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August 01, 2025

**National Stock Exchange of India Limited
BSE Limited**

Scrip Code: INTELLECT
Scrip Code: 538835

Dear Sir/Madam,

Sub: Disclosure of Transcript of the Earnings call

Please find attached herewith the transcript of the Investor Earnings Call held on July 25, 2025 on the unaudited financial results for the quarter ended June 30, 2025.

The Transcript of the earning call is also available on the website of the Company.

Kindly take the above information on record and confirm compliance.

Yours truly,

For Intellect Design Arena Limited

**Prakash Bharadwaj
Company Secretary and Compliance Officer
ACS- 37214**

Encl: As above

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Praveen Malik:

Greetings and welcome everyone!

Thank you for joining us today to discuss the Intellect Design Arena Limited financial results for the first quarter of the fiscal year 2025-26 ending 30th June 2025. The investor presentation and the press release have been sent to you and are also available on our website. Our leadership team is present on the call to discuss the results.

We have with us today -

- Mr. Arun Jain, Chairman and Managing Director
- Mr. Manish Maakan, CEO of Intellect Wholesale Banking
- Mr. Rajesh Saxena, CEO of Intellect Consumer Banking
- Mr. Banesh Prabhu, CEO of IntellectAI
- Ms. Vasudha Subramaniam, CFO

Besides, some other senior members of the Intellect management team are also present on the call. Now, I hand it over to Ms. Vasudha to take you through the results. This will be followed by comments from Mr. Arun Jain. Then we will start with the Q&A session where your questions will be replied by the management team. When the Q&A starts, you can ask a question by clicking on the “Raise Hand”, and we will unmute you so everyone can hear you.

Safe Harbour Statement - I would like to remind you that any statements that representatives of Intellect Design Arena Ltd make refers to our outlook for the future is a forward-looking statement. This must be read in conjunction with the risks that the company faces.

With this, I request Ms. Vasudha to give her briefing. Over to you, Vasudha.

Vasudha Subramaniam:

Thank you, Praveen. Good evening, everyone. A very warm welcome to all of you. I'm delighted to walk you through the financial and strategic performance of our company for the first quarter of the financial year 2025-26. This quarter marks yet another important milestone in our journey of becoming the most comprehensive, composable, and intelligent financial technology provider to forward-looking institutions across the globe.

On the financial performance, we had a strong start to the fiscal year. In Q1, we delivered a total income of ₹734 Cr, representing a growth of 18% year-on-year. EBITDA stood at ₹ 176 Cr, showing a 28% year-on-year growth. Profit after tax was ₹ 94 Cr, a solid 27% increase year-on-year.

Collection stood at ₹ 586 Cr. Our cash and cash equivalents remained robust at ₹ 976 Cr, giving us the confidence to continue investing in growth and innovation.

Our license-linked revenues (LLR), comprising license platform and AMC revenue stood at ₹ 389 Cr for the quarter. The LLR is now more than 50% of our overall revenue, creating a predictable and recurring engine. And our ARR (Annual Recurring Revenue) now stands at ₹ 1,041 Cr. This is a strong indicator of how our business is maturing towards long-term, committed, high-quality engagements.

On the deal wins and go-lives front, we won 17 new deals and went live with 15 digital transformations in Q1. Let me highlight three strategic wins in the US, with two global banks marking the entry of eMACH.ai into the US market.

A Tier One Canadian multinational bank has chosen both eMACH.ai Core Banking and eMACH.ai Payments for their US expansion. This engagement spans their corporate and investment banking operations and sets the stage for future expansions in Europe and Asia. This win is significant not just in size but on strategic depth. It reinforces our relevance for Tier One banks operating in complex global environments.

In parallel, a San Francisco-based global financial services firm operating across 35 countries selected eMACH.ai Liquidity Management. This solution will provide them with real-time visibility, control, and compliance over global liquidity positions, a vital capability in today's volatile market.

These deals are part of a deep-growing funnel now valued at ₹ 11,300 Cr, with over ₹ 9,200 Cr already a part of the active opportunities.

Let me shift gears to Purple Fabric, our open business impact AI platform. In just sixty (60) days since its launch, Purple Fabric has conducted over fifty (50) boot camps, engaged with over five thousand (5,000) participants through our business impact AI masterclasses, and sparked deep strategic interest among global banks and insurers. More importantly, this platform is aligned to enterprise-wide AI deployments which generate business impact, and not mere experiments.

The market is clearly signalling that it is ready for AI that is auditable, traceable, governable, and most importantly, impactful. We are building a strong pipeline of engagements that we expect to convert into high-impact AI transformations in the quarters ahead. I would like to talk about the continued validity global analysts. The growing adoption of eMACH.ai is also reflected in the industry analyst community. Gartner continues to rate us highly in its critical capabilities for retail core banking systems. Chartis has positioned our credit lending operations as leaders in five different quadrants. Celent has identified our eMACH.ai Digital Engagement Platform (DEP) as a standout in terms of functionality in its retail and SME digital banking platforms across APAC, EMEA, and North America. These recognitions affirm that eMACH.ai is not just a visionary platform, but a proven execution engine.

On the leadership capital, to support our global scale-up, we have made some key leadership additions. Dave Thomas has joined us as EVP and Business Head, Credit Union and Small Market Financial Institutions. He brings three decades of experience from Central 1, ATB, and Accenture, and will lead the transition of Canadian Credit Unions to our Digital Engagement Platform.

John Turner has joined as the President and Business Head for Purple Fabric. Rajesh Makhija has been instrumental in shaping eMACH.ai cloud architecture and was pivotal in launching Purple Fabric. He has been appointed Chief Marketing Officer to lead enterprise-wide marketing.

Eshmael has joined as SVP and Country Manager for South Africa, and Conor has joined as Chief Marketing Officer at Intellect Wholesale Banking. Vivek Patil has joined us as EVP and Chief Growth Officer for Intellect Consumer Banking. He will lead large transformation deals in India and adjacent markets.

These appointments reflect our conviction not only to build world-class products, but also to support them with global talent, strong governance, and high-touch customer engagement.

To summarise, quarter one has delivered strong growth across all key metrics: top line, margins, profitability, and pipeline progression. eMACH.ai continues to gain traction with Tier One banks and analysts alike. Purple Fabric is assuring a new era of auditable, governed, and business impact-focused AI adoption. We are backed by a growing base of referenceable clients and a leadership team built for global scale. As we move into the rest of the financial year 2026, we are confident of building on this momentum. We are operating from a position of strength with conviction in our strategy, confidence in our products, and clarity in our execution.

Thank you again for your time, your trust, and your continued partnership in our growth journey. Thank you.

Arun Jain:

Thank you, Vasudha, for the brief. The presentation has been sent to all of you; as analysts, you have likely reviewed the deck, where all the numbers are in line with what we are presenting here. You had expected 15% growth, and I think we are in line with that. We are growing despite the industry slowdown, and we have a good pipeline of close to ₹11,000 crore. That's a significant validation of our eMACH.ai strategy.

Intellect winning three (3) deals in the US in a single quarter for digital transformation on eMACH.ai core is significant validation. This was a core concern, and we had prepared a strategy to enter the US market with our eMACH.ai Core Banking, eMACH.ai Payments, the eMACH.ai Liquidity Management solutions. Therefore, it's very significant for us that, in a single quarter, we have entered the US market

for all the three major products. This highlights that our investments over the last six quarters are now paying off one by one: initially in the UK, then in Canada, and now in the US, apart from Germany and Hungary earlier.

eMACH.ai in the advanced markets is progressing in line with our expectations. In the Purple Fabric business, similar deals are emerging in the US and UK, which continues our agenda to build on top of Purple Fabric.

Purple Fabric has kept me extremely busy and excited over the last six months. It's very rare in the organisation's history that we have introduced a technology that's compared to the best in class in its category; technology which is supported by a massive tailwind and technology which everybody wants to acquire.

Broadly speaking, there are two kinds of AI businesses - Data Lifecycle AI which is built on data and knowledge, such as Open AI, Perplexity, or Deepseek, and Application Lifecycle AI, where the application is the primary pivot around which you build AI to translate enterprise needs to deliver business results. Purple Fabric is an Application Lifecycle AI technology.

There are three leading players in Application Lifecycle AI are – Planatir, C3.ai, and now Purple Fabric. An independent analyst study commissioned by us on Purple Fabric, positioned us in this bracket; providing us the validation for Purple Fabric.

We officially launched Purple Fabric in the UK through the Financial Times on May 12th 2025 and followed it up with a launch in India through The Economic Times on May 26th 2025. Our basic value propositions were the Enterprise GPT and the Enterprise Knowledge Garden (EKG), powered by our four tech stacks. It was surprising to see that even a traditional newspaper advertisement in The Economic Times yielded over 3,000 registrations for the Masterclasses. Over 2,500 unique companies are participating in this journey, which is keeping all of us on our toes. We have been conducting over fifty (50) boot-camps for Purple Fabric till date, almost at the rate of one (1) per day; including two (2) to three (3) boot-camps simultaneously across London, the Middle East, and India. These boot-camps are contributing to a significantly growing pipeline for Purple Fabric.

In just sixty (60) days, our annual pipeline for Purple Fabric has reached nearly ₹ 800 Cr. We will aim to convert this lead pipeline into an opportunity pipeline, and subsequently into a closure pipeline. A significant indicator of our optimism for growth and acceptance of Purple Fabric are four hundred (400) leads that we have generated in the last sixty (60), the highest for any product we have launched in recent year. The fact that these leads could be generated in such a short span highlights how differentiated and disruptive Purple Fabric is in the market as an open business impact AI platform. We are focused on disrupting the market for enterprise AI and simplifying the adoption of AI across enterprises.

One crucial piece of feedback from customers is how simple Purple Fabric is to use, especially when compared to alternatives like Palantir. While it's still early, we plan to invest a total of ₹ 100 Cr in Purple Fabric this year, with ₹ 10 Cr already invested in the first quarter. Our current profit in this quarter stands at ₹ 94 Cr. With the ₹10 crore already invested in Purple Fabric, we anticipate investing an additional ₹20-30 Cr over the coming three quarters, incrementally increasing our total investment from ₹ 100 Cr to ₹ 130 Cr over the entire year. Our EBITDA margins are projected to be between 22% and 25%, though this band might fluctuate depending on license deals and market scenarios.

This AI investment is fully on our balance sheet without external funding as a bootstrap model. This is a first for us. This contrasts sharply with global AI investments, which typically range from \$150 million to \$200 million (₹1,000 Cr to ₹2,000 Cr).

Our research team has done a phenomenal job understanding the needs of enterprises and responding appropriately to the needs of the enterprises where we have deployed our technologies. They have been working on this for over two (2) years and have been in constant communication with various enterprises, addressing their questions and doubts over enterprise implementation of AI. This is the beauty of holistic planning. From last year to this year, we have proactively addressed all market objections and then created market-leading messaging for this global launch. We are really excited to move forward with Purple Fabric. Every day has been busy for all of us.

On another front, Purple Fabric is also significantly boosting lead generation for eMACH.ai because Purple Fabric can be consumed as an API directly on our eMACH.ai platform. This applies across our entire suite of products, including core banking, lending, wealth, custody, capital markets, payments, liquidity, trade finance, trade operation, and supply chain finance.

We have developed digital experts that enhance our existing offerings, creating truly AI-native products for the market. In the banking industry, it is the first time we are launching these AI-native banking products with Purple Fabric providing the ability to consume them at an API level.

The complete eMACH.ai platform, which we initially launched in February 2023, began its AI journey over the last two years. Now, AI has become a forefront conversation with our customers. For example, when they are looking for a trading application, we are not just offering a traditional trading application. Instead, we provide a complete trade operation solution where we promise them 20/20 benefits, i.e. we can help increase customer revenue by 20% and decrease operational costs by 20%, by leveraging Purple Fabric alongside our trade, payment, core, or wealth platforms. This is the promise we are making to our customers right now.

I am ready to take as many questions as possible on our strategy. For financial numbers, I believe most of you are already aware and familiar with. Vasudha will handle any tactical financial questions one-on-one outside this session, via email or other means.

We have one hour, and I think we can make good use of it to help you understand where we stand on this journey. If you have questions for Manish, Rajesh, Banesh, or I; the four of us are here to respond to business questions. Please use your time effectively. The financial numbers are readily available.

Praveen Malik:

Thanks, Arun. The forum is now open for Q&A. In case you want to ask a question, please click on "Raise Hand". I repeat, please click on "Raise Hand" and we shall unmute you and everybody will be able to listen to you. So first we have Mr Rahul Jain from Dolat Capital. Rahul, please unmute yourself.

Rahul Jain:

Yes, hi. Hope my line is clear.

Praveen Malik:

Yes, please go ahead.

Rahul Jain:

Thanks for the colour that you shared around the product. I just have a couple of questions. Firstly, regarding the funnel we discussed for Purple Fabric: how do you typically see this culminating into business for us over time? Also, what are the top use cases that enterprises are looking for from us on this platform? That's my first question, and I will likely have a follow-up.

Arun Jain:

Banesh, would you like to answer?

Banesh Prabhu:

Yeah. So, thanks, Rahul. As you know, we have been working, and you have seen from our regular results that we are continuously closing Purple Fabric deals in the US on the insurance side. We have garnered several leads, and as of this point, we have already moved forward with the large numbers that Arun had mentioned. We started analysing them, reached out to all of them, and received a good response. We already have 87 leads who have responded, and we are continually scheduling boot-camps for them. Additionally, we are in advanced-stage discussions with several Tier 1 clients in the UK. So, to answer your question, we are moving forward with the pipeline opportunity that has significantly emerged after the launch of Purple Fabric, in continuation of our existing business that is already gaining good momentum with Purple Fabric.

Rahul Jain:

So, Banesh, are you trying to say that the bulk of the interest is coming from the insurance side, or is it from three or four areas?

Banesh Prabhu:

I think it's well spread out. We have 39 leads in Europe, 16 leads in the US, and also a lot of interest in India, with 20 leads. These are all advanced-stage discussions, where we have already moved them from initial interest into leads, and many are already in the opportunity stage. We have 21 opportunities right now that are at a pretty advanced level of discussion.

So, to answer your question, it's not only insurance. It's across all of banking, wealth, and several other areas, including a lot of operations reimagination and significant compliance and regulatory interest. We actually held an event on compliance and regulatory topics in the UK, and it was attended by all 50 people, which was very popular. So, I wouldn't say its insurance only, by far. Insurance has gained a lot more momentum because we initiated a significant amount of AI work on it earlier, and it has been well-integrated with our products. As Arun said, a lot of this is getting attention because it's being embedded with our products in a way that allows Purple Fabric to coexist with eMACH.ai, which is exactly what eMACH.ai represents: eMACH and AI. The AI component is Purple Fabric embedded within our eMACH.ai suite. This uniquely positions us for the changes taking place in the market across all products, as every product is looking to embed AI. So, I think fundamentally, that's the unique interest we're seeing compared to everybody else.

Rahul Jain:

Interesting. And as Arunji mentioned about scaling up the marketing budget from ₹ 100 Cr to ₹ 130 Cr, or moving towards a ₹ 30 Cr run rate. I don't want to get into an outlook-type of a question, but more importantly, given this scale-up in spend, is it safer to assume that monetisation should also start to scale up meaningfully for us in the later part of the year, considering we are increasing our spend in this market area?

Arun Jain:

So, Rahul, first, it's important to understand the range of opportunities. We have opportunities in Enterprise GPT, which focuses on customer reimagination. Then there is the Enterprise Knowledge Garden, where the product helps relationship managers' design and compare products. We also have opportunities within the enterprise operations team, covering areas like customer on-boarding, loan origination, and trade operations. And as Banesh mentioned, the compliance area is significant as well. So, all four of these reimagination business impact areas have their own list of opportunities.

Regarding the ₹ 130 Cr incremental investment, we anticipate that AI should cumulatively generate close to ₹ 200 Cr in revenue by the end of this year. This will come from all the sectors we are targeting, including insurance, APX, CPX, Wealth, GRC, and the new lines of business emerging in this space.

Rahul Jain:

Yeah, thanks for that input. We have certainly seen how expansive the product has been in leveraging the data garden. Does this also open up opportunities for consulting, or do we intend to stick solely to a product-only model? Or would it be a combination of consulting plus product?

Arun Jain:

Sure. Manish, would you like to answer the approach we are taking on the consulting side?

Manish Maakan:

Thanks, Arun. Yes, we are expanding into consulting, specifically focusing on the business impact created and examining the target operating models and operational efficiencies that AI can provide. We are on-boarding a number of senior folks next week, so I will wait until then, but we will shortly have an announcement regarding our consulting services.

Arun Jain:

This will include industry consulting, not just industry AI consulting, but broader industry consulting.

Manish Maakan:

Yes.

Rahul Jain:

Appreciated, and one last question from my side. It's a numerical one, I'm afraid. We have seen platform revenue grow significantly this quarter. Could you share the organic portion versus the Central1 contribution? Also, is there any seasonality to the Central 1 run rate that we should be aware of? Thank you.

Arun Jain:

Yes, a portion of that increase came from Central1, so this revenue has gone up because of Central 1. Central 1 was expected to grow, which is the main reason for that. It's sustainable.

Rahul Jain:

So, what you are essentially saying is that we should consider the current run rate as the base, and there isn't much seasonality from that perspective. Any future growth will be from this base?

Arun Jain:

That's right.

Rahul Jain:

Thank you so much.

Praveen Malik:

Thank you, Rahul. Thanks for the question. Next, we have Mr Sushovan Nayak from Anand Rathi Securities. Sushovan, please unmute yourself.

Sushovan Nayak:

Yes, is my voice audible?

Praveen Malik:

Yes. Please go on.

Sushovan Nayak:

Thank you for the opportunity. I have two questions.

First, regarding working capital, this is for Vasudha, ma'am. I just wanted to understand the GeM receivable contribution. Also, you have a significant non-current receivable of almost ₹ 200 Cr in Q4. Could you shed some light on that?

My second question is, what exactly contributed to the significant change in the currency mix compared to last quarter?

Vasudha Subramaniam:

I believe you might have picked up these non-current receivables from the Annual Report. That figure represents contractually not-yet-due cases. As per accounting principles, we are required to reflect receivables that are not yet contractually due under non-current receivables. So, that's what that is.

Regarding your other question about GeM, generally, we do not report customer-wise receivables. However, it's quite a significant number, and we can say that it's gradually reducing. We also have plans to liquidate that completely. That's one of the reasons for the increasing DSO, and you should see good improvements in the quarters to come.

Sushovan Nayak:

I'm sorry, the reason I asked about GeM receivables is that in this presentation, I believe you specifically mentioned DSOs both including and excluding GeM. That was the basic reason for my question.

Vasudha Subramaniam:

Yes, we want to specifically highlight that the higher DSO is due to the inclusion of GeM receivables, which is why we chose to separate it out and show it that way. Additionally, other global macroeconomic factors prevented us from liquidating those receivables quickly, resulting in some

delays in collections. Our account management team is working very hard to collect these at the earliest possible time.

Another reason for the DSO is that many projects are run on a milestone basis. We can only raise an invoice and collect payment once we complete a milestone. So, there are multiple reasons for the higher DSO.

Sushovan Nayak:

Thank you. And regarding the change in the currency mix, other than the Central1 acquisition, is there anything else? Because the UK proportion has significantly reduced, and the US has significantly increased from a currency mix standpoint.

Vasudha Subramaniam:

There's been a significant increase in CAD, which is why you are seeing a consequential impact in the UK and US figures. Otherwise, the absolute numbers for what we have been generating in GBP and USD remain the same in quantum.

Sushovan Nayak:

Okay. Because what I see is that 29% of GBP has now become 14%, while USD has increased from 33% to 45%.

Vasudha Subramaniam:

And the CAD would have increased significantly.

Sushovan Nayak:

The CAD is from 6% to 13%, right?

Vasudha Subramaniam:

Yes, CAD is separately shown as 13% here.

Sushovan Nayak:

Yes.

Vasudha Subramaniam:

Okay.

Arun Jain:

Some contracts are denominated in dollars, even though they are operating from different countries. That's why we have 45% USD; it's not exclusively US business, but rather USD-denominated business.

Sushovan Nayak:

Understood. Thank you.

Praveen Malik:

Thanks, Sushovan. Next, we have Mr Keshav Surekha from Niveshaay.

Keshav Surekha:

Thanks for the opportunity. I see you have added five new logos in India. Your May presentation mentioned nine top banks, and now I see 14. Could you tell us about these deals? What kind of deals you have won in India? Also, are we expecting more deals from India in the future, particularly any major ones in this geography?

Arun Jain:

Ramanan is the right person to discuss the India deals, but these five deals are in different areas. A few are in the DTC (Digital Technology for Commerce) space, specifically in retail and commerce. They are not all banking deals, though they are reported from India. Out of these five, two or three deals are in the banking sector, and the remaining are in the commerce area.

Manish Maakan:

Additionally, Arun, we were previously showing the top 10 banks. We are now displaying the top 15. This illustrates how the width of our coverage across these markets is expanding.

Arun Jain:

Okay, yes. Top 14 out of 15. So, that's the coverage that's installed. Okay, Manish, do you want to elaborate?

Manish Maakan:

You will see that we were showing the top ten banks out of each of these markets. As we have gone deeper, we are now looking at the top fifteen, top twenty, and top thirty. We are expanding those spaces and demonstrating our deep commitment to this market. The focus now is on growing these accounts and expanding our presence within them.

Keshav Surekha:

How do you envision the Indian market as a driver of growth for your business?

Arun Jain:

The Indian market is very active. We are actively participating with eMACH.ai, and Purple Fabric. It is a very potent market for us.

Keshav Surekha:

OK. Thank you.

Praveen Malik:

Thanks, Keshav. Next, we have Mr. Amar Bakth from Oman Investment. Amar, please unmute yourself.

Amar:

Hi. Am I audible?

Praveen Malik:

Yes. Please go on.

Amar Bakth:

Yes. I'm trying to understand the revenue model of these two new products, which are now fully implemented and ready to provide incremental revenue for the company. Will revenue come at the time of implementation itself, or will there be outcome-based revenue modelling, or will there be some AMC-related revenue after implementation as well? How is the revenue life cycle with these two, Purple Fabric, as well as eMACH.ai? I mean, how is it going to provide revenue, in one stream or in different streams?

Arun Jain:

Manish, would you like to take it up?

Manish Maakan:

Yes, Arun. Sure. For Purple Fabric, it's a mix of initial revenue, smaller implementation fees, and a long tail as we scale. There's a minimum commitment for certain volumes, after which it becomes business impact-based. So, this will introduce a lot of variable components. On eMACH.ai, we are also moving to much more variable revenue. And the consulting piece we are looking at launching, will be business impact-created, focusing on how we can help banks move from point A to point B on their revenues and costs, and that's where we are building out.

Banesh Prabhu:

I will just add a little more texture to the deals on Purple Fabric. I think customers normally pay in different ways. Some of them are entirely subscription-driven. Some are paying for the platform itself. Some are paying because the platform is bringing those savings. So, for most of our Purple Fabric implementations, we have a minimum subscription amount they pay, which covers our cost of operating, running, and licensing the platform to them. The balance is then driven by the outcome related to improving either their cost reductions or achieving greater volumes on the platform. Therefore, for some of them, we charge by AI volume or agent, and for others, we charge for the entire

platform. And wherever it's embedded into our products, we also charge similarly for the usage of the AI element of that license.

Amar Bakth:

So, if my understanding is correct, that means there's a part of the revenue which is a kind of annuity-based stream. That means that once I have a customer who has purchased my product, a portion of the revenue, whether it's AMC-based, license-based, or platform-based, will continue as long as the customer is using it. Probably a part of it is a one-time expenditure at the time of implementation itself, and now you are also adding that there is something that depends on the output-based model. So, if our customer achieves a certain efficiency level by using our product, there will be a kind of profit sharing or a fixed arrangement, with the company receiving a share. I am just trying to understand, for longevity, if I get a customer today, how long will I be able to monetise that particular customer?

Banesh Prabhu:

So, the subscription deals that we do typically range from three (3) to five (5) years. And they are, like you said, an annuity with a minimum volume, which then grows as the volume grows. So, there is volume pricing as well. There is a separate implementation cost. Very often, for certain projects, we do pilots, and there is normally a charge for those pilots. When we implement, we start with the subscription, which normally runs, as I said, for three (3) to five (5) years thereafter. Additionally, several change requests are made throughout those three to five years to upgrade the platform.

Arun Jain:

So, if it's an annual contract -

- A1 revenue is the pilot cost
- A2 revenue is from implementation
- A3 revenue is subscription / transaction-based, often a percentage—for example, thirty basis points on the insurance premium paid, or a per-transaction basis, like twelve dollars per transaction, or ninety-nine dollars per 'work packet' produced, such as per complaint resolution.
- A4 revenue is platform licensing, which is on an annualised basis and is also subscription-based, and dependent on the number of cores my AI platform will use. So, it is similar to how Oracle does it, with the number of cores-based licenses. We have a similar policy for platform-based outsourcing.
- A5 revenue is from licence pricing
- A6 revenue is long-term licence with AMC (Annual Maintenance Contract)

So, these are the six different types of revenue streams in the company.

Amar Bakth:

So, if we implement the product for one particular company, all those six streams will be activated over a period of time. Therefore, as and when we add new customers to our new platform, this will compound over time, correct?

Arun Jain:

That's right. That's the value of a business like ours, it may not be all six (6) revenue streams for each customer; there may be three (3) for one customer, two (2) for another. Even though the revenue streams vary, compounding does take place. All the profit gets compounded. That's why we have 18% year-on-year growth and 27% profit growth. That's the important point: the company is reaching that lever where profit growth is higher than revenue growth. So, it's not a linear model.

Amar Bakth:

Okay. And then, in that particular model itself, there is some operating leverage built in, because as the product matures, the expenditure on the product will not be as high compared to its revenue-generating capacity. So, there is compounding from that side as whole, and the compounding on the margin side too?

Arun Jain:

Exactly. That's the value of product companies.

Amar Bakth:

Okay. Just a second and probably the last one, I will not take more time. To clarify, is there a similar level of lumpiness in this type of business as well? That is, in some quarters, there is a sudden revenue build-up, while in others, it's significantly lower. What I understand is that the product has a high consistency and longevity, which is quite impressive. However, on a quarter-on-quarter basis, I can see significant lumpiness in revenue. How is this happening?

Arun Jain:

It's happening because in the product business, each license can be as high as \$ 7 Mn. A \$ 7 Mn license materialising or not materialising in a particular quarter can indeed create lumpiness in the business. So, an LTM (Last Twelve Months) basis is a good way for you as an investor to consider a metric, rather than focusing solely on the quarterly numbers.

Amar Bakth:

Okay. And, if I may ask one last question. Regarding the US as a market, I can see your main strength. Typically, for IT companies, the US is a significant market; however, Intellect has generated the highest revenue outside the US. If I consider the US dollar denomination as a separate thing, the business coming directly from the US is not as big compared to other IT companies. Now, we all know US is a huge market for a product like yours. So, how as a company are we approaching to build that particular

pie into our business? Because, probably, the margins there are comparatively better, as we have understood from other IT product-related companies.

Arun Jain:

There are not too many product companies from India getting significant revenue from the US market. Intellect is still performing better than most in that regard. Regarding margins, they are almost equal in the US, Canada, and Europe, and share a similar nature. In fact, we sometimes see margins in the UK and Europe being even better than those in the US, from that perspective. Our approach was to go to Europe first, then Canada, and finally the US; that has been our strategy and roadmap. This quarter, we are pleased to announce that the financial year has commenced with three deals in the US. So, now we will definitely be expanding our US portfolio.

Amar Bakth:

Thank you very much. I may be re-joining the queue. Thank you!

Praveen Malik:

Thanks, Amar. Next, we have Mr. Mihir Manohar from Cernelian Asset Management.

Mihir Manohar:

Yes, Hi! Thank you for giving me the opportunity, and congratulations on a strong set of numbers. Sir, I would like to learn more about Palantir, C3.ai, and Purple Fabric. You mentioned these are the three enterprise-grade AIs. Could you provide any colour or feedback from clients or industry analysts on the competitive positioning of Purple Fabric vis-à-vis Palantir and C3.ai? Could you elaborate on who is strong in which areas and how things might eventually unfold?

Arun Jain:

That's a beautiful question for understanding the market. Palantir is a company that started in 2005, making it a twenty (20) year-old company in the AI space, originally focused on commerce. Their major revenue still comes from the US government. After 2018, they began moving beyond government clients and looking at commercial sector. They are still using their older platform, Foundry, to support this, so they have a large, legacy Foundry platform built using AI technologies that were available between 2010 and 2012.

Intellect started investing in AI in 2016. C3.ai also began investing around the same time. However, we launched Purple Fabric as a platform only in 2025, after thoroughly understanding the implementation pain points of AI. When you look at it, four key elements are differentiating AI in Intellect:

- Enterprise Knowledge Garden (EKG) is our first value proposition. Intellect is the first to trademark that. We believe that alongside a Data Lake, you need an Enterprise Knowledge Garden because the true moat of enterprise value is the knowledge residing within an

organisation. We have technology to vectorise that knowledge into a 'garden' and nurture it so customers can use both data from their Data Lake and knowledge from the Garden, thereby creating expertise for the organisation. This is very unique and not provided by C3.ai or Palantir.

- We don't talk about 'agents.' We believe business impact happens via experts. Agents can solve smaller issues, just as an executive can handle basic problems or call centre inquiries, but if you want to address complex finance or wealth management issues, you need experts. So, we have an expert orchestration system with Socrates dialogue, creating immense value through our digital expert methodology. Most global companies, including C3.ai or Palantir, primarily focus on agents. We believe it's a business of experts; that's a significant difference.
- We allow for open technology. Any LLM (Large Language Model) can be used. LLM costs are continually falling, so customers shouldn't be locked into one LLM. We enable customers to benchmark and select LLMs appropriately. This flexibility is currently not offered by any of the main players.

These are our three core differentiators besides this, in enterprise governance, specifically entitlements and controls, all three of us (ourselves, C3.ai, and Palantir) provide strong governance. Enterprise governance might be considered equal among us. But on EKG (Enterprise Knowledge Garden), digital experts, and LLM flexibility, we are distinctly differentiated.

Banesh Prabhu:

I think just to add to that, Arun, speaking to clients in Europe including some large banks, the orchestration of flow through EKG (Enterprise Knowledge Garden) and the digital workforce, setting up multiple agents or digital experts as a digital workforce, is easier and more governable with us. Because the clients who come to us are finding that they cannot scale, and some of them are using our competitors, they would like to scale. I think the governance part of managing multiple workforces, we are better positioned in some sense, and we are also more flexible and easier to consume those services compared to their models. So, that's the feedback we are getting, and we are obviously learning along the way.

Mihir Manohar:

Sure, understood. Is there any more colour around whether people are looking to replace or change from their C3.ai or Palantir offerings to our offerings?

Arun Jain:

I am saying that it is a co-existence model. We are not replacing Palantir right now; we are still a young player to battle it. Palantir is a \$ 300 Bn company. Even if we take a 10% slice of the total market share, that will be good for us.

Mihir Manohar:

Understood. My second question was about the investment: ₹ 100 Cr to ₹ 130 Cr. So, the ₹ 30 Cr will be incremental, right? Will that impact the P&L for FY26?

Arun Jain:

All of it will be in the P&L. In the market, we cannot capitalise on any of this investment. However, we will still manage margins to the level we are targeting between 20% to 25% even in spite of these investments. But ₹ 130 Cr is a hard-core investment.

Mihir Manohar:

Last question on DSO. On both a quarter-over-quarter and year-over-year basis, even excluding GeM, there's a good jump in DSO. How should we see this normalising? Why did this jump occur?

Arun Jain:

It keeps fluctuating. The last quarter was very successful; we were able to collect a substantial amount of money. This quarter is bad. Quarter-on-quarter, this is a transactional item when a project goes live, and a large payment is suddenly received (it's milestone-based). So, I think you have seen the company for the last three year. We should not be too worried about DSOs.

Mihir Manohar:

Understood, sure. That's it from my side.

Praveen Malik:

Thanks, Mihir. Thanks for the question. Next, we have Mr. Rohit Balakrishnan from ithoughtPMS. Rohit, unmute yourself and ask the question.

Rohit Balakrishnan:

Hello. Am I audible here?

Praveen Malik:

Yes. Please go on.

Rohit Balakrishnan:

Sir, a few questions. First, about the US Destiny deals that we won; one in Canada and one in the US. Can you share more colour in terms of whom we competed against, the length of the engagement, and whether this represents an important inflection point to win more US deals? First, if you can share this. And then I have two more questions.

Manish Maakan:

Thank you. That's a very good question. It's the strength of our technology, of our eMACH.ai architecture. As Arun has been talking about, we clearly beat a number of existing players, fair and square. When you go deep into the architecture, the purity stands on its own. Our strength in wholesale banking, industry-aligned solutions, and our payments platform which is rated by analysts in the leader class are clear advantages. You had the who's who of all the key core banking, payments, and liquidity players in each of these wins. This is a good start for us. In liquidity, we are market leaders; in payments, we are also among the top two. The power of our core banking, what we have demonstrated in Europe, is now evident as we break through in the US.

Rajesh Saxena:

If I can just add, Manish. From a core banking perspective, getting a Tier 1 client for the corporate DDA (Demand Deposit Account) deal in the US is a great achievement. US regulatory requirements are very steep, especially for DDA, which has both state and federal requirements. We won this deal without an existing reference site in the US for DDA, which clearly shows the strength of our eMACH.ai architecture as well as the relationships we've built over the last 10 years with Tier 1 clients.

Rohit Balakrishnan:

Are you disclosing the size of these deals, Sir? Is it like \$ 30 to 40 Mn or less?

Manish Maakan:

The Canadian deal is very large. I'm not giving numbers, this is only phase one. There are multiple phases; this will be very large. I'll stay at that.

Rohit Balakrishnan:

Okay. Second, if I may say I am following the company since long and have invested in the company for five (5) years, and I have seen you invest ahead of the curve (whether eMACH.ai or Purple Fabric is the culmination of that). You said you will be investing around ₹ 130 Cr this year, of which ₹ 10 Cr has been already invested. Looking beyond FY26, generally, margins can even go above 25% or higher. When do you see Intellect entering that upward margin trajectory, not a quarter or next quarter? I'm just trying to understand when we as outsiders, sort of expect that to happen; again not specific quarter. Just would like to hear from you. How are you viewing this? These are big opportunities. I understand what you all are trying to do, not looking at immediate quarter just would like to understand from you.

Arun Jain:

The way we design our business is to keep growth pegged at around 20% year-on-year. We achieved 15%, 14% previously, but we design for 20% growth year-on-year. That's the first principle. The second principle is we have pegged 20% business from a design perspective. But economic conditions may be different, customer conditions may be different. But margin will be close to 30% growth. So, if you look at it, the difference between revenue and profit growth is 1:1.5. If you look over a three-year window,

our goal is to achieve ₹ 4,000 Cr revenue and ₹ 1,000 Cr PBT (Profit before Tax) going forward. This is what we are designing the company for. From your investment perspective, a PBT of ₹ 1,000 Cr and ₹ 4,000 Cr as a top-line number in three years is very much possible. It is not guidance, but this is what we are striving for.

Rohit Balakrishnan:

Got it, that's helpful. Two smaller bits - of the pipeline you mentioned, specifically the ₹ 9,000 Cr active pipeline, could you share roughly how much is US-related? Has the consolidation of Central1's acquisition led to a margin drag this quarter or this financial year?

Arun Jain:

The acquisition is profitable, but not as profitable as other businesses, so there may be a dip in percentage margin. More importantly, the acquisition has given us a big acceleration in the Canadian market. Rajesh can brief you about this.

Rajesh Saxena:

Yes, we announced the acquisition in March. Along with this, we gained approximately 170 new customers, and 140 people joined us. Our first-quarter results are better than expected. Both from a culture, sales, and relationships' perspective, the business is growing. As we delve into a new segment of these 150 credit unions, we are seeing numerous new opportunities emerge. So, this acquisition is primarily for the Digital Engagement Platform (DEP). But we are now seeing opportunities coming up in core banking, lending, commercial banking, and payments. It's still early, but the Central1 acquisition is very good, significantly improving our Canadian footprint, client base and providing good cross-sell/upsell opportunities. From that perspective, it is a very good acquisition.

Rohit Balakrishnan:

For clarification, do you view Central1 separately in terms of operation, or are you fully consolidating it? Numbers are one thing. But from your own lens, as you sort of integrate, how do you see the margins of that business? Or do you look at everything together?

Arun Jain:

We look at it as a merger: culture, people, thinking, not just numbers. We don't separate it.

Rajesh Saxena:

We have made significant progress over the last quarter, Rohit. Yes, it's now One Intellect operations.

Manish Maakan:

It's a strategic intent. It gives access to over 150 banks, lots of cross-sell opportunities, and competence in running a large-scale cloud SaaS business, extending our reach further. There are a lot of strategic

decisions behind why we pursued these acquisitions, beyond just bringing in a certain revenue. The scale we gain in Canada is hugely important; we are becoming a dominant force there.

Rohit Balakrishnan:

Did this acquisition help in clinching recent deals?

Manish Maakan:

The Canadians have started feeling very comfortable with the size of our operation. Our intent is, we are calling this as one of our three home markets. India is a home market, the UK is a home market, and Canada is now becoming that home market. And the intent is to scale each one of these to a \$ 100 Mn business in the near future. So it's on the right path.

Rajesh Saxena:

If I can just add to that, Manish. Another important piece is that we gained 140 Canadian employees with the deal. I think that will significantly help us as we implement these deals that we are winning. So, it's as if a Canadian team has now reached that critical mass, which should enable us to implement better, and that gives confidence to clients as they look to us for large deals.

Rohit:

Got it. Thank you very much and all the very best.

Praveen Malik:

Thanks, Rohit. Next, we have Mr. Aditya Trivedi from Nepean Capital. Aditya.

Aditya Trivedi:

So, the question I have is, is there a roadmap for expanding Purple Fabric's adoption beyond BFSI into sectors like manufacturing or retail, where we could see AI-driven workflow automation and procurement optimisation also critical? Or is Purple Fabric's architecture and components restricted to BFSI? What I'm trying to understand is, could there be an expansion in TAM for Purple Fabric?

Arun Jain:

Yes, Aditya, we are already expanding to procurement and e-commerce solutions. The DTC business is already there. Additionally, we are seeking partners in other sectors to expand into the pharmaceutical and retail industries. We are currently exploring potential partners in these areas.

Banesh Prabhu:

And we have some pipeline in the non-BFSI space, we are already working on.

Aditya Trivedi:

Okay. And as of now, what are the top three AI-driven business impact use cases being deployed using Purple Fabric?

Arun Jain:

We have answered earlier. It's the same areas we have been discussing. We have just about five minutes left; we are running out of time. If you have some other questions, please go ahead.

Aditya Trivedi:

No, that's it from my end. Thank you so much.

Praveen Malik:

Arun, should we take another two or three questions on there?

Arun Jain:

Yeah. So, how many are waiting?

Praveen Malik:

Maybe around four.

Arun Jain:

Just take all the four and let's close it out.

Praveen Malik:

Okay. And next we have Ms. Jyoti Singh from Arihant Capital.

Jyoti Singh:

Yes. Thank you for the opportunity, Sir. So, I just wanted to understand, like you discussed, about the Canada thing. So, what are our expectations for growth in that area after the Central1 acquisition? Additionally, another point regarding the license-linked revenue is our expectation of 60% growth over the next two to three years could you please update us on the progress on that side? Additionally, regarding new Digital Technology for Commerce platforms like GPX, CPX, and APX, how are they expected to contribute to growth by 2028-29?

Arun Jain:

Let's not look at the Canadian market independently; it will grow. Manish has mentioned it's a home market - \$ 100 Mn market in the next few years. Similarly, APX, GPX, and CPX, we cannot quantify individually for each market, as they are early-stage businesses. At Intellect Design Arena, our strategy is as follows: first, GTB expanded the market share, then GCB expanded the market share, and now AI is further expanding the market share. DTC is in the incubation stage, so that will take another three (3)

years to contribute substantially. It generally takes five (5) years for incubation to start generating a big number. To sustain a product company year-on-year and to create a robust pipeline, you need those kinds of upfront investments.

Jyoti Singh:

Thank you, Sir.

Praveen Malik:

Thanks, Jyoti. Next, we have Mr. Srinivasu K from TIA.

Srinivasu:

Hi, Sir. Thanks for the opportunity. Congratulations on the solid set of Q1 numbers. My question is: with the new AI laws coming, and you said the regulation is very tight, how is Purple Fabric guaranteeing governance and explainability in those markets? Are you pursuing any certifications to accelerate?

Arun Jain:

There is no specific certification available yet for this, but we have full traceability and auditability and that's why we have won clients in Europe. A large wealth bank in Europe is using our Purple Fabric platform, and their risk department has certified it. However, there is no formal global certification department worldwide to say this is traceable. It's about the company's own risk department's validation. However, we maintain all ethical, traceability, auditable, dialoguing, and questioning recorded to ensure AI responses, where the AI agent provides the accuracy level, such as 92%, 98%, or 97%. So, we have built a very solid enterprise governance model into it.

Banesh Prabhu:

Additionally, digital experts ensure that everything they do has an audit trail, just as a human would. That is clearly available in the process where you can see how the digital expert works in collaboration with humans.

Srinivasu:

Okay. Thank you for that. And a follow-up to the previous question about projects beyond the BFSI sector: what are the likely ticket sizes? Are they similar to mid-tier bank deals, or smaller?

Arun Jain:

As of now, we are saying as a platform it can go out to the market. We have to look with partners how deals will work, how consulting companies or SIs will take this platform to non-BFSI sectors, which is still to be evaluated. But for large non-BFSI clients, deal values will not be different because pricing is based on the number of cores being consumed for the platform. So, the cores consumed by banks and cores consumed by non-banks should be similar.

Srinivasu:

Okay, so when you say system integrators, how many SI partners are already selling this Purple Fabric platform as of Q1? What share of this year's Purple Fabric revenue will come through then?

Arun Jain:

It's too early to give exact numbers, we have engaged more than five SI partners working on it right now, and this number is increasing.

Srinivasu:

Okay, Sir. And my last question is: out of the ₹ 11,300 Cr funnel, which looks very impressive, what kind of win rates and sales cycles are you modelling to reach this ₹ 800 Cr quarterly revenue run rate?

Arun Jain:

Yes, ₹ 800 Cr. That's a good point you raised. It takes roughly every four (4) quarters to increase by ₹ 100 Cr. We have now reached ₹ 700 Cr. We expect to reach ₹ 800 Cr in the next two (2) to three (3) quarters.

Srinivasu:

Okay, Sir. Thank you.

Praveen Malik:

Thanks, Srinivasu. Next, we have Mr. Samir Dosani from ICICI Prudential. Samir Dosani, please go ahead.

Samir Dosani:

Yes, thanks for the opportunity. Basically, how should we think about the acceptability of your products, especially eMACH.ai products, which are AI-powered, in regulated markets like the US and Europe? Do you have any thoughts on how that?

Arun Jain:

What's the question?

Samir Dosani:

Basically, how to think about the acceptability of AI-powered products given there are many security concerns in regulated markets, particularly in banking, which is very tightly regulated. Are there any security challenges impacting you?

Arun Jain:

No, in fact, every bank in the US is using AI for one reason or another. It is very well accepted. The question now is: what kind of use case is being deployed? Some banks use AI in call centres; others use

it in operational processes. Most banks have adopted some form of AI. The question is whether the initiative is scalable, platform-based or particular use case based. Our offering from Intellect is a platform-based, scalable solution within the enterprise, where every employee can use the same platform and every manager can build their own agents and experts to deliver better value in operational processes and reimagine workflows. That is our key differentiation. Acceptance of AI in advanced markets is already established; everyone has implemented appropriate processes.

Samir Dosani:

Thanks.

Praveen Malik:

Thanks, Samir. Next, we have Mr. Pravesh Kocher from FourLion Capital. Pravesh?

Pravesh Kocher:

Hi, thank you for taking my question. I just want to understand if you could bring together what you talk about with the experts rather than the agents into a sort of procurement product that you are selling to some of the non-BFSI customers? Thank you.

Arun Jain:

Yes. So, in the procurement area, there are a lot of digital experts specialising in areas such as vendor management, vendor qualification, and vendor due diligence. We have experts for these domains; price parity agents are also present, as well as other digital experts who support necessary procurement documentation tasks. In terms of tenders or RFPs, especially when large RFP analysis is required, we have additional experts dedicated to this area within procurement.

Banesh Prabhu:

Extraction, comparisons, everything are all handled by digital agents for procurement activities.

Pravesh Kocher:

And how is the Knowledge Garden created for such use cases?

Arun Jain:

The Enterprise Knowledge Garden is founded on the company's policies and processes. Whenever a comparison or decision is made, the Knowledge Garden ensures the enforcement of all relevant knowledge. Specifically, it is a part of the broader Enterprise Knowledge Garden. It consists of:

- Product Knowledge Garden
- Talent Knowledge Garden
- Customer Knowledge Garden
- Policies and Process Knowledge Garden

Whenever you are writing any use case, you need to ensure compliance with the policies the company has for procurement or any other action, whether it's human-related policies or employee policies. The Knowledge Garden is the baseline from where all the knowledge emerges.

Pravesh Kocher:

And should we think about the value creation target in the non-BFSI, this procurement scenario as well, that 4x to 5x level that you talk about, or is it different in this scenario?

Arun Jain:

What is 4x to 5x? Sorry.

Pravesh Kocher:

What are the cost savings you can achieve compared to the traditional method they might be using for this process?

Arun Jain:

It will be 20%. I think the savings as of now are not fully quantified. First of all, it's about effectiveness, which is being given greater consideration by our customers, like with GeM. In Phase one of GeM, which we identified as being about transparency and the speed at which you can do the procurement. At Stage Two, you start looking at the cost savings, which can range from 8% to 15% of the absolute procurement price. But that comes in Phase two. Phase one is efficacy and transparency.

Pravesh Kocher:

Understood. Thank you, all the best.

Praveen Malik:

There are two more, I think. Puranic is hands down again. There is one repeat in case you want to take it. Sushovan from Anand Rathi is here again.

Arun Jain:

We will complete it and close it.

Praveen Malik:

Sushovan, please unmute yourself.

Sushovan Nayak:

I hope my voice is audible. Sir, just one question, Sir, on the Palantir thing that you had mentioned. So Palantir, as you mentioned, was first into US defence, then got into enterprise AI, and then gradually it's getting into BFSI. While the way you are going or evolving is that you have been very, very strong in BFSI and you are gradually moving towards the enterprise AI, by which I mean non-BFSI enterprise AI. So, in

the process of this, do you believe or do you envisage that Palantir may cannibalise you, and you obviously did mention that Palantir being so big, it will be very difficult for you to cannibalise into Palantir, right? So, I just wanted to get your thoughts on this evolution as such.

Arun Jain:

What is the exact question? Will it be a difficult competition with Palantir? Obviously, it will be.

Sushovan Nayak:

No, so the other way around is what I was basically referring to: Palantir getting into the BFSI part of the AI business, right, because they are starting to get into that.

Arun Jain:

The market is too big, Sushovan. We are not looking for 100% market share; we are looking for 10% market share, which is good enough for us. We can coexist. A three-player market can coexist. A three-player market is a very good market to coexist in where we can compete, win, and fight it out. Remaining in the top 3 in the enterprise AI space is a great celebration for Intellect.

Sushovan Nayak:

Thank you. That answers the question.

Praveen Malik:

Mr. Tushar Verma from Big Shot Investment. Tushar, are you there?

Tushar Verma:

I just need one clarity on your guidance. Like you said, the AI-based revenue by the end of this year will be around ₹ 200 Cr. So, is this new AI Purple Fabric only, or will it include some other AI revenue as well? And is this ₹ 200 Cr for the whole year or a per-quarter figure?

Arun Jain:

No, it's for the whole year. Everything is Purple Fabric; every AI is Purple Fabric. There's no other thing called AI. Thank you!

Tushar Verma:

Thank you, Sir.

Arun Jain:

Thank you.

Praveen Malik:

Thank you, Tushar. Thank you, everybody, for joining us today. In case you have any other questions, please write to us and we will reply on the same. Thank you.

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings