we stood in FY24, I see that exceeding 60% in the next three years. Our million-dollar club which has 274 customers today, and the points I made earlier where we are focused on driving larger deals, improving our engagement with our customers, driving more transformational conversations, gives us the headroom to improve our million-dollar engagements to 400 plus. And our market positioning where we are the leader in India, we see ourselves continuing to have that leadership position in the future as well. That's a position we don't want to vacate, and we will continue to work hard to maintain that leadership position. For international where we are a peripheral player where we stand today, the examples I gave you in the areas which I indicated where we are participating with many of our international customers across our geographies, gives us the confidence that we will emerge as a very strong challenger over the next two, three years of participation. Thank you very much, guys. May I invite Kabir.

Mr. Kabir Ahmed Shakir – Chief Financial Officer, Tata Communications Limited:

Thank you, Sumeet. Thank you, Lakshmi, for setting that context and giving an overview of what we achieved in the past and what's the future looking for us. Let me, over the next 20-30 minutes, unveil for you the number story. You know, end of the day, the proof of the pudding is in the eating, and it's important for all of you to know that this ship is being steered through all these opportunities and uncertainties in absolutely the right way, and we are in full control.

So, I want to start with the first and the most important statement to say, we are absolutely in full control of our KPIs. We were four years ago at a very, very different stage of financial fitness in this company, and when we unveiled our reimagined strategy and called out financial fitness, and then went on to elaborate the finance strategy, we were sitting on high levels of debt gearing, our ROCE was not all that attractive. Our profitability was, again, not that attractive. Three years ago, we went and told all of you what's our strategy, and we achieved that strategy in FY23. In some quarters, actually, we exceeded, right? We also delivered, I think, probably 25.5% as the highest ever EBITDA that we did, north of the range that we operated in.

What did we do last year? We invested 610 million dollars back into the business. I mean, 250 million of Capex and about 360 million dollars of three acquisitions back-to-back after a gap of so many years, is what we did last year. And many of you whom I have met in various conferences or one-on-one meetings, I've gone on to say this and I will repeat that again. We've reached where we reached in FY23 not to stay there. And I will talk in the subsequent slide and remind you of our Fit to Grow model. We got there in order to reinvest that back into the business in clear chosen areas. So, we can propel the growth and realize all that potential that Lakshmi and Sumeet talked about. And therefore, it becomes important for us to get where we need to get. Yes, in FY24 we departed from all these KPIs but absolutely in control at the helm, and we have a clear line of sight and an action plan to get to these KPIs by FY27.

Some of them will come sooner. The debt to EBITDA will come under 2x maybe in the next 6 to 9 months. ROCE will take a little longer because it's a 12-month formula, right? Trailing 12 months is what it happens. So, the full effect of the ROCE decline has not yet been factored in. That will happen once October is done when we did the Kaleyra acquisition. And you will see that coming the following year and EBITDA will come the year after. But by FY27, we will get to where we want to get. Now, that is with a caveat that nothing else changes. If we create value creating opportunities, whether it is organic or inorganic, we will take careful and responsible actions to go and pursue those opportunities. That aside, you know, our aim is to get back to these KPIs. And I'll talk them through a little bit more in detail in the next subsequent slides.

A recap of our Fit to Grow model. We will drive profitable, sustainable, competitive, broad-based, and responsible growth. I have my own 5G there. And once we do that, we do create positive mix, operating leverage, efficiency improvement, and we create that that war chest in the company. And we will take that war chest, reinvest back into platform, into innovations, and also a bit of tactical bolt-on acquisitions. And when you do that, you create opportunities for growth through fixing go-to-market gaps or portfolio gaps. And clearly, the three acquisitions that we have done in the last year, have all addressed towards portfolio gaps and gave us more complementarity in the

markets that we actually operate by bringing in new customers. So, I want to keep this front and center because this is the guiding force for us as the top management, as we take any resource allocations decisions.

And let me then expand this as to what we are going to do as we have reinvested that money. I now need to rebuild the capacity. So, I can reinvest it back into growth. That's the virtuous circle that I would like to drive. And the building capacity very clearly has two elements to it. The first element, whether or not the acquisitions… we know that the digital portfolio profitability has been either break-even or negative. And each of those portfolios have a destination margin profile that they need to get to. And each of those portfolios have a glide path of how they are actually getting to that destination portfolio. And each of those glide paths have defined drivers and the drivers are different from business to business. Some of the drivers may be driving mix, whether you are selling an OEM product and then going and selling a service on top of it. Can I replace that with my own product and deliver that? Can I have service packs as a mentality? And, when we go that we not only deliver the product, but also deliver day 1, day 2 service alongside volume leverage, operating leverage to kick in, automatically costs start behaving very, very differently. So, each of those portfolios have a very clear destination margin profile that they need to get to.

Let me expand on what Sumeet just gave as example. In each of those platforms that we have created, he's talked about two aspects; in each of the examples that he actually mentioned. The first is, what is the customer lifetime value that I can create, with multiple other opportunities that I can sell to the customer, because I have just gotten the foot in the door with either a contact center or with a network or any other transformation story. So, we have opportunities on all the other three fabrics. I would have entered through one fabric.

The second that he mentioned in all the examples that he quoted, was our ability to scale this platform, this capability to multiple other customers in that particular industry. So that is clearly the operating leverage that should start reflecting once we are steadfast on execution, are able to replicate that capability to more customers in more geographies. And that gives me the confidence that I will be able to get to the destination profitability for each of those digital portfolio towers.

We need to accelerate the synergies from the recent acquisition. There's a separate slide on it and I'll talk a little bit more on it. While we do this, we will keep an eye completely on investing our capacities as well. And this is going to be a very, very tricky play and more slides will give you confidence as to how we are juggling our resources very optimally, very responsibly, in order to drive growth in the organization. We will have absolute clear focus on looking at new business opportunities and ride the mega trends. AI cloud, you heard Lakshmi, we want to invest big. We are ready for it, and we will take all steps in order to get there. If there are more inorganic opportunities, they are, I don't think at the moment constrained by resources, but they're constrained by my ability to execute. So, once we have integrated Switch completely, Kaleyra completely, then I think I'm ready for the next one to happen and we will take on more such opportunities.

In the last investor day, I talked about the principles of how we drive M&A. We are completely committed to those principles. It has to make strategic sense. It has to drive synergies. I am not a PE firm. I'm not here to buy business and sell them later on. They have to be strategic. They have to have business synergies and finally, they have to come at a good value for us. And when they tick all these three boxes and when I'm ready to integrate and execute them, we will drive, M&A a lot harder.

That aside, we will continue to invest in innovation and growth. Our marketing budgets this year have doubled, because we do believe that if I want to improve my relevancy with the customers, not only do I need to start with my product and my capabilities, which we have, but we also need to go and communicate whether it is through POCs or whether it is all the marketing efforts that we need to do, whatever vehicle we may actually choose, we need the ammunition to be able to do that. So, we are supporting the businesses towards driving for innovation and growth.

Let me decode the EBITDA ambition for you. We were at 20.2%. How do we get to the 23%-25% range? First and foremost, let me be very, very clear. Whether or not things are changing because of the management actions that we have taken, and we will restore that back, there is an ethos of continuous process improvement that will run through the organization. Lakshmi personally himself sponsors a simplification exercise that we have, that our L2O journey needs to be a lot more simplified, and therefore, continuous process improvement is the DNA of the organization. So, I can't repeat it harder enough.

We've spoken about the profitable digital portfolio. They need to get to the right level of profitability, and each of

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them will be given. And some of them may not work, so we will pull the plug. But we will drive them harder with a steadfast focus on driving profitability of our digital portfolio.

Acquisition synergies. Some of them we have realized faster than we thought, but there is much more work to do even in the cost synergy area, and so will be in revenue synergies as well.

And finally, a strategic review of subsidiaries. We gave a glimpse of that already to you in the last two quarters. We've taken some very hard calls of a large customer contract that we walked away from, because that wasn't making any sense for us. So, we will continue to take very, very hard calls on each of our subsidiaries that we have within the company, TCTS, TCPSL, NetFoundry and the works. There are quite a few of them and there's an ongoing strategic review that is actually happening. And once we complete the review and we get confirmed by the board, I will have an opportunity to get back to you and communicate what we intend to do.

With all these four levers, I firmly believe we have a path to get to 23% to 25% margin. This is not including the extra investments that we are making in people, in marketing, in innovation. That is aside this. Because the moment I stop that I get to 23% to 25% right away, but that is not the responsible way of driving growth in an organization. So, we need to have funding given to them, and continue to fund them because they will reap the right benefits, but then take costs out elsewhere where there are inefficiencies and waste in the organization, to get to where we want to get to.

Let's move to the ROCE, ambition. Of course, EBITDA will drive EBIT, and therefore, that improvement will be one aspect. And again, as much as I talk about continuous process improvement, I will want to talk to you and reassure you that sustaining the core is absolutely important. So, when we are committed to greater than 25%, you can be assured that most of the capital proposals have a threshold that it needs to meet or beat that, in order to get funded. Yes, we do fund some of them which don't meet that threshold, but then, those get up the hierarchy and come to me and Lakshmi for approval, and we take a strategic call if you would like to go ahead and fund investments that don't meet the criteria. But otherwise, that aside, our core is absolutely based on that, and you'll see a glimpse of that in the next slide in a little bit more detail.

The entire company has an absolute mindset on cash flow. It is no longer deal profitability. It is dealing cash flow. I am quite pedantic about deal cash flow and more pedantic about Year 1 cash flow. And there has to be good reasons as to why my Year 1 cash flow is not where it needs to be, unless it drives strategic value. That is the operational rigor that we want to be able to bring that in, because for me both numerator and denominator need to work at that same pace. Because for numerator, you can go and beat the system harder, have larger conversation with customers and a lot of blood and sweat actually goes on to the numerator. The denominator is sheer laziness if you don't do a good job. And, I think, having a hawk eye on the denominator to ensure that our capital turnover is… and I don't want to ever get complacent because it's very easy to go back to that 11.5% that you actually belong to, and we need to have the operational rigor to continue to deliver greater than 25%. I think, with these three, we will get back to the greater than 25% range.

The ROI mindset… not just the cash flow, but ROI mindset is again deeply embedded in every operating teams. So, maximizing the dollar of every dollar that we invest is, of course, again being drilled to the core of the DNA of the company. And I want to also make a mention about unlocking value in the balance sheet. And a lot of you have told me balance sheet is done. Again, I don't want to get complacent, and I want to tell you it's half done. There is still more that we can actually extract value from this company's balance sheet. Unless and until I reach a point where every asset in the balance sheet is working towards the ambition, the strategy that Lakshmi has laid out, my job is not fully done. Unless and until every cost in the P&L that is actually sitting, is facing the customer and is adding value to the customer, my job is not fully done. So, it will always be a continuous exercise for us to look at both the P&L and the balance sheet, to be nimble, to be agile, to continuously challenge each and every element, and bring value to every stakeholder, not just the people here in this room, but I would say, for me, the more important people are my customers and I need to add value to my customers. The moment I have waste in my system, I am probably giving them a higher price or a lower quality or a lower service. And that for me is not acceptable, because I would probably deliver this quarter's number and this year's number. I would not delight them going forward. So that becomes eminently important for all of us.

Where are we investing? The sustenance Capex has… again, there is no democracy here. Not every dollar and the

color of the money is not green across the board. Sustenance Capex, they have a 2% cap. They can't exceed the 2% cap. They need to give me efficiency. The flexibility that they have is, they can move between Opex and Capex, but that's their envelope. After that, literally, I don't even keep an envelope, because for me Capex and infrastructure are the oxygen for this company. And that's one very important message that we have communicated internally, and I want to be very, very clear here. I mean, like we've spent 180 million of customer success-based Capex. I would love it to be 1,800 million, because these are directly linked to growth. The moment I am getting a customer revenue, a customer order and I will have to provide us a certain capital equipment and amortize that over the tenure of the contract, and as long as deal profitably and deal cash flow makes sense, there is absolutely no limit whatsoever that we would like to do for customer success by Capex. So that's an indication. I didn't want to put a percentage there because percentage for me makes no sense whatsoever. We will drive that as much harder as we can.

Continuous investment in new products. Sumeet talked about and referenced. The revenue from our new products has doubled in the last 2 years. And we are continuing to invest in the 0, 1, 3, 30. I mean, you've heard that language spoken by Lakshmi many a times. And we have invested 130 million dollars against all of those things. See, what I want you guys to walk away from is, where we are, what we are with all of these as net investments that we have actually made, that we were otherwise not making. Where we are, is despite those investments, whether it is on the balance sheet side or on the P&L side. So, 130 million has actually gone into that, and 360 million we spoke about, as what we have invested in acquisitions.

Very important, I want to be accountable for the monies that we spend. Clearly, three areas when we drive… while the principles of how we acquire are clear, articulated well to you. After we acquire, what do we do is also very, very crystal clear in my mind. We will drive cost synergies. In the case of Kaleyra, a lot of cost synergies have all got extracted. I mean, I would say more than 50-60% of them have happened in the first two quarters. Delisting from NYSE, no statutory auditor kind of fees, the high fees that we pay with the PCIO requirements, and an ICC regulated company. Plus, lots of other things that we've actually taken it out. So those are all low-hanging fruits done and dusted. There is more stuff to be done, which we are on track, and we will continue to deliver, including, I would say, investing in the right places and taking costs out from the not so good places.

Driving revenue synergies. One of the great examples of both Kaleyra and Switch we saw, and one of the reasons why it attracted for us to actually acquire those assets, was the complementarity that we actually had in Kaleyra. We had a lot of their customers who were not our customers. They were very strong in BFSI, in Italy, in Europe, right? So gives an immense opportunity for us to go and sell Tata Communications products to those set of customers. Bringing Kaleyra to the Tata group itself has a lot of revenue synergies, let alone taking them elsewhere. I was doing a review of the CIS portfolio and their margin and the glide path only yesterday. And I had the CFO of CIS speak to me as to how many doors are just getting open now for Kaleyra just because they're now part of Tata Group. Tata stands for trust. And the moment you actually come in with that trust, it is opening a lot more newer conversations, which otherwise was not available, especially in this particular space where there's a lot of fraud traffic that we go through and operators do not take enough care because it generates the right revenue and dollar. And these customers are looking up to the Kaleyra and saying, "Now that your part of Tata, obviously you will not do this". So, I mean, let's not underestimate what will be there, and we have a clear task to go and get those revenue synergies as well.

And finally, I would say capturing new markets. In Switch, when Lakshmi talked about and talked about the media capability, Switch gave us a capability on video production. Of course, our focus is going to be media cloud, right? We will use media cloud and get that production. But a new way in which that business is now being described is create, capture, and transmit. We were leaders in transmit. We will be leaders in transmit. We will use our global network and our coverage and do that. But there is enough opportunity that's available for create and capture, as well, in that particular space. And that is the portfolio gap that I talked about, which attracted us to look at Switch. Of course, we need to do a good job first in the US, where we have the physical presence, where we have all those strengths. But why not replicate that particular capability across the world as we see content owners wanting to now capture more eyeballs outside of their home market? So, very clearly, capturing new markets, also becomes very, very important for us. So, all these three levers will have to pay me back at some point in time, hopefully in the very near future.

And my final side. Look, while we do all of those things, I am acutely aware that there are certain liabilities that I have

in my balance sheet, contingent, of course. But at the same time, I also have a lot of pluses in my balance sheet. Some of them have been realized, but I don't think the market today values both of them. I don't think you have valued the contingent liability piece, and I don't think you have valued the other piece as well. I mean, I can't give a value to any of them, please don't ask me that, because we are working through each of those elements. There is a clear real estate strategy. We are working through clearing all the documentation issues, title deeds, and classifications, and stuff like that, and once all of those get cleared, we will start monetizing one by one.

We have investments in data center, you all know, we hold 26% stake in STT. That's a value which is waiting to be unlocked at some point in time, in some form or the other, right? And I don't know how many of you have picked up, we have moved our entity from Bermuda into Switzerland, in compliance with the upcoming BEPS 2.0. We did that in March already, and we would like to start reaping the benefits of the NOLs that have… we have legacy carried, not just from Bermuda, but also from other international geographies, but also the NOLs that we have got from the new acquisitions as well. So, there are enough and more for us to look at the opportunities that are sitting in the balance sheet. Offset against the potential liabilities should they arise, net-net, it is still quite positive. The timing difference may decide whether it is positive or negative, but timing aside, it is net positive, and that gives me the confidence that any growth proposal that Lakshmi, that Sumeet and my product heads actually bring to the table, I have the confidence that I will be able to fund them, and yet not dilute the financial fitness that we have achieved thus far, and remain at that responsible level, going forward.

With that, let me close my presentation. I know it's been a long monologue for all of you for the last two hours. Thank you very much for your patience.

Question & Answer Session:

Participant:

Good evening. Thanks for the detailed presentation. Quite insightful. Two things. One, we are speaking a lot about the AI, adoption of AI into the system. Just wanted to understand, where are we in this entire ecosystem? It is just in the testing phase, or we are doing some commercial application. When are we really seeing commercial out of these AI? Are the customers equally excited about adopting it, or they are just fearful that this can disrupt the market, and hence they need to know it, or they really know the benefit?

Mr. Amur S. Lakshminarayanan - MD & CEO, Tata Communications Limited:

I talked about what we are doing on AI. One is, internally, how do we adopt ourselves? That's also a journey. I'm assuming many of the enterprises also will be going through the same journey as we are doing. You have to become knowledgeable about AI, its applications, how do I use it. The whole data architecture within the company has to be suitable for exploiting AI. If your data is all fragmented, and data doesn't make sense, then you won't be able to adopt AI. We have been, one, strengthening our own data architectures within our company. We have trained a lot of people. There are areas where we have funded a lot of AI projects internally. That we are saying how much we are benefiting from. There are metrics that I presented in terms of soft metrics. We are also measuring the hard metrics that we can measure in terms of savings that we are able to make. When it comes to our products, we are embedding certain AI capabilities.

I think your question is more about all the talk that is going on GenAI and how that will come about. Which is where we are launching the AI Cloud. AI Cloud is targeted to exploit the GenAI wave. That is where we are targeting for AI Cloud. Today, if you look at the overall market of AI Cloud and the associated spend, close to about 80% of the spend globally, I am not talking about India, globally about 80% of the spend is going towards the hardware. Who is winning from that is the likes of NVIDIA and Supermicro, those are the people who are winning on that. Whereas, if you see any other technology, if you look at Enterprise, their infrastructure and associated license and other spend, would normally not be more than 40%, 60% would be on application. Whereas in the AI, from the spend that you can see on the AI Cloud today, 80% is going towards the hardware and only 20% on applications. That shows us that the number of applications that have been built on GenAI has not reached the scale of mass adoption by enterprises. That is one data point that we can infer from. And that also shows the extent to which enterprises are then adopting the GenAI capability. And, to me, that is the biggest indicator.

But having said that, if I were to map it the other way around, so today, normally in all other technologies, 40% is going towards infrastructure and 60% is going to application. At some point in time in AI also it will flip. And that is

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when you will see the normal. So today, the adoption in enterprises will be today mostly on POCs, not into production scale. Most of the POCs are done on point solutions and it's not a functional transformation as a whole. So, nobody is saying that "Hey, my contact center has 1000 people, and I am going to replace 1000 by AI". That is not happening, not yet. Similarly, if GenAI largely is used in a lot of content production, whether it is marketing, a lot of summarizations is happening, so those are all the point use cases that are happening. But time will come when AI first model as a business model will emerge. These are waves that you can't skip and miss. So, we are wanting to participate in that wave. Therefore, we will be investing and building our capabilities.

Participant:

That is fairly clear. Second, on the TAM side of it. We generally show a very large TAM for Tata Communication, while we are generally very minuscule for the TAM. I was even surprised to see even in media we are not very dominant where we are one of the champions in the business. When do you see us having a digital service where we are meaningful in that global arena market? And which are the services where you see we will be meaningfully big in the services, both by revenue and market position?

Mr. Amur S. Lakshminarayanan - MD & CEO, Tata Communications Limited:

The international market, it will take a long time. As you said, our share is fairly minuscule. It takes time to... one is, the product portfolio is getting built out. The second is then, in terms of... we have invested in sales in these markets, but nowhere near addressing the full TAM. TAM is big, but if our sales team in these markets are let's say, the actual people who manage the accounts will be 20s, 30s, 40s, supported by a solutioning team. They cannot cover the full market. So, these will take time. And we are a B2B player. While we are moving towards a platform orientation, it's no means fully a platform service like a SaaS provider to say, I'm not going to give you any service and it will automatically sell by itself. That's not the play. You have to work with each customer, co-create the solutions.

The second is, our next-gen connectivity has grown 39% last year, which is a good growth. But in the network space also, many customers are not going to replace the entire network with one vendor. So, if they have today 10 vendors across multiple geographies, they may bring it down to 3 vendors. That's a consolidation that we are addressing. These things would take time. The reason why we are showing the TAM, is the extent of upside that is available, and the kind of things that we are doing, and we have to do, is what excites us.

Participant:

One last question from my side. We have shown a very healthy growth in the sales funnel in our presentation, 104%. While the translation hasn't been equally exciting on an organic growth side, what explains the trend differential of such a large magnitude in the sales funnel and the actual sales delivery? That's number one.

Number two, I think from last quarter, Lakshmi, you started speaking a lot about awareness in terms of Tata Communication being in a spot where we don't get enough attention to our potential, right? That's been our pitch. What has changed in the last four years for you to realize that Tata Communication needs more awareness? We thought we had a parent which can push us. We are trying to do other deliveries in terms of getting a seat in front of the customer. So, what has changed in the last four years for us to now come and tell that we need to invest on the awareness? These are my last ones.

Mr. Amur S. Lakshminarayanan - MD & CEO, Tata Communications Limited:

Last question first. I don't understand what your question is. What has changed in the last...? So, are you saying that Tata Communications awareness was always high, and now last four...

Participant:

Yeah. We never heard you talking about the awareness. We always thought that the portfolio was the key thing. If we fix that, we will get the revenue.

Mr. Amur S. Lakshminarayanan - MD & CEO, Tata Communications Limited:

No, no. It's not as easy and as simple as that. If I go back to my years, even other bigger entities within the Tata Group, awareness had to be created step by step. It doesn't happen overnight, and 4-5 years is not a long enough period to create that awareness. Also, Tata Communications might be a name that is known, but people very often would not know, "Yes, you are Tata Communications but tell me exactly what you do?" The name might be recognized but they may not associate you with something else. If they are associating with you, then sometimes they might associate with you on some network and something else. So, when I say awareness, it is a very long

journey that you go through. And, we have to participate. So, our method of creating the awareness is by… five years ago, there were maybe three analysts covering us - Gartner and maybe one or two others covering us. Today, as you saw in Sumeet's presentation, there are over 30 analysts that are covering us. To each of those analysts, we had to go and explain what we do, what the portfolio is. Then they mark us, our portfolio versus somebody else's portfolio. Then they put us in one of the quadrants. All of that is part of the awareness creation. Even today, we don't get invited into RFPs automatically. That is not the level of awareness that we have in the market. So, we have to go to each customer, knock their doors, tell who we are, what we can do, and then we get invited. That is what I meant by creating awareness and creating participation.

Second is, our participation levels also were previously in one sector. We were addressing largely the Head of Networks. With a CIO, it was very hard to get a meeting. He will give a meeting, but after that he will refer us to the Head of Network and say, "You have to deal with him". Today, with our increased portfolio, we are able to hold a conversation with CIO and hold his interest as well. That is what I mean by both relevance and awareness. That was the answer.

Participant:

Why, again, emphasis on marketing? Awareness, I got it. Why invest in marketing being a B2B company?

Mr. Amur S. Lakshminarayanan - MD & CEO, Tata Communications Limited:

How else will you create awareness? You have to create awareness. Marketing is just not about media and PR, it's a whole lot. Even the industry analysts' (Analysts working with research and consulting firms such as Garnter Inc) coverage is done by the Marketing Team. There is a team of people who are focused on creating awareness with industry analysts. Still in marketing, we have to be out there. When people are searching for network transformation, our name has to come up. All of that we need to do.

Going back to your first question, I think I just have to repeat what I have been saying. First test for us is, are we participating in enough opportunities? Are we participating in more meaningful opportunities? I think that validation is the first validation that we wanted. Second is, the conversion as we get into… as we focus on larger opportunities and larger scale opportunities, time taken for decision is also higher. They put us through a lot more hoops than if you were to just go and say, "I am going to sell you this point-to-point link. My cost is this. I am the cheapest, buy from me". That's not the game we want to play. We want to actually create much larger deals. Creating those larger deals and the decision taking on that, takes time. Third is, when it comes to network, especially the network side, I am not talking about the other portfolio, network is like a live wire. It's not like an application that I can give a contract for somebody to build the application, the current one keeps running, then I do an acceptance test and one day I can switch over to that. Network, it's a live wire. When they give the contract to us and connecting multiple data centers and branches, when you walk in there, they are very worried about touching that live wire. In fact, one of the conferences that you saw in the US, I was addressing this to one of the heads and the CIO. Practically, people have taken a view that if it is not broken, don't fix it. So, network has been that way. They are trying to keep the legacy infrastructure as long as they can. Now with cloud and other things, when people are complaining about the application performance and other things, they are forced to change the network. So, the drivers of these are very different. Those are the reasons why it takes a lot more time to...

Participant:

So, what was like-to-like order book growth last year?

Mr. Amur S. Lakshminarayanan - MD & CEO, Tata Communications Limited:

Order book was 3% growth. Also, the color of the order book is also changing. When we look at our interaction business and also the MOVE business, they are largely on usage. So, on usage side, we have stopped measuring the order book. So, when I say 3%, it's not a like-for-like comparison. Because in the interaction business, order book doesn't mean anything. Because we might get the order, but the traffic take-up may not be there. Traffic comes only when the usage goes up. We have stopped measuring that in the order book. So, 3% it's not exactly a like-for-like measurement, to give you an indication.

Participant:

Thank you for all the three presentations. My first question is for Lakshmi, and then one question for Kabir.

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So, Lakshmi, your revenue guidance is implying an 18% CAGR if I take the '24 base. Does this still include any more inorganic acquisitions?

And for Kabir, last year, revenue growth was 22% in data. But there was a negative EBITDA growth. Margin didn't average 20%... 20% was for the year. 4th Quarter, it actually bottomed at 18%. So, your guidance is 23 to 25 for 27. But at least, was the 4th Quarter a bottom, or one-off costs could still take it lower?

Mr. Amur S. Lakshminarayanan - MD & CEO, Tata Communications Limited:

First of all, doubling the data revenue is not a guidance. So, I keep saying that again and again. And to answer your question, are we aiming to achieve that through acquisitions? No. See, I want to decouple these two things. It doesn't mean that we won't do acquisitions. Acquisitions, if it fills a gap in our portfolio, if it fills a market reach, we will absolutely do it. But this is essentially our ambition where, as we strengthen each of our portfolios, and that was my effort to point out, that our ability to participate is growing, our ability to address new segments is growing. With those in mind, is where we said that's the ambition that we have to hit. And your math's is right. If you have to hit that growth rate, we have to do an 18 to 20% growth.

Participant:

What will drive it there? India market or the overseas market?

Mr. Amur S. Lakshminarayanan - MD & CEO, Tata Communications Limited:

All of them. We cannot choose a favorite. If something is not going to be there, then why do I have it in portfolio? But in India, I think the opportunities are immense. The number of new data centers coming up. We are focused on our cloud market here. Our AI Cloud is going to be launched in India. So, India will grow.

In international markets, our market share is tiny. So, there we have to fight harder. Our presence is not very well known. We have a smaller, relatively smaller presence, if I say, in terms of sales force, even now, despite us investing in the last year, increasing the sales force. For the size of the market that is available here, we are still tiny. So, we would grow in those international markets as a challenger. So, both international markets and this will grow.

In terms of portfolio, next-gen connectivity, Interaction Fabric, the Cloud and Security, the Cloud Fabric being in India, but the Security is an offering that we are taking across the board, both internationally and in India. All of them will have to grow. And IoT Fabric is just about taking off. So that is also focused both on India and internationally.

Mr. Kabir Ahmed Shakir – Chief Financial Officer, Tata Communications Limited:

Well, Dipti, you are absolutely right. So, Q4 margin was much lower than the average. Will there be a bit of one-offs? Yes, there will be a bit of one-offs as we do the harmonization and restructuring of the merged entities. When we do that and there will be some redundancies, we have announced first round of it, and all of that will bring in a little bit of one-off. But eventually, they move to a right destination profile.

This year, you should see an improvement over last year. I don't want to give you quarter-by-quarter guidance whether it will slip a little bit more and then come back up. That is depending on the actions that we take and which quarter, what actions happen. But I want to… as Rajiv said in the beginning, it's the big picture. Look at the big picture in terms of what are the actions that we are actually taking organically and strategically. All those actions are, in fact, the right actions. If tomorrow another asset, for example, comes up and I need to spend a million dollars on due diligence of that particular asset, and the accounting tells me that it's an expense that you need to do above EBITDA, that's how I'm going to do. I will try and explain all of that. And that's the reason why, in the commentary, we talked about our core EBITDA margin. Our core EBITDA margins have been pretty much consistent, flat, maybe 10-20 basis points here and there. But they have been in the 23.7, 23.8 kind of range. Which gives you the comfort that the core business is operating at that right level, and it is either these acquisitions or these one-offs that's kind of dragged you and brought you down to 20.2, and they will get back up.

Participant:

Hi, Vibhor here from Nuvama. Two questions for Lakshmi and one for Kabir.

Lakshmi, today, I think CPaaS is the biggest part of our digital portfolio. If you look at the overall industry, I think this year was not a great year for the industry. We, of course, did reasonable organic growth as well. But if you talk about industry experts and the other competitors, I think there are multiple challenges in the industry as of now. So, if you could just take us through how are you seeing this segment for us in the near term? Of course, from a longer-term point of view, we have the revenue targets that we've mentioned out. But in the near term, next 12 to 18 months,

how is the vertical looking like? Transition from SMS to WhatsApp? And how do we intend to counter those challenges?

Second is on the cloud business. I think our cloud business is predominantly in India. And historically, we've seen whether it be RIMS or any other technology, Indian enterprises tend to adopt a technology with a lag of 1-2 years or maybe even more. Is that also the case in cloud today, that we're not seeing too much of public cloud adoption? And do you see that also… basically, the Indian enterprise is also catching up and hence accelerating growth in the cloud business?

Mr. Amur S. Lakshminarayanan - MD & CEO, Tata Communications Limited:

So, firstly, on the CPaaS, the trend clearly shows that SMS, while it will grow, it will be a very marginal growth. A lot of growth will come from non-SMS channels, is the expectation, whether it's a voice or WhatsApp and even RCS, which even Apple has announced that they will start supporting RCS on the iOS. Those channels will start to grow. In the short term, it's very difficult to answer. The short term, most of the motions are going to be, either customer is doing experimentation on the omnichannel, multichannel areas, but that will not give us scale. Scale will come from going and replacing some other vendor with our product from SMS. That's where the short-term growth will come from. But in the medium to long term, we have to go expand into other channels. That is where our capability builds focuses. And also, on the higher order of value in terms of orchestration across channels, intelligence across channels, is where the market will grow. Because all the B2C companies will have to interact with their consumers. One means for them to interact is through the apps. But apps themselves, many of them are finding that has a shorter life cycle because many consumers have too many apps and that's not the first port of call that people go to. So, outside of the apps, how do you communicate, is going to be continuing to challenge. Therefore, I believe that the interaction platform that we have will address all of those challenges in the long run.

Your second question, I don't know if I answered the first question.

Participant:

Yeah, kind of. I was looking for maybe some sort of directional guidance. In the sense, how do we see the near-term growth environment? Is going to be challenging? Is it going to be just like what we had last year? Not a numerical number, but at least a directional one.

Mr. Amur S. Lakshminarayanan - MD & CEO, Tata Communications Limited:

No, I can't compare. Last year was inorganic. See, when we launched DIGO as a standalone, DIGO as a standalone grew very well for us. So, we can't compare last year versus this year from our perspective. And therefore, I don't want to give you a short-term guidance either. But suffice to say that most of the deals that we'll be entering which will get us volumes, are going to be displacement deals. That's what will happen in the short term.

As far as the cloud adoption is concerned, I think in India the cloud adoption is increasing. But at the same time, there are also questions. One advantage of being not at the leading edge of adoption, is also you see what's going on around the world. Around the world, there are concerns on cloud costs. There are concerns on, one of the financial institutions in APAC told me that their regulators are asking them about the concentration risk with certain cloud. So, those are all the risks that the people are worried about. So therefore, it's right opportunity in India where, even if 30% is gone to public cloud, for us to be able to ask the question, "Is hybrid cloud the right answer? And in hybrid cloud, what is the role that a private cloud can play?", are the right question for customers to think about, and that is where we think our opportunity is going to be.

Participant:

Got it. In India, at least as of now, you probably would see more hybrid cloud and private cloud than widespread adoption of public cloud, in the near term, if we can call it?

Mr. Amur S. Lakshminarayanan - MD & CEO, Tata Communications Limited:

I think, in India, public cloud will continue to grow. But there will also be opportunities for private cloud, is what I'm saying. I'm not saying private cloud will grow at the cost of public cloud.

Participant:

Got it. Sure. Thanks a lot. Kabir, just one question from my side. It's on the caveat that you mentioned on the margin band, that 23-25% is what we are expecting, excluding the investments. Or the other part of the businesses that we are looking to secure future growth and take the business where we intend to. So, what are these excluding items

that you're talking about? Is it liking the one-off items that happen because of the integration? Or, let's say, an incremental investment in sales and marketing, or any other… those investments would also be a part of that?

Mr. Kabir Ahmed Shakir – Chief Financial Officer, Tata Communications Limited:

No, let me clarify that, Vibhor. When I said excluding, what I meant is, if tomorrow one more acquisition came and that diluted mine, everything else is BAU. I have increased my staffing cost by about 60%; we have added 2,000 people to our base. That has to pay me back in terms of revenue and operating leverage. It needs to come through. Increase in marketing spend, that is all within my 23-25. I am not excluding any of those business operations. The excluding that I only mentioned is, I can't foresee between now and FY27. What if in 6-9 months' time when these integrations are fully done, and I am completely on top them and the PMOs get dissolved, I have a good asset that comes up. And I acquire that asset, and the weighted average math of it pulls me down, that is what I meant by 'excluding', and not otherwise.

Participant:

Fair point. So, it's just the acquisitions that might be margin dilutive in the near term, but overall will catch up…

Mr. Kabir Ahmed Shakir – Chief Financial Officer, Tata Communications Limited:

Absolutely. And let's take the example of large-scale mega trends. We talked about AI cloud. We want to go big on AI cloud, but we want to go in a measured way. Which means that, we will make the right investments so that we can start participating in it. And to Sanjay's question earlier and Lakshmi's response, once we see the scale up on applications, we see the scale up of adoption, then we need to quickly move on. But that initial investment, when we actually put that in, you know, that's going to be an ideal investment. That will probably be a drag on my ROCE, not giving me, you know, the top line and the profit that goes with it. Is that the right thing, you know, for us to do? Absolutely, as we cannot afford to miss this trend. When will that trend result into revenue and to profit? I do not know is the honest answer. Is it 12 months, 18 months, 24 months when it will get there, but to not participate in it will not be the right thing to do because it will have certain gestation periods and we are completely committed to that.

Participant:

Got it. Thanks a lot. Thanks for taking the questions.

Participant:

Hi. Vishnu from Singular Capital. Thanks for the opportunity. So, I had a very basic question. So, in the presentation, you made a point that earlier our value proposition was global connectivity to enterprises, but now we are looking more at national champions. So just wanted to understand, I mean, what has triggered this? Is it just a change in the internal mind-set of the company and the change in the go-to market strategy, or do we have any additional capabilities now that are more relevant to this sort of customers? Thank you.

Mr. Sumeet Walia – Chief Sales & Marketing Officer, Tata Communications:

The answer is the latter that you mentioned, and that's what we were trying to present. The expanded portfolio allows us, because earlier our TAM, as you pointed out, was driven by a network lens and therefore were looking for customers who were large but global and global means multi geography. With the expanded portfolio, which includes the acquisition capabilities we have, and I took some examples of that, in production on the CIS platform, the international strength that we have built allows us to now participate with even national champions, as you mentioned. So, the example that I took of a large UK retailer is because of the expanded portfolio. So, to answer your question, yes, it is more to do with the expanded portfolio, which is allowing us to address new market segments, which includes national champions as well.

Participant:

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Hi. As you make this sort of a shift from a product to platform, which you've been talking about, can you talk a little about how does the revenue model change? Maybe, I don't know, it is different for each fabric which you talk about. So, from a project based, does it become more subscription based or usage based? So maybe a little colour on that. And a link question to that is, as the customer profile ages, because you have a lot of new customers who are joining, does the profitability significantly change? So basically, does a three year or a five-year-old customer is significantly more profitable than a one- or two-year-old customer? So as the portfolio ages, does his business become more and more profitable with every passing year?

Mr. Amur S. Lakshminarayanan – MD & CEO, Tata Communications:

The first question you are asking, as we move towards a platform, has business model changed from being more subscription based as opposed to project based?

No, I think for each of the fabric, it's slightly different. So, if I look at the Multi Cloud Connect product, that will be more platform based and there will be an initial fee, and thereafter it will be based on the usage, it can go up. Largely network transformations if you look at, you know where people are moving to Internet, placing an SD WAN and so on, that will largely be a project-based mechanism. So yes, the models are different for each of the fabric. And what we really mean by platform is to differentiate from the past where we had the underlying infra, and that infra was being sold as a raw infrastructure. Today, in most of the areas, we have created certain elements of software on top of this which we are able to deliver additional value and it's wrapped around with certain service component as well. So, the business model is shifting towards adding and valuing our own services so our pricing now includes certain service elements even though the service part is not as big as what we would want. So that's gradually improving. Second is for each of the platforms, yes, there is a combination of project-based fee and there is a combination of usage-based fee, based on which fabric we are talking about.

Mr. Kabir Ahmed Shakir – Chief Financial Officer, Tata Communications Limited:

Let me take the profitability question. The short answer is yes. I mean, otherwise why would I do that? I mean, I would want to get in a customer and eventually start making money with that customer. But when you lift the hood, it's a little bit more complicated. So first, let me unpeel what are the management drivers that we do for a customer. We are quite pedantic about the fact that we want to see a path to the customer becoming a million-dollar club in the next 12 to 18 months, we are actively, you know, encouraging our sales organization to go and only take those new logos who can have the potential to get to the million-dollar club in 12 to 18 months. Otherwise, the cost to serve that customer just becomes unviable after a point in time. So that is reflected when you see the million-dollar club that we actually show the number of customers that have actually, you know, gone up consistently in the last, you know, two, three years. The big jump this year has been as a result of inorganic activity as well, but otherwise also organically we have been increasing on our million-dollar club. Then the complication comes a little bit depending on what fabric I enter with. If I am entering with a network fabric, my EBITDA is 45 plus. If I'm entering with a digital portfolio, my EBITDA's destination is in the mid-teens. So, our ability to, able to cross sell and upsell to our customers is the one which will actually determine that profitability. Some of them it will erode. If I enter with network and then I add on the digital portfolio, actually, the weighted average margins of the customer will come down, but my wallet share will increase, my relevance will increase, my stickiness will increase. And therefore, I should be able to reduce the churn which historically hits my network portfolio and the price erosion that historically hits my network portfolio, the moment we add more and more products to it, I'm able to arrest that particular chance. So, my customer lifetime value, you want to determine that by top line, by margin, by NR you know, I don't know what is the metric that you want to use. Each of them today speak a healthy progression. And that's the reason why we are doing it, you know, in the first place.

Participant:

Hi, I have a couple of questions. Both of them are little number oriented, so please bear with me. On the first part you know, if I look at two parts of your FY27 ambitions one, you talked about data being 28,000 crores. Second, you talked about digital being 60% of that 28,000 crore. If I combine these two, what I find is that the entire growth that you are talking of has to come from digital. And the rest, 10,000 crore business pretty much remains flat or maybe a marginal 2-3% kind of a growth. So, is that understanding, correct? And that in turn implies almost a 40% CAGR for a digital business. So, what gives us that kind of a confidence to grow the digital business at 40%? And what would it take in terms of further investments or people or things like that?

Mr. Amur S. Lakshminarayanan – MD & CEO, Tata Communications:

Firstly, your assumption is right. We are driving the digital portfolio growth. Currently, the core connectivity, we've been saying that it'll be in the 2 to 6% range or the mid-single digits or low mid-single digits. That's where we are. I also pointed out that we are transforming our core network. And we think we can create new opportunities using this transformed network. For example, delivering something on demand, how do we make for large global customers, give them more resilient network without creating redundancy, for example. So those are all opportunities that we are going to see....so I don't want to say that core connectivity will remain as it is, and we won't do anything with it. There is work going on there and we would want to see how we can productize and monetize that going forward. That's still work in progress. But otherwise, our assumptions are based on the digital platforms growing much more strongly to be able to deliver that. And that is what we have shown in some of our next gen connectivity last year grew at 40% and overall, we showed how in the last four years we have grown. We have to accelerate that growth in all the digital products.

Participant:

Fair enough. And second, again, when I look at your debt EBITDA ambition and your EBITDA margin ambition, it looks like that you should be able to generate close to $2 billion of cash flow before Capex in the next three years. And when I look at your debt to EBITDA ambition of 2x or less than 2x, it still implies some bit of an increase in net debt. So, you know, is that something that we should be looking for of an investment of close to $2.5 billion dollar over the next three years?

Mr. Kabir Ahmed Shakir – Chief Financial Officer, Tata Communications Limited:

Well, look, I want to continue to invest in this business. My Capex to revenue ratio is about around 10 to 11%, yeah? Yeah, we will attain scale and get operating leverage in Capex also once we get to the maturity profile of each of the digital portfolios. I mean, in part, it answers the earlier question as well. See, lot of my digital portfolio are like sub 100 million, you know, today. And they all have a potential to get to north of 500 to close to, you know, a billion as well. And that's why we believe that's where the growth will come from, and we'll drive that harder. Not to forget that core connectivity also will, you know, we can't take the eye off the ball there. Equally, those at that low level of scale need investment. So, when Sumeet talked about in each of his presentation, when we are investing in this platform, we invest in that particular platform and it's unlikely it will be uncompetitive for me to pass on the entire cost of the platform to that one anchor customer that we've got, right? So hopefully when we get multiple customers in that industry, we are able to therefore get operating leverage. So, we will continue to invest Capex. Over the period of FY27, my Capex to revenue ratio will still remain I would say 10 to 11% only, which means I will be increasing my absolute Capex higher. So, it's 250 million that we did last year. We will take it to 300 and north of 300. In fact, this year, I'm hoping that I would spend more. And you've seen the framework. There's no democracy. We will have 2% for sustenance. Everything else is growth Capex. So, growth comes, Capex comes. And yes, I want growth to come. I don't even want to utter the next sentence that if it does not, I will not spend. We would want to spend more Capex and drive growth. So, both of them go, I would say hand-in-hand.

Participant:

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So, sir when we talk about growth Capex, I mean, let's say 10% out of which 2% is sustenance, 8% is the growth Capex and again, you know, like if it's growth, I guess it's mostly getting into digital, which translates into almost 80% of the digital revenues being Capex or cumulative over next three years. Is that the kind of number that we are looking at?

Mr. Kabir Ahmed Shakir – Chief Financial Officer, Tata Communications Limited:

Well, I don't want to get into mechanics of it. But if it is product to platform play, and then the platform in the initial years will need investment and we don't want to shy from that investment.

Participant:

Sir, last question. What is our policy of writing off these product related expenses that we will be doing or investments that we will be doing?

Mr. Kabir Ahmed Shakir – Chief Financial Officer, Tata Communications Limited:

Well, we Opex them. I mean, they are part of my Opex. I hardly capitalize, you know, any of them anyway.

Mr. Rajiv Sharma – Head of Investor Relations, Tata Communications:

Investments slide is a mix of Capex and Opex. So not everything is Capex there, which Kabir discussed. So do not construe everything as Capex. It's an investment we have made.

Participant:

Hi, Mihir this side from Carnelian. Sir, I just wanted to understand, you know, on Tata Group is working with Nvidia to develop a supercomputing AI infrastructure. I just wanted to understand what is going to be our role and responsibilities in working with Nvidia that Tata Group is working with. Second just on the Air India I mean, explanation that you provided that we developed a complete digital enabled contact centre. I just wanted to understand how these services are different versus a pure play IT service. I just wanted to understand. I mean, what is the contact element in the Air India example that you gave? And third question was on the data segment growth. I understand that the situation in the market is uncertain. But when in your opinion can we once again have a double-digit organic growth. Can it be second half, or would it shift to FY26? Those were the questions.

Mr. Amur S. Lakshminarayanan – MD & CEO, Tata Communications:

On the AI I think I mentioned, so we are partnering with Nvidia to launch our AI Cloud in the market, so that's what you're referring to. And the Group also has plans. I think the Group is investing in AI in multiple areas. So TCS is investing, the other group companies, even at Tata Sons level they are looking at what can be done with AI. But the Nvidia partnership and launching of AI Cloud will be with Tata Comm.

Second question on Air India.

Mr. Sumeet Walia – Chief Sales & Marketing Officer, Tata Communications:

Yeah, so Air India, like we mentioned, what we have helped them initially to start with is on the contact centre platform. So, to the question, is it more IT services versus platform, it's currently more platform. And that platform capability, because that platform is the ability to scale and the ability to be global. So that's the, you know, the strength of what we bring on the platform. There are small services components that we want to start building. So, we have capabilities around the platform to offer services with Air India and more specifically to Air India. Those capabilities and therefore those services, you know, because this is a transformational long-term project so I think

the opportunity to offer services alongside the platform will grow into those opportunities. So currently what we've offered is the platform, which is the example that we gave.

Participant:

Sure. And just the third question on the data segment growth. I mean, you know, we used to aspire to have double digit organic data segment growth. I understand that the situation in the market is uncertain, but given your experience, when could we once again start seeing double digit organic growth on the data side? Could it be second half, or could it be FY26?

Mr. Kabir Ahmed Shakir – Chief Financial Officer, Tata Communications Limited:

Look, I don't want to give guidance of near term. I mean, I think I would stay with the strategy and with the big picture and yes, we exactly know if we need to achieve our ambition of doubling our business, what does that translate into. So, we are acutely aware of that, and we need to drive that harder and that's what we will do. The macroeconomic trends that you see, not just with us, with the entire industry, entire players are relevant for us as well. So, we will still wait through that and deliver our ambition.

Participant:

We understand management target and the industry dynamics, but the problem really is between the near term twelve month and the three year later target. There is only one comparable peer available who's growing in double digit on organic basis. And when we calculate Tata Communications' organic growth in the last twelve months, that's actually been very discouraging. So, the problem is there that on the outer side we have a 27 target and then we have a margin target but there could be one offs on the way. So, we could have a repeat of what we have seen in FY 24 where we have an encouraging growth but all of it because of inorganic and then we had no EBITDA growth.

Mr. Amur S. Lakshminarayanan – MD & CEO, Tata Communications:

You are comparing to the India market and India market that's why we call out we have also grown 13% and all of that is organic. I think you have to you have to do the comparison in the right way. There are different segments, you know, other players might have a mobility set of related revenues. We don't have that. But in the B2B space in India market I think our growth is very comparable. And that's why we called out the India growth numbers, and we showed a double-digit growth. In the international market, you're right, a lot of the growth last year has come from the inorganic side. But in the international market, you know, we have to be realistic. I keep saying that in international market we are still very small. Upside in the room for us to grow is very high. But it's also dominated by a lot of incumbent players where we are going to challenge their positions in those places. Also, the client-side dynamics of changing the network is like touching the live wire. I think we have to understand all of these factors. The reason why we are saying that we are very bullish is, one, the market size available internationally. Second, we are developing our portfolio to be able to address these larger portfolios. Third, we are investing in marketing and sales capabilities to go and target all those opportunities. Even with those investments, it's nowhere. I mean, to an earlier question, you are saying it's a 50 billion size and why have we this size? We have to, you know, we can't be adding sales force in these segments to multiple thousands in one go. Not many companies have suddenly grown when in that kind of services plus platform service, right? So, we have to address this in a step-by-step fashion. Those are the reasons why I'm saying that we are confident of doing that. Our participation levels are growing, our ability to address all of those is growing. But market will take its time. We have to do our homework of execution, addressing these customers participating in these deals. Next will come winning these deals. Then we have to come to execution to deliver these deals. That's the sequence in which we have to go.

Participant:

So, for now that India market has grown already in double digit for you in the last twelve months, is there something on the horizon which can accelerate this? Like, maybe private enterprise networks or...? Because the domestic market you earlier did not want to talk about which of the two segments will grow faster but do you think we could have a repeat of what we saw in FY24 in the near term the India market still drives your organic growth?

Mr. Amur S. Lakshminarayanan – MD & CEO, Tata Communications:

Are you asking me that we will grow 13% next year?

Participant:

No. Could the India growth at least be 13? Or could that accelerate in the near term maybe because of some new development like private enterprise networks being allowed to an operator like TCom?

Mr. Amur S. Lakshminarayanan – MD & CEO, Tata Communications:

That's our goal.

Participant:

Thank you.

Mr. Rajiv Sharma – Head of Investor Relations, Tata Communications:

Thanks. This brings to the end of the Q&A round. We will break for dinner and drinks.

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