June 10, 2025, at 4:00 pm IST

Institutional Investors & Analysts Day 2025 Transcript

Key Speakers:

Mr. Amur S. Lakshminarayanan, Managing Director & CEO

Mr. Sumeet Walia, Chief Sales and Marketing Officer

Mr. Kabir Ahmed Shakir, Chief Financial Officer

Mr. Rajiv Sharma, Vice President and Head of Investor Relations

Mr. Gurvinder Samra, Vice President, Global Head - Marketing

Mr. Rajat Gopal, Vice President, Global Network Services

Mr. Rajesh Chandran, Vice President, CIS

Ms. Sudeshna Patnaik, DGM, Investor Relations

Sudeshna Patnaik

Good afternoon everyone. It's a pleasure to welcome you all to Tata Communications' Annual Institutional Investors and Analysts Day. On behalf of the entire leadership team, I want to thank each one of you for joining us today. We are grateful for your time, your continued interest and trust and keen engagement in a company's journey. Before we begin, a couple of housekeeping announcements, kindly ensure that your mobile phones are switched to silent mode. We request you to refrain from taking any pictures or recording the session. The entire recording of the event, along with any presentation material that is put on display today, will be uploaded to our website post the event completion. Today's presentation may contain forward looking statements. These are subject to various risks and uncertainties and we encourage you to review the Safe Harbor Statement on display on the screen right now. It will also be part of our presentation material when we upload it to our website. This meet is an important one for our commitment to transparency and stakeholder engagement. We are looking forward to a meaningful and engaging conversation today. With that, I would like to request Mr. Rajiv Sharma, our Head of Investor Relations, to give a brief address and set the stage for today's session.

Thank you.

Rajiv Sharma

Welcome all. Last time I thanked you for coming down to Santa Cruz. This time you can thank us for hosting you in BKC, which becomes more convenient. And, I want to thank you, to the point Sudeshna mentioned that it's not only about making it today, but the continuous engagement we have, you know, around meetings, conferences, the questions, the inputs we get. All that really helps. And thank you so much for that and keep that coming. Couple of you are attending it for the first time and asking me about the digital fabric. While we have a lot to cover in the session today. But your question was very interesting that how do we see the digital fabric? I thought I would share a small story to begin with.

The eagle is 40 years of age. The eagle faces a life and death choice. Its beak is bent. Feathers are heavy. It cannot hunt. And what it does is, it retreats to a mountaintop. Breaks off its own beak. Sheds its feathers. And a new eagle emerges. After a very painful renewal process, which can live for another 30 years. This story is so contextual in the context of enterprises today. When you look at the S&P 500 life span of corporates coming down from 60 years to 20, and even furthermore. And survival, let alone leadership, demands innovation. And this is not just about digital. It's about transformation at the core. Shedding legacy models, rebuilding speed, intelligence and resilience. Now that's, you know, that is what is, the best way to imagine the digital fabric, which is a new skin of modern enterprise. Protecting from shocks, allowing you to adapt to new weathers and sensing in real time. Not visible like muscle bone, but essential, like skin. And even for the digital natives, the eagle's lesson is what got you here will not get you there. So the next phase of growth is not only about scale, but also about re-architecting resilience. You can imagine that digital fabric as a new skin for modern enterprise, which is just not an I.T. layer, but a strategic differentiator. With this, may I welcome our MD and CEO Lakshmi for our keynote address. Thank you.

AS Lakshminarayanan

Good afternoon. And, let me add my welcome to all of you. Thank you for being here today. What I'm going to cover today is, as Rajiv outlined, of course, we're going to talk about numbers. When we look at the performance over the last few years. But I want to go a little bit beyond the numbers. The story behind the numbers, the transformation that we've been going through to shift our capabilities on the sales side, to shift our capabilities on the product side, the cultural transformation that the company has been going through to really become, a Commtech company, truly become ourselves a digital company, so that we can become the digital fabric for the enterprises.

I will cover a little bit about our point of view on a hyper connected ecosystem. This is something that we coined 2-3 years ago. I think it's hugely relevant and even more relevant in the world of AI and in that context of hyperconnected ecosystem, which is where our customers are situated today, what are the challenges they face and how the digital fabric responds to that challenges and aids them in their transformation journey. And in doing so, how are we increasing the aperture for Tata Communications and for our customers to do more for them to benefit more from what we have to offer. Also, we will cover some of the investments that we've been making, some of the recent launches and what it means to us and our customers. What are the white spaces that we are able to address through that? And Sumeet will then follow, talking in more detail and color about our relevance to these customers through case studies and examples and how reputation is growing in the market. And Kabir will then address the numbers and also going beyond that to see what capacities we have and we are creating in order to create more value for ourselves, our customers and for our shareholders. That is what we are going to cover today.

In terms of the numbers. We have raised our data revenues CAGR of over 11% and overall revenue by about 7.8%. The color of this revenue, the mix has really shifted from 29% being digital revenue to today, 47%. So, what it also means is our digital revenues, which were around Rs. 3,000 crore in FY21, stands today a little over Rs. 9,000 crore in FY25. So that's a significant jump in the digital revenues that we have seen. All of this has happened through both organic investments and some inorganic investments and resulting in, and Kabir will talk more in detail, our trajectories on EBITDA and ROCE as it stands today. And we are very confident of recovering all these trajectories and recovering the growth path as well. And we will talk about what we are doing in order to shift these trajectories.

Also, a little bit more color as we talk about this, there are significant headwinds that we have been addressing much of it and we've been talking about it, but I thought we will put it all in one slide. If you look at, especially on the connectivity side, there has been, a price erosion and churn anywhere between 10%-15%, which is the bulk of the revenue. And that is one of the, you know, one of the holes we need to cover in order to add more incremental revenues. The second major was more an industrywide disruption, with the advent of cloud communications or UCaaS applications, that came about GSIP revenue that was almost 30% of our overall digital revenues is nearly halved. So again, this year we have seen the the bottom of it. But that is a significant headwind that we have been facing. And the third is the value migration from the the MPLS, the VPN, the private circuits that we've been having with the customers. Overall, industry has seen a decline of about 4%. And in that market, we have managed to migrate all of those customers to our hybrid WAN story, which is more of internet, and we have been doing that migration. But as we do that, MPLS was priced more and internet was priced less. So it’s a sort of cannibalization that we ourselves had to do for our customers. And that was another headwind, if you will, that we had to address. But in doing so, we strengthened some of it. And we are happy that we've been adding more customers for hybrid WAN. And that's how we've been able to, you know, stem the decline purely in the MPLS. So these are some of the headwinds that we have been encountering. I mean, all of it is something, you know, we have spoken about, but to put them all in context of how much of these headwinds creates a hole and a decline in your top line. And on top of that, you have to create incremental revenue to show growth. On top of it is, a lot of paddling that goes on underneath, which is not often that visible to all of you. Again, if I had to put that in the context of how the B2B players globally have been doing, we all know most of the global B2B players have been either stagnant or, have shown decline in the revenues. We have posted a decent double digit growth in that context and in the context of the headwinds and other things that I talked about in the previous slides. And this is just not in the core connectivity, as you would see in some of the digital portfolio, the next gen connectivity through to other fabrics, the growth has been anywhere from 19%-45% in, in the digital portfolio. So the data revenues incrementally, we've added is Rs. 7,000 crore. And purely in the digital platform, we have had significant incremental revenues.

Our relevance with our customers is increasing. This is something that we have been very passionate about because purely selling one portfolio and the connectivity we were more like a utility play. And now with the combined story that we take to our customers of a digital fabric, we are very confident that our relevance is increasing, not just by the fact that anecdotally that we hear from our customers that, you know, we are able to meet the CIO CEO, we are able to meet the CMO, we are able to meet multiple CXOs in the organizations where we have something of relevance to them. But also there is data now to show that our relevance is increasing, and some of it through some of these evidences where if you look at FY21, the number of million dollar customers was 212, increased to 290 this year. But more importantly, if you see that 10 million plus customers, that has doubled in the last 4 years, the customers that we had were 14 and today they are at 30. Last year we added 16 customers to the Million Dollar Club. So that is a very powerful testimony to the fact that we've been talking about deeper with fewer. We talked about our sales capabilities shift in terms of how we are organizing ourselves as a customer success group, with one owner of the account and all the towers coming together to provide the fabric solutions. As the organization we are putting much more focus on large customer base and large customers, rather than going after the the smaller ones and creating a bigger tail. And that is a shift that we made. And that shift is quite hard to make in terms of, you know, there's a significant capability shift. I think in some of the conversations, I didn't mention most of our regional heads in the international have all been changed in the last 4 or 5 years, with a lot more focus on people with the ability and the background to sell a more complex solutions. And those are the changes that we made. And even the solutions in terms of significant capabilities, shift in the sales and solutions teams. And you see the result of that. The second big thing, which is again gratifying to note in the shift, is the NPS scores. As we diversified our portfolio, one of the concerns would have been that the these are new portfolios and therefore the the score might fall because of new things that might be hiccups in the new services, introductions to the customers. On the contrary, our NPS scores with all these customers have only grown. And that's again another testimony to the execution of the strategy on the 'Deeper with Fewer'. And the very recent NPS survey that we conducted cites 3 reasons. The top three reasons of, choosing Tata Comm, the service excellence, the technical competence, and the expertise that we bring to solve customer's problems and the global coverage that we deliver. Focusing on these are the top three reasons our customers say that as to why they select us. Our NPS scores remain in the top quartile. We are proud of that fact. The number of analysts like Gartner and others who are covering us has increased multifold. Now, again, if you look at how many analysts covered us to today. It's dramatic growth, the number of analysts who cover us and the number of analysts who position us in the leadership position is also increasing every year. In increasing relevance, we opened the customer experience center. And today we showcase the art of possible for our customers and the number of visits there has increased, not just customers from India, but international customers coming to see what we have to offer and all of that. I mean, those things don't result in a sale or a deal immediately, but those help in positioning us as a relevant player for them. All of these are helping us to increase our relevance. And I said that one of the first markers in our transformation journey is, are we increasing our relevance in a internally, we say, what is the relevance quotient to our customers? And I don't know, sometime ago, internally at least, I used to put that if you look at a score of 1 to 10, you would see the relevance quotient of consulting firms like McKinsey and BCG had 8 or 9, but those are normally short-lived. They come in for a strategy project, they execute them, they exit. If you look at large SIs, their scores would be anywhere between 6 and 8, if you will, depending on whether they do long term projects, they manage more. And typically, the telco we found was the relevance quotient was, you know, at three or four because it's very transactional in the way they dealt with players like us. And I said that quotient is something that we need to increase. While we did not have a measure internally for this question, we used this language of increasing the relevance quotient. I'm happy to see that some of that is not only changing anecdotally, but also now in number terms, we can prove and show that our relevance is increasing in the market.

Let me talk about the context where our enterprises are operating today. We coined this Hyperconnected ecosystem as a phrase, a while ago. We also said, and we defined what a hyperconnected ecosystem is like because, the connected ecosystem has always been existing in the marketplace. We all know, and I have given examples of how insurers have, contracts with repair shops. We know how airlines have contracts with hotels and other things. And the connected ecosystem existed. But what is different in a hyper connected ecosystem is that that is always real time. Everything is happening on a real time basis. It is always on anywhere on. It is all the time connected. Now, you see that in many examples that, that they can see it seamlessly collaborative, not just between people to people and things to things and people to things, but today we are we know that there are AI agents within an enterprise which needs to seamlessly collaborate. The architecture for agentic AI needs to be quite different from our traditional architecture of how applications that are architected. Not just within an enterprise, that these agentic AIs function but also have agents sitting outside the enterprises now collaborating with the agents within the organization. That, in my mind, is truly a hyper connected world where the enterprises are moving towards. And in that scenario. The complexity of the digital infrastructure, the need for them to be able to make it secure or make it a lot more easier to consume, make it lot more performant, and trustworthy that they can trust, you know, not just from a security point of view, but it's also that, you know, from data privacy protection. All of that to happen will become increasingly complex, and expensive. And that infrastructure, unless it is transformed, they will not be able to move into this hyperconnected ecosystem and deliver everything that their customers are going to expect them to deliver. And in that world, we are saying that what are the expectations that these enterprises have in this hyperconnected ecosystem world is that they still need to be able to grow seamlessly and in a borderless fashion. They need to be able to innovate and deliver much better experiences to their consumers. Of course, productivity and efficiency will be a big, big play on how they do that. With all this complexity growing. And that is not a trivial problem to solve in terms of the vendor sprawl that they have, in terms of the number of regulatory compliance issues that they have to deal with. Business agility is going to be a problem that we know, in some of our banking customers have told us that they can build on applications. They launched those applications in the market, but very soon they had to pull it back because those applications were not performing. Why they don't perform is not because the application didn't perform well, but it's because the complexities of the underlying infrastructure, the API gateways and a number of layers of digital infrastructure that they have to pass through, and every layer has to be performing and very often they don't even know which layer is not performing. This has happened many times. And that brings a problem with business agility, right? It is not about agile development of application. It is about business agility. And again, digital infrastructure will have a huge role to play in ensuring that there is business agility. And finally, managing risk. These are the five outcomes our customers are expecting to be delivered through a digital infrastructure. And that is where our answer is to say, here is a digital fabric that seeks to solve some of these problems for you in this hyperconnected ecosystem world today. Again, you're happy to see that the digital fabric is increasing relevance with our customers, and you will see the data points later on in some of the case studies and data points that, Sumeet will give more of as to how the million dollar customers are opting for more than one fabric from Tata Communications.

Let me also talk a little bit about the capabilities shift. As I said, one is in the terms of how the sales engagements, how deep we are going into that, how we are doing workshops with the customers, how we are bringing them to our customer experience center, how we are painting the picture of the digital fabric to them and how we are making ourselves more relevant. The second is the shift in the product itself from purely being an infrastructure play of offering a network, which is a core network enabled by IP and voice and data on the layers on top. We have built the infrastructure software on top of it, and there are many examples of how in every fabric we have built those infrastructures software. And combined with that, a bundled managed services that sits on top of this infrastructure. And that is what all the three layers become a fabric, or and that is what we talk about. And when some of 2 or more of these individual fabrics are, then we can orchestrate them across these fabrics. It becomes even more powerful. So that is the capability shift that we have been doing. A lot of investments have gone, and some of which we will see again through examples. And, and some of our product managers are here. And as part of Sumeet's presentations you will hear some of more examples of these. This is a significant shift that we've been doing in the company.

Now, this is again, a slide that I have presented before in terms of how we see, how our fabric will be consumed by the enterprises applications through a simple set of APIs, the image of Tata Communications, whether it's a tower or a router or a wire, is no longer our imagery of Tata Com is more about API software led, and that is how, we are presenting ourselves. And some of these new launches are shown in this slide for each of the fabrics of the Unified cloud network, we will talk about that, the Vayu cloud that we've launched with the AI cloud, the studio, the Kaleyra.AI, which is layer on top of the channels that we are building and in IoT fabric similarly. So some of these are recently launched or some of it is going to be launched in the coming quarters. For example, the IZO multi-cloud network, MCN, will be launched soon. And more interestingly, the digital fabric tool is an end-to-end orchestration tool which is aiming to orchestrate across all of these domains. And this is the tool which we believe will be a significant disruptor in the market, where it seeks to simplify the operations of all this digital infrastructure for our customers. It will deliver the discoverability. Many times our customers don't know what they have in their own landscape. So discoverability becomes an important thing on what are the, you know, what do they have in their infrastructure portfolio, the manageability of that, and finally, the security. The reason we are saying security is very often there are security lapses that happen because of inconsistent application of a policy, it's not as though they do not have a firewall. They don't have something. The policy that is configured in these firewalls is inconsistent and therefore they are open to security lapses. What this tool aims to do is make sure that, the security is uniform. And that is why we are saying that. And this tool, our vision is to become the ERP in the digital fabric. And again, this is a tool that we are piloting now with few customers. And that is a significant interest in the market in this. So these are some of the new things that we are launching or about to launch. I'll show you a brief video as well eventually. What as to what it does. But very quickly in some of these areas, a unified cloud network. Rajat is the product manager. He will talk about that later. But the problem we are solving in the cloud as as people go to cloud, the cloud connection and connecting between the clouds is becoming extremely complex. I was told that an engineer has to go through 30 steps to connect one application from one cloud to another application, another cloud, and if you multiply that by number of regions and number of applications, the complexity increases multifold. That's the kind of complexity that they have to deal with. We have an offering that will simplify this dramatically and it solves many other problems. We'll talk about that more and, later. But the kind of white space it opens up for us is that the currently the whole multi cloud connect is is a 3-3.5 billion market. And that is set to grow at 30% in the next few years. It is a small market today it's a new market. Since we launched our IZO MCC, we have clocked $10 million of revenues in this. But this is something that we are betting on as a white space that this product will address. Similarly SASE. You know, we have had SDWAN, we have SSC and other things. We do go to the market with the hybrid SASE story. And we also have an offering in the market for a unified hosted SASE that we have partnered with an OEM to take that to the market. This again solves the problem of application performance, security and resilient in a compliant network. So it is about connect, protect and simplify. That is what it aims to do with the SASE offering. And that is something that has been growing very well for us. And that is again, a big market to go after within the network and security fabric. The third is the interaction fabric. One white space that we will address is growing beyond the SMS to non-SMS channels. And that is itself a market opportunity to go after more voice, Programable voice, RCS and other channels. And on top of that, the launch Kaleyra.AI, again Rajesh from the product is here. He will cover a little bit more about that. So really the problem that we are solving for the customer here is fragmented journeys, fragmented data and no one place to bring it all together, where we can make use of the data to deliver a more intelligent and converged contextual conversations to be able to provide value either in the front of the cycle where the customer is trying to acquire new customers, or in the back end of the cycle in terms of providing better care for the customers that is in after sales service. In both ends, the customers have a problem today and that is what it seeks to solve. And that, again, is, incremental market. This is not the not the traditional CPaaS, CCaas layer alone the incremental market that it can address is another $10 billion. And that is where we are investing in that area. And finally, the AI cloud, which we recently launched with the Vayu cloud. Again, the problem that we seek to solve as a unified proposition that we are able to deliver through our cloud offering that addresses the cost and the complexity of a hyperscaler to be able to have the knowledge that the enterprises possesses as a sovereign knowledge and an enterprise knowledge to keep for themselves. So one of the things that we talk about is if you look at most of the LLMs and open models that are out in the market, they have all the knowledge that the internet has to offer today. And so they have 99% of the world's knowledge available on the internet has already been modeled. And some of these, but less than 2% of an enterprise's knowledge is captured anywhere and that is the opportunity of having your own intelligent LLMs yourself rather than putting that out in the world. And that is what we will have to go after to see how we can recreate some of these for enterprise customers. And finally, as I said, the digital fabric tool that addresses the discoverability and the manageability and security problem is something that recently we have launched. It's in stage one we are beta testing that with a few customers, and that is a big market. And that opens purely as a platform play for us where we can sit on top of somebody else's digital infrastructure. We don't have to be providing the network and everything for them, they can still sit on top of it. That also opens a services play that we have not been addressing so far in the market. So, these are incremental white space that we can address through some of these investments that we've been making.

We see the video and I'll come back.

"For years enterprise infrastructure mirrored its ORG charts fragmented domain bound and disconnected. IT speaks and workloads and SLA's OT and up times and systems, IoT in sensors, security in surface area. Each team chasing their own metrics while drift, delay and risk compound. But the enterprise has already shifted customers, employees, machines are all part of one continuous flow. What is needed now is not another system or dashboard, but a unifying foundation that connects, secures and orchestrates the enterprise as one. Tata Communications Digital Fabric is that foundation, a transformational layer that adapts to how modern enterprises operate and evolve. It integrates connectivity, cloud, edge, security, and customer interaction layers into one intelligent mesh.

The digital fabric is driven by a platform that enables real time coordination, continuous trust, and shared visibility across every digital touchpoint. A defect is detected at the edge, the infrastructure responds, rerouting traffic, triggering alerts, updating systems, and securing new connections instantly. It supports zero touch retail, autonomous logistics, smart health care and intelligent energy. Because infrastructure shouldn't limit what's possible. As you scale, automate and evolve, the digital fabric moves with you guided by AI and ML that learn, adapt and anticipate what's next. When everything must move together, this is the intelligent infrastructure that keeps it flowing."

Yes. So, the whole thing is the idea is to bring all the domains and see how we integrate and uncomplicate and innovate for our customers. That is the mission that we are on. The other point, as I said, the digital fabric is just not in one industry. We are now seeing ourselves that our services are very well diversified across multiple industry segments be it IT and enabled services, BFSI, automobiles and manufacturing, the new content players, as well as the hyperscalers, which we classify as OTT segments and the media segments. So, these are segments where we are very well diversified. And if you look at them, the BFSI as the case in point, revenues in BFSI in the last 4 years have grown 1.9x. And if I look at the million-dollar customers within BFSI that's grown more than 2x. 23% of our BFSI customers are MDC or million-dollar customers. So we still have 75% plus customers who are not giving us $1 million customers. But that's the opportunity, that we have to make them all $1 million. And some of the work that they've been doing with many of these customers is going deep into each of the fabrics, and it spans across multiple areas. And we are doing work on the obviously, on the network side, some of the global banks, we are now connecting them globally, delivering SDWAN and SASE type of solutions. For some of these customers, we are delivering, an interaction fabric. So we have a fairly diversified portfolio. Also we are able to sell to these BFSI customers. And as you see, the growth over the last 4 years in India, APAC, Americas, Europe has been quite healthy.

Similarly, if I look at the media, we announced this deal some time ago in terms of, a DTH operator in Latin America. So we are completely modernizing their broadcast network. They have operations across multiple countries in LATAM and California, Brazil, Argentina, Colombia. And we are shifting away from that traditional broadcast workflow to the cloud. So that is the transformation that we are doing for them.

And similarly, if you look at, you know, that is a case in point where we don't have any footprint in LATAM, but we are still called into that deal working through an SI, that is how we got an introduction, to this. And now, you know, we've been able to establish the relationship and sell a large contract for that.

The white space here is not about us entering a new country. The white space here is about most of our media revenues, even today comes from the sporting federations of Formula One and Formula E and ATP and so on and the engagement is mostly through Sporting Federation. We have been working with the broadcasters and DTH players before, but this is the first big deal that we have done. So that opens a big white space for us to go after other such DTH players and broadcasters where that broadcast infrastructure needs to be transformed. So that's the main point that I wanted to make. The second point is about, you know, the SWITCH capability that we have, one of the main capabilities in SWITCH, besides bringing, the North American ecosystem and the customer base to us is also production capability. And we completely renovated it in a place called Victory Studios. We built a new studio there, and one of the marquee customers is Netflix. Netflix, as you all know, streams that they hardly do their own live production. They are now venturing into producing something on their own, and we are partnering with them. Or they chose us as a partner to use our studios and the technologies to produce some of these events. And the first one is Pop the Balloon, which is a live show in the US.

Now, talking a little bit about these investments, how are we executing? Where is our focus and what is our ambition? From an execution perspective, there is a relentless focus on execution in terms of product excellence, sales, and marketing excellence. These are things that we have talked about before. Embedding AI you know, the point I didn't mention before is in every new product that we talk about, not just Kaleyra.AI, but even in the, in the MCN product, there will be elements of AI in terms of how we are able to create the topology and automatically show to the customers and say, here is a topology that you can choose at a click of a button. So there is going to be AI embedded in every portfolio that we are working on. Deeper with Fewer, there is a much, much bigger upside that I talked about how, you know, from 14 customers in $10 million customers, we move to 30. There is a much bigger white space that they can go after by still doing better in the Deeper with Fewer. Similarly, with new logos, we can accelerate the new logo journey and also accelerate the journey of moving the new logos to $1 million customers and continue to focus relentlessly on delivering the best NPS that we can for our customers so that we continue to score high on technical competence, service excellence, and all those parameters for our customers. Strategic projects, which are somewhat internal, some of that, you know, to develop on the fabric tooling that I talked about and bundle the services, this they feel can truly be a big disruptor. Internally we are still in the process of simplifying the Telco processes, which are siloed, and some of the legacy processes we are revamping a lot of them and simplifying them to improve efficiency, improve the turnaround time, automate. And that's lean2leap project. And AI projects, similarly, not just embedding in product. How do we use AI for internal efficiency. So these are some of the projects that we are focused on. And finally, about the culture. I can't emphasize that enough. We talked about shifting behaviors with our DRIVE ahead. We focused on six behaviors in the company that we needed to change, If you have to truly become a digital company, and these are some things, and now developing the leadership through a program of leadership wave where there is more participatory involvement from various levels of leadership and changing the company. So these are some of the focuses of our execution.

About the environment, we see that the environment today has certain tailwinds and certain headwinds that we face. The tailwinds are all you know, from a technology perspective, AI is becoming the central point of many of the customer conversations on what they have to do. And how they have to invest, how they look at the data, how they need to secure it, how they build that intelligence. There is a surge in in the data center, data center connectivity, not just in India but across the world. Private cloud we believe we will have a place as people look at how do I look at the right workloads that can be put on the private cloud, as opposed to being on the hyperscalers. Security is complex and its complexity is only increasing, and that has to be addressed from an experience standpoint is just the channel noise to many channels. How do you orchestrate across channels? How do I get a unified journey orchestration for our customers, where I can understand what the intent of the customer was and how do we really become people used to say the segment, the one with agent I, it is possible to do a segment of one. I can assign one agent for every, every customer. So that is now possible with the agent AI to do. And that space is going to be fundamentally transforming. And how do we invest that. So these are some of the tailwinds that we see in the customers. I believe firmly that they will be investing in these areas. Some of the headwinds that we face at the same time are some of the macro headwinds that we see today because of the conflicts, because of the trade and other issues, some of the regulatory complexity, and fundamentally, when it when we lead through a network transformation. Still, the, the network is the last bastion of change, as one of the customers said that. And I like that phrase because that is something that I've been that's been, a bug that's been sort of bugging me for a long time. Why is it that despite all of this, the customers wouldn't change? And that's because as a customer, one customer said it's a live wire. Another customer said the network is the last bastion of change. We do that, but they have to change and even these customers are talking to us. So but that is some those are the some of the headwinds that we face. We still are very, very confident about our trajectory, the transformation path that we have set ourselves on, the relevance that we have, the investments that we are making is going to put us and is putting us on the right path, in the right space for the customers, and that we think will deliver our ambitions might be delayed by a few quarters, and that is something that we are still marching towards.

Finally, you know, in our reimagine strategy, we talked about many things, but sustainability at the core of what we do, as much as AI, our focus on people, planet and community continues. We are on our way, on our commitment to be, you know, carbon net neutral by 2030 and net zero by 2035. And we are tracking all these parameters. I don't have the time to take you through the story, but the story is a fascinating story of how we worked with an NGO to renovate and rejuvenate a lake that was nearly dead and polluted in, in Chennai. It is a fascinating story and one of the innovations that we did is creating what we call a blue green center. That blue green center today brings a lot of students and communities to educate them on, you know, how they have to take care of it. And that is now progressing, and the government of Tamil Nadu now has taken this blue green center concept, and they want to take it to multiple regions. IIT Madras is interested in that and Theosophical Society in Chennai wants to take the blue green concept and implemented that as well. So let us show and talk to you about the impact that not only make for our customers, but the impact that we are making on society.

Thank you. And with that, I will invite Sumeet.

Sumeet Walia

Thanks, Lakshmi. Good afternoon, I hope that you know, as Lakshmi set the tone, what I will try and cover is to take you through the progress that we have been making on market and customer journeys. We will share with you some of our successes, some of our learning, some of our challenges, and things we are doing in the markets in which we operate and the learnings that we are getting from those markets as well.

I'll also be joined in this presentation by my other colleagues Gurvinder, Rajesh, and Rajat. And we will call them in as we progress through this presentation. But I wanted to start with, you know, as Lakshmi called out certain areas on where we think our successes have started to amplify a little bit more and where our relevance, reputation, and revenue are starting to become more visible to us. And it's reaffirming, if you will, you know, the commitment we've made to ourselves and the journey that we are on, as well as our success markers. So if you look at our revenue, we called out earlier that from our digital platforms and services, we've had a 25% growth in our DPS revenue in the last 4 years. And if you take one portfolio, which is our GSIP portfolio, where we've been facing headwinds, as Lakshmi called out earlier, and you normalize for that, our DPS revenue growth over the last 4 years has actually been close to 33%-35%. So there's been, you know, a focused and successful growth that we've been able to achieve in digital platforms and services.

I think our overall incremental revenue of the Rs. 7,000 crore that we've been able to achieve, nearly 3/4th of that incremental growth of Rs. 7,000 crore, is coming from our digital services. Our focus on driving relevance to our customers and staying close to the journeys that the customers are looking at is getting rewarded in terms of the incremental revenues, and keep in mind that this is not at the cost of our core services or our core connectivity. Our core connectivity continues to grow and outgrow the market growth. In terms of the overall percentage growth you would have seen, Lakshmi called out many of the large B2B companies and the headwinds that they are facing or the growth that they are displaying. We are growing much ahead of them, even on our core connectivity. So while you know that, that envelope expands, our focus on our digital platforms is continuing to become a real champion of our future. And our large customers and if I take just one sliver of our large customers, which is the 10 million-plus customers, that is growing at a very healthy 14% CAGR. So these are customers where we have already started to enjoy a larger share of their wallet, we are starting to become more relevant, and our ability to participate and influence those customer journeys is allowing us to grow at a very healthy percentage with these, with these customers. The second attribute really is around the, you know, the relevance Right? And if you were to look at the relevance as measured and we continue to focus on $1 million customers with our Deeper with Fewer strategy and their intent, as we had called out earlier, is clear. We want to become meaningful and influential players with the choice of customers that we want to participate with. We do not want to create a long tail of customers. So our focus on driving our million-dollar customers is where a large part of our sales effort, the sales momentum, is driven. And if you want to look at that we had internally, you know, we called out that we want to get at least 50-50. That is 50% of our revenues from our million-dollar customers should come from our digital services.

I'm glad to report that today, over 53% of our customers have more than 50% of their revenue coming from our digital services. So that journey is, you know, giving us good momentum, to drive a greater amount of stickiness with our customers, we have been and we've been commenting on this in the past as well. Being focusing on multiyear deals

and larger tickets, Today, 60% of the order book is coming from multi-year deals. So by its definition, multi-year deals you kind of correlate to longer term visible revenue streams for us. And the fact that we have been able to get a 2x growth on our large deals is that our ticket sizes are increasing, and our ability to win a larger share of the wallet is also demonstrated. Also noteworthy is 70% or 2/3rd of our 5 million $ plus customers in our million-dollar club have more than 3 fabrics. So we are participating across the portfolio which we are able to bring to the customers. So we are not just participating in one tower or in one fabric, but we are able to participate and bring to those customer conversations the power of the entire digital fabric. So really, our relevance and our quality of our revenue with these customers is meaningfully changing. And lastly, and this makes the biggest impact to us, and that's the reason why we get a seat on the table when we engage our customers is around reputation. And as reputation as measured by 2 things one, NPS, we have spoken about our NPS growth. If you want to see our NPS journey over the last 4-5 years, our NPS journey, at least to me, I feel exceedingly proud of this is, you know, we had a score which was in the low 50s five years back. Today our score is in the 80s. So the journey of, you know, how customers perceive us, how we are able to engage our customers and NPS ultimately is a measure of referenceability. And are you able to reference and are you willing to reference Tata Communications as the, as the ultimate, you know, measure of referenceability and NPS so that that score, I think, is giving us tremendous amount of, you know, tailwind that is allowing us to participate in our customers much more meaningfully and give the confidence to our customers. That is also getting very actively supported by how we are getting perceived in the analyst community. The analyst community, not the financial analysts that I have in front of me, but the, you know, the industry watchers, if you will. And these industry watchers really, you know, track not just Tata Communications, but they track all the cohort of companies in the space that we operate today.
We have over 20 analysts who record and place us in the leadership quadrant in which we participate and that's up to 2x from where we were 3 years back. And much of this is a reason we get a seat on the table, especially with our international customers, where I may not be especially in new logos, where I've yet to earn my credibility and the trust of the customer. So they are dependent on the analyst reports to understand, what is the strength of Tata Communications and what do they bring to the table. These 2 attributes are a very strong sense of the reputation that we are building, with our customers and in the community that we operate in.

If I wanted to just shift a little bit of, you know, what we are experiencing in the market and what we are experiencing as trends as we talk to our customers, you know, you cannot not have a conversation with the customer without AI coming into the conversation. Any technology conversation will always have an AI element coming in over there. But what we are really seeing is customers are moving from being AI, you know, from a readiness perspective of AI or looking at AI readiness to being AI ready. So, the shift is real and we are seeing that in in our conversations with our customers, they are starting to make clearer blueprints of how they want to get their organization AI ready. We are also participating and seeing, early use cases that, you know, some of the enterprises have started to deploy, on various AI use cases, especially around agentic workflows, where they are starting to see early efficiency gains, and gains are starting to get more visible to them. And this is I think, is, is a more tectonic shift that will play itself out over its multi-decade will shift. What that does for us, clearly, you know, gives us a very strong tailwind because to drive a very strong AI company, you need to have a very strong digital foundation. And our ability to participate and help companies become digitally ready and AI-ready as well are both areas that we actively participate in with our enterprise customers in some sense.

The second is really around supply chain reconfiguration, and this is something that has been spoken about actively in the past. It's not just the geopolitical, you know, forces, if you will, that are driving some of these conversations, but it's also, you know, shall I say, some of the shifting sands that we see across in terms of tariffs, no tariffs, whatever else is happening. I think the China plus one strategy is real. We are seeing that, you know; play out with many of our customers in the US. They are looking to create more factories in Asia, including India and that, I think, is becoming a shift that we want to benefit from and participate in wholeheartedly. But I think the shift in the supply chain and the shift in the overall opportunity for reconfiguration of the supply chain are not just limited to manufacturing. We are seeing this even go beyond that. And to take another vantage point view, the one that we are experiencing is these global capability centers that are being set up in India. They always existed, but the pace at which newer centers are being set up is increasing as we speak, we expect over 300 centers to be set up every year for the next 3-4 years. So what is roughly about 2,000-odd global capability centers will now become close to 4,000-4,500 in the next 3-4 years. And that gives us a very strong opportunity for participation as well. And the nature of this participation is a broad spectrum, and that's an opportunity and a shift that we are seeing in how, you know, enterprises are looking at not just the traditional supply chains, but how they are looking at their beyond manufacturing, how they're looking at their IT supply chain, and how they are looking at their overall service supply chains as well and that's a big opportunity.

The third shift that we are seeing is really, really around cybersecurity now. Again, not a new conversation and not a new debate that, you know, customers are having. This has been an ongoing boardroom conversation for, for the longest. We've been participating in, delivering, and benefiting from some of the cyber-related conversations that we are seeing play out in the market. But I think, you know, the active participation of AI is only increasing the threats. So there have been 4-5 major shifts that we are seeing. One is the growing number of cyber threats in itself. And that has been, you know, fueled both by, you know, different kinds of cybercrimes. And that's also been fueled by, you know, geopolitics, as you would be fully aware. We are also seeing the compliance issue becoming another driving factor. So even in India, the DPDPA rule, which has just come into play, the GDPR, and DORA are all putting a lot of extra effort and pressure on organizations to, you know, create and fortify their security and cyber posture. AI is creating a lot more attacks, and we experienced that for ourselves. The phishing, the deep fakes, and the personality or, you know, identity threats that are happening are all real. You've experienced this yourself. All of that is creating a big challenge for enterprises as they look at their overall security posture in an AI-ready world or in an AI-enabled world. AI also is into the defense. While AI is creating a problem here, it is also offering a solution. And I think, you know, AI deployment, we are doing that; we are deploying in our own security posture. We are deploying a lot of AI and ML to improve our own threat detection and response, which is improving our overall detection as well as response by the tune of nearly 50%. AI is also driving a lot of changes in that environment. So risk and security are three major areas that we are seeing active participation conversations in the market and in the customers that we operate. But it's a broader trend that we see, also in our customer conversations that we've been having, given the backdrop of these megatrends that I spoke about or these trends that we are seeing with our customers, the customers' imperatives continue to be focused on 5 major areas. And these imperatives at the backdrop of these trends remain around driving growth and most organizations, no matter what headwinds they're facing while they are watchful of, you know, what is playing out in the macro. I don't think they are nervous about that long-term future, and I think they will continue to benefit from, you know, or invest in areas that they believe will give them the long-term growth. So driving growth, delivering superior customer experience, creating an agile organization, managing these cyber risks, and eventually driving productivity and efficiency are major areas that these organizations are focused on. So their imperatives continue to be built around these 5 major areas. And today, we have at Tata Communications been in conversation with all of our customers, staying close to not only understanding what the future holds for them but also participating in how we can help deliver these imperatives and realize the outcomes that these customers are focused on.

Much of our fabric allows us to participate in a very wholesome manner in delivering these imperatives for our customers, and our fabric is broken down into all its components as well. Whether it's a network fabric, a security fabric, the IoT fabric, the cloud fabric, or the collaboration fabric, solve for one or more of all of these imperatives, or at least address one or more of all these imperatives. And that gives us a very strong ability to participate and a seat at the table in all our customer conversations. And these fabrics and these imperatives don't have a 1-to-1 correlation. So many of these fabrics solve multiple problems and address multiple parts or multiple imperatives of the 5 major imperatives the organizations are focused on. So a combination of all is allowing us to participate with our customers. And interestingly, you know, we may enter with one fabric, but we may participate across all the fabric. So it's a bit of a land and expand strategy that we are working with. And the power of the digital fabric allows us to participate across all the imperatives that the customers are focused on. If I were to look at, you know, our own case studies, which will demonstrate what I've just spoken about, and I'll invite Gurvinder in a second to come and talk about all of these case studies. But these case studies are really, to my mind, a reflection of our Deeper with Fewer strategy. So what you will hear from Gurvinder is really, a strategy in motion of how our deeper with us is actually playing out. So it's a lived experience in some sense. So we'll talk about 3 customers. The first customer is, you know, India's largest and fastest growing private sector bank. And how we have grown with this, relationship over the last many years and how today we have earned the right to be the manager of manager’s network for this, for this customer. The second one is really around the largest global supply chain company and how we have started with our interaction fabric, solving a unique problem that they were facing. And today, at the cusp of engaging and participating with them across a very large wallet that, you know, they are starting to expose to us. And finally, across our customer in Asia, where we've been able to see right from the get-go, bring the power of the entire fabric to the customer. So we have participated more as a strategic transformation partner in bringing the entire transformation that the customer didn't really intend for but our participation and the journey that we took the customer through led them to the outcomes that we wanted them to, you know, benefit from. And Gurvinder will talk about each of these journeys, and I'm hoping that you will understand at the end of the 3 case studies that it's not just our growing relevance that, you know, Lakshmi spoke about, but also the increasing influence that we have with our customers, especially the last, which will give you a sense of how we are able to influence the customer in terms of getting them to an outcome and a future that they may have not fully seen. But then we guide them to that outcome with the power of the portfolio that we have. Gurvinder.

Gurvinder Samra

Thank you, Sumeet. I think before I sort of move forward, I want to digress a little bit, just take a minute, to break this flow and ask a question. How many of you know what is Ficus Benghalensis? Without looking up online or, you know, on your phones Can anyone tell me what that is? Let me give you a hint. How many of you have been with show of hands? How many of you have been to the Botanical Gardens in Calcutta? Very close. So yes, that's right. So this is the scientific name of Banyan Tree and I'm just going to tell a small story about it. And I'm deliberately using this example because I think it truly exemplifies the stories that I'm going to talk about a very similar to this.

Banyan tree is truly a unique creation of nature, unlike all other trees that tend to grow very tall, this is the only tree that goes deep, that goes wide. And like the example that I give, for example, when compared to other large trees such as, Giant Sequoias or Redwood trees, or Eucalyptus trees, all of them tend to grow very tall with a single trunk. Where this tree does grow wide and deep and as the branches come out, the aerial roots come down from the branches and they form an interconnected ecosystem of a tree. So actually, in Calcutta, the tree that we're talking about has 3,700 aerial roots actually, and the main trunk has already been removed the original trunk of the tree. So can you imagine and unlike other trees, that typically spread between 30-50-60 mts, this spreads at around 500 mts. Imagine a tree spanning across half a kilometer. And I just sort of digressed a little bit to tell the story because, similar to this, I want to tell three things on three case studies: one, how in one fabric we go deep. So I'll talk about network fabric and just pick that in that case study and see how deep we have gone in a customer. Second is the width, much like the canopy spread of the tree. And I'll show how we have entered in the customer from one fabric and expanded it into other fabrics. And lastly, much like the aerial route that I just mentioned, we have now started winning on the back of multi-fabrics with the new clients. So those are the 3 cases that I'm going to talk about, and I'll keep it as simple as I can without sort of putting too much technical jargon or too many technicalities into it.

The first one, as Sumeet mentioned, is the fastest-growing Indian private bank, and no prizes for guessing which bank it can be. It has about $35 billion-plus in revenues and 30,000 employees. They have close to 7,000 branches. They have about 16,000 ATMs and cash recycling machines. And as you also notice, towards the end, they have close to 4,600 APIs that are constantly making calls on the system, out of which some are in retail banking and some in corporate banking. Now, from our vantage point over a period of time, some of the challenges we observed in this client, in this customer, were, of course, that they were growing their branches, expanding into Tier-II and Tier-III cities. The digital ecosystem was really sort of ballooning, digital transactions and UPIs. They had a high focus on customer experience. They wanted to improve it further and obviously, being a bank of this nature and scale, being secure and compliant, and having a scalable infrastructure offers significant importance. So this is the context of the customer, how big they were and what challenges they're facing now. Basically, our relationship, when it started, can be categorized over a period of 5 years in 3 phases.

The first phase, I'm calling it the "connecting phase," again, for simplification purposes. In this phase, we basically integrated about 800 of their branches. And they were basic products that we offered, private lines, ILL basically connecting them essentially. At this point in time, we also observed their KPIs, CCaaS, such was somewhat moderate, somewhere in the middle and the digital transactions were about 50 million a day. Now, based on the success and outcome and what we could demonstrate with them, we were invited to do more. So in the next phase, it became all about optimizing from a very basic product. We move to more complex products such as the SDWAN and SASE phase, in which we help them reduce costs by 30%. We did Wi-Fi deployment across branches, and we provided a major upgrade to connect to the new DC architecture. So during this phase, as you see, our revenues, and this is in mid-single-digit dollars millions in x went up to 1.7x by the middle of this. Finally, the scaling phase, as I would call it, now when we are responsible for managing all of their 7,000 branches. We connect and provide strategic core connectivity to their existing and the new upcoming data center. We offer them NOC. We are managers of managers in their state, which means anyone who's providing connectivity anywhere, we still manage them. Essentially, we enable 40% faster rollout of new branches. And we also saw their KPIs improve in this journey. CSAT closer to 70 and their digital transactions are closer to 180 million a day. And this I am talking about is just network fabric going deep within the client. I am not even talking about other fabrics and the introduction of other fabrics to the customer and from sort of mid-single-digit millions, we went to 10s of millions within this client. Now this is not the end of it, before they also network fabric is now being used in 8 of the top 10 banks in the country. But one would think that maybe we have maxed out on the clients. We have hit 10s of millions in revenue, in tens of millions of dollars. But that is not the case. So if you think in terms of core connectivity and network, if whatever we are generating as revenues is x in that client, there are still many areas within the network fabric that we have not yet touched. For example, branch LAN and management of that LAN, which is in the local branches, plus Wi-Fi 6, which are new technologies that are coming out that enable them to roll out speeds of closer to 10 Gbps on Wi-Fi. The estimate of that would be another 0.3x, then Multi Cloud Connect and Dynamic DC, which is another 0.2x. Then again, quantum security, which is a big concern on the back of quantum computers and algorithms and how they can breach security And SASE 2.0, which is further optimization of SASE, and more importantly, if you see managed infrastructure services, which is still 1/4th of these services, in the application space that we can talk about, which we can touch. So literally, if we are generating x, there is headroom for growth of another 4x that we have still not touched just within network fabric. And at the bottom sometimes banks or clients will have restrictions to not be able to give more than a 40%-50% share just to one player. So while here, and that is why I mentioned it can be a restricted wallet share in all other areas, it's an unrestricted wallet share. So the point I am making is within network fabric While within this customer we have hit 10s of millions, there is still room for growth within the network fabric of another 3x-4x over a period of time. So this truly, to my mind, demonstrates, much like the banyan tree, the power of the depth of how the roots can go and how deep.

Now I will move to the next case study, which is in one of the world's largest logistics players. This case study demonstrates how we entered using one fabric, solved something, built trust, showed performance, moved on, and introduced another fabric and another fabric. That's how the width is, in a way. So this customer is one of the largest logistics players. They have 7 million warehousing capacity and 700 global containers and vessels that they have deployed. They are present in 130 countries. So a fairly large and complex player. They have about 100,000 large and small SMB customers. Their revenues are about $55 billion. And the challenges, naturally being such a large and wide and complex customer, were that they had complex and siloed infrastructure, which was integrated over a period of time. They had low CSAT, they had multiple vendors, inconsistent SLAs, and high OPEX. So here we went and started the journey with predominantly interaction fabric. So that was our point of entry into this customer. We deployed a global cloud contact center. They had small, broken contact centers around the world. We got an opportunity to integrate all of it and deploy it as a global contact center, which could service 15,000 agents in 122 countries, which was managing close to 7,60,000 monthly calls. We help them reduce the related OPEX by 50%. And more importantly, compared to the past, in an integrated manner, the vendor tickets were brought down by 88%. Also during this period, the CSAT improved phenomenally from something like the 30s to 80s. So this allowed us to build on a lot of trust, showed and demonstrated what all KPIs we can try, based on this success, and we were invited to participate in doing more within the client. And in the next phase, we introduced network fabric. We got an opportunity as they did an acquisition of the company, which was present in 14 countries. So we get an opportunity to migrate 2,000+ devices in these 14 countries, which we did using a live cockpit, which was very intuitive. They could see in real time how the migration were going on. And also it helped us improve operational efficiency by 80% with zero downtime. And as you see, in a short span of 5 years, the x jumped by 66x within this customer. And now we are talking about IoT fabric because they are logistics players. They have huge supply chain solutions and terminals and containers. So we have a piloting a smart supply chain solution here, which is also a private 5G and IoT-based. And we are proposing to increase productivity by 20%.

Similar to the story, we see close to a 160% revenue increase for customers in 4 years with 3+ fabrics. So, as you can see, it is just exemplifying how we entered with one, introduced the next fabric and then the next fabric. So that covers the width part. Now I will, and I think a very similar story, JLR, you would have heard, in the past that we would have presented, we started with IoT fabric, which was an eSIM solution. Then we introduced the ZTNA, which was security fabric. The revenue jumped from 8x to 8.8x. Then we introduced Network Fabric 15x, then 23x. And this is again from a mid-single-digit millions into 25x over a period of time. This is one of our largest customers. We are extremely proud of it. And there is still room to grow more. It is not that new, maxed out within the customer. We were able to demonstrate the cost of inaction. If they don't act, the opportunity that they were missing to save that was, that allowed us to do a faster transformation, modernization. And now we are a complete network security IoT partner for the customer. So, again, this demonstrates how we can enter from one fabric, go to the next one, and the next one.

Now finally, I will talk about how some of these things are also coming together in another case study. In a very different market. This is one of the largest healthcare service providers in Asia, headquartered in the Philippines. They have $20 billion-plus in revenues, 17 markets, and 12,000 employees. They have, as you see, a very large estate of 22,000 hospitals, 55,000 clinics, and 53,000 pharmacies. So pretty large and complex in the healthcare space. Now, this was completely a new logo. We had no relationship, nothing. We're just going, frankly, new into the customer. It had a strong incumbency, but they were not happy with the existing provider who was delivering it. We had limited market access because in the Philippines, we do not have a legal entity, nor do we have feet on the street. So we were just invited to respond to a basic RFI-RFP. So that's how the story started. But we realized that if we go in just and respond to the RFP, we will end up being a very transactional vendor, and that is not what we wanted. So what we quickly we sort of conducted workshops, and we mapped their future areas of investments and tried to understand what all they are trying to do in other areas. So essentially, we could realize that there are 4 big areas that they are making investments in. One is they're very heavy on innovation. They are planning to invest $50 million over the next 5 years. Second, they have a B2B e-commerce platform. They were planning to invest in that to upgrade and also have what they call it EasyRx platform. And they also wanted to have an easy tracker for blockchain-based traceability, because in healthcare, fake drugs are a big concern. Finally, in the cloud, they had big plans of migrating from on-prem to Azure and AWS cloud and data analytics and finally, automation and technology, because, again, they had large warehouses and cold chain expansion. Then what we did was we showed how our digital fabric, maps to all of these, so it maps very nicely to their innovation plan, their interaction fabric maps to their B2B e-commerce platform, cloud and security fabric maps to their cloud investment plans etc. So this helped us to elevate the pitch entirely and we were able to position ourselves as a strategic partner as opposed to a traditional vendor. This allowed us to completely scope up the RFP, which was a basic network RFP. And again, without going, if I map the elements of fabrics and what they were doing from the present to what is to be delivered. If I simplify all of it, their current state was very disaggregated and siloed. There were multiple vendors, they had expansion challenges, and there were cost concerns. We simplified all of it in a single unified vendor, which is providing end-to-end visibility, cost transformations, cloud-first network, etc. And this is not, or it is only, one of the largest deals that we did in Asia last year, which is in 10s of millions of dollars in TCV.

Again, the ability to win in a completely new geography where we are very unknown on the back of the power of the fabric was a great success story for us, and we are very proud of it. And finally, the white spaces within this, so not only that, we are still now beginning to have conversations about how we can help them in warehousing cold chains to further deploy interaction fabric on their B2B platform. And similar to this, we are observing that close to 70% of our upcoming large deals are now multi-fabric deals. We are large deals, which are in the 10s of millions and/or million-dollar-plus deals. So, so I think with that I will end, and call me Sumeet and let him sum up what all this means for growth potential within the customer.

Thanks.

Sumeet Walia

You know, like I said, these are lived experiences for us. So I'm hoping that, you know, you've got a sense of the shift that Lakshmi referred to in terms of the sales excellence that we are making, the way we have been able to participate, the way we've been able to engage and then transform, you know, our customers and their journeys that they have been on, you know, I must admit, is a proof point of, you know, the sales transformation that Lakshmi was referring to. But at the end of the day, this should mean something, right? You know, you heard from Gurvinder all of the 3 case studies, which give you a good sense of, you know, what we are doing and how we are landing, how we are expanding, and how we are deepening all of our journeys. It also is a reflection. And I want to stay with that thought of Deeper with Fewer. But what does this do to our overall market potential, and what does that imply for us from a future perspective? You know, in all three cases, it's a reflection of who the customers are that we work with, which are basically very large companies. Fortune 2000 kind of companies, ET 500, who are large, distributed, and have gotten a lot of, you know, very digitally ambitious in their outlook and in their actual, you know, deliverability. They have got investments in, you know, network infrastructure and cloud security. And these are companies that are, you know, spending roughly in the tune of about $1 billion on their ICT. That's roughly the, you know, customer profile, if you will, that we target. So the 3 case studies that you saw are a reflection of the aggregate universe that we operate in. And I'm trying to sum it up from a context perspective, this is the universe that we operate in.

Now, why is it important to understand this? It is really because, given our ability to engage our customers, given the power of what the fabric is now starting to do for us and therefore for our customers, and given the areas that we have been able to participate in, we believe that we can credibly access and participate in our customers' wallets to the tune of anything between 150-200 Mn of that overall billion-dollar opportunity that every customer would typically present. And that's the, that's the headroom, if you will, for growth for us. Right. And so the Gurvinder also spoke about all of the future white spaces that we continue to enjoy with these customers. The aggregation is the headroom that continues to, you know, motivate us and drive us to, you know, greater participation in growth with our customers. And as you, as you think about this, and you, you know, superimpose that with our million-dollar customers, which is our Deeper with Fewer strategy. You know, you saw this chart that Lakshmi called out earlier. I've, you know, called this chart back to give you a greater sense of where our growth is coming from. If you see the $10 million customers, I, Lakshmi, called out, we have grown to 2x in that space.
Look at the NPS journeys that we've been on to achieve both of these together, the Deeper with Fewer strategy,

which is working. It's a lived experience. As you saw, the NPS journey, which is giving us a seat at the table, is giving us, you know, greater fuel for the future, if you will. Annually, as was called out earlier, we add roughly about 15 to 20 million dollar customers every year into our million-dollar club. Of these million-dollar customers, given what I presented on the overall potential, we believe that we can easily participate in and have the opportunity to participate in the customers' growth and, you know, get every customer over there to anything from $10-$50 million in terms of, you know, our wallet and our revenue participation that we can do with these customers. Our growth to the million-dollar club is also aided by our new logos and the new customers that we sign. And this is a journey that, you know, that we work with, with our customers, many of our customers, our existing customers that we mined deeper with our Deeper with Fewer, which grow to $1 million as we engage more purposefully with them. But we also participate with new logos, and some of our logos that we participate with turn into million-dollar customers in roughly about an 18-month window. So, you know, looking at the stories that you heard, looking at the wallet that we have available to us, the power of what the fabric is doing for us is giving us the confidence of, you know, greater headroom and participation for the future as well.

That said, I must also admit, you know, we are also engaging with our customers, and we feel excited about this opportunity for growth. But we are also cognizant of the fact that there are factors that are limiting the pace of this growth with our customers. And I thought we should unpack that a little bit for you so that you understand this a little better. You know, Lakshmi spoke about a live wire, and, you know, I'll contextualize that for you. But, you know, the first challenge that we see is around the fragmentation of how we are looking at, you know, the networks and how enterprises are consuming these networks. Many of these networks are regionally owned, and the procurement is therefore regional. So when we go in and we try to help and create a broader global network transformation, we are confronted with, you know, regional owners, people who have got local partnerships with the regional players. So, you know, covering that journey from a regional to a global transformation takes longer. So, you know, the fragmentation of the network and the fragmentation of the network ownership are factors that play into a longer cycle of decisions and a longer cycle of sales to eventually get the customer to drive, you know, transformation and the network transformation.

The second is on the customer side itself, you know, our digital fabric now allows us to participate in multiple wallets inside the customer environment. While that's good and that exposes us to new buying centers, that's also posing a challenge to us because we are no longer dealing with what we used to historically deal with, which was, you know, the CIO or the CTO organization. We are now dealing with many business units, whether it's the CMO or the CEO, who have different wallets and different buying centers because our fabric lends to and the decision leads to those buying centers as well. Many of those decisions and those budgets are therefore also siloed. So dealing with these multiple stakeholders, getting the architecture back at a unified level, and working through that entire transformation is another layer of complexity that we are starting to experience, as our fabrics are now starting to touch all these buying centers as well. So that's another challenge that we actively see, and we are working to solve it with our customers.

The third year, the third is the one that we spoke about, which is really the livewire mindset. If it's not broken, don't fix it. So, you know, what does this really mean. It is typical of organizations and most, you know, people in similar situations to be reluctant to change. And especially in an environment where you have a live network and a live production environment working for you, you know, the desire to modernize while it is all there. But the sense of urgency to modernize is missing. And, and that journey to, you know, get the customer to cross the line is the one that we are, you know, facing to be the big hurdle, if you will. You know, Gurvinder spoke about what we did with JLR, where we actually gave them, you know, a point of view on the cost of inaction. We've actually created the full point of view and the white paper that we now talk about and work with our customers around the cost of inaction. And I think that is starting to, you know, get the light bulbs going, if you will. So while there was always recognition, the need and the urgency to do it was something that was not actively felt. And the cost of inaction is, you know, becoming a good lightbulb moment for our customers and the customer universe that we work with.

But I also see, you know, this area around network transformation to be an area where we will only accelerate in the future, not just for us, but in the customer environment because if you truly want to become a digitally ready organization, you truly want to have an AI-enabled organization. The foundation block is the network and therefore, I think a lot of the move to what I will call for will call for a lot of shifts in the way the AI workloads are operating, and that will precipitate the need for a, you know, network transformation as we move ahead as well. And so this is another challenge that we see in terms of the live wire mindset. And lastly, obviously, is the operational readiness. You know, many organizations are confronted with CapEx challenges. They are operating with a lot of tech debt, so, you know, circumventing and, you know, working through these areas are not challenges that are not surmountable, but I think are areas that, you know, push us back and, you know, work alongside with the customer to justify and build more, you know, strength of the business case, if you will, to drive those outcomes for our customers.

So if I were to, you know, if I were to put this together, you know, while the opportunity remains strong and the opportunity is clear and present for us, I think the reality of our customer journeys is also showing us that there are factors that are limiting our pace. As much as we would like to run faster, quicker, harder, and stronger, these realities are ones that we confront every day, and these realities are the ones that we are working with to solve for. So the cost of inaction was an outcome of some of the problems that we saw and why the customers were not moving. And we said, "Let's write a white paper and demonstrate that to the customer." So, so these are areas that I thought we should also cover. But that said, Lakshmi also spoke about the 5 strategic bets that we are taking and investing in to build more capability around. And one of the reasons that I feel we are also benefiting from these strategic bets is because these bets allow us to demonstrate as well as deliver a faster value to our customers. So much of these challenges, you know, come on, what you saw on the previous chart are more linked to when you are dealing with the broader transformative agenda.

These five strategic bets allow us to participate in those individual bets, and those swim lanes independently demonstrate and deliver value quickly. What they also do for us is, obviously, they solve, you know, an enterprise-scale problem that the enterprises are facing. But they are also then becoming the wedge and the door opener for us to allow, to allow us to participate across all the other fabrics that we have. So, you know, while we take the transformation route, we are also taking this route of the 5 strategic bets, which will allow us to, you know, operate on a two-speed engine, if you will. It will, you know, ultimately gain the customer's wallet. But coming from two different vantage points. So just to play back those 5 bets that we spoke about, and we invite, you know, Rajat and Rajesh in a second, the first one is on the unified cloud network. You know, we spoke about this. This is most of us, if not all, our enterprises operate in a multi-cloud environment. And that multi-cloud environment then creates, you know, complexities of how the cloud networks are actually all the how cloud networking is working. And most enterprises have never really paid attention to it. So it's highly inefficient, both cost-wise and in terms of the outcomes that it delivers. Our solution, which is what Rajat will talk about, the unified cloud network, really solves for this. The second really is on our cloud fabric, which is our Vayu AI cloud. You know, we did this launch a couple of months back. We are seeing very clearly how AI workloads are redefining how the data is going to get consumed. So the Vayu AI cloud is actually a purpose-built cloud, which is supporting high-performance, compute-intensive AI applications. So this is, you know, a bet that we are taking and the journey that we are starting to build.

The third is really around interaction fabric. And Rajesh will come and talk about this in a second. But the interaction fabric, or the Kaleyra.AI, as we call it, is really giving us a strategic edge on how the enterprises engage with their customers across multiple digital touch points. And this is, you know, a very powerful imperative that customers are facing, which is driving superior customer experience. So it plays into the customer imperative very strongly and delivers very strong value to the customer.

The fourth is really around, the SASE offering. And we touched on some of our successes that we are already starting to see in the early phase with some of our customers. And really, the SASE offering very simply combines our network and security as a cloud-native solution for our customers. So it's, you know, it's not a siloed approach. It's bringing it all together. And that's where we think this is going to evolve into. From an outcome perspective We are starting to see early off-take in some, you know, customer conversations and successes as well. And the last one is really a digital fabric tool. And the digital fabric tool really is an end-to-end orchestration SaaS platform, if you will, which is being built by us and offers the customer, you know, end-to-end visibility and manageability. And we'll talk more about this, you know, in the weeks and months ahead and share with you how we are making progress. Lakshmi alluded to that a little bit, but we think the power of what it brings to our customers around observability and around management and control is very, very profound. And, you know, that is something that we will, you know, we are starting to see great currency and acceptance with our customers. And that's a capability that we are actively building as well. But to talk about the 2, which we think are, you know, important for today's conversation, one is around the IZO cloud network and I invite Rajat to come and speak on this.

Rajat Gopal

Thank you, Sumeet. You know, I'm going to talk about the unified cloud network. Very simple name. But after learning from Gurvinder that the banyan tree is called Ficus Benghalensis And I'm tempted to come up with something more impressive than this. You know, in terms of this, the product and the solution I'm going to talk about is almost, you know, 5 years in the making. And you may wonder why we are talking about it now, and I'll come to that in a moment. But the reason I say 5 years is because if you go back five years, what really happened is, you know, the whole world was stuck with the Covid pandemic. And it did not only, you know, leave a lasting impact on public health, but it also had a huge impact on how enterprises did business and the technology ecosystem they had. Right. So what happened there was, you know, I've named a few of them. It really accelerated the adoption of the cloud. You know, with all the workforce working remotely, they wanted, you know, access to those applications anywhere, any time, securely. Right. So you had this move to the cloud. You had this remote work, companies were trying to secure their supply chains and make them more resilient. There was an explosion of IoT data. So all that, you know, was leading to what we can call a decentralized enterprise, right? Your applications were split across multiple clouds, private clouds, and public clouds. Your workforce was everywhere, working from homes or different locations. And then these devices were everywhere, right. So all in all, this was, you know, the advent of the era of the distributed enterprise.

What it translated to is a need for a network that allowed, you know, the users and the devices and the things to access those applications, delivering the right kind of performance securely, again, from anywhere, anytime. And a lot of times these enterprises figured out, well, we don't have that network in place, right. Which led to performance bottlenecks, inconsistent user experience, you know, and, of course, unpredictable costs. So in terms of the needs of what distributed enterprise needed, you know, and this is why I say it is 5 years in the making, they wanted a network that provides an optimal cost performance. They wanted, you know, a network that is on-demand, ephemeral, and some things they can bring up and down on a need basis, a network that takes them to any cloud, any time; a network that, you know, provides uniform end-to-end security and a network that provides a consistent user experience for the applications.

Now, the reason, you know, we were not talking about this a few years back is that there are 2 trend lines need to intersect for us to deliver a compelling solution that meets all these needs. So this is the first, right. The rise of the distributed enterprise, the second one was another trend line, which was the evolution of enterprise networking. So there was a technological trend that was also taking shape. If you go back, you know, for almost a decade, networking was very hardware centric. Go forward. You know, there were these control and software planes, or, sorry, the data planes that were decoupled. The network became software defined. And then if you go on, you know, as cloud networking took hold, networking became more cloud native in many cases, software only, and where it is now, and especially as it becomes intelligent, the goal of many enterprises is to have networks that are self-driving and self-healing, which is our focus, and that is delivered by 2 movements. One, the software is eating the network, which has been happening over the last decade. But what is happening now is that AI is eating the software, so you can use AI to deliver and build and implement really intelligent networks, right. So if you combine the previous trend line of the rise of the distributed enterprise and this trend line where AI is, you know, really enabling and can enable the building and implementation of an intelligent network, all this put together, we come up with a unified cloud network.

If you're familiar with the networking space, the people talk about networking in terms of, you know, first mile, last mile, and middle mile. We really wanted to take miles out of networking and we love the concept of zero. Zero miles And it did 2 things. One, we wanted to focus on getting all the users and all the things in a performant manner in a secure manner to the cloud, zero distance, and lowest latency. And then at the same time, we wanted all the applications as they wanted. You know, this is the era of distributed enterprises, but also of distributed applications that run on different clouds and how they can talk to each other. In zero time, we can create a network where you capture the intent of the user in terms of what they want to connect, wherever that lives, and translate that to a network design automatically, right. So this is again a combination of a network that takes you to the cloud and then also works within and across clouds. And what we've seen about this is that this is not only a good idea but is also good business, roughly translating to an $8 billion market in the next 4 years. And growing at a CAGR of about 30% So it's a good place to be. So that's where we are investing, and that's the solution that we are soon bringing to the market. It enables, you know, a lot of use cases ranging from, if you want to localize and preserve data sovereignty. The solution we are building not only connects things but also can make sure that data that lives in a certain place is isolated and doesn't go out.

Talk about cost optimization in terms of a network where you can visualize the real cost of running at any given time, hybrid clouds, you know, how do you connect private clouds to public clouds or to campus networks, implementing disaster recovery and high availability solutions and of course, cross-cloud connectivity doesn't matter whether the applications are running on AWS, Google, Azure, or any private cloud, with a click of a button, they can all communicate with each other. So I just want to, you know, in the interest of time, say we are building a solution that takes user-centric design into consideration based on innovation pillars centered around AI, which optimizes, automates, and provides the best experience. So think of these as, you know, the pillars of innovation that are the driving force behind the solution and outcomes we achieve with them. This is, number one, much faster time to establish a network, vastly reduce error rate, because now you don't have to learn about the idiosyncrasies of different clouds. How to configure the policies on each cloud we abstracted, and all that happens on a click of a button and a cost efficient right. You get visibility into the real cost of operating the network, and the network itself figures out a way which allows it to operate at the least cost. So that is the unified cloud network for you. Thank you.

Rajesh Chandran

Good evening. I want to talk to you for a moment about the exponential age that we are in. This is an age where convenience trumps loyalty. We're spoiled for choices in terms of goods and services. We can avail ourselves of access to anything and everything when we want. Yet enterprises are struggling to retain their customers. We live in an age where, post-Covid, 50% of all customer engagement is digital and 70% of customers are willing to try self-service during their customer journey. Yet Indians alone spent 53 billion hours last year on call hold. We live in an age where you can create an IPO prospectus on ChatGPT in a few minutes. Yet CMO's, contact center, BPO heads, CIOs, and CTOs are waiting for their reporting that shows how much they're spending and what they're spending on. They still live on spreadsheets, and they still live waiting for those dashboards and reports to arrive. 40% of enterprises continue to have data silos. We live in an age of broken customer journeys.

Today, I wish to share with you how we transform these fragmented customer journeys that Lakshmi talked about. The first is really having a unified view of the customer and providing a transformative experience to agents for handling customer conversations. This is powered by a CX ecosystem that has connectivity to CRM, various interaction touchpoints, as well as customer context and history. This ensures that we have fewer handoffs and faster resolution. Wouldn't we all like to have our resolution, our issues resolved with the first call, with all the context one touch away.

The second is hyper-personalization. Today, with the advent of a lot of digital interactions What is able to drive hyper-personalized interaction. the segment of one And really be able to target customers when and where they want. What this means for enterprises is improvement in lead conversion. We're already seeing with our campaign automation a 3%-4% average improvement in lead conversion. So this means, both from an acquiring customer perspective, purchase and a post-purchase journey perspective, they're able to better engage with them.

Last but not least, deep analytics and insights for the buyers and the decision makers who are ready to invest more and more in customer experiences. The end result is really our Kaleyra.AI platform, where I meet enterprise grade six. Enterprise-grade six really means something that's trusted, that's reliable, that's secure, and that's scalable. But most importantly, it delivers outcomes to customers. Over 90% of customers that we surveyed believe that a positive customer interaction experience is critical to their business performance. Yet only 38% could deliver that. With the Kaleyra.AI platform, We are delivering on that promise.

In terms of our value proposition and what we bring to the market. I would like to highlight 4 key things. The first and foremost is deep vertical expertise. Sumeet talked about our exposure in BFSI and how we're growing fast in that customer segment. Not surprisingly, a lot of our experience in those verticals comes from working very closely with banks, consumer banks, insurance firms, and retail banking and really understanding customers and user journeys end to end, and then crafting the customer interaction experience that they need. We've gone down to every single level of user journeys, understanding those and then building our product and platform based on that.

The second is domain experience. I would like to go back to the vertical for a second. We also have retail and e-commerce. Some of the largest quick commerce, hyperlocal delivery, and e-commerce customers work with us, and we're able to serve them and scale them as they grow. Travel and logistics, the aviation industry is the fastest growing both domestically and internationally in India and abroad. And we have a deep understanding of knowledge of working with those customers from the CXO level, down below, and we're able to tap into that opportunity. Domain expertise for us comes to this. One is really understanding what an intelligent care is. We've spent a decade working with different partners on contact center solutions, so we really understand the journey of our customers and enterprises and how that is delivering benefits. Today, it is no surprise that that same contact center and back-end automation are being disrupted by AI and we are at the front end of that. Leading that charge to help our enterprises figure out how we can help them transform. Conversational commerce, commerce more than ever is changing. It's hyper-personalized. It's hyper-segmented, and it's evolving rapidly. And we're able to, with our knowledge and experience, participate in that, and we're able to help our enterprises kind of unlock the value as we move towards $1 trillion of e-commerce globally.

The third is the innovation. We spoke about Vayu Cloud, and we're kind of pleased to inform you that we are building our AI capabilities on that Vayu cloud and these are domain-specific capabilities. And I list a few. One is what we are seeing, the advent of voice and how it's transforming. 2/3rd of all Google search usage in India is powered by voice. Voice is the fundamental interaction touchpoint, and we're kind of working in that area on how we can build interactions modeled on that. Gen-AI assistants, both for key buyers and decision personas, as well as folks on the ground for making decisions and how we're able to convey the customer interaction journey and the insights from that. How were they able to translate that into metrics on ROI, return on ad spend, and so on and so forth, and then agentic in customer journeys. These are end-to-end agentic workflows that basically take in a person's profile, their context, and their past history, and they're able to create a seamless journey end-to-end across different customer interactions touch point, web, mobile so on and so forth. Combine these on a unified platform. We're able to deliver sustained customer value.

Last but not least, we understand that delivering a positive customer interaction experience means building a robust ecosystem. We're thrilled to partner with some of the leading customer interaction players in the industry, including Genesys, NICE, AWS marketplace that is the leading B2B SaaS marketplace, Amazon Connect, and Cisco and there are many more. With this, we believe we're able to provide a complete and positive customer interaction experience. Improving positive customer interaction experiences leads to better business performance.

Lakshmi talked about the increased coverage that we have with analysts. We're pleased to inform you that we've moved up in some of these. Recently, on Juniper, we were announced earlier, we were a challenger, now we're on the leader board for forecasts for CCaaS and for CPaas first time we're also on the leaderboard as well. And Gartner, we're in the Gartner Magic Quadrant for CPaaS, and we continue to work on those capabilities that can evolve us. Last but not least, there's a huge white space here delivering enterprise-grade CX with AI. And we believe by 2030 this will be a $20 billion addressable market. This is a huge opportunity, and we can't wait to work with our customers to help them get there. Thank you.

Sumeet Walia

So just to summarize all of what we saw, I mean, I'm hoping it's giving you a good insight into the journeys we are on, what's under the hood, where, you know, strategic bets are being placed, and what's the focus for us in the year but in the years ahead as well. So in summary, to draw back to, you know, our growth ambition, our growth ambition, as you pointed out, you know, states we are focused on delivering that ambition. It may have moved by, you know, a few quarters, but it stays intact. And that's the motion and notion that, you know, everyone in the organization is focused on delivering. What does that mean from a business, customer, and market perspective, I want to go back to where I started, which is the 3 R's of Relevance, Revenue, and Reputation.

On Revenue, which was the first marker of what we called out, our goal is to ensure that 65% of our overall revenue that we have in our data business will come from our digital portfolio so that's the goal. You're seeing the early shifts that are already happening in our million-dollar customers. The ambition as we get to Rs. 28,000 crore will be to continue to have, you know, much higher growth rates in our digital portfolio, which will lead us to a 65% contribution in our overall data business.

The second is really on $1 million. This is our Deeper with Fewer. This is where all our energy, emotion, and notion are really focused. From a relevance perspective and we believe that in all our million-dollar customers, which is the 290 of them that we have today and the ones that we will acquire in the future, we will have 3+ fabrics in all our customers. So the power of, you know, what you saw in the case studies and in the stories that we shared with you will translate to our entire universe of million-dollar customers, and over 80% of them will have 3+ fabrics. So that's on our relevance and eventually on reputation. In the context of India, we are a market leader. We continue to be a market leader, which we, you know, not only benefit from that position, but that's a position that we take very seriously. And we want to continue to have that leadership position in the future. In our international markets, we are currently a market challenger. We believe, as we, you know, pace ourselves to Rs. 28,000 crore. We will create ourselves as an established challenger in all our international markets. So these are the markers of our 3 R’s strategy as we move to, you know, Rs. 28,000 crore with that. Thank you very much, everybody. I want to now invite Kabir to come over and give the closing session.

Kabir Ahmed Shakir

Thank you, Sumeet, and good afternoon and welcome to everyone. I guess I'm standing between you and drinks. So, bear with me for the next 30 minutes as I walk you through our finance elements and of where we have come thus far and what the journey that lies ahead of us is. There will be certain elements of what Lakshmi and Sumeet have mentioned, which I intend to cover again. But I would like to see this from a very different vantage point of finance and analytics and earnings so that, you know, all that we talk about of relevance and reputation and every element. How does that translate, you know, eventually into earnings and into what we believe the future holds for us. Firstly, I don't know if any of you, or some of you, have probably known this. I think you'll be delighted to hear that BCG, which released a report a few months ago, ranked Tata Communications as number one, you know, in terms of TSR returns over the last 5 years amongst all the global, you know, telcos that they, that they actually studied. So I think this is a very proud moment for us that is a testament to the journey that we have gone through, which you all have been, you know, witness to. Let me quantify that. You know, in terms of numbers. But before I do that, let me bring to life, and some of you will have heard, in fact, I meet most of you during the year, and I quite often and passionately talk about our finance strategy and the core of our strategy, which is the fit-to-grow model.

The fit-to-grow model is all about driving profitable growth. It starts with driving profitable growth, which, when you consistently deliver, gives you operational efficiency, fixed cost leverage, margin expansion, waste reduction, and all of that bit, leading to sustained profits and cash flow, which we intentionally make a choice to reinvest back into the business organically and inorganically. And that fills to market gaps, portfolio gaps, which then in transit drives the profitable growth. Now, this is not a mere model. As I've explained to you. It is backed by a financial model with multiple scenario planning. And I'm happy to tell you that this is already, you know, allied up in our last 5 year journey. The first two or three years, you did see us delivering double-digit growth. And that led to, you know, margin expansion. We took that margin that profit, that cash flow, and invested it back in buying, you know, assets. Kaleyra, Switch increasing, you know, our CapEx now that has given us that expansion of relevance, as you actually heard in the last 2 presentations. Now they need to know to deliver back. So the circle is almost 2/3rd complete. And you should see that getting full circle in the next, you know, couple of years as they come through. So that's the model that is, you know, working through quite well for us. We did start with driving profitable growth. We did get, you know, increased profits and cash flow. And we have chosen to invest that back. And we will now see them, you know, paying the returns for us.

In terms of numbers. Right. In the last five years, we have added over Rs. 21,000 crore of EBITDA. This is 50% higher than what was added 5 years before that and 60%-70% higher than what was added, you know, even 5 years before. So that is the volume, you know, that we talked about the transformation that this company has really gone through in terms of cash flow. The last five years were about Rs. 7,200 odd crore that we have added in terms of free cash flow. Clearly you could see the efficiency in the balance sheet already come through. This is 4x the cash flow that we added in the last five years preceding. You know that as well. Not only did we generate that, but where did we, you know, spend it. About Rs. 8,700 crore went into CapEx. We increased, you know, our CapEx the last—I mean, I had mentioned to a lot of you that we want to get into the 300, you know, range, which we got in in FY25. We are steadily increasing, you know, our CapEx. And—I'll talk about the framework and how we are investing and what the guiding principles are subsequently. But these are the numbers for you. We spend on M&A, which we had not spent on before in the last five years. So there is no comparison for that. And here I'm not talking about, you know, I mean, dividend as a lever because it's the sources and uses of funds. But since funds have gone in compared to five years ago, when we were paying Rs. 4 of dividend, we've now been consistently paying Rs.20 – Rs. 21 of dividend. So that's about 5x, you know, increase. And even in the dividend payout also that we are making, you know, as an organization. So that's the kind of money that we are, you know, reinvesting. And this has given a 6x return to shareholders in the last five years, which is what is evidenced in the external report by BCG that I shared with you, a slide before. So that is, you know, in terms of what we have done, the only two slides of what we have done, you know, and I want to situate ourselves to where the journey is where we have actually come. And the next part we will talk about what will enable, you know, future growth for us in, you know in Tata Communications. The way in which I conceptually look at this and how the leadership discussions happened around Lakshmi's table is about creating three kinds of capacities, like we want to create the financial capacity, because if you do not have the financial capacity, none of this that we talked about can be enabled. We also need an innovation engine, especially in an industry where the headwinds are there, which Lakshmi talked about in the second slide. Right. If we do not innovate and if we do not shift, you know, out of our focus, we will soon become, you know, irrelevant, or we will be victims of churn and price erosion that this industry, you know, is characteristic of. And finally, you know, strategic. And I'm going to bring this to life for each of them that we are doing. And it's a journey. We have covered quite a bit, but there are still, you know, miles to go. And I would like to give you a sneak peek of all that we intend to do.

On the financial part, you know what we have done thus far. Right. We have very clear, sharp focus. I mean, you will find a little bit of a diabolic, you know, message when I, when I stand here and talk about when it comes to innovation, you know, I would like to have my head in the clouds when it comes to financial. You know, I would like to have my feet firmly on the ground and be hard-nosed about driving returns and performance and making businesses accountable, you know, for those deliveries. So very clearly, we have increased our CapEx by almost, you know, 1.3x what we have been spending before. We are now our number starts, you know, in the 3 million dollars in numbers. We looked at all our non-core assets and called it out a few quarters ago that we are doing a strategic review of all our assets. Right. We disposed off our ATM business. We got a good, you know, value for that business, we have started our real estate monetization. I mean, we did that in the past. There were smaller land parcels with that we were doing, one large land parcel that we actually did was Ambattur land parcel very recently, which came up for shareholder approval, you know, as well as due process. So clearly about Rs. 1,400 crores, you know, we generated in the last year by doing all of those things.

Also, we looked at other investments that we have done. I mean, we did invest in Net foundry with a lot of promise. But I do believe, I think as a management team, we came to a conclusion that it is better off, you know, served by someone else who probably has deep pockets to take it to. It's, you know, to its potential. And that may not be, you know Tata Communications. So that was a very, very courageous decision for us to step back, you know, from Net Foundry. And we did that, and we communicated, you know, as well, plus in TCTS yes we made it, absolutely, you know, a fit and agile machine they have from EBITDA breakeven. They are now getting into double digits, you know, EBITDA, very, very characteristic of a services business that should deliver the profitability, it was shadowed by multiple things, you know, some of them by time that went away because when Covid happened and there were certain onerous contracts that came in, we couldn't, you know, offshore them, and we, you know, had the burden of that. But that time took that away. But then there was a large, you know, onerous contract for which, you know, we lost top line there, but it was the right thing to do because it was bleeding and there was no end in sight. You know, for us, with all that done. In the last 18 months, we have done, you know, quite a bit to clean our balance sheet and become agile and fit and nimble. And that is more, you know, to do in terms of driving our financial capacity. On innovation, you know, as I talked about, we need a balance to have a balance of experimentation and exploring, you know, spaces. There are going to be technologies that are going to evolve, and we need to be present there with the right amount of, you know experimentation and funding. You know, for each of those technologies, we are in the digital ecosystem space, and we cannot be, oblivious to the advancements that are happening, you know, around us. So we will continue to invest. So you've heard now, 0-1-3-30 many a times, you know, from Lakshmi and, and, and others whom you meet regularly. And we continue to invest, and we have done that in the last 3 years Stepped up our investments in each of them. And then we pick up, you know, each of those things and decide which the ones are where we are going to place our bets and scale up strategically. You heard 2 examples, both from Rajat, and on the unified, you know, cloud network, immense, you know, potential, you know, it has, it's already, you know, a $10 million, you know, business. But it had some private connect legacy as well. So it's closer to 30, you know, as a bit now, but just the MCC and MCN and the unified network itself is a $10 billion business, SASE is growing, you know, quite handsomely. So we are having a clear performance focus as to what revenue, what thresholds we need to cross and how we continue to fund each of those things. Happy to say that the ARR of these businesses is already 30 million in FY 25. We are not counting the ones that have gone to the 30 stage at the moment. The Stage 30, you know, for others who have probably not heard this before, is when the product is commercialized and then it's available, more of a GA kind of a product that we excluded.
Because if I had to include all of those, then it's almost closer to, you know, $1900 million. But I'm sticking to all those that are still in the nascent stages of 0, 1, and 3 that have, you know, come to about a 30 million ARR that we see, and we see huge potential off of all of those things going forward as well. So continuing to build our innovation capacity, you know, as a company.

And finally, the 3rd piece is the strategic capacity. I mean, I want to spend a bit of time, on strategic capacity because, as Lakshmi talked about, there's a lot of paddling that is happening under the water. I mean, it's all feel still on top, but there's a huge work that has happened in the last 18-24 months. As we, you know, spoke about, the first thing that we have done is we do see M&A and inorganic as a very, very strategic and important lever in our growth. If that's the case, is the organization future-ready to tap each of them, we said we will create acquisition vehicles. So I mean, you would have seen SEBI disclosures. UK and Netherlands, where we have made, you know, direct investments. It's nothing. But they were step-down subsidiaries. We made them direct subsidiaries with the intent of them becoming acquisition vehicles. The potential targets we may have in Europe or in the US to ensure that we are tax efficient, you know, when it comes to acquiring, you know, such targets. So that was what we actually did. A lot of learnings on buying Kaleyra and SWITCH. We've not done M&A before. So yes, we did have our share of mistakes that we made and delays that we had in terms of our integration. I think we've learned from, you know, all of them. We now have a playbook, you know, that is ready and available for us to take that forward. Another thing that I've mentioned in the positive outcomes, but not on the left side, is what we did with respect to redomiciling our entire subsea cable infrastructure, which was domiciled in Bermuda to Switzerland as BEPs 2.0 started kicking in, there was a possibility that we may lose the NOLs that were actually sitting, you know, in that entity, close to $400 million is what we have preserved by moving, you know, that entity from Bermuda to Switzerland.

When I say, you know, financial capacity is still there, there are all those NOLs that are actually sitting in there, which, when we grow our international business, the ability for us to bring, you know, in a tax-efficient manner is quite high. Even giving the example of our land sale. We are sitting on huge capital losses. So there would be, literally, when we sold it, we got the entire realization, in cash because we were able to utilize the capital losses that were available for us. Clearly, we are building in all of those things and starting to reaping in the benefits of those capacities, new capabilities added in the digital fabric. I mean, I call it a strategic capacity. I mean, not only confining ourselves to numbers, the fact that we are able to do multi-fabric deals, the fact that we are becoming relevant, you know, with our customers, from a CFO lens, I look at the source of revenue; I look at the source of profit as a source of revenue. Source of profit is a consistent, repeatable, sustainable, you know, source. Then that is actually a capacity that we have created. And that's how I look at our digital fabric investment as something that makes us relevant to our customers and makes the renewal cycle a lot more moved away from price and churn, you know, into a lot more value-adding, you know, kind of a conversation. So clearly when you have 3+ fabrics sitting with the customer, the stickiness, you know, increases, and, and therefore your ability to consistently have them, you know, as your customer also improves significantly. And of course, cable investments. Again, we made an announcement very recently in the public domain. We will continue to invest there because we need to and that's clearly a profitable business. And and we would want to sustain, you know, our, our leadership in that, you know, in that business. And we will continue to invest there as well.

I also want to talk about, you know, why we should focus on capital productivity. If I look at, I mean, traditional telcos, I mean, they've had high EBITDA margins. But their ROCEs have been low. And I mean, this is a financially and mathematically astute crowd. I do not need to explain to you that ROCE is nothing but a product of profit margin and asset productivity and in Tata Communications, when we talk about EBITDA margin, I'm also simultaneously talking about ROCE as well. So we will dynamically do resource allocation on maximizing ROCE, by the right judicial mix of where do we play the margin game and where do we play the asset productivity game, you know. And that answer may vary depending on which businesses we are in and which stage and life cycle of innovation that those businesses, you know, go through. All I want at this stage to give you is that there is a sufficient rigor that's gone in, that continues to be there in every decision-making, whether it's a capital decision or whether it's an, you know, innovation investment decision. Clearly that comes through and the ROCE mindset is embedded, you know, in the organization. What have we done thus far? So when I talked about what is our capital framework? You know, I want to bring this to life so that we break capital into 3 parts and, inorganic aside, the organic capital into 3 parts. That is a sustainance CapEx, and that sustainance CapEx is capped. So there is no democracy. It's not that everyone gets, you know, an equal share. Very clearly. It's capped ertain percentage of revenue, we have been historically in the 2% range. Some years we've been at around 1.8%, some years at 2.1%. You know, that's the range that we actually operate in. So 2% is the cap that we normally allow a sustainance CapEx to run through, which is typitypically across industries as the norm that's what we play with. A customer success based CapEx, I mean, literally no limit and no budget. You know, that's something thatwe try and create an envelope from a planning perspective. But these are direct links to growth. So if I need to deliver revenue, to a customer and therefore I need to procure, you know, any piece of equipment that usually gets amortized over the tenure of the contract, then we measure that from a deal profitability and deal cash flow perspective. So theoretically, you know, speaking, there may be an envelope, but otherwise, literally there is no budget because we would like to maximize revenue as much as possible.And are not constrained from a funding perspective from a balance sheet. So, that is not a worry for us to, to fund. And then the strategic CapEx comes where we actually really take a call,hether it's a large cable investment that we are doing or an AI cloud, you know, investment that we are doing. So typically, what you see in the middle, you know, are the kind of investments that we have made which fall into, you know, the strategic bucket, some of them fall into the customer success, you know, as well. But clearly these are the investments that we would like to make for the future.

Some of them do not give returns in the immediate term, like Kaleyra.AI we want to invest, you know, in the platform, as Rajesh talked about does it make sense, you know, for us to not just have dump bulk SMS but really participate in the customer interaction journey and talk the language that the CMO’s understand and are able to

relate to it, that can only happen if you make the right, you know, investments both in terms of CDP and also in terms of the AI, you know, that you want to put on top of it. So very, very clearly, you know, that's something that we will continue to invest in, you know. Has it given me the returns on day one? Absolutely not. Will it give me. We firmly believe so. So, those are the kind of strategic investments that we will make and create our capital allocation and expand this, you know, as we go, having an eye on returns, of course.
What will this capital capacity creation do? This financial, the strategic, this innovation—all of this is going to increase our earning power and that will result in margin expansion. And I will take you through both of these elements in the next, you know, few charts. Our earnings power is on the rise. I'm trying to culminate. This is what I meant by a little bit of a repetition of what Sumeet and Lakshmi then talked about. I want to bring this to life from a finance angle. How see each of them flowing through in terms of sustained revenue, in terms of customer LTV, in terms of margin expansion, and in terms of in terms of customer profitability.

Our relevant strategy, very clearly, is that is that the number of MDC customers, 10 million and 5 million customers, is expanding, we are seeing, you know, improving NPS. We are seeing being relevant. We are seeing invitations boardrooms, and we see a higher share of wallet in each of those customers encouraging sign. It's been going on in the right direction that we want it to be. It has opened up new markets and opportunities we are now addressing local champions. We a wider portfolio, wider SAM and it is clearly reflected in the large deal wins that we are seeing. This has resulted. This company, probably "transformation is an overused and abused word already but I will continue to overuse it because that is exactly what we are going through in Tata Communications.

We are going through a huge, huge transformation and therefore we want to bring this into our DNA, that we are no longer selling products. We have moved from products to platforms and and now to multi-fabric deals. So the platformization the multi-fabric is something that is seen almost in every customer acquisition. You know what we see through our entire journey. And we want to talk about AI in almost anything and everything that we want to do. It is. It is pretty much in every aspect of each of our products. AI is somewhere or other, you know, embedded in and integral to the entire thing. We only brought two products to life for you, but rest assured that it is embedded almost in anything and everything we are doing. So therefore, I clearly see that we are putting the seeds in to see this all reflected in our earnings power. What I want to know is, is, shift the focus where, you know, should we look at, you know, the EBITDA of this company,, and where is it headed. 5 years ago in FY 21, our data business was only 74%.And that data as business has now grown to 84%. So very, very clearly there is no point after point in time. Slowly this will, you know, grow even more in the non-data part will you not significantly. So very clearly our focus and our strategic direction are all data. So I want us to shift the focus to data.

Last year when we closed the year,we ended with 18.7% data margin. And of which, you know, if I break this down, right, core connectivity was at 43.6% and it generated about Rs. 4,538 crore; the digital portfolio lost close to about Rs. 900 crore. I mean, you all knew you do the math, you know, on your own that this is a portfolio that has been breaking even, stroke negative. We have spoken about it qualitatively. And when we spoke 2-3 years ago, our data, our digital portfolio as a percentage of data, was small. So there I said, "This is not the time to put our focus on profitability." We want it to scale. We wanted to get to the right, you know, level of growth.
So we were looking at input KPIs on growth per se. Now that we've got the digital portfolio quite big 47% and Sumeet concluded, "We are going to get to 65%." We cannot afford to not have an eye on the profitability of this business; the profitability of the business needs to grow up. From Rs. 900 crore loss, we want to get this to a double digit margins and clearly it has 2 milestones, first to get it to break-even and low to mid single digits and then to double digit margin.

What is that play? That play is of Rs. 2,300 crore of EBITDA that we can add in this period. Now don't as me what the period is. I mean, you know, quickly, I'm sure all of your worksheets and math and CAGR calculations are going through, but I want you to participate in the conceptual journey that we are actually going through, that now that we have acquired and we have grown these businesses, we need to not make them scale to a certain level, after which the profitability issues are coming. Operating leverage should kick in. I mean, many times you've heard me and Lakshmi talk about glide path. You know, there is a glide path that is available for each of them where we double-click and see the destination margins. Eventually we want to get all of them. They will not get to the level of 43% that connectivity is in, but they will get to a double-digit margin. And for us as a company, if we want to get out of the industry headwinds that Lakshmi talked about, the only way is when we are bringing in a lot of our value additions through the digital portfolio. That's when the multi-fabric thing, you know, comes to life. Therefore, getting them to a sustainable level of double-digit margins of Rs. 2,300 crore is something that will, you know, be a clear focus for us in the next few years.

With that, I also want to talk about it because I mean, this is an analyst, financial analyst community. You also look at the balance sheet, not just the P&L, right? We do have liabilities, there is a contingent AGR liability hanging over our head. There are also, you know, a couple of other liabilities in Canada and in Spain as well, all of which you see in our, you know, I know on a balance sheet, and God forbid, if some of them were to fructify, you know, what would happen, you know, is something that scenario planning, which we always do, you do it, I do it, as well. But I want to reassure you that we have enough assets, you know, on the other side to far outweigh, you know, the liabilities, even if that were to, you know, fructify. And I hope that if the right side, you know, goes away or anyway, on the left side, we are progressing in terms of real estate monetization and cleaning up our balance sheet and getting, you know, a lot more. It's going to be a very, very, you know, different company in terms of the ROCE's that we can actually generate if we are to put this money back in organic or inorganic, you know, investment into the company to drive growth. I want to give you a view because some of you have asked this question, and I thought it might be pertinent, you know, for you to know. I mean, we did own the data center business, which we divested in 2016. We still hold a 26% stake. Our stated philosophy is that we will continue to invest in every capital raise that STT does. But I'm sure some of you might be covering it as part of your coverage. Also, this particular part of the business, or the industry, I mean, there are multiple reports. One of the reports I took was that this market is going to exceed 4,500 megawatts. But I've seen 5 gigawatts, I've seen 10 gigawatts. I mean, I've seen multiple such reports, but very clearly, whether it is 4.5 or 5 or 10 is not the point. I think the tailwind that is mentioned in the bottom of the slide is something which all of us can relate to. I mean, it is, you see, heightening clouds, as you know, adoption, you see, you know, the explosion in and consumption of data. You see the Gen-AI and you see in India when it comes to data localization as well. Very, very clearly there is value that is actually sitting in there. And what value all of you attribute. I leave that to you. But I clearly have that investment that is sitting in. And we will continue to, you know, invest in it as well. And is something that I want to bring to your attention.

Finally, I want to conclude by saying that we will I mean, this is the same chart that you saw in the beginning. Yeah. We remain steadfast in our ambition. We will double our business, albeit a few quarters, you know, here and there our ambition is to have the right balance of EBITDA and ROCE. We want to deliver,we are not going to go down to single digit, you know, cases. There will be a focus, you know, on ROCE. It's come down because of the acquisitions that we did. But very clearly we have a line of sight of bringing that back up to greater than 25%. And, you know, our EBITDA margins should also come back to the 23%-25% range that we that we spoke about while, you know, doubling our business to Rs. 28,000 crore. With that, I come to the end of my presentation. Sorry. It's been a whirlwind, you know, that I wanted to take you through, but give a good idea of what is the nuts and bolts that's gone behind the strategy is what we wanted to bring to life to you.

Now, with that, let me hand over the stage back to Rajiv.

Question and Answer sessions:

Rajiv Sharma, Head Investor Relations

Okay. We'll start with the Q&A session. Restrict to strategic questions and make the most of senior leadership presence.

Deepti Chaturvedi

Thank you for the presentations. So my first question is for Lakshmi. So when you have a target ambition for Rs. 280 billion of data revenues by FY28. That's about 45% growth from current levels of FY25. Does this still build in any inorganic, you know, targets?

A.S. Lakshminarayanan, MD & CEO

No, I don't think, we don't want to plan based on any inorganic. If it happens, it happens. But the numbers we are looking at is not building in any preconceived notion of what we will do inorganically. It's not that to say that we are not looking at it. We won't look at it. But these are not with any preconceived ideas of having doing something.

Deepti Chaturvedi

So that is quite encouraging because it would be 13%-14% CAGR, which is the growth that was there this year. And this year had benefit of inorganic. So you're looking at acceleration and growth in revenues from current levels.

A.S. Lakshminarayanan, MD & CEO

True. I don't want to we can spend some time on numbers. But as I said before, the story behind the numbers. See, the investments that we are making intrinsically the is positioning ourselves not just to transform ourselves, but to help our customers transform. We are clearly seeing those markers of success. To me, those are the long term success metrics that we are tracking. And whether it happens in a few quarters now and a few quarters away is really not my concern. And so you might be, you can continue to push me on that numbers, whether it'll be a 14% growth, will it happen or is it a 10% growth. I wouldn't want to predict. And, you know, we will push ambitious targets. We will keep, you know, are keeping our heads down. And we are very confident. And all the investments that we're making is in the right directions. And we have the discipline on the execution to do that. That will be thank you.

Deepti Chaturvedi, CLSA

And my next question is for Kabir. So while for FY25 data revenues grew by 14%. Data EBITDA was flat. So again management has an ambition of 23%-25% margins. But at the fourth quarter margin of 17.5%. Can we see are we at the bottom.

Kabir Ahmed Shakir, CFO

I mean, I, I mentioned this also earlier. I remember in when I was in Q1, Vibhor asked the same question. You know, I have it reached, you know, the bottom. I mean, I would like to believe, yes, we have reached the bottom. But I also want to reassure that all the actions that are margin dilutive are self management taken actions, each of them. Right. So very clearly we can pull the plug on innovation. Right. Because these are if I were to look at how much of investment in OPEX that we are doing that is not towards current year revenue. We track that. We track how much investment is for this year revenue and how much is for future years revenue. So those are levers that are available. I mean, two points are straightaway there for us to take in. Within two quarters we can get back in. But that will be, you know, irresponsible. So if nothing changes, yes, that is where, you know, we will get through. But since that statement, a lot has changed in the world as well. I mean, we talked about, what's happening in the geopolitical situation. We are talking about what's happening in the tariff, you know, situation as well. So a lot of them mean that sometimes certain deals that we planned for, do not fructify in time and they get delayed by a quarter or so. That is what Lakshmi means about few quarters here. And there is really not a concern because are we having the right conversation? Absolutely, yes. Are we invited in? Absolutely. As if, if we are seeing this, these headwinds like it is not broken, why fix it? Right. It's important but not urgent. Right now I have something else that is a far more urgent, like a tariff, you know, situation. And I need to worry about my supply chain reconfiguration in that stage what we are doing is wanting to be partners with our customers. Tell them that even in this uncertainty, you can rely on us because our products and services are available for both revenue side and cost side outcomes. So we are here, you know, in that journey and therefore, you know, I would like to see, a trajectory of it going up. A short answer to your thing is absolutely. The intent is that we will drive for margin expansion this year.

Deepti Chaturvedi, CLSA

Also, do you expect significant reduction in CapEx because Rs. 3,000 crore was spent in M&A, and that's not foreseen in the next 3 years?

Kabir Ahmed Shakir, CFO

Well, I will keep M&A out completely. M&A is not in our Rs. 28,000 crore. M&A is not, in our BAU CapEx. So if M&A happens, it happens. It has its own framework. It has its own, you know, markers that we need to cross. I mean, there is a Board that our shareholders we need to I mean that, you know, past the scrutiny of all of that. So I will keep M&A, you know, out of it on CapEx. Those are the three levers. You know, that I talked about the sustenance cap. That is not going to go up. It will be, you know, 2% or under 2% customer success based on strategic, honest answer. My intent is I want to invest more CapEx in this company, but have the rigour on ROCE, have the rigour on IRR. And when we have the rigour on ROCE and IRR, it will translate into value creation for all of us to our customers first and then automatically to my shareholders. Right. So I want to increase CapEx. I don't want to decrease CapEx.

Deepti Chaturvedi, CLSA

Thank you.

Sanjesh Jain, ICICI Securities

Lakshmi, first question. I got too many. I will club some of them, first on the white space you spoke about, right. The strategic. But we are talking, very interesting market, size for us and good growth. But if I compensate, we look our growth in those segment, they look below the industry growth. I thought we are a challenger. We want to improve our position. But if I compare the growth, we still lag the industry growth in a segment where our market share is small. I thought we would have grown faster. In this segment, we are looking at market share gain, but the numbers is that we have lost market share at least last year. That is the number what do you put up in the presentation. That is one. And number two, the examples we saw, the revenue growth looks super exciting, right. Each of those examples. But when we look at it aggregate for the digital services the number don't show so exciting right. So what is dragging down. Are we losing customer. Are we losing market share in many more customer which means it's getting drag that overall growth. How should we look at this in this context. The whitespace growth being lower, we are losing market share and there are high growing customer but on an aggregate basis, we are still lucky. That's my first.

A.S. Lakshminarayanan, MD & CEO

I think there are many questions. No, I don't understand where you got the losing the market share.

Sanjesh Jain, ICICI Securities

Know that the slide you show the five things.

A.S. Lakshminarayanan, MD & CEO

5 things are all new ones that you're talking about. The cloud connectivity is new. We just launched. So we are gaining market share that in that, Kaleyra.AI that we talked about is a new one. So I don't know what reference point they're using to say that, SASE is one place where we put the market is growing at 16%, we are growing at 15%. Other than that area, you know. Okay, I'll give you that. No, I wouldn't say that. We are losing market share. Market is a albeit growing. That is the overall global market is growing at 16%. Other than that one element, I don't know whether your interpretation to say that we are we are losing market share is the right ones. And so that is one. The second is, you know, when, you know, one of the things that we have been doing extremely well is the focus on the large customers. And that was testament from the, the MDC customers growing, the $10 million customers, growing and so on, where we haven't been able to do enough of is to bring more new logos and the speed at which we are converting those new logos to million dollar customers. And that is a function of more of, the market coverage and the feet on street that is required for us to do that, that we haven't put enough on the markets, but because we wanted to solve this problem first and that we need to address it. And, well, when we are focusing on the large customers, necessarily, which means that the focus on the smaller ones is going away. Right. We had a many of the international customers, which was still a chunky revenue in aggregate, but we created a digital desk in there to manage as opposed to a feet on the ground to cover them. So those revenues are going away. Third is some of the revenues that we lost in terms of the, in the collaboration space, adjacent space. So I put you all of that to the we are confronted or we were confronted with certain headwinds and some of them are industry headwinds. Some of them are, the dilutions and pricing and so on. So all of that, that is why are losing whereas in the focus segment of large customers, we are showing also that we are gaining. So that's the plus and minus that you see. And that is the reason why I said I want to tell the story behind the numbers. I thought I made it very clear because the net net, if you see your answer is right, we are growing only 11%, whereas you are saying in BFSI you have grown 2x, what is wrong with you? That is why I wanted to give you the color of where we are doing well and overall what the numbers speaks. But the story behind the numbers is what I gave you. You can interpret it the way you want to.

Rajiv Sharma, Head Investor Relations

And Sanjesh just let me add to what Lakshmi said that, in large markets, even in the Indian enterprise market and the DC to DC connectivity, these are two very large markets. We have been gaining market share. We have just launched AI cloud a couple of months back.

Sanjesh Jain, ICICI Securities

No, I didn't mean we are losing market share, I said that we are despite we being so small, I thought we would have grown significantly faster. Probably market share would have been a wrong word reference.

Rajiv Sharma, Head Investor Relations

Probably that that will pick up because once you build capabilities, it takes time. It doesn't happen that you launch it today and you start growing at the same rate which I incumbent would be. In fact, you will start taking their growth rate with the base effect.

Sanjesh Jain, ICICI Securities

Respect that. My second question on Lakshmi. Again, you mentioned that we are building individual enterprise led LLMs and enterprise, individual enterprise LLMs in our GPU as a service. Today the LLMs are built on the data which is publicly available. You said that we want to build an individualized LLM for the enterprises, right. Is that what I don't know that should it. Right.

A.S. Lakshminarayanan, MD & CEO

No, no you didn't. That is not what I said. I gave you a general point on how, you know, most of the information that is publicly available on the internet has been converted into knowledge in their LLMs because these all these have been, studying the internet and pulling the data of the internet. What is not captured in the model is the individual company's knowledge base. And what I am saying is the enterprises should protect that knowledge base and therefore the need for more private cloud and making sure that they are not exposing their data and knowledge to the public, which can then be, commoditized. And that is the point I was making in the context of saying why safeguarding that knowledge is going to be so important for enterprise. And in that context, what is a role that a private cloud can play.

Sanjesh Jain, ICICI Securities

That's interesting. So I have two question on India. One, with the kind of geopolitical risk we had, there was so many cyber attacks. Have we seen increased investment in India or at least inquiries on the cyber security side? Can that be a big driver in the near term? Now that people are so aware about the risk that, they are looking at, that's number one. Number two, we didn't speak so much about Private Cloud. I thought that was a very big opportunity within India. It's a white space. We have a leadership position, but that I think was missing, in our strategic bet.

A.S. Lakshminarayanan, MD & CEO

See, I mean, these are some of the new things that I called out that we are launching. It doesn't mean that the old things are going away. Right. So we have IZO Hybrid WAN. We have, you know, we have talked about the LAN and the WAN convergence as we said. Many of the things are there. So we just called out what we felt are the, the new ones that we are launching where these are strategic bets that we're making. So it doesn't mean the old ones are going away. And on the, cyber security, is something that, I mean, in the last few years we've been calling out, cloud and cyber security and particularly cyber security in India has been growing. But that is a crowded space. So I think I've talked about our, you know, our cyber security, portfolio, we can put that in two parts. One is all of the threat management space, which is what the SOC kind of services that we deliver. That's a quite a crowded space. That is a very contested space, ranging from SIs to Deloittes to EY and all of them are contesting in that space. We are also contesting and we are growing in that space. The other is more about the network security, which is where we are talking about, SASE, more integrated CDN plus, DDoS plus, network security threat intel that we can offer. That is another this is the where we are operating internationally. This is where we are operating in India.

Sanjesh Jain, ICICI Securities

One thing probably we were expecting in the presentation is more color on the order book. More color on the order book at least can help us understand how it has transformed in the last 3 years. Where we stand today, what is the expectation for FY 26? How is the pipeline?

A.S. Lakshminarayanan, MD & CEO

Looks like, this is more a quarterly conversation we can have. You know, you are asking the same question that I'll answer that, you know, in a month's time we will have that. But I think, Sumeet gave you some color on some of the highlights. The order booking and how we are particularly, I think, giving color on the million dollar customers how we are faring. I think that question was already answered. If you need more elaboration, Sumeet can also discuss.

Sanjesh Jain, ICICI Securities

That we got. Yeah. One last to Kabir, you talked about, breaking even in the digital services and reaching, double digit. So we have two levers. One is reducing the direct cost. Second one is the operating leverage in the, fixed cost. Right. What is the interplay between them? What role, or what are the efforts on each of these parameters, in terms of driving the breakeven? And what is the revenue level you think when we will breakeven and what is the revenue level? And an absolute term where you think we can reach a double digit margin? That's one. Number two, we are doing so much of cable investment now. We have started again. Repair and maintenance remains quite elevated in our panel. It's almost equal to our CapEx. Rs. 1,900 crore. How should that that trend we should see, with, new cable investment, which are, which will require much lower repair and maintenance. And how should it add into the probably a better EBITDA margin increase in the core business? Yeah. Thank you.

Kabir Ahmed Shakir, CFO

I would say on, you know, on digital, I mean, you can do the math. I mean, we really get to around 65%, you know, that shape that, that Sumeet mentioned, you know, in this final slide, and each of them have very, very different, you know, levers. Quite a few of them, I think, have now reached the kind of level that we, that we want in terms of the scale, you know, that they are there, that they should start, you know, delivering the destination margins that we want them to do. Another element, you know, to what you just said, not just leverage. And, alone, but also mix like, for example, in Kaleyra, I think it is it is mix that is something which we will the moment we have, more layer three and layer four services that we start to offer. The margin profile of them, you know, will be, you know, very, very different. So we want to start playing in that as well. And the weighted average should also lead to margin expansion. So I have a very different answer. You know, for you know, each of you know, each of them plus some of them is it's very clearly our ability to, to be a lot more meaningful. Again, give it take an example. We were earlier only talking to sporting federations, you know, from a media perspective, SWITCH, you know, as a capability that is given is making us now address, wider, you know, audience with the production capability. I mean, I don't think the World Athletic Federation, you know, deal would have happened just if we had been only playing the transmission space. I think our video production and the entire capability of SWITCH coming to life was able to how we were able to get, you know, that, piece come through. So all of this is what will lead to, margin profile. So we have not un-peeled how much is just scale alone because one leads to another, you know, and they are almost, you know, interdependent, as I would say, but clearly for the next three years, what should be the margin targets that CIS should get, what media should get, at every business level has been factored, you know, in as well. And, and we are now pushing them to be able to say, how can you delink volume and, and top line to margin, which means that, that if you are not getting, you know, this to what extent cost can be still, you know, as variable as, as possible so that we continue to deliver the, the margin. So that's the direction that we are. You know, we are heading into from a digital, you know, portfolio perspective. What I was trying to bring about is it is now not small, right? I mean the time has now come to look at the focus. This is, I think, the first time we have quantified the digital loss, you know, for you, the moment we quantify it, neck is on the block be held accountable as to what's the progress from the Rs. 900 crore that we have been, you know, losing on it and where we would like to. It is not a Netfoundry. It is not a ATM business where we are saying we want they are not making money. We want to get rid of them. This is something which we knew that they will not make money when we scale, because we have spent a lot of fixed costs in getting that scale. And now that we are convinced of the shape of these businesses, mix, operating leverage, operating efficiency, you know, are all the drivers that we look at to get them, you know, back up. What is the next question?

Sanjesh Jain

Repairs and maintenance.

Kabir Ahmed Shakir, CFO

Repair and maintenance. Tricky. You know, subject we've spoken about this before. Also, Sanjesh, a lot of noise, you know, into it. Look, we've we've gone out of we are getting out of completely the Chinese, you know, carriers as well. And the fact that you are not placing new orders on them, then the cost dynamics on their AMC and their also starts, you know, playing in as well. It will be a few years before we actually see the operating leverage or the benefits start, you know, kicking in, you know, on each of them. In fact, a lot of the investments that we have done, they have all come out of the warranty free, you know, zone and now into the AMC bit. So it's a, it's a joint exercise that we have. But there is a focus. I know I do believe that there is value that we can extract, you know, out of that, and some work is, you know, happening there. And once we have quantified it, then I'll be able to have more clarity on it.

Rajiv Sharma, Head Investor Relations

And Sanjesh I don't want to you to go too happy. This DPS EBITDA will be an annual disclosure, not a quarterly one.

Balaji, next, please.

Balaji Subramanian

Thanks for the detailed presentation. I appreciate it. So my first question is on the, data revenue aspiration of, Rs. 28,000 crore that you mentioned. You also stated that 1/3rd of the incremental revenue will be driven by strategic bets and capability shifts. So can you just elaborate a bit on, you know, what do you mean by this?

A.S. Lakshminarayanan, MD & CEO

I don't know, I thought the whole day we explained only that. Right. The capability shift is about ones on the sales. How do I get into the accounts deeper? We talked about the white space that is available in each of the accounts we talked about, if it's x, how is the 4x addressable because we have expanded portfolio to talk about so that is one capability shift. You know, that is you know, and we also talked about how $1 million customer or a new logo can accelerate. And that is another white space. So if I look at it from a customer segment, there is a lot of white space available. The other we talk about is, you know, on the product side, some of the new products that are there and they have ranging from, you know, if it is a multi-cloud connect, we said that is a 8 billion market. And those are all the white space, we call it out. And each of these are in the two dimensions. One is in the customer dimensions, the white space available and in the product dimensions. So both dimensions are the strategic bets.

Balaji Subramanian, IIFL

Got it. And my second and last question would be a bit more on the digital portfolio revenue growth. So you did say that about 65% of this of the data revenue will be from digital portfolio. So that means that over the next 3 years, we are almost looking at, doubling the digital portfolio revenue. So again, that's about 23%-24% CAGR. So, you know, what is the kind of visibility we have on this, especially, you know, considering the somewhat uncertain, macro outlook in the US?

A.S. Lakshminarayanan, MD & CEO

I think it comes back to the same question again, I and I can't answer it any differently Balaji, I think, you know, what we can focus on is, you know, what is the opportunity out there and what capabilities are we building to be able to participate in those opportunities, correct? And we showed the examples through customer case studies and the products that we are investing. The pace at which that will happen is not necessarily and entirely in our control.

Balaji Subramanian, IIFL

Got it, got it. Thanks.

Rajiv Sharma, Head Investor Relations

Next Vibhor.

Vibhor Singhal, Nuvama Capital

Vibhor here from Nuvama. Lakshmi one question, which I probably want you to pick your brain on the business side. Today and even before we've mentioned a lot about the media business and how we are trying to get into the production part of the business rather than just the infrastructure that we were kind of dealing until, before SWITCH acquisition. Now, pardon my ignorance on the US media landscape, they would be specialist companies who would be doing that in the US or in the developed world. What is our right to win in this world, in this new domain that we are trying to win? I mean, we've always been providing the backend support to the, sports authorities in the new business that we are trying to provide, let's say, leasing out studios or providing that production support does SWITCH have that capability. Does SWITCH already have customers who've they've been catering to that can we scale them up. What would be let's say I mean, some point is as to what would be the difference in, let's say, the ticket size of what, deal would be in the production size versus let's say, of infrastructure side. Any color on that would be really helpful to understand. What business are we talking about here?

Sumeet Walia, Chief Sales & Marketing Officer

So you're right, I think, the focus of SWITCH when it was acquired was focused on sports federations largely. And, you know, the US market. The post acquisition we are taking that capability in two ways, right? One is we are taking that capability of what we are doing for the US market. But then for the rest of the sporting federations that we have across the world, that one leg of growth that we are, you know, starting to exploit the second leg of growth. As Lakshmi pointed out on the Netflix' 'Pop the Balloon' that you saw. So that is the facility that we've built in Victory and the capability that we have on remote production. But we are now starting to also build capability across the value chain on remote production. So it's not only the technology of the facility that we offer, but also the services that we are starting to build around that what that is going to do for us is one, as you point out, going to increase the ticket size, two that is going to increase even the margins on what we would typically get on these deals. It's early to quantify and what that means because we are, you know, just building that muscle. But we are starting to see, you know, at least 2 or 3 more such conversations that we have in the US market and in other markets with this theme of building the remote production technology and the service capability around that to, to improve one, the ticket size and what can the ticket size be? The ticket price can actually go up by at least 3x, is what we have seen early to comment on that, you know, as a permanent view. But that's what we are seeing in the deal that we have currently done and the margin profile that will clearly then become more services, kind of margin profile that we will do, rather than just a technology offering margin profile of the remote production facility.

Vibhor Singhal, Nuvama Capital

But that SWITCH had that capability before the acquisition.

Sumeet Walia, Chief Sales & Marketing Officer

Oh no, that's a that's a muscle and a capability that we are building. So we are bolting on that capability to improve and expand the ticket size and coverability that we have because of the facility that we've built

Vibhor Singhal, Nuvama Capital

Got and got it. So my second question is Kabir, Kabir on the margins front. So, help me understand the landscape that you're talking about. I mean, the path for the margins in context of the acquisitions, we've always maintained that acquisitions will be core part of our strategy. I think at this point of time, you are talking about a 23%-25% margins by FY 28, assuming there are no more acquisitions in the next three years. But if we make another acquisition, I think most of the acquisitions are margin dilutive because they are in the developed world. Then the margins again fall back to the 17%-18%. So how do we balance this thing? I mean, I mean as a shareholder we are looking for that 23%-25% margin range. I mean the acquisitions do provide the growth, but eventually the ROCE and the EBITDA margins keep on getting pushed out if the acquisition, strategy is being executed.

Kabir Ahmed Shakir, CFO

Yeah. So, we were, I think, a very good question. You know, in one of the, quarterly calls I made this very specific, you know, response that as a management, we are very clear about what is the acceptable level of margin drop that we will we are okay to take, so that we will be extremely responsible with. So very, very clearly, we do not want to be able to make an irresponsible acquisition that overbears the weight of it, that we cannot then do basic, you know, funding for our growth engines you know that that we have. So clearly there is a certain sustained momentum on cash flow that we would like to have, because those investments on CapEx, on OpEx, on innovation needed to be funded from internal accruals. And I do not want to go and borrow or come back to the shareholder to be able to do that. So when we model it, we will look at what is that that sizing that we will do and therefore what size of acquisitions will mean, what funding vehicles, how much can be done. When we did SWITCH, I mean, I stood proudly in, you know, representing the entire company's efforts in funding the entire SWITCH through just movement in working capital. I mean, we didn't borrow a cent, but it was a small amount. I mean, you know, $60 million is what we paid, you know, $59.8 million, to be precise, for our $80 million business. All came from that. Kaleyra was a slightly, you know, bigger in our ticket size, but still within our debt capacity. We did not violate any of our covenants you know, from a debt perspective. Even our 2x range went up to, what, 2.3x. And now we will come down in the next couple of quarters. You will see them coming down to, you know, to under 2x. So now imagine if we have a target which is say 2-3 billion, you know for example, then I do not think that debt alone, you know, would suffice. There has to be a mix of that in equity. Then the moment you bring in, you know, equity into the picture, the amount of rigor, you know, in that will go exponentially, you know, higher as well. Not to say that it's a 200 million, there is no rigor there. There is, of course, rigor, you know, across the board. But we will use the right appropriate, you know, vehicle so that my cash flow and my, my interest burden or anything of that sort does not pull the company down. And we are able to fund, you know, the company for the next 2-3 years. So I will I'm going to stay at that level because each of them have been modelled to be able to say, we can afford to do this, we cannot afford to do this, which means those acquisitions, they need to be pushed away until we get back to 25. And then, you know, I can fund that back, you know, again. But otherwise, you know, any more margin dilutive acquisitions, we need to see the math of whether we be able to afford to do it or not. I will assure you that, you know, I would say the management and the board, you know, look at it very, very responsibly, you know, and that's how we will take the next steps.

Sakshat Goel, ICICI Prudential AMC Ltd.

Thanks for the opportunity. So to the question, basically, my understanding is slightly limited, but what I understood, most of the strategic bets, which we have talked about, a kind of a value added offerings to our existing offerings. So what kind of pricing delta do we expect our existing customers to pay to justify our investments for these value added offerings? And where are we in terms of negotiation with the customers, like in converting them? And like if you can just give an idea how much percentage of customers that are willing to pay, does it make sense?

A.S. Lakshminarayanan, MD & CEO

I didn't fully understand it. Asking about, pricing capability on this.

Sakshat Goel, ICICI Prudential AMC Ltd.

Let's say, Kaleyra.AI or Unified Cloud. Yeah, we already have a cloud hosting service. So what kind of pricing delta we can command, offering a unified cloud over the normal cloud hosting service. What I'm asking incrementally how much will you get a general?

A.S. Lakshminarayanan, MD & CEO

There will be all margin accretive.

Sakshat Goel, ICICI Prudential AMC Ltd.

It's increasing the cost for your customers if they're opting for these.

Kabir Ahmed Shakir, CFO

Do you want me to take it? So, you know, just to explain, I think these are very different services that you are offering. And quite often than not, you're probably talking to a different, part of the customer organization. When Rajesh actually mentioned what are the pain points? He talked about a CMO. You know, the CMO is one who's looking at customer acquisition and customer retention. When you are doing just A2P, you're probably talking only to the procurement organization you know, who who's buying, you know, SMS. And now you're saying, I am not just giving you just a bulk SMS facility. I am orchestrating the entire custom interaction, you know, journey for you. That's why we call it CIS is not a CPaaS or a CCaaS. Calling it know the entire Customer Interaction Suite. So the audience whom we are speaking to are very different. Their pain points are very different. So therefore for them to actually pay that they are not comparing against what currently they are paying to Tata Comm., they are comparing against what problems I am solving for them and for that problem, the price that they are paying is insignificant. So each of the services, you know, are falling in that category. And that's the reason why we are energized, because we are now the buying centers that we are speaking to and the people that that we are speaking to has, has exponentially increased in the value, you know, side, not in the cost.

Rajiv Sharma, Head Investor Relations

We are selling effectiveness of campaigns and ROCE on the campaigns so that gives the pricing element.

Deepti Chaturvedi, CLSA

Yeah. I have one more question for currently about 40%-50% of our revenues are from overseas. Three, three years from now. Where do you see the mix between India and overseas?

A.S. Lakshminarayanan, MD & CEO

Frankly, we haven't computed like the way the digital mix, you are saying that, you know, when they hit Rs. 28,000 crore will be about 65% digital business. I think it'll be the, the headroom available in the international, is much greater. That is what we've been talking about. So the international will be a bigger part. How much we haven't really modelled because that's not the way you see a model.

Deepti Chaturvedi, CLSA

You mean international is growing faster than India?

A.S. Lakshminarayanan, MD & CEO

Yes, because they're coming off a small base as well.

Deepti Chaturvedi, CLSA

And in India, do you foresee, more intense competition from the, top operators, particularly as they look to go from mobile operators to being triple play, not just home, particularly for one of the operators, enterprise is already much bigger than your revenue. So in an era where we are getting into 5G private enterprise and maybe in future, so do you think that is one segment which could pose more competition for you, at least in India?

A.S. Lakshminarayanan, MD & CEO

India, I don't know about more competition. It is it is competitive. Right. So we have new players coming into the core connectivity for doing the data centric connections already. Right? So the players or the existing players are also, competing in the in the enterprise space. Now the fixed wireless access is a questionable, one with the 5G already that are, you know, internationally, it shows that you can gain the initial, have the initial gains, but it's not sustainable because then it gets contested, the spectrum gets contested, and the performance is not shown to be that good. But, you know, India competition is intensive, no doubt. I mean, even if in the CIS, the interaction space that we offer it is highly, highly competitive. And you would have seen in the, in the AI cloud space, there are more players participating. My only worry is it doesn't get to, a race to the bottom in terms of the pricing and other thing to the earlier question that was asked. So India market is characterized by all of these. The competition is intense. There are pricing pressures that happens. The customers willingness to pay for value is low, definitely. But that's the market we understand and the market understand because the customers then ultimately all said, value the long term relationship. They value the services that we provide. And that is what we hold very dear. And that is why we are saying that, you know, we will hold on to the market leadership, despite all these pressures happening. Thank you.

Sumangal Nevatia, Kotak Securities

Yeah. Good evening. This is Sumangal from Kotak Securities. My first question is, I just wanted to understand and get some more color between the split between new logos and existing. So if you look at last 4 years where we've grown revenue by Rs. 7,000 crore, is it possible to share what could be the broad split? And then when we are looking at incremental Rs. 9,000 odd crore over the next three years, is there any internal, budget expectation as the existing logos, what could be the, contribution and what new events, we would require to reach our target of Rs. 28,000 crore.

Sumeet Walia, Chief Sales & Marketing Officer

So, you know, like, I presented, for a new logo to meaningfully scale. It takes about 18 months. So when you take, you know, to your 3-4 year view, and keeping in mind the strategy of going deeper with fewer, our focus continues to be to mine and grow our existing accounts much more meaningfully. And that's how you're seeing the growth on our existing accounts as well. So with these two points, if you look at our revenue split, you know, in terms of our incremental revenue, about 75%-80% of our revenue comes from mining our existing customers and going deeper with them. And about 20% of our revenue comes from new acquisitions and new logo contribution inside them. And as we acquire the logos, then, you know, the logos over there, you know, 18-24 months period, start gradually going into greater revenue contribution as we start mining them deeper.

Sumangal Nevatia, Kotak Securities

Got it. I have one question for Kabir. So if you look at last two years, we've done a great job in monetization of land parcels and few weak businesses. Do we see this ongoing? Are there more or are we looking at heavy lifting already been done? As far as both land parcels are concerned and few businesses where we are not seeing scalability.

Kabir Ahmed Shakir, CFO

It will be an ongoing exercise. So let me split the question in two part, land parcels absolutely, yes. We are on overdrive. I am not a landlord. You know, I do make money. You know, I do get some operating income from rentals. And for example, this year you will see that Ambattur which was earlier giving me rentals is not going to give me rental. So something will come down so clearly we will start monetizing. There are, you know, 2-3 big land parcels that we have, Chhatarpur and GK, I mean, no points for guessing because it's all there in the public domain. Is something which we will have to go through the bureaucratic hurdles of title deeds and clearances and, you know, classifications and, you know, and all sorts of stuff. The moment that is done and the property is ready, I mean, it took us literally three years. And, you know, I remember when I first came in, I mean, started the exercise on, Ambattur and realized that us being Tata's, you know, we are governed by our code of conduct and we will only do the right way, even if it takes, you know, five years for me to go through and, and monetize the property and exactly in the, in the right way. We will have that same rigor for each of those properties, and we will monetize, you know, almost we have a plan in the next few years to monetize, know each of those properties.

The, second, thing, on the review of the businesses. Absolutely. Yes. Both, I would say businesses that we have invested in organically, inorganically it is a continuous review, even this 0, 1, 3 that you talked about. I mean, it was there, you know, buried in the slides, the sharper focus on performance is very clearly the rigor that Lakshmi and I, when we sit on the governance, look at it is as if it's a startup, right? A series A, you know, when will you actually fund? You will fund when they hit an ARR, you know of something, you know of that particular scale. That's when you will you know, you'll give that funding. And we will have that rigor for each of the strategic parts. Yeah. And we talked about, you know, some of them that doesn't mean that everyone has gotten a blank cheque book so that rigor will be there and we will measure input to start with, not necessarily output KPI is what design wins. What POCs, how many customers, what scalability, what you know, product feature unlocks. You know, how does it, bolt on. And in that space when we it goes on when we see that okay. There is probably an inorganic acquisition that serves it better by bolting in and getting that capability. We will do that. And that is life as we, you know, as we speak. But if they do not scale up, funding will be pulled. And that's what we, we intend to do. And some of the actions that we will take, you know, the organic ones is BAU and they will not be, you know, visible to you. I mean, some of them are material enough then we will call it out, but the inorganic ones will be there in the public domain. The moment board approves such transactions.

Nitin Gandhi, KIFS Trade Capital

Thanks for taking question. As far as the strategic bets are concern. Where do we stand in terms of the capability which we have built today? Auto against, whatever sizes we are available. And where do you think that we need to put more, resources or something so that the addressable market out of that space increases significantly for us? And, is there any criteria on something on which we can, share your thoughts? We can really look at how we are heading in each of the strategic bets over the next 2 or 3 years is if some criteria, whether qualitative or quantitative, if you can specify it will be helpful.

A.S. Lakshminarayanan, MD & CEO

Yes. These would evolve, so again what Rajat presented on the unified cloud connect, the MCC and the MCN space, the multi-cloud network. So what we have launched and invested already is how do I connect from site to cloud. And that product is what we called out. And that is already doing, good double digit million ARR from the time that we launched. The connecting between the clouds and within the cloud is what they talked about. That product is getting launched in a quarter or so. And the advantage that we talked about. And there are players already doing the multi-cloud connect side to cloud. I've talked about there are Megaport and Equinix who already do that, on the on the within the cloud, there are only a few startups who do that today. But both is not done by anybody today. And and that is why we think that we will be unique and in doing both. But if your question is, you know, do we need to continue to invest? Yes. In the roadmap we have, how do we bolt on security? How do we bolt on? All of that will continue to happen. So there will be there will have to be continuous investment in product development organically or as Kabir called out, if inorganic helps us to do that, we will have to do that. Now in terms of the markers of success, again, that is what we talked about in terms of stage 1, 3, 30. We are governing that to say what are the design? And so if MCN is getting launched in, in a quarter or so, the things that we are asking today is, you know, how many customer conversations that we have had, how many customers are showing interest, how many people have you shown demos to? So those are the KPIs that we are internally tracking.

Nitin Gandhi, KIFS Trade Capital

Second question for Sumeet, if not readily, maybe whenever you share color on order book, beyond x years, say 3 or 5 years, what is the order book size and how is it behaving if you can share whenever it fits possible? Thank you very much.

Sumeet Walia, Chief Sales & Marketing Officer

You want it now?

Nitin Gandhi, KIFS Trade Capital

Your call

A.S. Lakshminarayanan, MD & CEO

No. If I if I may, I think this is like, see the few colors. I think I've, I mentioned this before. If you look at the Kaleyra business and MOVE business, for example, both of them are heavily usage based businesses, right. And, even though there is a proxy order booking that we have to give credit to the sales, the conversion of that proxy order book to revenues is not really scientific, and it takes some time. We are able to convert in six months. Sometimes it takes us a year or two and we are fine tuning that. So there is a part of the business where order book may not be the, the real metric in that, in the, in the network fabric, both on the core on the nextgen connectivity as well as in the cloud and security order book gives, a reasonable, lead indicator. And that is what we are mentioned on the slides. Given these complexities, I didn't want to share some numbers which will only confuse. I think, you know, we have had this conversation, in fact, more robust conversation I have had. But even in the world I come from and they say, well, when they give a number or not a book, it's very hard to translate that into it because it includes renewals include many things you can't, but it just I understand it gives people the comfort of a number, and they have been giving that color on that to say that our order book has grown, which is what I, you know, openly shared. Like in the first, first half of last year, we had a good order booking and then instead in, Q3 and Q4 that had gone back to our, traditional levels based on whatever else is that that those numbers do not fully include the usage business. So given that complexity, I'm not sure what this will do. Other than invite only more questions.

Rajiv Sharma, Head Investor Relations

In fact, in FY25, we've gone ahead and given some growth numbers for order book on a YoY basis, half yearly basis. Till FY24, we were not doing so. We are improving in terms of what we can share. You share that digital EBITDA, which will be annual. So thank you. Any last question and I'm sure everybody's hungry.

We will be anyways available on chats one on one chat now. So we'll end this session. Thank you.

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