Operator: {? us ?} today to discuss Intellect Design Arena Limited's financial results for Q2 FY27, ending 30 September 2024.

The investor presentation and press release have been sent to you and are also available on our website.

Our leadership team is present on this call to discuss the results.

We have with us today: Mr. Arun Jain, Chairman and Managing Director; Mr. Manish Maakan, Executive President, Group Chief Revenue Officer and CEO of Wholesale Banking; Mr. Rajesh Saxena, CEO of Consumer Banking; Mr. Banesh Prabhu, CEO of IntellectAI; Ms. Vasudha Subramaniam, CFO; and Mr. Vikas Mishra, Chief Sales Strategy Officer. In addition, some other senior members of the Intellect management team are present on the call.

I will now hand it over to Manish to give his comments on the results. This will be followed by comments from Vasudha. Thereafter, there will be a Q&A session where your questions will be answered by the senior members of the management team. Once the Q&A starts, you can ask a question by clicking on “Raise Hand,” and we will unmute you so that everyone can listen to you.

Regarding the safe harbor, I would like to remind you that anything we say referring to our outlook for the future is a forward-looking statement, which must be read in conjunction with the risks that the company faces. With this, I request Manish to give his briefing. Manish?

Manish?

Manish Maakan – Executive President, Group Chief Revenue Officer and CEO of Wholesale Banking: Good afternoon, everyone. Praveen, thank you for the introduction, and thank you all for joining us.

Our theme remains “Growth by Design,” which we shared at the beginning of the last quarter. Last quarter, we set out four growth engines and five measures by which we said we should be judged. This quarter's presentation shows them as four strategic pillars built on the same strategy.

Before we go into any more details, I want to go a little deeper into the first one, which is shaping our future across all four of them. Please go back to eMACH.ai.

eMACH.ai, which makes enterprise knowledge computable, was a massive innovation that we brought to market. In September, we launched eMACH.ai, our multidimensional, multilayered system of connected knowledge. Here is the problem it solves. The industry has invested billions in AI, yet productivity has barely moved. AI tools are brilliant on Day 0 and sidelined by Day 2 because AI knows the world, but not the institution, its systems, its dependencies, its rules, or its connected knowledge. eMACH.ai closes that gap.

Just as the relational database made data queryable, eMACH.ai makes enterprise knowledge connected and computable. AI can then understand a mission-critical system, see the blast radius of a change, and act under governance before anything else is touched. What you see on your screen are the five engines around which we have built these capabilities. It coexists with what our

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customers already have, and the message is very simple: keep your agents, keep your AI tools, and add eMACH.ai to make your knowledge computable.

What eMACH.ai is and how eMACH.ai matters to Intellect is that it opens a new market segment for us, where every bank, insurer, or capital market firm with a complex legacy estate must understand it before it can modernize it. Our challenge to the market is: bring us one complex module, give us 3 weeks, and we will map it, govern it, and prove its blast radius.

Second, it strengthens everything we sell. eMACH and Purple Fabric are now engineered using eMACH.ai. It changes our own economics, and Q2 already shows it. eMACH.ai is now validated across 141 internal projects, with 39 patents filed. In this quarter, we took 25 institutions live, compared with 16 in Q1, yet our total cost stayed flat versus Q1, including the higher marketing cost. More output from the same cost base is exactly what eMACH.ai is built to deliver. In a moment, we will show what this means for one of our specific customers.

Our four pillars for strategic growth are on the screen. Let me start with the evidence first. Our trailing 12-month income is up 17% and has risen in each of the last seven quarters on an LTM basis. We recorded 21 wins, including eight Destiny Deals, up from seven in Q1, and 25 financial institutions went live on our platform, up from 16 in Q1. We delivered this at a lower delivery cost than in Q1.

Let me show how these trace back to the choices we made. First, on AI-led transformation, the choice was to invest in proprietary AI ahead of demand. The output is that AI is now winning deals on its merit. A large US property and casualty insurer chose us in two deals for AI-led submission processing and underwriting. An AI-led digital bank in Bahrain, focusing on business clients and digital assets, chose eMACH.ai as its digital core. One of Mexico's largest banks will use AI-led document processing in its new trade finance platform. A global contract research organization and an Indian precision manufacturer chose iAPX, which is our procurement platform for AI-led accounts payable automation, outside banking altogether. A leading retailer in Kuwait chose our AI-driven customer personalization. In total, seven of our 21 wins in this quarter were AI-led. AI is no longer just a feature of our proposal; it is a reason customers choose us in banking and beyond.

The choice for the second pillar, since FY27, is market drive. Please stay on the pillars slide. Go back. Yes.

Our second pillar was to focus on strategic markets and drive global growth. This has been our focus, and most of our investment in the last couple of years has gone into the Americas and Europe. The output is platform-scale decisions by major banks. As I shared, one of Mexico's largest banks came back to buy eMACH Trade Finance. One of the leading banks in the Nordic region selected eMACH Payments for its UK operation. A leading US fintech financial services provider selected Payments for its US business. Nine of our 21 wins in this quarter came from the Americas and Europe, which is more than half of the value of our new signings.

Our third pillar is strategic platforms and innovation. The choice was to build platforms that turn into domain expertise and propositions that sell repeatedly. Our credit union business is a classic example, where we acquired the business from Central 1 and continue to win more from there. A transaction banking platform has been chosen in the UAE and Jordan for repeat business; a

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composable core banking platform is present in five countries; and payments modernization is under way across the UK and the US.

Repeatability is what allows intellectual property to scale without custom development growing at the same rate. A repeat proposition sells faster, implements faster, and needs less customization. This has been proven.

I want to add one specific item here, which we will review through our numbers later. We would like to share that one of our large credit unions, which had made a decision on an alternative platform prior to our acquisition of Central 1, completed its migration to an alternative platform, thereby creating a reduction in our SaaS revenue this quarter. It is important to call that out, as you will see in our results.

Go forward. Go to recognition.

Our platforms are also earning independent recognition at the ET Enterprise AI Awards. Go forward.

Arun was recognized as an Indian CEO driving AI innovation, and Purple Fabric was named Best AI Development Platform. These are market recognitions of what we have done.

Our fourth pillar is strategic deal wins and go-live. The choice was to use delivery success to deepen relationships with more than 500 customers in 62 countries, with eMACH.ai now embedded in our implementation teams. Every go-live adds to an installed base that is one of our largest growth assets.

Can you go back to page 7, where we have the deals? I shared the previous one.

I shared the largest Mexico deal. Earlier, we had won CBX to modernize its cash management platform, and immaculate execution using eMACH.ai saw the bank migrate the delivery with precision and control. This has now resulted in the bank extending its platform to eMACH Trade and Finance, Supply Chain Finance, front to back. This is one of our strategic deals.

A program of that scale typically takes 18 to 24 months, but with eMACH.ai, we are designing it to be delivered in 12 to 14 months. This is not a one-off success for us. In the last two quarters, three other significant programs went live ahead of plan: a wealth platform for a major global institution in its first country in Asia, 4 months early on a 15-month program; a cash management platform for a Middle Eastern regional powerhouse, 3 months early on an 11-month program; and a lending platform transformation in Europe, which was advanced by 3 months. Across markets and product platforms, we have seen early deliveries as a result of our success. Delivering early and getting it right the first time is what earns the next decision. This is what we mean by implementation certainty, and eMACH.ai is what lets us deliver it repeatedly.

Mexico has shown how we deepen relationships. A new channel for UK wealth through a joint venture was established to expand our TAM. A new segment of AI-native digital banking, represented by the Bahrain digital bank, is an example of how modern, new AI banks are leveraging Intellect as a platform. A new product category, Islamic banking, was launched, and we got our first win with a Sharia-compliant bank in the Maldives. Each of these expanded our addressable market on the same platform without a matching increase in custom development. This is what I really

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wanted to demonstrate as the meaning of Growth by Design.

Slides 8 and 9 show our 21 wins, and you would have had a chance to look at them.

At this stage, go to the pipeline. Our pipeline stands at 13,125 crores, up 9% year-on-year and close to 4x our trailing income. It holds 103 Destiny Deals: 29 above 50 crores, 35 between 30 and 50 crores, and 39 between 20 and 30 crores. Pipeline growth has moderated because our focus is now on building the pipeline to convert it, and the pillars are converting. We closed eight Destiny Deals in this quarter. Among our high-value pursuits, we added 18 new ones, while 16 decisions, half of which were wins, came up. Our deals are now getting larger, and the shape of the deals is changing. Our newer wins combine an upfront license with an alternative model of multiyear annual subscription fees. Each of them builds forward revenue for us.

Go forward on page 12. Page 12 shows the awards we have won, and page 13 shows how we are deepening our leadership talent. Go forward. We are deepening our leadership at scale. Vijay Anand joined us as a Senior Executive Vice President and Chief Operating Officer for Wholesale Banking. Leadership depth and eMACH.ai together answer the question investors ask us most: can you deliver what you are winning? Q2 says yes: more go-lives from a flat cost base.

Our priorities are unchanged from Q1 and remain in the same order, led by commercializing AI and eMACH.ai and converting the higher-value pipeline. We continue to ask you to judge us on the same five measures that we have explicitly and deliberately defined.

The first one is AI adoption: seven of our 21 wins were AI-led. Priority market growth: nine of the 21 wins, and more than half of the new signings, came from the Americas and Europe, including three Tier 1 platform decisions. Destiny conversions: eight new ones against seven in the last quarter, and 15 in the first half. License-linked revenue is growing faster. Finally, operating leverage: more go-lives from a flat cost base.

I will now hand over to Vasudha, who will explain how this momentum is translating into revenue quality, profitability, working capital, and cash. Thank you.

Vasudha Subramaniam – CFO: Thank you, Manish. Good evening, everyone. I will now take you through Intellect's financial performance for Q2, beginning with our last 12 months' performance, followed by quarterly results, profitability, cash collections, and working capital.

Our LTM performance reflects continued growth in revenue, with an increasing contribution from license-linked revenues. LTM total income reached 3,388 crore, representing 17% year-on-year growth. License-linked revenue, comprising license, platform, and AMC, increased to 1,768 crore from 1,497 crore, representing 18% growth and contributing 52% of total income.

Platform revenue increased to 591 crore from 392 crore, representing 51% growth, while AMC revenue increased by 12% to 603 crores.

Moving to profitability, gross margin as a percentage of total income stood at 56.7%. LTM EBITDA stood at 736 crores, representing 21.7% of revenue, despite more than 100 crore of investments made in AI. Our non-GAAP adjusted EBITDA, excluding stock compensation costs, stood at 802 crore.

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Profit before tax stood at 503 crore, and profit after tax before {? exceptional ?} [cut off]

Vasudha: {? Exceptional ?} items stood at 378 crore. Importantly, collections increased by 26% to 3,282 crores, and cash and cash equivalents stood at 1,216 crore. Improving the conversion of revenue growth into earnings growth remains an important financial priority for us.

Coming to the second-quarter performance, total income for Q2 stood at 878 crores. Turning to our revenue composition, license-linked revenue stood at 457 crore, platform revenues stood at 133 crore, and AMC revenue was reported at 160 crore. License-linked revenue accounted for approximately 52% of total income. Gross margin percentage improved to 57.2%, and EBITDA stood at 199 crore, representing 22.7% of revenue. PBT stood at 137 crore, and PAT was 104 crore. We remain focused on strengthening this operating performance through disciplined cost management and improved productivity.

Let me now turn to cash collections and liquidity. For Q2, collections stood at 815 crores. Our cash and cash equivalents stood at 1,216 crore as of 30 September, compared with 927 crores in the corresponding period last year. This represents an increase of 31%, strengthening our liquidity position. The growth in collections and our cash balance provides financial flexibility to support operating requirements and ongoing investments.

Regarding working capital, our days sales outstanding, excluding the contractually not-due amounts, stood at 111 days. We continue to closely monitor receivables and collections, with a focus on improving working capital efficiency and maintaining collections discipline.

Before I conclude, I would also like to share a leadership announcement. The board has approved the appointment of Mr. Suresh {? Easwarapragada ?} as an additional director designated as an independent director for a term of 5 years, subject to shareholder approval through a special resolution. Suresh brings 28 years of experience in financial services, including 22 years in private equity investments. He has held senior leadership positions at J.P. Morgan, Mount Kellett Capital Management, and ADB Partners, and currently serves as a CIO at 2380 Capital. His extensive experience in investment, financial markets, and corporate governance will bring valuable perspectives to the board as Intellect continues its global growth journey.

With that, I conclude the financial review. Thank you. We will be happy to take your questions.

Operator: Thank you, Vasudha. The platform is now open for Q&A. If you want to ask a question, please click on the relevant option, and we will open it for you. Management will respond to it. Please ask your questions.

Management: Praveen, there are eight participants who have already raised their hands, so you can allow them to ask their questions.

Operator: First, we have Mr. {? Adhy Jhavar ?} from AK Investments. {? Adhy Jhavar ?}, please ask your question.

{? Adhy Jhavar ?} – AK Investments: Thank you for the opportunity. Good set of numbers, sir. I have one question regarding revenues. I wanted to understand the implementation revenue, where we could also have some customizations. We can sell a license there as well. How do we accrue the

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license revenue—license plus implementation with customization? I wanted to understand this because [cut off]

Management: We lost him.

{? Adhy Jhavar ?} – AK Investments: [crosstalk] also increase. So, how [cut off]

Management: {? Adhy ?}, we lost you. Can you repeat your question, please?

{? Adhy Jhavar ?} – AK Investments: No. What I am saying is, if you have won a project in the implementation part where you are also selling the license with customizations, I am asking whether that license revenue will be converted to AMC, and how we accrue that in our accounting. Are you recognizing it in the license part or purely in implementation, which will then go to AMC? I understand that once implementation is done, that revenue will be stable or not. I am just trying to understand that piece once you have customization in the implementation.

Management: You may be a new investor in the company. The company model today is: A1 revenue is license revenue, A2 revenue is implementation revenue. Within implementation, there is customization—A2.1 and A2.2—which is implementation revenue plus customization revenue. A3 revenue is AMC revenue. AMC revenue is a percentage of, let us say, 20% of the license revenue. That is AMC revenue. So, those are the three categories of revenue. When implementation revenue is completed, that revenue goes away and AMC starts. So, that is the correct understanding.

{? Adhy Jhavar ?} – AK Investments: Okay. So, we are not accruing it anywhere. If we are selling a license and doing customization, it sits in license revenue only, right?

Management: No, no, no. It fits into implementation revenue. If customization is involved, it will fit into customization revenue, which is 48% of the revenue in the customization space. That portion of A1 will go to license revenue, and the portion [crosstalk]

{? Adhy Jhavar ?} – AK Investments: [crosstalk] whether it will not, so [cut off]

Management: Please go ahead.

{? Adhy Jhavar ?} – AK Investments: So, what I am saying is, if we are doing customization in A2 and selling the license as well, then to maintain that product, that revenue should not go away, right? It should come to A3 for us as AMC, right?

Management: How will the customization come to A3? It will not. I think we will take this question separately. {? Adhy ?}, {? Adhy ?}, we will take this question separately. The CFO will take your question on this. Let us have some other conversation.

{? Adhy Jhavar ?} – AK Investments: Okay. The next question I have is, uh, are we [cut off]

Management: {? Adhy ?}, you are breaking up badly, so I think we can [cut off]

{? Adhy Jhavar ?} – AK Investments: confident that in Q4, uh, we will reach—Hello? Are we confident that [crosstalk]

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Operator: [crosstalk] Yes, go ahead.

{? Adhy Jhavar ?} – AK Investments: Yes, are we confident that we will reach 900 crores-plus revenue in Q4 and achieve next year's guidance of 1,000 crore PBT? Are we confident of achieving these two numbers?

Management: If you look at all the numbers, that is why we are confident that it is progressing in a structured manner. There were four quarterly numbers of 750, 700, 720, and 730 crore. Then, in Q4, we reached 850 crore. As an investor, you had a doubt in your mind about Q4 when I was publishing the results. Your question was whether we would be able to maintain revenue above 800 crore or not. In the last two quarters, Q1 and Q2, both numbers have been close to 850 crore. We have been able to manage the Q4 numbers in both Q1 and Q2 through sustained revenue. So, that is the new baseline, which is 850 crore. Now, reaching 900 crore in the next two quarters, we are definitely confident that we will cross 900 crore. We will address next year's numbers next year.

{? Adhy Jhavar ?} – AK Investments: Okay. Lastly, I have one more question. Do you see any risk because we are dealing with a lot of projects and a lot of licenses, and [cut off]

Management: Ask one question at a time because there are 240 people participating. Praveen, if you take one question per participant, it will be good.

{? Adhy Jhavar ?} – AK Investments: [crosstalk] do you see any risk in our execution?

Operator: A request to everybody: please ask only one question. If you want to ask another one, please remain in the queue once again.

{? Adhy Jhavar ?} – AK Investments: That leaves the product. Yes, sure.

Management: Praveen, we can move to the next question.

Operator: Thank you, {? Adhy ?}. Next, we have Dev Mehta from Unique PMS. Dev Mehta, please unmute yourself.

Dev Mehta – Unique PMS: Yes, sir. Am I audible?

Management: Yes, please go ahead.

Dev Mehta – Unique PMS: I wanted you to give us a bifurcation of the R&D expense this quarter and, on an LTM basis, how much was expensed and how much was capitalized?

Vasudha: R&D expenses that were expensed should be about 230 crores, and around 170 crores would have been capitalized.

Dev Mehta – Unique PMS: This is on an LTM basis, right?

Vasudha: Yes.

Dev Mehta – Unique PMS: And for the quarter?

Vasudha: For the quarter, 54 crores were expensed and about 42 to 43 crores were capitalized.

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Dev Mehta – Unique PMS: Okay. The second question is that FY21 was one of the periods that we can call an inflection point for our company, after which our margins rose to 24%–25%. The annual report also mentions that FY27 is one such inflection point. Are we consistent with that guidance of FY27 being an inflection point for our company?

Management: FY27 is an inflection point from two perspectives, as Manish has explained. We invented a technology called eMACH.ai. As an investor, if you are a Silicon Valley investor, you would recognize that this is a technology invention of its kind, where, for the first time in the world, we connected the entire knowledge of the financial services industry—including business capability, product, user journey, call schemes, and Kafka—into one single system of connected knowledge.

This is a product that we launched on 9 September, and it could be of a very different order. In the last 6 weeks after 9 September, I met close to 30 different CIOs in the US, India, and Europe. There were some calls as well. Our entire senior management team has gone and met customers. Today, we have 30 active conversations about how eMACH.ai can be applied on top of Anthropic to drive the right business outcomes and accurate results, where the huge amount of investment people are making in the cloud is not translating into actual savings.

As Manish mentioned, 141 projects have gone live on eMACH.ai, and we have demonstrated that a project can be delivered in 8 months instead of 12 months. That proves the point of this technology, which is very dramatic in nature. Our winnability in new deals is multiplied because of the capability Intellect has built to deliver the existing pipeline, which is 13,000 crore. That will be a positive tailwind because of eMACH.ai.

This is one area where the margins and the cost structure are [trails off]

Management: The other important point Manish highlighted is that our cost structure was 680 crore in both the last quarter and this quarter. Very rarely are we able to manage the same cost structure across two quarters. Any future revenue that goes up from the current number of 850 crore will contribute significantly to the margin. If revenue goes to 900 crore, out of the additional 50 crore of revenue, 40 crore will come into the margin. That is where the value will be for investors.

Dev Mehta – Unique PMS: Yes, sir.

Management: Obviously, you can calculate the margins after that.

Dev Mehta – Unique PMS: Fair enough. Are we still on track with the guidance of 4,000 crore of top-line revenue by FY28?

Management: That is right. The expected top line in FY28 is 4,000 crore.

Dev Mehta – Unique PMS: Okay. Thank you.

Management: Next. Praveen, you can ask the next question. Praveen, you are on mute. Praveen, please ask the next question.

Management: We have Vivek Thukral as the next questioner. Vivek, can you unmute yourself, please? Vivek, you can ask your question.

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Vivek Thukral: Sir, am I audible?

Management: Yes, you are.

Vivek Thukral: Thank you for the opportunity.

Management: Please ask your question.

Vivek Thukral: My question was regarding eMACH.ai. Arun Jain was explaining in most of the interviews that we have both effort reduction and token maximization, as well as improvements in intelligence because of eMACH.ai. If we think that is a tailwind, how is it looking? I know it is too soon, but you have had conversations. I am trying to understand because you also said in one of the interviews that eMACH.ai will help us crack mainframe modernization. Could you explain whether it is already working, whether you are very confident, whether you are seeing deals turn faster, and whether the cost structure of 680 crore will remain the same up to what level of revenue?

Vivek Thukral: ...Will it remain the same at 1,000 crore or even 1,100–1,200 crore? If you look at other AI companies, I do not know how to ask this question, but there are huge savings coming in. If you keep mentioning Silicon Valley, product companies there are growing above 30%–40% because of this AI gain. Are we going to see that kind of growth because of this MSoC giving us a lot of tailwinds?

Arun: That is a very good question. I think that is the right question for this conversation. A 1% margin here and a 1% margin there will not determine your investment decision in this company. What the company is doing is MSoC, which means you are asking the right question about mainframe-to-cloud migration. There is a big shift happening right now. Market tailwinds are present in the US and Europe for these projects.

After launching MSoC, we are now in active conversations with seven banks regarding mainframe migration. Before MSoC, we were only in contention with eMACH. If you look at the whole company strategy, we have eMACH as a product line, which is layer one. In this layer, we have eight different product lines, from DTB to core banking, lending, wealth, payments, trade finance, and supply chain finance.

The second layer is Purple Fabric, which manages the bank's operations and creates efficiency. We are working on at least 15 RFPs for Purple Fabric. Two banks have gone live on Purple Fabric as a platform, which is a significant milestone because they are consuming the platform as a secure platform and have gone live.

This traction will continue in Purple Fabric, which we launched last year. That is layer two. The first layer is for business, the second layer is for operations, and the third layer is for technology. Our promise to the industry is that we can bring down the bank's 20% O&T cost by applying all three pieces together if the bank chooses us.

In the mainframe-to-cloud area, we are able to harness knowledge. Most competitors in the mainframe-to-cloud area are parsing companies. To explain the technology, many companies are parsing the code, bringing the past knowledge, and giving it to the cloud for forward engineering. The gap is that this does not have context engineering or the connected knowledge component,

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which we call a multidimensional, multilayer system of interconnected knowledge.

That is what is missing in the mainframe business. When we talk to existing players, such as AWS, which my competitor is positioning, or other players such as CAST, which is positioning its offering, I work on top of it and provide three opportunities. The first is to make their knowledge a part of the system. The second is to conduct forward engineering using MSoC. The third is to apply eMACH architecture on top of it. Those three options are available in mainframe.

Mainframe-to-cloud migration deals will be upward of double-digit millions, almost at the upper side of double-digit millions. This is the new space that will help us. Regarding whether 850 crore will go to 1,100 crore per quarter, yes, that is the hope we have. Whether that will happen in 12 months or 24 months is uncertain. However, the visibility that MSoC has given us is significant.

I mentioned 4,000 crore two years ago based on Purple Fabric and other initiatives. Now I am saying that I have visibility of 5,000 crore of revenue for the company. That will be at a very decent margin because my cost structures are not changing.

Vivek Thukral: My question was whether we should look at growth rates increasing now that we have the intelligence layer—or, rather, the knowledge layer—and eMACH.ai. You are also one of the few people who have mixed ontology with the core products, with all products on the same platform called eMACH.ai. Should we not be confident of growing at 25%-30%? If you look at many product companies, I understand that I am not comparing you with other types of products, but even if you compare with banking product companies, should we see a higher growth rate than what we have had in the last 10 years? We have made most of our investments, developed all the products, platformized the products, and also introduced the knowledge layer. We are in eight markets, so that is the context from which I am asking.

Arun: You can look at it, but we cannot say when it will happen because the decision-making cycle is still slow. As to when a 30% or 25% growth rate will actually happen, to me, a 20% growth rate is a good number. We have calibrated the company at 20% because a 20% growth rate will bring a 40% or 50% growth rate in margin. As an investor, that is a great opportunity right now.

Vivek Thukral: So, next year should be better than 4,000 crore, right? If we are growing at 20%, it will be 4,300-4,400 crore.

Arun: [laughs] Do not pin me down. [laughs] I am not a forecaster here. Let us move to the next question and [trails off]

Vivek Thukral: Okay. One last housekeeping question. Manish mentioned the credit union and that we lost one SaaS item. How should we look at that? Is it a structural issue, or why did somebody shift? How should we look at it? Manish mentioned [crosstalk]

Arun: No, I think you have identified the right point. It is a term coming to an end. When we acquired Central 1, we knew that 80% of customers would be retained. That is what we forecast. That is why we did not pay any money to Central 1. We knew that their terms would end on Forge and that approximately 20% of customers would move to another player.

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In this quarter, one, or perhaps two or three, customers whose terms expired moved out because we had given them a one-year period during which they could move after one year. They moved out after that. It is a natural progression in SaaS revenue.

Management: Despite that, we achieved 51% growth on an LTM basis year-on-year.

Arun: Yes.

Vivek Thukral: You are seeing tailwinds [crosstalk] across your products?

Operator: Vivek, can you please finish? There are many other people waiting to ask questions. You can join the queue again.

Vivek Thukral: Okay. Thank you.

Operator: Thank you, Vivek. Next, we have Prolin Nandu from Edelweiss Public Alternatives. Prolin Nandu, please unmute yourself.

Prolin Nandu – Edelweiss Public Alternatives: Am I audible, Arun?

Arun: Yes, yes, Prolin.

Prolin Nandu – Edelweiss Public Alternatives: Arun, thank you for giving me the opportunity. I wanted to understand something. We have been talking about an increase in margins for quite some time. If I look at some of your old transcripts, you highlighted that our margins could reach 25%-30% in the past as well. We have invested in eMACH, Purple Fabric, and now the wrapper around the cloud and Anthropic as well.

I wanted to understand why this time is different and why you are confident that margins will increase now while the base is not increasing. Where I am coming from is that in one of the interviews you mentioned that perhaps Indian investors are too worried about margins. However, for the last 5 years, our profitability has been flat. We have not seen an increase in overall PAT for the last 5 years.

I am not sure what kind of patient investors you want to wait for 5 years for an increase in PAT. On the margin side as well, you have commented in the past that margins will increase. What is it that we investors should evaluate, apart from some of the other matters you have mentioned, such as deal wins? On the financial metrics, how should we evaluate you? Do you not think financial metrics should also be part of what we evaluate you on? Why are you so confident right now that this cost [trails off]

Arun: I understand the question. Your question is typically that margins are not growing, even though we mentioned this last year, and we are investing 100 crore in AI. That was a clearly self-identified number: instead of keeping the cash for investors, we would invest it back into AI.

The company has built MSoC and Purple Fabric through internal investment. If anybody else had built them, they would have required an investment of 500 crore to 1,000 crore. As a leading AI company, AI companies are not making profits anywhere in the world. AI companies are currently only building products, and they are not making profits.

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Today, the balance of eMACH and AI together is helping us retain a margin of 20%. To me, it is a great point of celebration that we have transformed the company into an AI company without taking any third-party investment and without diluting your equity. We have completed all the internal research with the same level of investment of just 100 crore.

A company that can create an AI company with 100 crore rupees is significant. Any AI company raising funds is raising no less than $100 million. That is how you have to measure it.

The second measurement you want is whether data and costs are coming down. During the investment phase, our cost went up from 600 crore to 680 crore. Now it is in the range of 680 crore per quarter. The cost has remained constant for the last two quarters. What we are saying is that in the next few quarters, my cost will not increase in proportion to how it was growing earlier. It will remain between 680 and 700 crore. In that scenario, if my revenue goes to 950 crore, margin improvement will happen.

Prolin Nandu – Edelweiss Public Alternatives: Thank you, Arun. I am looking forward to it.

Arun: Yes.

Operator: Thank you, Prolin. Next, we have Dhruvesh Sanghvi from Prospero Tree Asset Management. Dhruvesh? Dhruvesh Sanghvi? Are you there? Dhruvesh, please unmute yourself. He is not there? Okay, then we will take the next question. We have Kunal Shah from Hornbill Capital Services.

Dhruvesh Sanghvi – Prospero Tree Asset Management: Am I audible now? I think the unmute was taking time.

Operator: We can hear you, Dhruvesh. Please go ahead with your question.

Dhruvesh Sanghvi – Prospero Tree Asset Management: Very quickly, just one question, sir. This is the first time I am asking a question on the conference call. I have been an investor for almost 4–5 years now.

As a smaller company compared with Oracle Financial Services, while we see that their LTM growth has recently risen substantially, even Temenos has been able to grow 5%–7%, and it seems that the entire industry has been able to grow well. Of course, we have also done very well, but if we are on the innovation side compared with companies such as OFSS, how have they been able to grow so well? My question is a very basic one, and if you can provide some useful insight, it would be helpful. That is my only question.

Arun: In the product industry, there are certain deals. If a company wins very large deals during a particular period, that period suddenly becomes extremely good. For example, our Q3 revenue was 720 crore and Q4 revenue was 850 crore. In no other business can you get 120 crore of incremental revenue in just 3 months.

OFSS has won some good deals in America, which we appreciate. Temenos has also done a good job acquiring a customer in Africa through one large deal that it announced. This is deal-based growth.

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However, when I say that we are at the cutting edge of innovation, we are fighting a head-on battle with Temenos and a head-on battle with OFSS. That is a great credit to all of us as investors who trust that we are competing effectively. With MSoC, we will still compete much better.

If I can deliver a project 4 months ahead of time, I do not yet have a visible customer case study, but demonstrating those 4-month early deliveries will take 6 months. The client will then agree to write a case study with me stating that I delivered 4 months ahead of time. Once the client goes to the market and says that I can deliver 4 months early and complete the transformation in 8 months, that story will sell in the market.

As a product company, we need a little more patience. The product market has not disappeared. There is a lot of fear in the market among investors that product companies are no longer relevant. People are building solutions, and many service companies are saying that they can build AI-based solutions or build products using Claude. I think it is a misconception that a service company can build a product where [cut off]

Arun: The product involves microservices architecture and e-bank architecture, which requires close to 800 or 900 small security and microservices components. It is a complex financial services business.

At present, many investors are being carried away by the myth that service companies will take over and product companies may no longer have the possibility of earning license revenue. I want to clarify why this myth is spreading in Europe and America that service companies can take over product companies.

Dhruvesh Sanghvi – Prospero Tree Asset Management: Thank you, sir.

Operator: Thank you, Ruviesh. Next, we have Mr. Paresh Sanghvi from Club Millionnaire. Paresh? Mr. Paresh Sanghvi?

Paresh Sanghvi – Club Millionnaire: Is my voice audible, sir?

Operator: Yes, Paresh. Please go ahead.

Paresh Sanghvi – Club Millionnaire: Good evening, Arun, and good evening to everyone. My question is that we are likely to have about 1,300 crores of cash by FY27, and we are producing about 350-400 crores of cash annually as well. What would it take for us to consider a buyback when peers such as Temenos and Oracle are doing so? Oracle's global parent has completed almost a 40% buyback. The company we admire most, Apple, has bought back 40% of its equity over the last 10-12 years. Temenos is undergoing a buyback.

When I compare our valuation with their valuations, at current valuations of less than 2x EV to sales, and with our margins also at a trough, I was wondering what it would take for us to consider a buyback. It is especially tax-efficient compared with paying a dividend. When we receive dividends, we pay almost 40% as our marginal tax rate. Thank you.

Arun: Thank you for asking this question about buybacks. This is an option that we have discussed at the board. It is not that buybacks have not been discussed at the board. You have given us this

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feedback regarding a buyback.

With MSoC now launched, we are looking to invest this money in an acquisition. We are planning to acquire companies to gain access to customers. MSoC is a good tool to acquire a client and upgrade a legacy player in the market.

We want to enter the LATAM market, the European market, and the Eastern European market, and we are looking for acquisitions. My strategy team, led by Vikas, who is running the Chief Strategy Office, is now evaluating 3-4 acquisitions of a size where the customer is what we want to acquire. We want to acquire a specific company that has 20 financial accounts in a new market where we do not have access.

I do not have to go through the procurement office or MSA process. I can short-circuit the MSA part and then use MSoC to deliver value to that customer. That is our strategy. Based on that, we will be able to take a decision on a buyback at the appropriate time.

Paresh Sanghvi – Club Millionnaire: Okay. Thank you, Arun.

Operator: Thank you, Paresh. Next, we have Yash Sedani from Antiquity. Mr. Yash Sedani?

Arun: You can announce the two names one after the other so that they can remain on the line.

Yash Sedani – Antiquity: Hello, am I audible?

Arun: Yes.

Operator: Yes, please go ahead, Yash.

Yash Sedani – Antiquity: There was one transaction with a joint venture this quarter. Can you tell us the amount of the transaction? If we exclude that transaction, it seems that we have seen some decline in profits as well. How are we looking at this figure going forward, and can you provide clarity on this joint venture transaction?

Arun: The joint venture relates to the license that we sold to the joint venture. It is not a value that should be excluded, because this joint venture has come with the value of a wealth management license being sold to the joint venture. The joint venture will now operate on a 50:50 basis in the UK market.

We are exploring the market. This is one monetization strategy for a particular market: either I acquire a company or I partner with it. Both strategies are available. This strategy with Fintel is a joint go-to-market arrangement in the UK, where they have more than 100 customers. We will access those customers, and that will be the value accruing to us.

Yash Sedani – Antiquity: Okay.

Arun: Yes.

Yash Sedani – Antiquity: Okay, thank you.

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Operator: Thank you, Yash. Next, we have Mr. Mayank Babla from Carnelian Capital. Mr. Mayank Babla? Mayank?

Mayank Babla – Carnelian Capital: Am I audible?

Operator: Yes, Mayank. Please go ahead.

Mayank Babla – Carnelian Capital: Thank you for taking my question. My first question is whether you could quantify the impact from the Central 1 client that migrated out of our platform in the quarter. How much more impact can we see in the forthcoming quarters, since you said you were expecting 20% of customers to churn? Could you quantify this for us?

Arun: We can quantify it later. We have to work out in which quarter a customer is going out because customers do not specify when their terms are ending. They keep extending the term until the new vendor is ready to put them on a platform. That is the current uncertainty we have regarding when a particular client will leave. The cycle time with the new vendor to which they are moving is 3–4 months. We will tell you later.

Mayank Babla – Carnelian Capital: Okay. Can you quantify it for the current quarter? That should be known, right?

Arun: Yes. Rajesh, is there anything for the current quarter?

Rajesh: Are you talking about Q3 or Q2?

Arun: Q3. Q3.

Rajesh: I think in Q3 we should be looking at about US$300,000–400,000.

Mayank Babla – Carnelian Capital: Okay, thank you. My second question is whether you could explain the fourth pillar of the MSoC platform, which is the four machines. Could you explain in simple terms what that means? I could not quite understand it. Forgive my basic question.

Arun: No, it is a good question. It is good that you asked it, and I think many investors will understand it.

If you look at it, any software system is like a knowledge tower of the bank. Let me explain it this way. Just as there is a physical building for HDFC Bank and a physical building for ICICI Bank, assume there is a knowledge building with 21 floors. There are two floors for business products and business capabilities that the bank brings to the table. There are five operations floors. There are three technology floors. There are two risk floors. There is one compliance floor. Then there are governance and strategy floors.

All this knowledge sitting across 21 floors is connected together. [off-mic discussion] Does Mumbai open? When this knowledge is connected, I create a machine called the build machine. If I had to build a new application, I would use the build machine to build the entire new application. For example, if I had to build a CRM system to replace Salesforce in the Indian banking system, I could build a CRM application for the bank that is integrated with its customer onboarding application. I can combine both of them and build a customer operating system. That is our approach to

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launching a new product in India: a customer operating system comprising a CRM and customer onboarding.

This is possible through the build machine. Then there is the change machine. If a bank wants to make a change, such as a change requested by the RBI, there was a situation last month when the RBI requested on Wednesday that it should be made operational on Sunday. All of you must be aware of it.

MSoC has gone into the details through the change machine and determined that if we had to make Sunday a working day, [off-mic discussion] where did I leave my phone? we would need 22 different changes to be made in the system within 24 hours.

Without MSoC, this work would have taken at least 3-4 weeks to determine the impact of making Sunday a working day in an application. That could have been significantly painful later when making Sunday a working day in that area.

That is the change machine. Then there is the run machine, which concerns how quickly we can fix a defect in a bank. That is the run machine for operating the system.

Then there is the modernize machine, which is used when you want to modernize a legacy application into an eMACH application or a new-generation application.

I hope this clarifies it.

Mayank Babla – Carnelian Capital: Thank you for your explanation. That was helpful. Just one last question: who would you consider the biggest competitor for your Purple Fabric platform?

Arun: The competitors for Purple Fabric are C3 AI and Core AI, which are two players in the US. Palantir is at the higher end of the platform, but it is more focused on the defense sector than the financial sector. Those are the competitors for Purple Fabric.

For MSoC, the competition is CAST. The nearest competitor in the mainframe area is CAST. However, it is not a complete competitor because it is a parsing-based company. That is the competitor in the MSoC area.

Mayank Babla – Carnelian Capital: Thank you for your answers, and best of luck.

Operator: What time? Thank you, Mayank. Next, we have Rishabh Agrawal from Suraag Capital. Mr. Rishabh Agrawal?

Rishabh Agrawal – Suraag Capital: Thank you, sir, for the opportunity. My first question is again about revenue. If we exclude the joint venture investment, it seems that our year-on-year growth this quarter was around 8%, and pipeline growth has also been 9%, although in the initial address you mentioned that you are now looking to convert the pipeline faster.

I wanted to understand whether there have been any negative surprises on the license side or in product and platform revenue. It appears that there was a decline in revenue. Was that because most of the consumption, and therefore most of the revenue, is consumption-based rather than subscription-based?

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Arun: We mentioned just before, in response to somebody else, that there is a Central 1 account whose term expired. That is the reason for the fall in platform revenue.

Our LTM basis growth is 17%, not 8%-9%. I do not know whether you are looking at quarter-on-quarter growth. We do not measure quarter-on-quarter growth. We measure on—

Rishabh Agrawal – Suraag Capital: I mean year-on-year. Yes.

Arun: Year-on-year?

Rishabh Agrawal – Suraag Capital: Year-on-year this quarter, excluding the joint venture license.

Arun: For a product company, we do not take one quarterly indicator. The single indicator should be LTM. There are fluctuating quarters, and there is no point in taking quarter-on-quarter performance. We are not a service industry. Please focus on the one figure, which is the 17% that we have discussed.

Rishabh Agrawal – Suraag Capital: Understood. My second question is whether MSoC is an extension of Enterprise Knowledge Gardens. I understand that you are using the bank's complete context, building it into a better understanding of how the mainframe is working, and then determining how a change or a run can affect a conversion from mainframe to cloud. Is this essentially an extension of the work you have done with EKG, or could you explain that?

Arun: First of all, I should give you a reward for remembering EKG and connecting EKG to MSoC. These are two generations of knowledge management. EKG was the first generation of knowledge management, and this is the second generation of knowledge management. However, this is a completely different set of technology.

The principle is that if knowledge is right, intelligence is right. The principle is the same, but there are two generations of technology. One is EKG technology, which is vectorization-based, and MSoC is where we have filed 39 patents on knowledge accuracy.

Rishabh Agrawal – Suraag Capital: Understood. Do you then use a frontier model to build the MSoC graph? Is the customer comfortable sending its data for inference to a frontier laboratory, since you do not have your own model and are essentially using a layer on top of different frontier models?

Arun: That is right. We use a frontier model, but we use only 30% of it because we maintain MSoC within the client's environment and go to the frontier model only for specific reasoning. We do not use the frontier model for knowledge because the bank's knowledge sits within the bank's enterprise.

Rishabh Agrawal – Suraag Capital: Understood. Will MSoC be considered part of implementation revenue if this starts—

Arun: It has not yet been decided. As of now, what we are doing with MSoC is improving the margin by delivering faster.

Rishabh Agrawal – Suraag Capital: Right. Essentially, you are proving that implementation may take 3 weeks or 4 weeks less, so banks are converted more effectively and you win more effectively.

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Understood. Just one last question, sir. The Purple Fabric—

Operator: Rishabh, we are running out of time.

Rishabh Agrawal – Suraag Capital: Okay, perhaps I will take it offline.

Arun: Send the question by email. I would be happy to answer any question on MSoC.

Rishabh Agrawal – Suraag Capital: Sure. Thank you.

Operator: Thank you, Rishabh.

Operator: Next, we have Mr. Vikas Sharda from NT Asset.

Mr. Vikas Sharda from NT Asset.

Hello?

Management: Next.

Operator: Hello?

Management: Praveen, next.

Operator: Hello? Mr. Vikas Sharda?

Management: Praveen, you can take the next question.

Operator: Next question. Next, we have Mr. N. J. Puranik from Enam Securities.

Puranik?

Management: Praveen, you can move to the next, please.

Operator: Mr. Puranik is also not there.

Management: Yes, Puranik is not there. You can move to the next person.

Operator: Next, we have Rohit Balakrishnan. Mr. Rohit Balakrishnan, if Puranik is not there.

Management: Rohit, you can unmute yourself and ask your question.

Rohit Balakrishnan: I think most of the questions have been answered. I do not have many questions, but I want to understand two things.

Manish said that half of the deal signings are from markets such as the Americas and Europe. I am hoping and assuming that going forward we will drive deeper penetration there.

From a gross margin point of view, how do you see gross margins? We have talked a lot about the leverage below gross margin in this call. You said that costs will not increase, but we are at—this quarter was higher at 56%—although our general understanding is that deal values are much higher

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and, therefore, gross margins could also be higher.

Is that something we should think about, not immediately, not next quarter, and not in the next two quarters, but perhaps 2 years out, in FY28 or FY29? Do you see gross margins increasing by a couple of percentage points? If you look at Temenos and others, despite their cost structure, their margins are much higher. We have a cost structure advantage, which you have also discussed. Could you speak a little about that?

Management: Let us look at it from a margin perspective. Take the current book: I have operational revenue of 845 crore, or 847 crore, and costs are 680 crore. That gives me the EBITDA margin. If revenue of 850 crore becomes 950 crore and costs remain at 700 crore, it becomes 250 crore on 950 crore. What would 250 crore on 950 crore be in terms of margin?

Rohit Balakrishnan: 27%.

Management: 27%, 27%?

Rohit Balakrishnan: Yes.

Management: That is the leverage available to us. You need to understand that the levers for a product company are different. If this goes to 1,000 crores, it becomes 30%.

From an investor perspective, I recommend that you look at the operating cost lever. With eMACH.ai, the operating cost lever is now in our hands, as Manish highlighted. It was not in our hands earlier. When we won more contracts, we increased our costs. eMACH.ai has given us a {? ultimate weapon ?} to say that our costs will be contained. Even if 700 crore becomes 725 crore and revenue becomes 1,000 crore, the margin will still be 27%.

That is how you should look at it. When revenue becomes 1,100 crore or 1,200 crore, we will reach the same level as Temenos, which is approximately 32%. That will happen when our revenue reaches $600 million or $650 million. That is when we reach the 30% level.

Rohit Balakrishnan: That is very clear. I have one more question, which I think Vivek was also trying to ask. You mentioned that eMACH.ai is almost a {? ultimate weapon ?} for you. You also mentioned that some other companies have been able to win deals that accelerated their growth.

I have been tracking and investing in the company for the last 6-7 years, so I have followed your journey very closely. My point is that over the last 4 years, we have made incremental investments in newer platforms to strengthen our overall offering.

From a winnability point of view, we have won 21 deals, which is the highest number we have won. When we go head-to-head with some of the larger names in terms of legacy and size, when do we see acceleration from a revenue growth point of view? I am not asking about this quarter or that quarter, because [crosstalk]

Management: Yes, Rohit.

Rohit Balakrishnan: What I am saying is that if you take us back to FY22 and FY23, at that time, particularly in consumer banking, we were directly competing head-to-head in some deal wins with

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Temenos, nCino, Mambu, and others. Somewhere in the last couple of years, our win rates have come down somewhat. I think that is what the growth rate is also suggesting, which is fine.

Now that we have invested money, effort, and time, do you see that the growth rate can really accelerate? As Vivek was also saying in relation to your interviews, and as we try to understand from outside, we do not know the technology the way you do, but it seems that all the pieces are coming together. I may be biased because I am also invested, [laughs] but—

Management: No issue. I think we are doing okay because we have moved from 500 crore a quarter to 800 crore a quarter. We are progressing through our journey over 3–4 quarters, and we are making the next jump next year. We are doing okay, so that is not a concern for me.

Your expectation is that we should grow faster. Obviously, we have all the pieces of the puzzle now. This eMACH.ai investment is the final investment. I call it an L5 investment. L1 was an investment, L2 was an investment, and L3 was an investment in our Intellect assets. Purple Fabric was the L4 investment, and eMACH.ai is the L5 investment.

Unfortunately, the Indian stock market does not like a 100 crore investment in AI. If I had not made this 100 crore investment and had demonstrated 450 crore of profit last year, you as an investor would have been better off. The stock price would have remained at 1,000 or 1,200, where it was, because the margin would have been in the 450 crore range instead of the 350 crore range.

Unfortunately, that is the nature of the business. When the margin returns to 500 crore, the stock price will obviously return to the same level. We do not worry as a company about what the stock market is or how the market treats investments.

If we can achieve a product of this magnitude with 100 crore, I think it is a major achievement for the company and its shareholders. That is the message I want to leave with you.

Rohit Balakrishnan: No, of course. The stock price was never my question, sir. [laughs] I was only saying—

Management: [laughs] I understand. Many investors—

Rohit Balakrishnan: No, no. I was trying to understand the acceleration of growth.

Management: We will do it. We will definitely do it. eMACH.ai may make our winnability much higher.

Rohit Balakrishnan: Sure. I have one request. I think 2–3 years ago you held a technology day where you discussed each product going through five stages. Perhaps at some point you could do that again. It was very useful for understanding the journey. It is just a request, if it is possible. I am sure you are very busy, but if it can be arranged, it would be very useful.

Management: We will do that. It is definitely required. Praveen has been asking me to hold a technology day. Let me schedule one. I was spending more time in the market, which is why I was postponing it.

Rohit Balakrishnan: It would be better in person. In person. [laughs]

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Management: [laughs] Sure. In-person is better, but the point is that we have global investors, so online is also acceptable sometimes.

Rohit Balakrishnan: I will leave that up to you. Thank you, sir. Thank you, and all the best.

Management: Thank you, Rohit.

Operator: Thank you very much. Can we take at least one more question?

Management: Yes, you can.

Operator: Next, we have Mr. Ravi Mehta from OneUp. Ravi?

Ravi Mehta – OneUp: Hi, am I audible?

Operator: Yes, Ravi. You are audible.

Ravi Mehta – OneUp: Thank you for this opportunity. I have a couple of questions on eMACH.ai. It has been a great journey for Intellect, from Intellect to Purple Fabric to eMACH.ai, and the way we have evolved.

How much of our internal operations or implementations are currently going through eMACH.ai? Is that the reason for the cost stability we are seeing, or is this yet to play out fully? Have you just started using it and are yet to reap the benefits from an internal working perspective?

Management: Ravi, I said that we are doing 141 implementations internally using this. That is giving us confidence and helping us manage costs. I also gave four examples of customers receiving deliveries 3-4 months ahead of schedule.

Taking any new technology to the market also means that every customer will ask, "Where have you done it before?" The 140 implementations where we have leveraged it provide that example. That is why we see this as a different scale of disruption that we are trying to create. It is a technology marvel.

Ravi Mehta – OneUp: You have already completed these implementations and are taking the product to market. Can this be offered as an independent layer? It need not be bundled with Intellect or Purple Fabric. How are you thinking about the go-to-market strategy, since it opens up a different market where you do not need to sell Intellect?

Management: Ravi, that is what I said. The first proof was delivering Intellect using eMACH.ai, through which hardening, confidence, and trust were established between us and the customer. The next step is for the customer to use eMACH.ai for any proprietary or legacy modernization. The large opportunity there is mainframe-to-cloud migration, where we can take it to market.

We are going to market with it as a separate product line. While we use it for internal operations, it is available for customers to harness their knowledge and move forward.

Ravi Mehta – OneUp: Incrementally, Purple Fabric and eMACH.ai both seem to be products independent of our core banking offering, and that opens up many other industries as well. How are

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you thinking about the go-to-market strategy now that the markets for this offering are broad?

Management: That is right. We have our Intellect offering and our Purple Fabric offering, and these three products are independent and can independently go to market.

For eMACH.ai, we are looking at a top-down strategy for large accounts and a bottom-up strategy. That is why the acquisition plan has emerged. We did not have an acquisition plan before, and I never shared an acquisition plan with you in the past.

Now I want to acquire eMACH.ai customers because I can acquire a bank in Latin America through eMACH.ai much faster than through Intellect. Intellect takes longer to acquire a customer, while eMACH.ai will take less time to acquire a customer and grow that revenue.

I can go to Japan, which I have not accessed until now. With eMACH.ai, I can go to Japan. Markets that are not accessible to me today will become accessible through eMACH.ai. It is a different product line and a different go-to-market strategy.

My time over the last 90 days was entirely focused on eMACH.ai. The Intellect business was run by Rajesh, Manish, and Banesh. They ran the Intellect business and freed me to focus on positioning eMACH.ai. It is a very different positioning.

That is why I spent 4 weeks in the US understanding what the eMACH.ai market could be. It could involve completely different levers. It could be a separate subsidiary or a separate way of going to market. As of now, we are evaluating all of these options.

Ravi Mehta – OneUp: Will partnerships be a significant lever, such as your SI strategy?

Management: Obviously, partnerships are a low-hanging opportunity.

Ravi Mehta – OneUp: That was also the case for Purple Fabric. Are you working jointly with partners on both these products?

Management: We are working with them, but for Purple Fabric, we believe that partners can implement it. As of now, AI is still in the early stages of implementation. After they fail to provide the 64 friction points, they take some time to return. We are patiently watching this.

Banks that have tried to implement these systems themselves and failed after 12 months then come to platform vendors and float an RFP. That is the trend we are seeing in the market. Purple Fabric will definitely deliver results in FY27 and FY28. eMACH.ai is ahead; it is a product that can deliver results very quickly.

Ravi Mehta – OneUp: Are these one-time license offerings, or are they more subscription-based?

Management: Subscription, subscription, subscription.

Ravi Mehta – OneUp: Okay. If this can accelerate growth—

Ravi Mehta – OneUp: I am wondering: you always say that we have designed the organization for 20% growth. If Purple Fabric and MSoC can accelerate that, what would go into the design thinking

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to make the company capable of a higher growth rate? What other investments might you need to make if the pieces come together and growth inflects? I wanted to understand your perspective on how you design growth.

Management: We are now designing the organization around a market-led design. Until now, it was a product-led design. More market-led design will be implemented. That is why acquisitions and market access are required.

Monetization is the second piece. How do we license MSoC—in partnership mode, royalty mode, or S2C partnership mode? All those options are open. It is a strategic game. MSoC can work on CloudCode. The beauty is that it can work as a plug-in to CloudCode to deliver better value. There are multiple opportunities at a strategic level.

Ravi Mehta – OneUp: When we launched {? eMag ?}, we partnered with AWS. Are we also speaking to cloud hyperscalers here, or only to SI players for now?

Management: For MSoC, we are not partnering with a hyperscaler. We want to partner with boutique consulting companies so that they have more skin in the game.

Ravi Mehta – OneUp: Thank you for answering, and good luck.

Management: Thank you.

Operator: Thank you, Ravi. Arun, I think the time is {? 18 minutes above ?}. A couple of questions remain. I request those whose questions could not be taken to send them to us by email, and we will reply to them. Thank you, everyone, for joining today. You may now log off. Thank you, and thanks to the management team.

Management: Thank you.

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