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

Scrip Code: INTELLECT
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Dear Sir/Madam,

Sub: Disclosure of Transcript of the Earnings call

Please find attached herewith the transcript of the Investor Earnings Call held on October 31, 2025 on the unaudited financial results for the quarter and half year ended September 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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Investor Earnings Call Transcript

Nachu Nagappan:

Good evening, everyone. I'm Nachu Nagappan, Head of Corporate Communications at Intellect Design Arena. It is my pleasure to welcome you all to our investor call for the second quarter of fiscal year 2025-26, ending 30th September 2025. Thank you for joining us and for your continued interest in the company. We are delighted to have you with us as we take you through another quarter of progress and performance.

The investor presentation and press release have already been shared with you and are available on our website. During the call today, our leadership team will walk you through the highlights of the quarter, covering our financial performance, business momentum, and strategic priorities, and will then take your questions.

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, Chief Financial Officer
and
Mr. Vikash Misra, Chief Strategy Officer.

We are also joined by several senior members of the Intellect Management team. Before we begin, I would like to draw your attention to the Safe Harbour Statement. Certain statements made during this call may be forward-looking in nature. These involve known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed or implied. These statements should be read in conjunction with the risks detailed in our filings and disclosures.

With that, I would now like to invite Ms. Vasudha Subramaniam, our CFO, to take you through the financial performance of the quarter. Over to you, Vasudha.

Vasudha Subramaniam:

Thank you, Nachu. Good evening, everyone. Thank you for joining us on our Q2 earnings call. It's a pleasure to connect with all of you again and walk you through what has been another solid quarter for Intellect, a quarter that reflects not only our momentum in topline and profitability but also the underlying strength of our platform-led strategy, business model maturity, and consistent execution.

Let me begin by sharing the highlights of our second quarter and then move on to a composite view of our half-year performance.

In Q2, Intellect delivered revenue of 789 crore, registering a year-on-year growth of 34 percent. On a sequential basis, we grew 7 percent over Q1. Our EBITDA for the quarter stood at 184 crore, growing 68 percent year-on-year. Net profit almost doubled, reaching 102 crore, a 94 percent year-on-year increase.

Our licence-linked revenue, which includes licence fees, platform, subscription, and annual maintenance, stood at 423 crore in Q2, up by 69 percent year-on-year. Our Annual Recurring Revenue crossed the 1,080 crore mark, establishing a strong and predictable foundation for future growth.

What is also noteworthy this quarter is our continued strength in collections and cash flow. Collections stood at 753 crore in Q2, up from 550 crore a year ago, reflecting a 37 percent increase year-on-year. Our cash and cash equivalents have risen to 927 crore compared to 755 crore in Q2 of last year, highlighting our robust working capital management and improved operational efficiencies.

Now let's look at the half-year performance to understand the broader trajectory. For the first half of the current year, we recorded revenue of 1,523 crore, representing a 26 percent growth over the same period last year. EBITDA for the half-year stood at 360 crore, reflecting a 46 percent growth year-on-year, while PAT for H1 reached 197 crore, up 55 percent from 126 crore in H1 FY25.

This transformation in revenue quality is not just a numerical shift. It reflects a strategic evolution, creating value through sustained investments in product innovation, strong customer relationships, and prudent operational discipline.

Let me now speak about the accelerating growth we are witnessing with our two synergistic platforms, eMACH.ai and Purple Fabric. Together, they are powering enterprise-wide transformation at scale, enabling financial institutions to embrace intelligent, composable, and open architectures that deliver measurable business outcomes.

In Q2 of the current financial year, Intellect recorded 18 new deal wins, including 11 multi-million-dollar destiny deals. These are large strategic engagements that span multiple modules and represent deep, long-term partnerships with some of the world's leading banks and financial institutions. In parallel, we enabled 22 successful digital transformations this quarter, validating not only the breadth of our offerings but also our delivery excellence.

Looking at the demand side, our global deal funnel has now crossed 12,000 crore. This represents both the depth of opportunity and the strategic nature of our engagements. Leadership strength is a critical part of our ability to scale and deepen client engagements. This quarter, we announced two significant leadership appointments that strengthen our global presence and growth momentum.

Vivek Gupta joined us as President and Global Head of Consulting. With over three decades of experience in global banking and large-scale transformation programmes, Vivek will lead Intellect Consulting to help clients accelerate business value using our eMACH.ai and Purple Fabric platforms.

We also welcomed Rakesh Srivastava as President and Chief Revenue Officer for the Americas. With deep expertise across financial services and fintech, Rakesh will spearhead our growth and client relationships across the US, Mexico, and South America.

I am also excited to share that we are investing in the creation of a state-of-the-art 7.25 lakh sq. ft. facility at our Siruseri campus, which will house the Purple Fabric AI Labs, Design Thinking Centers, eMACH.ai Academy, and residential infrastructure to support our leadership development and training initiatives. This facility is not just a space; it is a strategic investment in IP creation, customer co-innovation, and future-ready talent.

In conclusion, this has been a strong quarter on all fronts: revenue, profitability, cash flow, and platform growth. We remain confident of sustained growth in the second half of the year. The opportunity landscape is expanding. The deal funnel is strong. Our execution machinery is battle-tested. Our platforms are proving themselves across regions.

Thank you once again for your time today and for your continued belief in Intellect. So, you want to add anything, or can we open for questions?

Arun Jain:

It is a good storyboard right now. What we have been talking to investors over a period of time is that we designed for 20 percent growth year-on-year, and I think we are on that same trajectory. The important thing that has happened is that eMACH.ai was the agenda for advanced countries. This half year, we have seen the Americas growing significantly faster than other regions.

So, the decision we took last April and May to move to advanced markets has worked out because eMACH.ai fits perfectly into the legacy modernisation space, where a lot of technologies are sitting with multiple mainframes and old systems. Our entire investment in low-code, no-code Turmeric as a customer innovation platform, and Purple Fabric as the next area that is most usable in the Americas and Canada, is paying off.

This reflects what I mentioned in July 2024 that we are investing in the Americas and there would be a dip last year. To investors, I just want to say that all the decisions we are making are calibrated decisions.

We said we would be investing 130 crore in Purple Fabric, the business impact AI platform. In the last three months, I have met more than a hundred different people during masterclasses, with partners, and

end customers. Our R&D teams have put together a business impact AI platform in terms of Enterprise Knowledge Garden, Digital Expert, Enterprise Governance, and LLM selection and optimisation, using it as an API has been very well received, which now requires new investments to be made.

Out of the 130 crore investment, we are close to 15 million dollars of investment this year. In these numbers you see, almost 25 crore is Purple Fabric investment already taken into account. Our EBITDA margin would have been better by 3 to 3.25 percent otherwise. That makes it close to about 25 percent, which is the guidance we gave earlier that our margins will be close to 25 percent. So, we are within range of 25 percent in spite of all the investments.

Thank you very much for participating and trusting the company. The entire management team is here to respond to your questions.

Nachu Nagappan:

Thank you, Vasudha, and thank you, Arun, for your detailed insights. We will now open the floor for questions. If you would like to ask a question, please click on the raise hand button and we will unmute you so everyone can hear your question. I repeat, click on the raise hand button and we will unmute you.

Our first question comes from Rahul Jain of Dolat Capital. Rahul, you may ask your question.

Rahul Jain:

I hope I am audible. First of all, congratulations on very strong execution. I have a few questions on the inputs you just shared.

First, on the two hirings you mentioned, these are very interesting positions. Could you help us understand specifically the consulting-led hiring? Is it more to drive a new capability from a transformation point of view or more about the existing support we provide to banks?

And similarly, on the other hiring, the Revenue Officer, is that around the Purple Fabric investment and monetising it, or is it for a broader revenue stream from the Americas?

Arun Jain:

Okay. Your voice broke in between, so I'm just repeating your questions:

What is the role of Consulting in our journey?

And second, the growth in North America is that driven by Purple Fabric or otherwise?

Rahul Jain:

Yes, just to clarify, my questions were specifically about the two hirings we announced. What is the role of these two gentlemen, from a consulting reach point of view and from the Chief Revenue Officer's perspective? Would that be pertaining to Purple Fabric or the overall Americas revenue?

Arun Jain:

That's right. The Consulting role is because we are moving to the business impact transformation space. With eMACH.ai, we can measure impact by reducing cycle time, reducing implementation and operational costs, and creating business impact in terms of revenue generation.

The Consulting wing will help improve our pricing, strengthen business impact communication, and expand eMACH.ai across organisations. When we implement one product, can we deliver three within the same client through cross-sell? That's the role Vivek Gupta will be playing.

Rakesh Srivastava, as Country Head for the US, will look after the full interest of Intellect in the region.

Rahul Jain:

Understood. And the 25 crore investment you mentioned was that pertaining to H1 data or only Q2?

Arun Jain:

Only Q2. The first quarter was 10 crore, as mentioned in the last call. Fifteen crore incremental has gone in this quarter. So, 15 crore incremental each quarter, targeting 130 crore overall.

Rahul Jain:

Right. And in terms of payback on this investment or early signs of monetisation, have we identified any timeline by when proof of concept could convert into meaningful revenue?

Arun Jain:

Not yet. The opportunity size is so big that we don't want to monitor ROI on this yet. It's the minimum we need to do.

Rahul Jain:

Understood. I appreciate that a product like this requires meaningful investment and long-term ROI. But the first meaningful revenue would that come in FY27, or could it start this year?

Arun Jain:

We mentioned 200 crore in Purple Fabric last quarter will come this year, and we are on track for that.

Rahul Jain:

Okay. And these are currently in the pipeline stage but could move to revenue soon?

Arun Jain:

No. Purple Fabric in the US has been working for the last few years. The insurance business, as you know, is already working on Purple Fabric in the underwriting space, so those revenues are already in the pipeline.

Rahul Jain:

Right, so the Xponent and Risk Analyst opportunities are there, but the Lending side opportunities are yet to enter revenues.

Arun Jain:

Yes, there are many things. The Purple Fabric strategy we have shared with you in a separate session. Please refer to that as a platform, as lending, as GRC, as ESG, there are multiple ways of monetising Purple Fabric with partners. We are not sharing all the strategic details in this conference call as they are confidential, but there are multiple dimensions to the Purple Fabric strategy.

Rahul Jain:

Yes, and I must appreciate your team recently, we saw your stall at GFF, and it had the best set of collaterals among all stalls. Intellect Design's materials on eMACH.ai and Purple Fabric were very impressive and relevant for that forum. Kudos for that.

Just one last question from my side on the Capex you just announced. Is there any investment timeline identified for this infrastructure spend?

Arun Jain:

We usually invest once in 10 years. This is an investment for the next 10 years, creating capacity for business impact co-creation with customers. We would like to invite global customers to come there, design the solution, compose it themselves, and contextualise it. It has a residential facility of a hundred rooms for customers to stay. It's an executive facility.

This entire space is where AI business will be done in collaboration with customers. To us, AI is a very collaborative exercise with the customer. eMACH.ai is a collaborative exercise focused on business impact. That's why the US piece, Consulting piece, and Infrastructure piece, all three are coming together as one initiative. When we created the business plan, all three were approved at that time.

Rahul Jain:

Sure, thank you. That's it from my side.

Arun Jain:

Thank you, Rahul.

Nachu Nagappan:

Thank you, Rahul. Our next question comes from Sushovan Nayak from Anand Rathi. Sushovan, please go ahead.

Sushovan Nayak:

Hi, is my voice audible? Thank you very much for the opportunity and congratulations on a good set of numbers. I just wanted to understand how the integration of C1 is going on. I believe initially when it was novated, the contracts were not very profitable, but you had planned to leverage the eMACH.ai platform to improve profitability, and it was on track. If you could just give us a little more colour on that, it would be helpful. Thank you.

Arun Jain:

It's going on well. Rajesh can update you.

Rajesh Saxena:

Thank you for that question. The integration between C1 and the Intellect team is going as per plan. During the last quarter, we mentioned that we have been able to sign up 35 credit unions to move from the erstwhile Forge platform to the new eMACH.ai DEP platform. That's a significant movement because, within one quarter, we were able to sign 35 customers. The contracts have been signed, and over the next couple of quarters. It's going as planned, and we have a target to grow these numbers significantly in the coming quarters.

Sushovan Nayak:

And anything on the margins? When do you think they will be in line with the company's present margins? I believe the addressable market is 170 credit unions. Any timeline you are looking at to onboard all of them?

Rajesh Saxena:

Yes, so the way we are looking at the credit union space, as you said, there is an opportunity of about 170 credit unions for the DEP platform. Beyond that, there are cross-sell and upsell opportunities like lending, commercial, and core banking solutions. So, the opportunity is not limited to DEP but also expands through upsell and cross-sell. Regarding margins, I will defer to Vasudha. Vasudha, would you like to take that question?

Vasudha Subramaniam:

We initially said it would be margin-dilutive, but we have made some margins in Q1 and Q2, so we expect that to continue in the coming quarters, and it might increase as Rajesh mentioned.

Sushovan Nayak:

Is it fair to assume that this will be low single-digit margins as of now?

Arun Jain:

Yes, you can assume that.

Vikas Misra:

Yes, as of now, that's correct.

Sushovan Nayak:

Thank you so much. Thanks a lot for the opportunity.

Arun Jain:

Look at the overall picture.

Nachu Nagappan:

Thank you, Sushovan. Let's take the next question in the queue. We have Deekshant Boolchandani from DB Wealth. Deekshant, you can ask your question.

Moderator:

Deekshant, you are on mute.

Nachu Nagappan:

While we get Deekshant's line connected, we will move to the next person, Nemish Shah from MK Investment Management Limited. Nimish, you can start your question.

Nemish Shah:

Thanks for the opportunity and congratulations on a good set of numbers. I just wanted some insight into how our partnerships with System Integrators are shaping up. Could you share a little on that? And specifically on the pipeline front, we have seen strong growth with the pipeline now at about 12,000 crore. Could you share how much of that is now coming from partnerships compared to a year back?

Arun Jain:

The partnership strategy is working very well. We are now in advanced conversations with most of the players. Most IT services and System Integrator players need an AI platform, and that's the big opportunity. IT service players are under pressure today, and they need an AI platform to work on. That's exactly what we are providing.

Almost 10 to 12 IT service companies have gone through the bootcamp and are working with Purple Fabric. Pipeline-wise, the pipeline has substantially increased. I won't share exact numbers, but it has improved significantly over the last year. Purple Fabric has become a major contributor to the pipeline, besides the contribution from eMACH.ai.

Nemish Shah:

Sure. That's it from my side. Thank you.

Nachu Nagappan:

Thank you, Nimish. We have Mihir Manohar from Trust Mutual Fund for the next question. Mihir, over to you.

Mihir Manohar:

Hi, thanks for the opportunity and congratulations on a good set of numbers. I wanted to understand more on the Purple Fabric side. Specifically, how is the pipeline building up on a quarter-on-quarter and year-on-year basis? Is it growing in double digits? Just wanted to understand that. Which geographies and types of customers are contributing to this pipeline?

Also, for the full year, we are targeting 200 crore of revenue. What would the revenue contribution from Purple Fabric be for H1?

Arun Jain:

You are referring to 200 crore from Purple Fabric for this year, right?

Mihir Manohar:

Yes, that's right. For H1, what would be the number for the first half?

Arun Jain:

We don't declare product-wise numbers as a strategy. We never disclose product-level data.

Mihir Manohar:

Understood. I just wanted to understand whether Purple Fabric is a top-up offering or if it cannibalises existing offerings. How does the overall business work for Purple Fabric along with the existing products?

Arun Jain:

I think it should attend a masterclass first, man. Purple Fabric masterclass to understand what AI is. It's a completely different line of business. What does the cannibalisation mean? So sorry to be slightly harsh on this call. I think we are communicating about masterclass on Purple Fabric. It's such a differentiated product against Palantir. It's the biggest opportunity investor can have and if you don't understand that, it's cannibalising something else.

I think we have a very serious issue as the investor to understand what your company has done. It has product which is comparable to Palantir. So, you should study Palantir and you should study my masterclass which is available on YouTube, to understand what Purple Fabric is.

Mihir Manohar:

Sure, I will do that. That's it from my side.

Arun Jain:

Because your company has done a job. You should be proud of some Indian company to do something for business Impact AI, which is as good as Palantir, which is a 400 billion dollar market cap company.

Mihir Manohar:

Absolutely, sir. That's it from my side.

Nachu Nagappan:

Our next question comes from Vivek Kumar of BestPals Advisory LLP. Vivek, over to you.

Vivek Kumar:

Thank you, sir. Thank you for the opportunity. Can you give an outlook product-wise? I'm not asking for revenue breakdown, but normally we get an outlook about core banking and GTB, and the trends playing out. Not numbers, but for the next two to three years, what is driving growth and where do you see it? Earlier you had mentioned three areas, and now we have Purple Fabric. You have already shared enough on that, so I'm asking about the other products.

Arun Jain:

I think that what is outlook wise, you look at it, the core banking migration is the biggest space we shared with you. We won the deal in core banking migration using eMACH.ai. So, that's the one space where the growth opportunities are there, which Rajesh has mentioned, the Credit Union of 170 members we can go into core banking and lending as a cross-sell opportunities. They are not only digital engagement opportunity, but core banking and lending can go on the same Credit Union on the market space after DEP. So, there's a next two, three years, we have a clear visibility of core banking migration branching into that. Manish can give wholesale banking and payments and liquidity. There are three lines of business, which wholesale banking is coming out with foreign banks they are expanding into the global landscape. Wholesale banking is becoming equally important, along with liquidity and the payment systems, which is there.

So, we won the large payment deals in this quarter against global competition. On the payment side, our Pay9 architecture is very unique over there. The three platforms such as liquidity, payments, and wholesale banking. Then fifth platform is Wealth. Wealth with SBI and Kotak running on the Wealth, it has become solid product, which is there, which we are looking to take it out of Asia, to Europe.

So, that's the same strategy which we followed for other products. We took core to India first. Then we take core into Asia, then we took core to the Europe. Now we are taking core to the Americas. So, this route is the same highway there. Highway comes from India, goes to Asia, and then goes to Europe and

then to Americas is our highway of taking products. So, these are five product lines, which are core product lines. The supplementary product lines are trade and supply chain, finance, another important line, credit card is another line which we are looking at, to transform this business.

And all these products are coming with the AI embedded inside it which creates us a differentiation because Purple Fabric is embedded in all the products and creating each product line which is an AI embedded product line. So, that's how our bullishness on our pipeline is increasing because we are able to differentiate where the product comes with an AI built in eMACH.ai built in, Turmeric built in, which my competitors have not invested enough. So, we have a sweet spot here.

Vivek Kumar:

Thank you, Sir. And last question. So, can we say we are moving outside our 20% growth rate for the next two-three years, given that we have exceeded so many things and because it looks like that maybe, I'm reading too much.

Arun Jain:

We are designed for 20%, we will design for 20%. We achieve higher or we achieve lower. So, you don't beat us when we are growing 10%. So, it will always happen in this industry. When we grow, few quarter less, few quarter higher, this is we stay at 20% design growth.

Vivek Kumar:

So, can we take EBITDA margin around 22 to 23 percent for this year, even with the 130 crore investment coming in?

Arun Jain:

There's no need to project specific numbers, but if 20 percent growth continues, EBITDA margin should improve further. In the first half, we had 26 percent revenue growth and 46 percent EBITDA growth. That should be a good indicator for you.

Vivek Kumar:

Okay, thank you very much, sir.

Nachu Nagappan:

Thank you, Vivek. Moving on, our next question is from Sajal Kapoor, representing Antifragile Thinking. Sajal, please go ahead.

Sajal Kapoor:

Thank you for giving me this opportunity. Arun sir, what important insight about modern banking, insurance, or payments do we understand better than our older competitors? Because clearly, we have beaten many of the incumbents repeatedly.

Arun Jain:

If you look at our site or my lectures, if you look at eMACH.ai, we have gone from Design Thinking, where we understand the customer desirability better, not customer desirability, customers' customer desirability, which if Manish speak for a few minutes, it is about each industry segment to understand that customer desirability. Then we move to First Principle Thinking. First Principle Thinking is why bank exists? Because event exists in the company.

So, we do fundamental shift in way we design our products than my competitors does it. I don't want to compare with Tesla, but the point, the way Tesla has challenged the starting First Principle Thinking they applied in Tesla, we applied in banking technology saying, event, microservices, API, cloud, headless, and AI, the six first principles which any bank will require. And we invested all the money around making that perfect, composable and contextual.

From last five years, you are hearing the same story. Initially, you are not understanding what is a composable and contextual. It was mere labels when we put composable and contextual in 2020. It took five years for them to come to the reality and investment was there. So, the differentiation is Design Thinking, First Principle Thinking is the way we design the product. And that's why we are able to take one by one competition.

And we are not jumping all of it together. We are saying first, take one space, then take next space, then you take next space, and then take the leadership there. Manish, you want to add to this?

Manish Maakan:

No, I think you have called it out. This is the differentiation we are driving from that perspective. I think we should stay at that.

Sajal Kapoor:

Thank you. And my second and last question is, how is our R&D, you know, the processes, especially around AI, ML and eMACH.a labs, how are the processes explicitly designed to sort of encourage frequent small scale or, you know, quote unquote, safe failures, sort of trial and error that generate, you know, immense amount of economies of learning without jeopardising the company's stability or spreading any systemic risk, because we have to, we have to make small mistakes, gain significant learning as a result, and then become even better and extrapolate our successes into other domains, hopefully.

Arun Jain:

First time you are asking a very good question in investor call about R&D. Because I think our strength is R&D. 1200 research engineers are working, how many companies have 1200 research engineers, given a freedom of working together. And if you look at the average stint in the company is so phenomenal, that everybody just worked like a team. Research engineers, we made a lot of mistakes. It's not that we don't

make a mistake. I acknowledge in AI space from 2016, first three cycles, we didn't succeed 2016 to 2018, we didn't succeed, 2018 to 2020, we didn't succeed. It takes that amount of resilience for research team to work. The research is a completely new paradigm for Indian IT industry, that how the research is to be conducted.

And I like your question that you are emphasising that component of research, which I was trying to highlight for quite some time, but our investors are more focused on returns and immediate outcome. Because this research requires five to seven years, kind of a cycle time to translate the research into the business outcome. So fortunately, we could stay with our course, we didn't cut down our AI investments, when we failed in 2022.

We continue that investment and today we can get the benefit of it ahead of the industry where every IT service company require a platform and they are saying oh they are building a platform.

I have a doubt that they can build a platform because research is not their cup of tea.

Sajal Kapoor:

Absolutely. It's a different DNA. The traditional Indian IT model has been about projects and maintenance, not building IP. It takes a lot of courage and conviction to invest in your own IP instead of working on someone else's.

Look at our balance sheet. I mean, that's that numbers speak louder than, you know, whatever narrative we could spin around it. So net cash balance sheet gives us a lot of optionality to continue to innovate.

Yes, we will make mistakes in future as well. But, you know, think about, you know, two or three big successes that could take us into a completely different orbit and eventually we will get there. But thank you for all those responses.

Arun Jain:

Thank you.

Nachu Nagappan:

Before we move to the next question, just a quick reminder. If you have a question, please click on the raise hand button. We will call out your name and unmute you.

Let's move to the next question. Pawan Katariya from BullsEye, you are up next. Please go ahead.

Pawan Katariya:

Good evening. Congratulations on another strong quarter. I have a follow-up question on margins. You had earlier guided for 27 to 28 percent margins, and I understand the 25 crore investment in Purple

Fabric this quarter was a deliberate strategic spend. Should we assume that this investment phase continues in H2, or do we expect operating leverage to bring margins back near 27 to 28 percent?

Arun Jain:

It's time to invest more. I just came back from the US, where I spent two weeks. I made two trips, one in August and one in October. Opportunity is humongous. How much we need to invest is a question right now. So that we should not make significant error, but we need to invest more and more. So, margin is not my concern right now. Margin will happen anywhere.

Pawan Katariya:

Okay, sir. Since Purple Fabric is now scaling commercially, could you quantify how much interest or how many qualified leads it has generated? What portion of the current 12,000 crore funnel is linked to it? I attended your Purple Fabric masterclass and found it very impressive, so just wanted to know how much of the funnel is tied to it.

Arun Jain:

I won't quantify it right now. Most of our product portfolio has Purple Fabric embedded within it. So if you ask me, almost 70 percent of the pipeline has Purple Fabric integrated into it. If I look at it separately, partnership pipeline is also separate. I think AI is everywhere and we have today, just to share it with you, we have 3,500 people in Intellect using Purple Fabric. We have 9,000 agents which we are using internally for our own efficiency gains. 9,000 agents in last six months they have created.

Pawan Katariya:

That's great, sir. Thank you. That's it from my side.

Nachu Nagappan:

Thank you, Pawan. We will move on to the next question. Vipul Kumar Shah from Sumangal Investments, please go ahead.

Vipul Kumar Shah:

What will be the Capex?

Arun Jain:

Twenty million dollars. That's the Capex.

Vipul Kumar Shah:

It will be spread over what time frame?

Arun Jain:

Twenty million dollars per year. We've been spending that amount on Capex investment over the last few years.

Vipul Kumar Shah:

Okay. And for the 1,200 research engineers, what is our annual outgo?

Arun Jain:

In this quarter, R&D expenses, along with Capex, amount to about 20 million dollars.

Vasudha Subramaniam:

For the first half, it's less than 10 million dollars.

Arun Jain:

But that 10 million dollars is capitalised.

Vasudha Subramaniam:

Yes, 10 million dollars capitalised.

Arun Jain:

So, total investment on research is?

Vasudha Subramaniam:

It's about 55 crore in the first quarter and 60 crore in the second quarter, so around 105 crore.

Arun Jain:

That's the R&D investment?

Vasudha Subramaniam:

Yes, that's R&D investment, plus Capex.

Arun Jain:

So, adding it all up, it's close to 200 crore in the first half. Two hundred crore is our R&D investment for H1.

Vipul Kumar Shah:

Okay. Thank you, sir.

Nachu Nagappan:

Thank you. We have a follow-up question from Sushovan Nayak of Anand Rathi. Sushovan, please go ahead.

Sushovan Nayak:

Thank you so much for the opportunity again. I have had the privilege of attending most of your masterclasses on Purple Fabric. I wanted to understand if you could at least provide a directional view. When I look at Foundry for Palantir or C3.ai, can you quantify what the addressable market might be? And internally, you would have some plans. How much of that market do you aim to capture, given that you have articulated 200 crore for this year? It would be great to understand your perspective here.

Arun Jain:

So, Purple Fabric, we are looking for IT services player to look at it first. They should implement. We are looking for at least 100 partners to be there across the globe as IT services partners. For every country, we are looking for some 10 to 15 partners. We want to select who will be using Purple Fabric for their internal use like Intellect is using, which we call it Purple Fabric Tech. Then, they will take to their clients. So, our client, our partnership with some of the larger IT service company, who has 500 to 1,000 clients are there. That will be the second space. So, to reach our access to Purple Fabric by direct salesforce, we can reach to, let's say, 500 clients.

Sushovan Nayak:

Any quantification in terms of revenue or overall addressable market, if you could provide some direction?

Arun Jain:

I mentioned in one of the masterclasses that the opportunity size is between 1,000 crore and 5,000 crore.

Sushovan Nayak:

Yes, I remember that. Thanks for the answer.

Arun Jain:

Just one point to add, Sushovan. The AI business opportunity of 1,000 to 5,000 crore also carries risk. It's changing every day. One of the points is, it's a highly volatile market, the speed at which we are able to get it adopted. That will be the important point for all of us. So, don't take it, take it with a pinch of salt of 5,000 Cr number. But opportunity size of TAM is a 5,000 Cr, which we believe is possible. If things are going in the right direction. But anything can happen in AI space.

Nachu Nagappan:

Thanks for the update, Arun. Our next question comes from Srinivasu K from TIA. Srinivasu, please go ahead.

Srinivasu K:

Hello, sir. Congratulations on the great Q2 numbers. My first question is about India's DPDP Act and data localisation. You already have the Purple Fabric Cloud in GIFT City, which mandates hosting. What kind of opportunity does this create for Intellect?

Arun Jain:

GIFT City is only one means of doing it. So, I'm saying the biggest opportunity is North America and Europe. Okay, next. I think he has dropped off.

Srinivasu K:

Okay. So, you don't see much.

Arun Jain:

It's there. India is there. But I think GIFT City is only means to reach out to other people. But not necessary the GIFT City is one component of it. I'm not saying it's there or not there. I'm not want to undermine it. But it's just one component of it. There are 10 components of Purple Fabric. GIFT City is one of them.

Srinivasu K:

That's fine. But being an Indian software company, do you see a big opportunity arising from the DPDP Act?

Arun Jain:

You mean the Data Privacy Act? Yes. It should have. It is evolved. This is too early to say anything. We need to test it out. Data Privacy Act. How much the act is applicable? What situation bank will use DPDP? So, we are just evaluating. It's too early to say anything on it.

Srinivasu K:

Okay. My next question is about the deals you won in Q2 be it we won in payments, treasury, or trade. Do these eMACH.ai wins sit above the incumbent course?

Arun Jain:

These are full payment transformation deals. Manish, do you want to elaborate?

Manish Maakan:

Sir, your voice wasn't clear, but I will take it from here.

Srinivasu K:

The question is, out of the Q2 deal wins that you won, how many wins this eMACH.ai sit above your competitor course? Be it Temenos, Oracle and Finacle

Manish Maakan:

These have been all fought in the global landscape for against each of these players. Like Arun spoke about the large payments' transformation deal. These are the common players we are winning against. And these are very significant deals from that perspective.

Srinivasu K:

Okay. How many eMACH.ai customers have adopted Purple Fabric as an AI layer in these deals?

Manish Maakan:

That next-level data is something we are not sharing right now.

Srinivasu K:

Alright. Let me ask differently. When banks pick up core plus componentised modules, what unique differentiation does your Purple Fabric or eMACH.ai offer as an AI workflow layer, compared to a hyperscaler tool chain?

Manish Maakan:

Let me answer that differently. Purple Fabric is embedded into eMACH.ai for example, in core banking, lending, or payments. It's an embedded capability, but it can also sit outside, on top of Temenos, Oracle, or Finastra. So, from our configuration specific to these product segments, it can sit, it is embedded in our platform and it can sit on top of anything. So, our opportunity and then it's a licensing capability of what the customer is licensed for. That should help you understand where we are.

Srinivasu K:

Okay. My last question is about global orchestration players like ServiceNow and PEGA, who are all talking about agentic workflows. How is your iTurmeric placed to capture this trend?

Arun Jain:

We have not launched iTurmeric against VPN. That's the area which we can launch in 2026-27. Still, we are using iTurmeric only to solve our own customer problem, not as a product against PEGA. But Turmeric and Purple Fabric is a very lethal combination. When we are ready to launch, we will launch it over there. From an investor perspective, you need to look at it.

My 1000 Cr is the cash in the books, but I have a 10,000 Cr of IP asset, which I can leverage at any point of time to go to market in different construct. So, that's the role of an IP company, which we have built over a period of time that iTurmeric will build up. We are patiently looking at it. We have more than 300

customers are working on Turmeric as of now, but we have not launched it. When we have capacity to launch, maybe in June '26 or January '27, that is the time when we will take up Purple Fabric against PEGA and against ServiceNow.

Srinivasu K:

Thank you, sir. Best of luck for H2.

Nachu Nagappan:

Appreciate your questions, Srinivasu. Moving on, we have another re-raised question from Deekshant Boolchandani from DB Wealth. Deekshant, you can ask your question.

Deekshant Boolchandani:

Hi, sir. Firstly, congratulations on the solid numbers. And moreover, congratulations to Intellect that we are now competing with someone like Palantir. As an Indian, I'm proud of my company. It's a slightly long question, please help me here.

So, I see that underwriting really appears to be a major challenge across finance overall, of whichever geography that we are looking at. And from my understanding, the Purple Fabric layer that we have created now can really, you know, revolutionise it with a better cost optimisation.

Again, that's my limited understanding, sir. I would love to hear from you. So, you have mentioned platforms like Palantir, and they do some Enterprise Intelligence in depth. So, I'm curious how Purple Fabric would compare to some US companies like Affirm, which really excels in real-time risk assessment and management for their credit lending. And how can we, you know, like create a better credit layer of assessment of underwriting so that that layer can be an agentic workflow for all these people so that a lot of their OpEX gets saved up and which becomes our margin.

Arun Jain:

Banesh, you can take this one.

Banesh Prabhu:

Yeah, it's an interesting question. So, let me try and explain this to you. See, the underwriting capability was one of the early investments we did in AI. The ability to orchestrate underwriting all the way from the submission from a customer, we've done it a lot in insurance, but we're also doing it in lending and other areas, where you could basically take a submission of documents and have the digital experts, which have the agentic capability to be able to work on that underwriting, validate some of that information, firstly extract it, validate it with data that is there within our Knowledge Gardens, and our Knowledge Gardens brings in data from market sources. And then the ability for us to take this decision through digital experts on underwriting and provide the human an ability to do it faster and more

efficiently and accurately is really the end-to-end embedding of Purple Fabric into the underwriting process.

You know, Manish mentioned, you know, and some of you all asked the question about the investment in Purple Fabric. The investment in Purple Fabric is actually the investment in AI, and no company today cannot invest in AI because it helps you internally in your own businesses, it improves the product, and it brings you the ability to bring the agentic solutions together to get better business impact outcome, which is why our platform is called the Open Business Impact Platform. Because you have to use the agents to orchestrate end-to-end solutions for our customer using AI. It is not a layer that it works along, it connects and works along with eMACH.ai. It's not like a layer of eMACH.ai or something. It's partly these agents are embedded into eMACH.ai solutions we have, and at the same time they connect to many other solutions clients have for the digital expert to work efficiently. And that's really the orchestration.

Deekshant Boolchandani:

Okay, just two follow-ups.

First, at some point, the workflows will become standardised for many insurance, finance or BNPL players. And at that point of time, then cost really becomes the main constraint, right? For them, like if we are able to do it at a better optimised cost, then the other party, they would want to stick with us.

Also, the whole problem of like going from one player to other. So, what kind of stickiness do we expect our sort of total solution to have? Because once someone has integrated with us, I'm thinking that stickiness should be high, right?

Banesh Prabhu:

No, is your question to do with stickiness? Is your question to do with cost?

Deekshant Boolchandani:

Aren't those two related?

Banesh Prabhu:

Not exactly. So, a customer can stay with you and actually continues to, because this is not a one-time activity, underwriting and improving the digital agents is a regular maintenance, because you have new data, you have new systems. So, the ability for the agent to continuously improve underwriting for you is part of the process. Like in any system we use, the end-to-end underwriting has to get more efficient. And then finally, you have to take the credit risk decision.

You can get inputs to do it faster and quicker, but the final decision for each bank or institution is how much they want to lend and what is the risk reward they want to do. The AI only helps you with much

superior knowledge to be able to take those decisions more efficiently. And the agent actually helps you do that.

Arun Jain:

Let me add to that, Banesh. Let me explain. I think people are not understanding AI, a lot of us are understanding in AI world, say AI is agentic. AI is not agentic; AI has changed the world. It's a new way of working in this world where every manager has to work AI augmentation. In your job as an analyst or as an investor, how many places you are using AI for a serious issue rather than a chat GPT as a conversational agent. It's a way of, new way of working in this era and people are not realising it.

When we have 9,000 agents in Intellect, it's not that they are creating operational excellence or they are doing a part and parcel of their day-to-day work they are thinking like that. So, in next three years, the AI will change the entire way, the way a lot of businesses which you are evaluating today will change dramatically differently in next three years. We are undermining the power of AI as the agentic power.

Deekshant Boolchandani:

I understand, sir, and I really appreciate that perspective. But let's say that someone like Anthropic or Claude, if they are creating similar financial workflows, how can we then be more competent there? Like let's say three-five years on the line.

Arun Jain:

Please attend the masterclasses.

Deekshant Boolchandani:

Sure, I will, sir. Thank you so much.

Nachu Nagappan:

Next question, please. Parag Bharambe, you can proceed.

Parag Bharambe:

I have been invested in Intellect as well as Polaris and have been tracking the company closely for almost 20 to 25 years. The energy you bring is amazing, so thank you.

My question is about the SI contracts we signed last year in Q2 and Q3 with companies like HCLTech and others. I know it takes a few quarters for those to materialise. Could you give us an update on how they are progressing and how you see the SI strategy evolving over the next two to three years?

Arun Jain:

SI will be the way to grow. The Purple Fabric SI's will take us to their customers. They don't have options. To me, many of the SI's don't have a platform to which they can deliver AI to their customers. Intellect

brings a complete platform with enterprise governance, LLM optimisation. Either they have to choose Palantir or they have to choose Intellect or they have to choose C3.ai.

So, we are one of the three options available to SI to take to the market. So, the investment we have made in a partnership over the last two years is playing well for the coming years. How much it worked out, the determination of the packet between 1000 Cr to 5000 Cr, that is a kind of a bandwidth which partner will define us.

Parag Bharambe:

And are you getting, well, are you signing some contract coming through that route nowadays or still too early?

Arun Jain:

That's right. They are coming closer..

Parag Bharambe:

Okay. And the next question is, like, our cash and cash balance is almost touching 1000 crore. It's quite different from the COVID days when we were barely making profit and most of the questions in the conference call were 'when are you going to make profit?' So, from that stage to where 1000 crore is, it's a commendable achievement.

Now, I think you probably have got a critical mass. How do you look to utilise this cash and cash balance, which is there and which is likely to grow even further now?

Arun Jain:

As of now, I think we need a lot of investments in AI, the market capital investment. So, I think this much cash is anyway required for us to look at it. It's a one quarter cash. So, the numbers are touching close to 800 Cr, 789 Cr is a quarterly number. So, a company will require at least six months of the revenue as a cash in the company books to have a proper risk management practice.

So, I think we are still short of. The simple principle is six months revenue should be cash in the company books as a risk management practice. Today we have close to four-and-a-half-month cash in the books.

Parag Bharambe:

And I think last quarter or maybe quarter before that you hinted a transaction, you hinted investment like some portion of your profit you would be investing in CBC kind of activity. What is your thought process on it? Would you like to increase that number given our financial position now taking in more bets?

Arun Jain:

We are not getting distracted. We have a clear focus on eMACH.ai strategy to go forward in the market.

Parag Bharambe:

Okay, good luck. Thank you. Thank you very much, sir. Good luck for the next part.

Arun Jain:

Just last one question. It is six o'clock.

Nachu Nagappan:

So, the last question, the last question comes from Pravesh Kochar of FourLion Capital. Pravesh, you can go ahead.

Pravesh Kochar:

Hi, sir. And thank you for taking my question. Hypothetically, if you were to operate at 10% margin, right, instead of 25 and invested in either R&D or doing free implementation for your pipeline customers, by how much could you accelerate your revenue or conversion of that pipeline? Thank you.

Arun Jain:

Using two years, but they are more investors who want more than 10%. So, we need to play with the whole marketplace. So as a CEO, it's a ball to play on. I think we need to increase our sales team substantially. We have increased; we have salary costs have gone up now and say SG&A cost is going up. In next two quarters, we will be investing more in sales costs so that the investment will be making.

I cannot predict what will happen to the immediate outcome because AI is still in the early stage of people to understand. It's like internet era of '97. A lot of hype is there, but there are many players out there which are saying Anthropic can do this and this can do this. All of it is there. If you can take the right space of Palantir and Purple Fabric, I think that can be of different fortune, which can happen.

But it's not going to happen by more investment. It will happen with the right adoption of the platform by certain key customers. And many variables are there still keeping us awake at night, on Purple Fabric, what opportunities it can throw at us, whether we are able to capture all the balls which are in the air.

Pravesh Kochar:

Thank you.

Nachu Nagappan:

Thank you, Pravesh.

That concludes our Q&A session for today. Thank you, everyone, for joining today's call and for your insightful questions. If you have any additional queries, please feel free to reach out to us and we would be happy to respond. We appreciate your continued interest in Intellect and look forward to connecting again next quarter. Thank you and have a great evening.

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