August 14, 2024

The Listing Department
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
BSE SCRIP Code: 543425

The Listing Department
**National Stock Exchange of India Limited**
Exchange Plaza
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
NSE Symbol: MAPMYINDIA

**Subject:** Submission of Transcript for Q1 FY2025 Earnings Call.

Dear Sir / Madam,

Pursuant to our letter dated August 01, 2024, please find enclosed herewith communication relating to Q1 FY2025 Earning Call. The said conference call with Institutional Investor / Analyst was held on August 12, 2024 to discuss the financial results of the Company for the quarter ended June 30, 2024. The aforesaid information is also disclosed on the website of the Company i.e. www.mapmyindia.com

Kindly acknowledge the receipt of the same.

Thanking you.

Yours faithfully,
**For C.E. Info Systems Limited**

Saurabh Surendra Somani
Digitally signed by Saurabh Surendra Somani
Date: 2024.08.14 22:33:16 +05'30'

**Saurabh Surendra Somani**
**Company Secretary & Compliance Officer**

"C.E. Info Systems Limited

Q1 FY '25 Earnings Conference Call"

August 12, 2024

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| **MANAGEMENT:** | **MR. RAKESH VERMA – CO-FOUNDER, CHAIRMAN & MANAGING DIRECTOR– C.E. INFO SYSTEMS LIMITED**<br>**MR. ROHAN VERMA – CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR – C.E. INFO SYSTEMS LIMITED**<br>**MR. ANUJ JAIN – CHIEF FINANCIAL OFFICER – C.E. INFO SYSTEMS LIMITED**<br>**MR. SAURABH SOMANI – COMPANY SECRETARY & COMPLIANCE OFFICER– C.E. INFO SYSTEMS LIMITED** |
| **MODERATOR:** | **MR. SHOBIT SINGHAL – ANAND RATHI SHARE AND STOCK BROKERS** |

**Moderator:** Ladies and gentlemen, good day, and welcome to the C.E. Info Systems, MapmyIndia, Q1 FY '25 Earnings Conference Call hosted by Anand Rathi Shares and Stock Brokers. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone.

I now hand the conference over to Mr. Shobit Singhal from Anand Rathi Shares and Stock Brokers. Thank you, and over to you, sir.

**Shobit Singhal:** Thank you, Steve. Good morning, everyone. On behalf of Anand Rathi Institutional Equities, we welcome you all to Q1 FY '25 Conference Call of C.E. Info Systems, MapmyIndia. We have with us today, Mr. Rakesh Verma, Co-Founder and Chairman of the company; Mr. Rohan Verma, CEO and Executive Director of the company; Mr. Anuj Jain, CFO; and Mr. Saurabh Somani, Company Secretary.

I will now hand over the call to Mr. Rakesh Verma for his opening remarks. Post that, we will open the floor for Q&A session. Thank you, and over to you, sir.

**Rakesh Verma:** Thank you, Shobit. Good morning to everybody. The company has shown growth across all the financial metrics: Revenue, EBITDA, and PAT. It has been a good start for the fiscal year '25. The revenue grew at 13.5% to INR101 crores. The EBITDA has grown 14.3% to 42.8% margin, and the PAT has also grown 12% from INR32 crores to almost INR36 crores.

Moving onto the business-wise breakup between Map-led and IoT-led, out of total revenue of INR101 crores, INR78 crores was contributed by Map-led business, and INR23.5 crores was contributed by IoT-led business. I wanted to address the sale of hardware, specifically that out of INR8.9 crores of sale of hardware, this number shows less than FY '24 Q1 of INR15 crores. Now this reduction in the sale of hardware was compensated by the sale of services, which grew from INR7.7 crores in FY '24 Q1 to INR14.6 crores. This was by strategic design on one side. We also had to deal with the non-availability of funds to Gtropy, which is our IoT arm, and that has been solved with the approval from shareholders this month. So from now on, we will see the rise of hardware sales over time.

EBITDA for Map-led business has gone up from INR36 crores to INR39 crores year-on-year and EBITDA for IoT-led business has gone up from INR1.4 crores to INR3.7 crores year-on-year, which translates into 50% margin for the Map-led business and 15.7% margin for IoT-led business.

Regarding the P&L statement, I would also like to touch on a few small items and give a detailed explanation. There's an expense called technical services outsource, and that has gone up to INR11 crores in this quarter - these service costs were primarily incurred to support the revenue which you find in sale of software of INR92 crores. So other than that, the rest of the expenses are pretty much in line with what was in Q4FY24 and what was in Q1FY24.

Now, I'll ask Rohan to share with you his thoughts and explanations on the various other financial and non-financial parts of the business.

**Rohan Verma:** Good morning, everybody, and thanks, Mr. Verma. As Mr. Verma said, we got off to a good start in the quarter. A&M revenue grew 9.5%, and C&E revenue grew 16.9%. New customer acquisition was good in terms of upselling, cross-selling and new use cases.

When it comes to automotive, we won deals for a leading electric commercial vehicle OEM as well as a large utility vehicle OEM. We also saw a bunch of interesting key go-lives across ICE and EVs, whether it's the Mahindra XUV 3XO or the BYD Atto 3, and in the 2-wheeler segment, electric scooters like Ampere Greaves Nexus or the Ultraviolet F77 premium electric bike.

We are witnessing large adoption for an advanced e-horizon, ADAS and advanced EV software which tells about the road ahead to support autonomy, functions like intelligent speed assist, highway assist as well as giving range prediction to consumers. This is resulting in the premiumization of vehicles with increased adoption of our EV and ADAS solutions. Similarly, on the fleet side, whether it's monitoring of mine vehicles for large metals, or video telematics for employee transportation, all kind of schools are deploying our solutions. All of that is seeing growth.

On the C&E side, growth has been 16.9%. We are observing very interesting use cases, whether it's flood modelling and water management in East Indian cities, or 3D digital twin mapping. We also saw go-lives including the Dial 112 project of the UP Police as well as the prestigious Indian army defense project, which leverage our capabilities.

On the corporate side, there's e-commerce, QSR, delivery and mobility companies which are using our APIs for various use cases, like location personalization or address capture. In the BSFI and retail sectors, multiple companies are using us for analytics like credit assessment or store-wise sales prediction, sales and analytics for business expansion.

All the points I mentioned bodes well for the business. We started the year with a INR1,300 crores open order book. We are well on track to achieve our milestone that we've set for FY '27, FY '28 of INR1,000 crores, and increasing adoption of our solutions and innovation that we're doing in our products has set us up well. In this last quarter, we also added an offering for AI-driven data analytics and consulting for the company. That gives us more wallet share, closer access and closer engagement with customers and gives us more reason why customers will work with us.

I also want to address something besides the regular business update, something that has come up in the last few weeks. We've tried to stay quiet about it, not making public statements, not responding to media inquiries, because it's a matter we're pursuing legally. But post the quarter results, as part of our quarterly media interactions, we were asked pointedly about it, so we had to address it. This is to do with a legal notice that we have served to Ola Electric for breach of terms and conditions of our contract.

Just for context, MapmyIndia has been building digital maps and pioneered this space, having built it from the ground up since 1995, servicing many customers. In 2015, Ola ANI Technologies got licensed and got access to our map data, which they continued to use. In 2021, Ola Electric licensed our APIs and SDKs for their navigation in their vehicles and continued to use us. Because we have seen certain breaches of terms and conditions, we have started the legal process. I'm not going to comment further on that, just wanted to say that we are there to defend the rights of our company and our shareholders. Additionally, there's been a lot of noise in the marketplace around competition that is coming up, whether its Ola Maps talking about things from the product point of view or from the pricing point of view, as well as Google Maps making statements around pricing.

There are two points I want to make here. MapmyIndia is the premium map provider in the country, offering the best value to customers. We are pretty confident about our market position, and these different dynamics that are at play, we don't see as a risk to our business. We only see more adoption happening with more noise and more awareness. We believe we will be the disproportionate winner in the market that gets added on due to all this activity.

Mapping is a very difficult business. It's a very serious business. It requires long term expertise, investment, time, capital, and a track record of servicing customers across industry verticals for use cases that stress-test the map in different ways for its accuracy and usability. And only that creates a map that customers would like to choose.

There have been hundreds, if not thousands, of companies globally that have tried to get into mapping. In India itself, there have been tens, if not hundreds, of companies. We faced competition for the last 20-30 years. But in the world, you can count on your fingertips the number of companies that have sustained and succeeded. And India, it is us. So we are there from an accuracy and quality point of view.

Also, we are not just standing still. We are innovating, not just on the 2D side but also 3D, high definition, updation in near-real time, 4D - so many features, so many different solutions. We are not a single-product company; We're a multi-product, multi-industry company where our maps are being used across the board, and we have solutions on top of it. So we are pretty confident on our competitive positioning.

When it comes to pricing, we actually price based on value for customers. It's a mutual agreement, and we don't see an impact of this pricing by at least the foreign players because in any way, we are price conscious. If you look at kind of the history of other players, they have been volatile; sometimes giving it for free, sometimes charging, sometimes charging a lot, sometimes reducing prices. We've been fairly predictable, reliable and value-based for our customers. And in our conversations, this is not something where we are overtly concerned, but we are deeply engaged with customers. We are also increasing awareness about our products and solutions because the more that people know about our solutions, we feel that that will give us more market share. So I'll conclude my remarks with that.

**Rakesh Verma:** Thank you, Rohan. I guess Shobit will take over from here now.

**Moderator:** Thank you very much. The first question is from the line of Shobit Singhal from Anand Rathi Shares and Stock Brokers.

**Shobit Singhal:** Sir, I have 2 questions. So first one is on the government focus on cadastral mapping. So cadastral maps' target of geo-referencing of around 6.5 lakh villages, of which around 3 lakh Indian villages have been done - are we part of it and how to look at revenue flow from this?

**Rohan Verma:** Sure. Shobit, this is Rohan here. Yes, land records and cadastral maps, this is something the government, over the last 10-plus years, has been focused on. There's both a rural angle and an urban angle to this. And we've been participating in it, this is part of our addressable market. We are quite well positioned here. We are able to do the mapping of land records, not just 2D but also now 3D with our drone-based digital twin capabilities.

We are also able to offer software solutions on top of that through our geospatial platform, whether for property tax management systems, so that municipalities can earn property tax based on land records, or through our geospatial platform to help in urban or rural planning as well as linking to this ULPIN, which they're calling the Unique Land Parcel Identification Numbers; what we call is Mappls Pin, which is a unique digital address for every place. And so we can link the 2, ULPIN and Mappls Pin, so that anybody's land parcel can be uniquely identified, and services can be delivered to them, not just the location information. There are very interesting ways in which we are deeply involved when it comes to mapping or software or other solutions in this. And so we are happy the government has put an impetus on us. It will aid in our addressable market and our growth in the time to come.

**Shobit Singhal:** Okay. And sir, my second question is in IoT. On the hardware side, we saw around 42% year-on-year decline in revenue and around 60% Q-on-Q. So what led to decline in revenue? Are we facing any challenges here? And typically, what is the gestation period for SaaS income to flow once the hardware is sold?

**Rakesh Verma:** On IoT, we are pretty bullish, and it's growing quite well - the way it has increased from INR8 crores to INR50 crores to INR100-plus crores over the last 3 years is a good sign for us. This year also, I'm pretty confident that we'll have a pretty good growth in the IoT business. Just don't look at Q1. I think I tried to answer that right in the beginning - that was due to lack of funds with Gtropy, for which we needed to get approval from our shareholders, which we have gotten approval now. So going forward, you will not see that as a reason for not having growth. Growth will be there. But the good thing also, if you look at the SaaS part of the IoT business, it has shown very good results. I think it's almost 90% growth in the SaaS business of IoT.

**Moderator:** The next question is from the line of Chandramouli Muthiah from Goldman Sachs.

**Chandramouli Muthiah:** My first question is just a follow-up on the IoT business. Thanks for your earlier comments on that. So just trying to understand the interplay between the software part of the IoT business and the hardware part of the IoT business. You'd think that the hardware part is sort of an installed base on which the software bit can be annualized potential revenue there. This quarter, we've seen a meaningful pickup in software part of the business, which I'm guessing is slightly higher margin. So just trying to understand how the interplay between hardware installed base and software annualized revenue should ideally work in your plans going forward?

**Rohan Verma:** Sure. Thanks, Chandra, for the question. This is Rohan here. You're right. SaaS is definitely higher margin. And as you said, we treat hardware as an installed base. So when we install the hardware, then that customer takes the SaaS from us going forward. So it generates those SaaS annuities. So the more our installed base, the more our SaaS revenue will grow.

Sometimes, this kind of quarter pause or quarter reduction in hardware shows you the strength of the SaaS business of the IoT, with a meaningful pickup in SaaS income and, hence, improved margins. But there's such a large addressable market out there, and we have such great hardware. We're going deep into the design and engineering of these hardware also so that we can make really specialized or appropriate solutions for the different segments of the Indian market, whether it's in the auto OEM side, whether it’s a line fit win, or whether it is in the aftermarket for various sectors. There are so many sectors where IoT can be useful: energy, logistics, mobility, consumer gadget.

So there's a huge headroom. We're very excited. Keep this quarter as a one-off when it comes to hardware. We are very focused on growth of the IoT business, and they both kind of support each other. SaaS, I think, will keep happening. And then as hardware base grows, SaaS further gets uplifted.

**Chandramouli Muthiah:** Got it. That's helpful. My second question is on the INR1,000 crores target that you've set for yourselves in FY '27, '28. That would imply sort of mid-30s to maybe 40% annualized top line growth. Just looking through your financials over the past 3 years, it looks like 1 out of 4 quarters might be a little slower versus that run rate, possibly because it's a B2B business,.

So just trying to understand in FY '25, how do we think about that slight lumpiness in the business? Is this sort of the one-off quarter that you foresee in your business planning for FY '25? And do you see the balance 3 quarters as being on track for that 35% to 40% growth target that you've set out for yourselves?

**Rohan Verma:** Chandra, you're right. Our revenue is predictable based on our open order book. And so you've seen over the last few years the track record of our open order book and new order bookings, that has grown significantly. I mean it was INR1,300 crores at the beginning of this year. It was INR900 crores the year before. And the year before, I think it was INR699 crores. So that will all add up into revenue in the coming time. So that's what makes us fully confident of achieving our revenue milestone of INR1,000 crores by FY '27, FY '28.

In our business, this is an annual business, so there can be lumpiness. So quarter-on-quarter movement can be there from here and there. We are not concerned overly about it because we know if something doesn't work out in a quarter, it will work out in the coming quarters. So in that sense, I just want to reiterate that we are confident about our revenue milestone, and the business is building up in that direction very nicely.

**Chandramouli Muthiah:** Got it. That's helpful. And my last question is around the Hyundai contract that you've discussed over the past couple of quarters. I think there was some commentary in the investor presentation for this quarter that there was a ramp-down in some of the older contracts. So just trying to understand, is the ramp-down related to some of the older Hyundai business ahead of the pickup? And when exactly would you say the new Hyundai contract, I think, the INR400-plus crores that you mentioned over a period of time, when exactly is that flowing through into your business plan?

**Rohan Verma:** This ramp-down was in fact with the old program of Hyundai-Kia. The ramp-up has actually begun - If you notice, all Hyundai-Kia cars on the road currently, in fact, actually have already switched MapmyIndia on, and even their companion app now has MapmyIndia. So we are very excited and grateful to Hyundai.

It's one of the most advanced automotive players when it comes to technology, and they're fully leaning into all the advanced tech, what we call NCASE, for the next generation. And we have a very close and strong relationship with them. So ramp-up of the next generation has begun. And over the course of time, this fairly lucrative contract for us will unfold in terms of revenue.

**Moderator:** The next question is from the line of Ikshit Naredi from Naredi Investments.

**Ikshit Naredi:** So my basic question is on your Map-led business. Why are your maps not updated with current geographical changes? Like I think it's 6, 7 months old. My second question is why are your maps not working through Apple CarPlay or Android Auto? Can you please guide me with this?

**Rohan Verma:** Sure. If you use Mappls App, it actually fully works with Apple CarPlay and Google Android Auto. Maybe we can take it off-line to discuss what specific issues you are facing. But a fair number of consumers are using our Apple CarPlay and Android Auto-compatible Mappls App and quite liking it.

On the map update point, we have the most agile way of updating our maps, we call it real-time rich. And so when a new bridge opens up or a new road opens up or a new place is inaugurated, it is first on MapmyIndia's map. Of course, India is a very vast country. So there could be places here and there, for sure, which are not updated. But the moment we get to know we validate then ingest and then publish immediately. We are continuously proactively tracking through all sorts of methods, automated and semi-automated based on our customers' usage and our consumer usage, our own team's data acquisition pipeline, surveys and more.

So any specific kind of map feedback if you have or if it's related to some specific car, which was an old car of an OEM, which didn't have Internet, the earlier generations, those may be the reasons why you might be seeing old geography. But otherwise, if you're using Mappls App or our connected automotive solutions that are coming to market or our APIs, you're getting the most frequent map updates.

**Ikshit Naredi:** Okay. And my last question is if you talk about the Ola Maps and Google Maps, is there any pricing pressure on us or in future? Is it easy to switch your customers to the other companies like Ola Maps or Google Maps?

**Rohan Verma:** See, on one side if a product is really, really bad, then regardless of the price, customers are not going to take it, right? So that axes one kind of competitor. And the second part is we've been dealing with competition for so long. And competition has been pretty arbitrary with pricing whereas we've kind of stuck close to the customer and price based on what value we give to the customer, and it's been of mutual agreement. So obviously, the response on pricing for the foreign company was not to a new entrant who just came a month ago. I don't think the big tech companies are that agile. It's obviously a response to us. It probably doesn't go enough, but that's the best that they could do. And I think we are fairly close to our customers. They are fairly confident and happy to continue working with us. And I think these pricing activities show that others believe their products are not actually strong enough that they have to use such drastic pricing as a lever.

On how easy it is to switch, it's not that easy, to be honest, depending on how deeply integrated the solution is in a use case. MapmyIndia tends to work with fairly large enterprises or large tech companies who actually have the ability to pay meaningful amounts of money. And the solutions are deeply integrated. This also means, of course, whether it's new customer acquisition mode, we also have to work hard to migrate customers from another map to ours. And that's kind of a B2B enterprise life cycle journey.

So is there an immediate threat or even a medium-term, long-term threat to our existing customer base? No. And based on our value of our product and the pricing and the whole value proposition, do we see us getting a meaningful share out of the growth in the market? Answer is yes.

**Moderator:** The next question is from the line of Moez Chandani from AMBIT Capital.

**Moez Chandani:** My question was more on the partnership that we had with ClarityX. So just wanted to see, have there been any incremental revenues coming in from this partnership already? And also, how do the revenue and profitability sharing agreements work in this partnership?

**Rakesh Verma:** MapmyIndia is keen to develop its AI-based data analytics and consulting business. The idea of ClarityX is to provide that kind of an activity so that MapmyIndia's business grows. That's the fundamental relationship between MapmyIndia and ClarityX. So the revenue is accrued totally to MapmyIndia and the profits accordingly.

**Moez Chandani:** Okay. So all the revenue is accrued directly to MapmyIndia business?

**Rakesh Verma:** Yes.

**Moez Chandani:** All right. Understood. And secondly, on some of the new initiatives that we've talked about earlier, international markets, drones as well as consumers, any update in terms of growth there or any incremental revenue contribution on new projects that we've seen here?

**Rohan Verma:** On international, actually, things are building up quite well. We'd say that in the next couple of quarters, you'll hear some serious announcements from us. So I mean I would say stay tuned for that. It's very interesting. We are quite bullish on international. I think we are quite well positioned.

On drones, yes, things are going quite well. More and more of our solutions, whether for government or for infrastructure clients, warehousing clients, public sector, private sector - this whole 3D digital twin mapping is picking up. This is aided by the fact that we are full-stacked drone solution providers, without even going deeper into design engineering when it comes to drones. The fact that we have a geospatial platform called mGIS, fully in 3D, our 3D maps, our other kind of abilities or IoT is an indicator that it is building up well. Of course, it's the third pillar of our business. It's coming up soon. And so just the way you've seen IoT grow, we are quite bullish about how the drone-based business will grow in the time to come.

And finally, on consumers, you are seeing consumer adoption increasing rapidly, whether from Mappls App or Mappls Gadgets. And there's a whole host of announcements of product enhancements that we'll be talking soon.

And so yes, these are the 3 things that we are doing for the various long-term. We are working hard and passionately and enjoying it, making good things, innovative things, unique things, valuable things for customers and users.

**Moderator:** The next question is from the line of Anmol Garg from DAM Capital.

**Anmol Garg:** A couple of questions. Firstly, on the last 2 quarters, we are seeing increase in the technical services outsource cost. If you can indicate what this pertains to and what can be the normalized level that we can expect for this expense?

**Rakesh Verma:** Majority of it was related to the projects for which we have earned revenue, which is shown in the financial statements. So from time to time, depending upon the projects, such costs get incurred. We do not want to service those by increasing the people within the company, because these are project specific. So if you're asking, what kind of similar costs will happen in the future? It will depend on the nature of the projects that we undertake and try to convert it into revenue.

**Anmol Garg:** Sure. Secondly, just a continuation on the Hyundai and Kia contract. So as contract comes in 2Q, can we expect a strong increase in auto revenue going ahead in second quarter? And also, in continuation of that, in this quarter, particularly, so if we include the IoT business as well, then it looks like the auto business actually grew ex of IoT despite the Hyundai and Kia impact. Is my understanding right over this?

**Rohan Verma:** Anmol, like we've said, we are not a quarter-on-quarter business. Look at us annually. It will help everybody understand us better. Obviously, directionally, the fact that Hyundai-Kia has gone live, that will start building up the revenue, and it's a fairly large amount over a period of time. So I don't want to kind of say quarter specific.

On the IoT side, as Mr. Verma explained already, there was a reason why hardware sales was reduced by design. And obviously, that situation has changed now. And so overall, A&M was still good, considering the ramp-down of various programs in the past. I don't want to go into specific customers and what the specific impact is on revenue, because we have a broad portfolio of customers.

**Moderator:** The next question is from the line of Abhishek Kumar from JM Financial.

**Abhishek Kumar:** First is on IoT. I just first want to understand, given that the fund approval has come just last week, and that means essentially almost half of Q2 also gone. So are we looking at a softer Q2 also? Or is there kind of a pent-up demand in hardware and we can make up for the lost time in Q2?

**Rakesh Verma:** If you are wondering if that business is lost, answer is no. The business can be kept alive and going forward, now that the issue of funds is resolved, you will see the increased hardware sales also happening. As Rohan also pointed out, the more the hardware we sell, the more the SaaS revenue for the future happens. So I don't think there is anything to worry about IoT business growth from the last year where we were at INR100 crores. You will see the good growth in that in this year, too.

**Abhishek Kumar:** Okay. Second, on the SaaS revenue itself, my understanding was that it's kind of sticky on the installed base. So I was a little surprised at the sequential decline from Q4 level of the software revenues. So is it because some of the hardware where we have given a kind of annual subscription were not renewed? And if that's so, if you can just give us a percentage of retention?

**Rakesh Verma:** That's not exactly true because along with the hardware also, some SaaS revenue happens.

**Abhishek Kumar:** No, I understand that. But if it was INR18.5 crores last quarter, that must be linked to some hardware, which is already sold. So a decline from that level, I'm just curious on that.

**Rakesh Verma:** Okay. Hardware sales happen in a couple of different ways. One is with the software subscription. The other is without software subscription. So unless until one digs into the details, you will not know. In my mind, I don't think it has gone down from the subscription level.

**Rohan Verma:** And you should look at it an annual basis, not quarters. I mean quarter-to-quarter, this is not necessarily a quarterly subscription. It could have been that it is an annual subscription also, which might have given a filip to Q4.

**Abhishek Kumar:** And one maybe last question. You keep saying that we should look at it on an annual basis, the revenue. So while we have a 35% to 40% kind of revenue CAGR to achieve our target, every year from now until FY '27, '28, should we look at the growth in that ballpark of 30%, 35%? Or it's more like a back-ended kind of revenue that we are looking at to achieve our INR1,000 crores target?

**Rohan Verma:** I think I talked about this earlier. You look at the open order book, how it's progressed from INR700 crores to INR900 crores to INR1,300 crores. Fairly predictable that the revenue will grow based on this open order book growth as well. So we have the confidence. We are seeing it again that we will cross this revenue milestone by FY '27, FY '28 of INR1,000 crores. And business is building up in that. We don't want to give specific guidance on specific dates beyond what we have said, and we have a focus on executing fully, and things are looking good.

**Moderator:** The next question is from the line of Nitin Sharma from MC Pro Research.

**Nitin Sharma:** So firstly, can you please talk about how big is this 3D digital twin project and how much time will it take you to complete it?

**Rohan Verma:** No, regarding specific customers, we probably can't talk about size. I mean there's sometimes a stock exchange requirement because of which we have to, but if it's not required, we won't talk about individual customers.

But yes, the project is very interesting. It's to help in modelling flooding in the city, which obviously means that it has to be 3D mapped, because you need to see kind of where water builds up and where water can flow out from. It's a complex, geospatial project. And getting a 3D digital twin of that is required, and we have all the capabilities across ground-based or inside water-based and, of course, aerial-based capabilities to do that, from data acquisition to processing to the platform.

**Nitin Sharma:** Is there a rough timeline for this project or any project of a similar nature in your understanding? Based on your conversations, do you think that this whole flood situation is manifesting open opportunity for you from other state governments?

**Rohan Verma:** I mean, again, we won't talk about the specifics, but you can imagine these huge projects take a couple of quarters. It's not an overnight solution to do all that. The type of projects we tend to take are things that we can choose, things that we can deliver, things where customers will pay us. We are fairly picky in what we focus on or at least we try to be. And yes, each of our use cases are applicable, and that becomes very interesting. So each of these opens up more opportunities for other cities and other flood-prone areas, and that will be the endeavour to show that we could do it here so we can do it somewhere else. And that's how the business will grow over time.

**Nitin Sharma:** And if I can squeeze in a small question. So the 40% EBITDA margin guidance you had previously given, is it intact, right?

**Rohan Verma:** You're talking about the EBITDA margin guidance?

**Nitin Sharma:** Yes, yes. Right, margin guidance.

**Rohan Verma:** See, there's like multiple parts to our business, right? You know that's a high-margin business from a MaaS, SaaS, PaaS point of view. But we also want to continuously invest in our products to keep making cutting-edge innovations which are world-class. I mean we are not stopping at just making a good-enough product or a bad product. So we really want to make products that are superb. So we have to invest for that.

And the other is that we really do believe that one of the things that will unlock growth for us is more people getting to know about us and our solutions. And so we are starting to do that activity. You may have seen recently in the India-Sri Lanka kind of ODI series, we are very prominently placed as a sponsor. And so more people knowing about us will make them curious about what we do and give them trust that we are large enough for them to entrust us with their time and their money, regardless of if they are a consumer or an enterprise.

So there's a bunch of investments we want to do in products and marketing to unlock further growth. So EBITDA is an outcome of that also. And so I don't want to kind of say a specific number, just that we are a profitable, growing business, and we're working towards that.

**Moderator:** The next question is from the line of Vidyadhar Ginde from Sohum Asset Managers.

**Vidyadhar Ginde:** So my first question was regarding the annual report. You have discussed in detail about addressable market size in various areas such as drones as a service, drone solutions, defense, B2C digital maps and services, a lot of MEA markets and SEA, and given what is the addressable market size improvement slightly increased, slightly up to 2030.

I presume this will also start contributing to revenue over the next few years and probably will contribute something to your revenue by FY '27 and FY '28 when you are targeting INR1,000 crores of revenue. So should we expect that we need revenue to come from these new areas to move to INR1,000 crores? Or if anything comes from these areas, it will take your revenue to a level higher than INR1,000 crores? And will you, at some stage, give us a road map of revenues from these areas also so that we have much better clarity on your overall revenue?

**Rakesh Verma:** Business is ongoing. Product, technology and innovation is also ongoing. A year back, we had given our road map of INR1,000 crores. We drilled it down and explained where and how it will happen. Now do we have all the contract orders that will give us that INR1,000 crores today? The answer definitely is no. But I guess we look at the holistic picture and then say that this is the big market that is there, and within that, we carved out our addressable market. And within that, we mentioned that we would like to achieve INR1,000 crores.

Now that's a very good milestone we have set for ourselves, and we have communicated to every investor. So whether it will come from the new orders or whether it will come from the existing orders, there's nothing like that. Existing order book is that INR1,300 crores open order, if you want to think of it that way. But every year, like from INR699 crores to INR900 crores to INR1,300 crores we've built up, the business team and sales team are continuously building more and more orders every year. So that's how the business is run. I hope you will understand and appreciate that.

**Vidyadhar Ginde:** No, no, what I'm saying is, for example, the road map which you gave us of your INR1,000 crores, certainly did not include B2C digital maps and services, in-app advertisement as well as going to MEA and SEA road maps. And I presume you will do that before FY '27, FY '28. So that was my question.

**Rakesh Verma:** Today, we have no indication for that B2C, advertising or whatever you are calling it. Now we have not said that we'll be earning revenue from that. If we earn, we'll let you know when that it is happening. As of today, we are not making that statement.

**Vidyadhar Ginde:** So are you saying that these are unlikely to contribute significantly to revenue in FY '27, FY '28?

**Rohan Verma:** I think we've answered the question well. We can move on.

**Vidyadhar Ginde:** Okay. So my second question was on this ClarityX thing. From the answer you give to one of your earlier questions suggests that in this partnership, the entire revenue will go only to MapmyIndia and nothing to ClarityX. Is that correct?

**Rohan Verma:** Yes, MapmyIndia is going to generate the revenue from it by selling these solutions. See, if you look at it from MapmyIndia's angle, we're a product and platform company, meaning that we are selling our maps, our software, our APIs, et cetera. But at the end of the day, we want to solve customers' problems.

And if we, as a company, have our DNA being product and platform, but customers need solutions, analytics and consulting; this is more bespoke and more professional services. And then there is other expertise also that is required, which are these AI models for analytics, where geospatial data is only one component. There might be other components, too.

So these 2 companies together, MapmyIndia and ClarityX, can deliver on a larger set of needs of customers, in the specific area of AI-driven analytics and consulting. So for MapmyIndia, it increases our basket of offerings. So we can have a higher wallet share, we can be closer to the strategic planning and monitoring of the customers. It gives us more opportunity to upsell and be engaged, but we don't have to build that delivery capacity around that, for which ClarityX is building that expertise, and we have good strong close collaboration with. So revenue will, of course, accrue to MapmyIndia, and that will help grow the business.

**Moderator:** Yes, sir. It's from the line of Deepak from Sundaram Mutual Fund.

**Deepak:** Sir, earlier, you made a comment on Ola Maps and said that the product quality is not up to the mark and with Google Maps, there is no pricing consistency. So can you please explain with a small example, let's say, taking an autocomplete or direction map APIs, what could be the pricing differential between, let's say, Google Maps or Ola Map or you on an API basis?

**Rohan Verma:** You should talk to somebody who's using that map or the products that power that map, or try it yourself and then figure out whether it's even worth the time, forget about the money. So I don't want to go into comparing to a product that has no track record. You can search on Google or Twitter and see how people are talking about it. I don't think it merits too much discussion.

Now when it comes to Google, which is a serious player in this space, there are customers using them; However, I think we are much more agile as a company when it comes to providing solutions and providing value. So if it's taken so many years for this big tech company to respond in one way, whether it comes to pricing or even product, that should give you an indicator.

I'll just give you one example. We launched 3D junction views. Actually, it's been there in our automotive product for many years actually, starting with BMWs and Hyundais and all of that for like 7-8 years. But people started to take note of it with Mappls App 2 years ago, as Mappls App became popular. And people just really loved the feature.

Now we noticed that just in the last month, they announced a feature called flyovers, where it verbally tells you take a flyover. First of all, there's not one type of flyover. There are complex flyovers in India. There are underpasses. There are other complex intersections. So I would say this is a very weak way of solving the very specific needs of Indian customers. I mean if you want to solve it, solve it the way that we give that 3D junction views, where you visually see realistically what that junction is going to look like, and which turn you have to take.

We are just much more agile, much more hyperlocal. We understand the nuances of customers. And so pricing-wise and product-wise also, I think we offer better value. Of course, we'll have to fight it out, it's a competitive market, and that is what we are doing.

And then there's a whole host of solutioning that we do around maps where these other companies are much further back because over 30 years, we've innovated so many solutions that there are so many use cases where they're not even a factor. So it's a small fraction of our business, where we intersect with these players. And even in that small intersection, I think we are fairly well placed.

**Moderator:** The next question is from the line of Amit Chandra from HDFC Securities.

**Amit Chandra:** So my question is on the continuation of the competitive intensity that you have mentioned. So in light of the higher competition, how do we see the margins of the Map-led segment? Obviously, we have seen that it is costing around 50%. But with the higher investments that you're planning in terms of technology, can we see some contraction there over the longer term?

Also, we have a very high market share in the auto segment. Have you ever seen the OEMs asking for any pricing discount? Or we believe that the pricing that we have is still very low and there is a scope of improvement there?

**Rakesh Verma:** If you're talking about the auto segment, OEM customers typically go for 4-5 years of contracts. So now the earlier Hyundai-Kia agreement or contract has ramped down, and the new contract is in place, and the revenue has started this quarter. So it's not that we spend every day sitting down with auto OEM customer negotiating prices.

Now we are always providing, through our NCASE solutions, some upselling. Now if there is an upselling of some new features, then we sit down and negotiate an addendum to that agreement. So that's how the automotive OEM is happening.

Now I don't know if you're talking about the pricing for the one Google type of competition versus the new entrant. The new entrant is giving everything for free. So let that happen, let them do it. And any serious user will ever think of using something which doesn't work.

Coming to the other one, we have reduced the prices, I don't think we are very concerned about that either because as Rohan said before, they were probably responding to our pricing, and that's what took them that time. And it's just a matter of coincidence that, same time, the new entrant also talked about it.

**Rohan Verma:** And there is some nuance of that pricing. This is a headline number, misleading. For small customers, that discount is actually up to 70%. For large customers, there's no change. When it comes to marketing versus actual on ground features, there's differences. It's aimed at small developers who have very low propensity to pay with very low volume, hence resulting in low value. And we also have free plans. We are cognizant of it. We are watching it carefully, and we are addressing what has to be addressed.

**Amit Chandra:** So is there any clause of any volume-based discounts? Now that we have the dominant market share, as the volume increases is there any chance of any un-operating-based discount that the OEM can ask, because we have seen that happening with other players and who was very close with the OEM.

**Rohan Verma:** So automotive is a different market, and API and developers are a different market. This pricing that these people have done is to do with the API and developer market. It is not a relevant topic in the automotive OEM space.

**Moderator:** Ladies and gentlemen, that was the last question for today's conference call. I would now like to hand the conference over to the management for their closing comments.

**Rakesh Verma:** Well, I would like to thank all the participants, and I would like to say with a high level of confidence that we are pretty much on track. And the year FY '25 has started in a nice way. So let's hope that we continue doing a good job in the quarters and years to come. But again, a small request to please look at us on a year-to-year basis, and this quarter-to-quarter volatility will happen through either lumpiness or whatever reasons. So that's my request to all of you.

**Moderator:** On behalf of Anand Rathi Shares and Stock Brokers, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.