



#Industry » #Data Expansion #Cyfuture #BPO

Cyfuture to invest Rs 250 crores to fund data center expansion, to participate in rural BPO scheme

Cyfuture is planning to invest a total Rs 250 crores to expand its data center and BPO businesses in India, and is already in talks with venture capitalists.

Danish Khan | ETTelecom | 31 May 2016, 12:23 PM IST

f Share 6 G+ Share 0 in Share 2 Tweet 11

✉ Print A A Newsletter



NEW DELHI: Noida-based Cyfuture is planning to invest a total Rs 250 crores to expand its data center and BPO businesses in India, and is already in talks with venture capitalists (VCs) to raise around \$10 million to partially fund this expansion.

The company, which has a data center in Jaipur and Noida, has already invested Rs 50 crores for its bigger

data centers in Noida with 500 racks, which will be launched in coming two-three months, Anuj Bairathi, chief executive officer of Cyfuture India, told ET.

It will further invest Rs 75 crore each for two new data centers in Mumbai and Bengaluru.

"We have already got funding from banks like IndusInd. There are multiple banks which have funded us, in terms of term loans.

There are international investors also, which have invested. Rs 50 crore investment is already been closed for the Noida data center. For next round of investments, we are talking to venture capitalists, which we expect to close in coming six months," Bairathi said.

Cyfuture, which started as an IT service provider company in 2000, got its first venture funding worth Rs 1.5 crore from a venture capitalist fund of Rajasthan in 2004, which helped it foray into the BPO segment. It currently has BPO centers in Gurgaon, Mumbai, Bengaluru, Ahmedabad, Bhopal and Mohali that serve customers across the country. The company also provides cloud hosting and application development services.

Cyfuture, which recently grabbed the limelight due to its payment issues with Ringing Bells, the maker of Rs 251 phone, is also planning an investment worth Rs 50 crore for its new BPO centers in Bhopal and Lucknow.

"Cloud data center is a bigger segment for us. We are experiencing a faster growth with cloud data center. There's an entire paradigm shift, as companies are moving towards cloud. Virtualisation is happening," Bairathi said, adding that the company has a full feature cloud offering, which is similar to offerings from any other big cloud providers in India.

India's data centre infrastructure market is expected to touch \$4.5 billion by 2018, up from \$2.2 billion in 2015. Cyfuture claims to be among the top 10 cloud service providers in India, which is dominated by the likes of Tata Communications, Microsoft, Netmagic and CtrlS.

The company is currently offering various cloud and data center services to a number of ecommerce companies, banks, universities along with government firms in the country. Bairathi said that the firm is bullish on the government sector due to the government's focus on e-governance and Digital India initiatives. "We are currently executing several projects of government bodies and PSUs. We have lot of experience in that space," he said.

The firm is also planning to participate in the Rural BPO initiative of the government and open delivery centers in tier II and tier III cities. Bairathi said, adding that the company will apply for 2000 seats under this project.

Cyfuture clocked a revenue of Rs 50 crore in the last fiscal year, and expects to touch around Rs 200 crores by the end of 2017-18, around the same time it is planning an IPO to raise another Rs 200-Rs 300 crores to fund international expansion.

"Our revenue growth has been 30% year-on-year for the past 3 years," Bairathi said.

The company has functional offices across eight locations in India - Mumbai, New Delhi, Jaipur, Bengaluru, Ahmedabad, Mohali, Chennai, Bhopal and 2 international sales offices in UK and US. It's total employee strength is over 1500, which it aims to increase to 5000 in next three years, in line with its BPO and data center expansion.