

June 02, 2026

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Company Code No.: 539807	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Company Symbol: CCAVENUE
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Dear Sir/ Madam,

Sub: Transcript of Earnings Conference Call for the quarter and year ended March 31, 2026

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Investor/ Analyst conference call on financial performance of the Company for the quarter and year ended March 31, 2026 conducted on Friday, May 29, 2026, after the meeting of Board of Directors, for your information and records.

This transcript is also available on the website of the Company i.e. www.avenuesai.com.

We request you to kindly take the same on your records.

Thanking you,

Yours faithfully,

For AvenuesAI Limited
(Formerly known as Infibeam Avenues Limited)

Shyamal Trivedi
Sr. Vice President & Company Secretary

Encl.: As above

AvenuesAI Limited

(Formerly known as Infibeam Avenues Limited)

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“AvenuesAI Limited
Q4 & FY26 Earnings Conference Call”
May 29, 2026



MANAGEMENT: **MR. VISHAL MEHTA – CHAIRMAN AND MANAGING DIRECTOR – AVENUESAI LIMITED**
MR. VISHWAS PATEL – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – AVENUESAI LIMITED
MR. SUNIL BHAGAT – CHIEF FINANCIAL OFFICER – AVENUESAI LIMITED
MR. B. RAVI – INDEPENDENT CONSULTANT - CORPORATE AND FINANCIAL STRATEGY

MODERATOR: **MR. RAJAT GUPTA – GO INDIA ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to AvenuesAI Limited Q4 & FY26 Earning Conference Call hosted by Go India Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rajat Gupta from Go India Advisors. Thank you, and over to you, sir.

Rajat Gupta: Yes. Thank you, Danish. Good evening, everyone and welcome to AvenuesAI Limited Earnings call to discuss the Q4 and FY26 results. We have on the call with us today Mr. Vishal Mehta, Chairman and Managing Director; Mr. Vishwas Patel, Managing Director and Chief Executive Officer; and Mr. Sunil Bhagat, Chief Financial Officer. Also joining us on the call today is Mr. B. Ravi, who is advising AvenuesAI on corporate and financial strategy as an independent consultant.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be viewed in consumption with the risk that the company faces. I now request Mr. Vishal Mehta to take us through the company's business outlook and financial highlights, subsequent to which we'll open the floor for Q&A. Thank you, and over to you, sir.

Vishal Mehta: Thank you, Rajat. Good evening, everyone, and thank you for joining us today. FY '26 has been one of the most important strategic years in the evolution of AvenuesAI. This year was not simply about financial growth. It was about convergence of multiple strategic building blocks that we've been assembling over the last several years., payments infrastructure, merchant ecosystems, consumer platforms.

AI capabilities, the regulatory infrastructure that we operate in and international expansion. What we are building today is fundamentally different from a traditional payment gateway business. AvenuesAI is evolving into an AI-first financial infrastructure and transaction intelligence platform.

We believe, historically, Fintech businesses were largely valued on transaction processing scale. And we believe the next decade going forward of value creation will increasingly come from ownership of transaction intelligence, merchant workflows, AI-led automation, embedded finance and intelligent financial ecosystems sitting on top of transaction infrastructure. That is the strategic direction in which we are moving.

Today, our ecosystem spans enterprise merchant acquiring, consumer engagement platforms, AI orchestration layers, regulatory infrastructure, cross-border capabilities, embedded finance opportunities and increasingly intelligent systems. Importantly, these are no longer stand-alone businesses operating independently. They are now beginning to reinforce one another structurally.

Our payment infrastructure through CCAvenue gives us access to a large and diversified merchant ecosystem across enterprise merchants, SMEs, education, travel, telecom, government and digital commerce. Our consumer ecosystem through Rediff, RediffOne and RediffPay gives us a direct engagement layer with users.

Our AI platforms include our recently announced participation with IAIRO, which is India AI Research Organization, and buildup of CommerceAI, PayCentral, agent frameworks. We are building agent frameworks and intelligent layers across transaction routing, merchant operations, fraud management, reconciliation, compliance, automation and customer engagement.

When these layers begin integrating together, the platform significantly becomes more powerful than the sum of individual businesses. We believe this creates a compounding ecosystem advantage. The more transactions we process, the more intelligent the platform accumulates.

The more intelligent the platform accumulates, the better the automation, risk optimization, merchant monetization and operating leverage that becomes out of it. And the more embedded the ecosystem becomes, the stronger the long-term defensibility of the platform. One of our major strategic priorities going forward is embedded finance and lending.

We believe lending is undergoing a structural transformation globally. Traditional lending models were balance sheet driven and institution-centric. The future, in our view, will increasingly become transaction-driven, AI-assisted, ecosystem embedded and asset-light. Our approach is not to become a large balance sheet lender ourselves.

Instead, we are building an intelligent lending orchestration and distribution ecosystem leveraging payments, merchant data, transaction intelligence and AI-led underwriting capabilities. Because of our merchant network payment infrastructure and transaction intelligence capabilities, we believe AvenuesAI is uniquely positioned to participate in this opportunity through an asset-light lending architecture.

We see significant opportunities in merchant financing, checkout financing, working capital solutions, consumer financing, AI-assisted underwriting, transaction intelligence-based credit frameworks and ecosystem-led financial distribution. Our strategic investments and partnerships are being designed specifically to reinforce this direction.

The proposed strategic investment that we announced today in Online PSB Loans is important because it potentially connects us to one of India's most important digital lending infrastructure backed by major financial institutions. Similarly, our investment thesis initiatives in NBFC companies starting with Ratnaafin further strengthens our ability to participate in lending distribution, credit intelligence and financial product ecosystems without necessarily taking disproportionate balance sheet risk ourselves.

We believe the combination of merchant transaction data, AI-led intelligence, lending partnerships, regulatory infra and ecosystem distribution creates a highly scalable and capital-efficient opportunity over the long term. Importantly, this also aligns with where global Fintech

models are evolving toward embedded finance platforms that monetize intelligence, distribution and transaction ecosystems rather than pure balance sheet deployment.

Another major strategic focus area for us is artificial intelligence. We are not approaching AI as a superficial productivity tool alone. We are embedding intelligence directly into the operating architecture of our platform. We believe AI will fundamentally shape commerce payments, all financial workflows, customer serving, service compliance, risk assessment, operations and practically even autonomous transaction execution.

Through our collaboration and participation in AI research and our broader AI infrastructure, we are positioning AvenuesAI for this transition towards AI-native commerce and Agentic financial ecosystems. We believe future commerce environments will increasingly involve machine-assisted and machine-executed workflows where AI agents participate in discovery payments, reconciliation, optimization and financial decisions.

This is still an early-stage opportunity globally. However, we believe our combination of transaction infrastructure, merchant relationships, AI orchestration and financial workflows gives us a very strong foundation to participate meaningfully in this evolution. International expansion is another strategic pillar for the company.

Over the past year, we continued expanding our global capabilities through Middle East and GIFT City infrastructure. Going forward, United States represents an important strategic focus area for us as a country. We believe cross-border commerce, global merchant acquiring international settlements and AI-native payment orchestration represents a large underpenetrated opportunity.

Our objective is not merely geographical expansion. Our objective is to build globally relevant infrastructure capabilities originating from India. We are also increasingly optimistic about our strategic importance of Rediff's ecosystem. Historically, Rediff was viewed primarily as an Internet media and communication platform.

We increasingly see it becoming a broader consumer engagement and financial participation layer. Over time, we intend to gradually expand RediffOne and Rediffpay into areas including payments, financial engagement, wealth, participation in brokerage, consumer commerce, intelligent communication systems and AI-led consumer ecosystems.

Importantly, we remain disciplined in how we build these businesses. Our strategy is not subsidiary-led growth. Our strategy is infrastructure-led, intelligence-led and ecosystem-led growth. We are focused on building durable long-term operating leverage rather than short-term expansion at cost of sustainability.

As we enter FY '27, we believe the company is moving into the next phase of its evolution. FY '26 was the year where the building blocks came together for us. FY '27, in our view, becomes a year where scale, intelligence, monetization, lending, AI orchestration, international expansion and ecosystem integration, they begin reinforcing one another more visibly.

We remain extremely excited about the long-term opportunity add. Our vision is to build one of the world's most important AI-first fintech infrastructure companies emerging from India. At this point, I will hand over the call to Vishwas to talk about payments in CCAvenue. Vishwas, over to you.

Vishwas Patel:

Thanks, Vishal, and good afternoon, everyone, on the call. India's payment ecosystem is entering a completely new phase of evolution. Over the last decade, the industry focused on digitalization of transactions. The next decade, in our view, will be about the intelligence layer on top of the payments, where payments become the starting point for commerce, engagement, credit, communication and financial decision-making.

At CCAvenue, we see payments evolving from being a transaction utility into a much larger merchant operating ecosystem powered by AI. Today, merchants are not only looking for payment acceptance. They're looking for customer acquisition, engagement, financing, automation, analytics and intelligence business tools, all integrated into a single digital ecosystem.

This is where we believe the future opportunity lies. Our vision to bring CCAvenue, RediffPay, Rediff and the broader AvenuesAI ecosystem into a unified AI-led commerce and financial infrastructure platform. CCAvenue brings one of India's largest merchant payment ecosystems with deep transaction relationship across enterprises, SMEs and digital businesses.

Rediff brings communication, engagement and consumer reach capabilities. RediffPay sentence a Fintech and payment infrastructure stack. Together, these platforms creates a powerful ecosystem that can enable merchants to not only process payments but also grow, engage customers and access financial products and operate more intelligently.

Artificial intelligence will play a foundational role in this transformation. We are building AI-led capabilities across merchant servicing, fraud management, customer engagement, predictive analytics, workflow automation and embedded finance. We believe AI can help merchants better understand customer behaviour, optimize collections, improve conversion leads and access more customized financial solutions.

But the largest opportunity we see is embedded finance and merchant lending. To our liability-light strategy, we aim to work alongside regulated NBFC's partners, as AvenuesAI focuses on merchant distribution, AI-led analytics, orchestration and engagement infrastructure. Our merchant ecosystem, combined with the transaction intelligence and AI frameworks, can help create smarter working capital and business financing solutions integrated directly into the merchant's workflows.

Importantly, our strategy remains asset-light and scalable. We are not looking to become a traditional balance sheet lender. Instead, we aim to build the digital intelligence and distribution infrastructure layer that powers the next generation of financial services. FY '27 will therefore be a year of ecosystem integration, AI deployment and deeper merchant monetization across payments, communications and embedded financial services.

Our strategic investments and partnership with platforms like OPL and Ratnaafin Capital align closely with this long-term vision. These partnerships enable us to combine regulated lending infrastructure and underwriting capabilities with AvenuesAI's merchant ecosystem, payment infrastructure, AI frameworks, enterprise communication capabilities and distribution reach to accelerate embedded finance and intelligent merchant lending opportunities across India's digital economy.

We believe the convergence of payments, AI, commerce and financial infrastructure will define the next era of India's digital economy, and our company, AvenuesAI, is positioning itself to participate meaningfully in that transformation. Thank you, and over to you, Sunil Bhagat.

Sunil Bhagat:

Thank you, Vishwas sir. Good evening, everyone. FY '26 was a strong year for AvenuesAI from both a growth and execution perspective. We delivered our highest ever annual revenue while continuing to maintain profitability and disciplined operating performance. On a consolidated basis, revenue from operations for financial year '26 increased to INR8,116 crores compared to INR3,923 crores in FY '25, representing strong year-on-year growth of 103%.

Our net revenue on a consolidated basis for FY '26 increased 15% year-over-year to INR603 crores as compared to INR526 crores in FY '25. Our consolidated profit after tax for FY '26 increased 58% year-on-year to INR332 crores as against INR209 crores in FY '25. Overall, the full year performance reflects continued scaling of our transaction infrastructure business, improving ecosystem monetization and healthy operating leverage across the platform.

Coming to quarter 4 of FY '26. Our revenue from operations stood at INR2,490 crores, reflecting strong growth of 115% year-on-year and 5% sequential growth. Our quarter 4 net revenue grew 11% year-on-year to INR149 crores. Our quarterly adjusted PAT grew strongly by 90% year-on-year to INR95 crores.

The quarterly and annual performance was driven by continued growth in transaction processing volumes, expansion in enterprise merchant relationships, strong traction across digital commerce ecosystems, international business momentum and increasing operating leverage across the platforms. Importantly, we achieved this while continuing to invest in AI infrastructure, regulatory capabilities, international expansion and ecosystem integration.

As discussed earlier, our focus remains on building long-term ecosystem value rather than optimizing for short-term take rates. As transaction scale increases, we are seeing improving operating leverage through automation, AI-led efficiencies, better payment routing, fraud optimization and deeper merchant monetization opportunities.

Another important strategic area for us is embedded finance and lending. Our approach remains asset-light and ecosystem oriented. We are leveraging transaction intelligence, merchant data and AI-led underwriting capabilities to participate in lending opportunities without building a balance sheet heavy lending model.

Our strategic initiatives involving Online PSB Loans and investments in platforms such as Ratnaafin reinforce this direction and strengthen our positioning within embedded finance and

lending ecosystems. As we move into FY '27, our priorities remain focused on profitable growth, AI-led automation, ecosystem monetization, international expansion, operating leverage and disciplined capital allocation. We believe the company is entering a phase where scale, intelligence and monetization can increasingly compound together over time. Thank you. And we'll now open the floor for questions and answers.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will now begin with a question and answer session. Our first question comes from the line of Rahul Jain with Dolat Capital.

Rahul Jain: Yes, I would just like to understand what are the top three use cases that is driving extraordinary TPV growth for us within the payment business. And secondly, on the lending side, if you could further clarify what is the level of exposure we would like to go on the balance sheet side. Is it identified in terms of capital allocation or initially, it would be all about distribution to begin with?

Vishal Mehta: So Rahul, I'll take the second question first. We are not going to put our balance sheet for lending. The strategy that we've applied is that we will work with NBFC companies to be able to open up our ecosystem, and that strategy will continue to percolate. What we will do selectively is to invest minority stakes in more than one NBFC.

You may have heard earlier in the call, Ratnaafin is the first one that we've opened up, where we've taken up, up to 2.5%. And the idea here is that we are able to connect our ecosystem very tightly with such NBFCs where we have some minority investments, and we would allow the NBFCs to continue opening up the lending opportunities to our merchant and merchant ecosystem and consumer ecosystems.

And we will work with them in building products and opportunities to be able to take advantage of. So to your question, our investment thesis in some of these NBFCs is that we want to pick up certain NBFCs with a few thousand crores of AUM, which have a good operating history, which have scale, which are next generation and well-run management. And we would work with them in terms of building such bridges, products and opportunities. So does that answer your question?

Rahul Jain: Yes. This part is clear.

Vishal Mehta: Yes. As far as the payment is concerned, Vishwas will take that. Vishwas, you want to go ahead?

Vishwas Patel: Yes, yes. So overall, Rahul, there has been a good merchant wins that we have had in this last Q4 quarter, which has translated into good growth of TPV. So overall merchant traffic across thousands of our merchants were growing and also a lot of big wins that is there. So in India, specifically on the utility, government payments, B2B payments, everything was growing very well. So hence, that relates into the transforming into the higher TPV numbers.

Rahul Jain: Yes. So basically, Vishwas, what I was trying to understand, if I look at the industry growth, this growth look pretty phenomenal. So there must be something that is driving this kind of a traction.

So is there something which we have identified as a gap or area where we are seeing this momentum?

Vishwas Patel:

Yes. I think a lot of customization has come into play. Payments, you put up a platform layer over a payments layer, so it becomes a big hook for bigger merchants to stay on and increase volumes. So it makes it easier for them to go online. So multiple form, like we launched our own form builder, which corresponds then to a lot of education institutions, a lot of small merchants, a lot of event merchants and everything.

So more than 5,000 merchants were onboarded on the form builder in less than a month. So a lot of growth on the platform. It's just another vanilla payment gateway. So it's a platform plus payments play that has come. Like for the hospitality industry, now we're scaling up to more than 3,000 hotels, where we're building the entire central reservation system along with the payment gateway built in.

So the workflows which connects to the global distribution systems, to their own property management systems. Like we are certified with Opera systems or Micros-Fidelio, which is used by almost all the 5-stars and some of the bigger 4-star chains. So it makes them easier because everything is automated end to end.

When reservation comes in through, say, any OTA like Booking.com or Expedia or MakeMyTrip, it gets automated systems and payments are collected automatically. So those workloads customization is where we are winning, putting a platform with a payments play. That's where the real growth for us is coming.

Vishal Mehta:

To add to what Vishwas said, I mean we've been very focused in terms of merchants who have signed up with us but who have -- normally, you know that merchants will be using multiple payment options- payment gateway options. And we have been very consciously going after the merchants to move processing volumes to us. It comes at a cost, but I think it's one worth making. So growth is supported by additional merchants as well as increasing share of the existing merchants that process from us.

Rahul Jain:

Sure. That's pretty helpful and good to know. Lastly, from my side, on the profitability side, last year, we did extremely well on the TPV and revenue side, and our run rate seems much stronger now. Any -- and I'm assuming we are investing in so many areas, which has caused FY '26 profitability to be where it was. But from a going forward perspective, do you think some of the operating leverage might start playing out in FY '27? Or you think for now, we will stay in a similar profitability band and the acceleration on that pipe would come much later?

Vishal Mehta:

So you're right. Quite a few of other costs are front loaded, specifically some of the investments that we're making in the AI setup and also, the opportunities that are there in front of us. So the costs are front loaded. But I think that in pockets, we are seeing the operating leverage kicking in with scale.

And we also think that the productivity that we are getting through this optimization and productivity gains from AI are also not insignificant in some ways. So we think that's adding up

to what we think this year will look like. I think, I mean, it's reasonable to assume that it will -- the profitability, we don't see a hockey stick in FY '27 in profitability.

We'll work very hard in terms of ensuring that we are able to get our take rates better, and that will require quite a bit of work and optimization. And we want to continue building up from where we left off in '26. And we will also invest in the Rediff ecosystem, as you are aware, which is a very large opportunity that we believe is in front of us. So I think that it's reasonable to assume that it will be similar to what we have seen in the past years FY '27 should be. But we'll give guidance in the first quarter call for the full year.

Moderator: Our next question comes from the line of Amish Kanani from Knowise Investment Manager.

Amish Kanani: Congrats on a decent performance. Sir, while we have grown in payment side, if one looks at the segment, I think your e-commerce platform is kind of degrowing. So one, can you explain why this is happening because that's a high-margin business for us. And in that context, we have noted that Rediff had filed for a confidential DRHP, but whatever you can share in terms of their financial and/or plans for the year any timelines that we should look for in quarter where we probably have planned an IPO, that will be helpful?

Vishal Mehta: Sure. So glad that you've seen, you're right, the platform business is slightly flat to slightly higher. So I think that overall we have not seen big growth in that business. If you look at full year, and I'm not talking about the quarterly. Quarterly, you'll have some changes, of course, as you go through.

But the full year numbers in the segment there, you'll see that they are somewhat flat to slightly higher. I think that as we build out -- and fortunately for us, with the AI-first approach in terms of building out reworks, you will see a lot more activities on the platform side in FY '27. And what Vishwas said is also true, which is we'll combine the platform and the payments more, which actually increases quite a bit of our stickiness.

We think a lot of secrets sauce lies in that. So you'll see some amount of growth in that business that comes from the combination of building out a suite of new products and also opening up our existing framework internationally. We think international is a fairly large opportunity in the platform space.

And given the currency rates and so on and so forth fluctuations, we believe that international focus will be a big area to look at going forward. So that's as far as the platform business is concerned. You have questions around Rediff, yes, we have filed a confidential DRHP. Given the regulatory compliances, we are not able to share anything additional at this time.

But what we will do is we'll keep everyone updated in terms of where we stand. I think that there's -- I mean, great if I can tell you, Rediff has got a lot of consumer interactions going, not just merchant interactions. And given the macroeconomics of data, data privacy and sovereignty of data, there's a lot of incentives for very large institutions and merchants to move to a sovereign stack.

And I think that, that's where we are seeing a lot of movement at this time happening. Last year, we were just focused on moving these merchants and large merchants and institutions on to our framework. But we believe that it becomes a very large opportunity in '27 and '28 to build up upon because that's where we can offer a lot more services to the existing merchants.

And then we are also working on RediffPay, which is a consumer-facing UPI app. It's actually live and in production. And given the recent launches and also the number of transactions and being able to ensure that we are stabilizing and then scaling it up, the team has been working on it. But you can try it out. And you'll hear a lot more about those kinds of activities which are consumer-facing in the coming weeks.

Amish Kanani: Sure, sir. And sir, any new launches that Rediff has done and what kind of investments we'll be making this year which may kind of probably affect our overall margins? Or are we going to keep our overall console margin in mind while kind of calibrating the investments that Rediff might make?

Also one -- Given the IPO money that they may receive and the investment that they may make, should we worry about our consolidated margin getting affected? That's one. And overall, any sense of the capex guidance One, we have made some investments in NBFCs. So including those types of investment, the capex guidance recorded, if at all you can share with us across investments in NBFCs, overall capex guidance on the infrastructure that we're building and the Rediff but Rediff was a platform might make for the year?

Vishal Mehta: We see pockets where we see expansion in margins that we will also incur capex. We are in the payment gateway business is somewhat -- there is margin pressure. So I think a combination of that is, of course, playing out. But yes, we believe the margins should continue. I mean, in terms of consolidated basis, we should continue seeing similar numbers or maybe slightly higher, which will guide you at the end of first quarter.

But yes, in terms of the capex, we have certain guidelines and policies that we are not able to share a lot of information about, specifics on Rediff. What I can tell you is that Rediff should see -- Rediff is going to be, given the platform framework as part of Rediff and also growth is there, today, most of the business is B2B, which is being able to offer feedbacks and platforms to companies. But given the opportunity with RediffPay and also embedded...

Amish Kanani: Hello?

Moderator: I think there is some other background noise. You may go ahead.

Vishwas Patel: I think we lost Vishal. But just continuing on that, yes, a lot of long-term growth will be there in Rediff. As and when the time will -- we are there at the IPO level, we will give out more details.

Amish Kanani: Sure, sir. And one last suggestion, sir, whenever it's possible, if you can share Rediff's line items separately even at a very broad level, say, revenue and EBITDA. That will help because, going forward, maybe there will be an SOPP kind of valuation, which might emerge if and when we get Rediff listed. So some scratch bare detail on Rediff will really be helpful?

- Vishal Mehta:** Absolutely. Thanks.
- Moderator:** Next question comes from the line of [Shrinagesh Burugucherla from Shubh Capital 0:35:22]. Please go ahead.
- Shrinagesh B.:** Congratulations for the good numbers. I have only one question. How much of the current transaction routing through the AI-assisted versus rule-engine based?
- Vishal Mehta:** So I mean, if you come to think of it, AI is in all facets of transaction processing. So in other words, what we do is traditionally, I mean, if you -- I'm assuming your question is around how much is automated in fraud checks using AI and AI frameworks compared to humans or rule-based engines.
- Shrinagesh B.:** Yes.
- Vishal Mehta:** And so I think that fortunately for us, with two-factor authentication in India, that the fraud rates are pretty low. And we think that this AI-based frameworks have been evolving. We've been checking and building up. But I think not just -- I can tell you for sure that practically in all different areas of payments, we are using AI. So in one way, we can say that all of our transactions will have some component of AI-based checks and validations that are happening across the company. I mean, I could say all of the transactions, but if that makes sense.
- Moderator:** Next question comes from the line of Sanjay Malik with Champion Enterprises. Please go ahead.
- Sanjay Malik:** Can you hear me? Hello?
- Moderator:** Yes, we can hear you. Please go ahead.
- Sanjay Malik:** Yes. So I have two questions. One of them is linked to the question just now asked of you. In fact, I just become a small shareholder, but I'm more keen to understand how AI will manifest. And from the outside, the best way to understand that is to see the sort of metrics. Personally speaking, today, someone might see CCAvenue as a payment company that talks about AI.
- But from an investor standpoint, I think it's important that AI is already becoming a measurable revenue-generating business line. And for that, there are a number of areas, and this is more of an observation, you don't need to sort of answer the question. It's more of an observation, but please feel free to sort of comment on it.
- So if there was some sort of AI revenue disclosure in terms of merchant adoption, revenue per merchant, how much of your processes, the queries, the fraud, the recommendations, the underwriting decisions, the fraud management that you talked about, so many metrics which are AI-related partially or entirely. If there can be a slide or two that gives us that kind of confidence on how you are tracking on AI.
- I think then you can call yourself an AI company and not a payments company talking about AI. I think you're going there but I'm not able to fully grasp it. So that was the first part. And the second part also is somewhat connected. And I've been a banker for many years and have seen

a lot of banks, payment banks, Fintechs completely come undone either because they clouded the regulatory license or they have not kept pace with technology.

You see what Mythos is showing up in so many banks. You see what Andromeda is doing to someone like all the pop-ups and the cookies. So everything is changing so quickly. It's very important to understand how you're managing your risk and whether there can be some sort of risk management slide.

Because, to me, apart from AI, the only other key issue in the company's operating risk. And if something goes wrong where you don't get a certain chance, especially not from the regulators or someone who's trying to hack our system. So I'm very keen to understand if you have any comments on these two observations. And I think other than that, you have a very interesting trajectory going forward?

Vishal Mehta:

No, thanks, and also thanks for the question. It's something that we think about all the time. So the -- we always think that in some ways, pretty much what you said, the best metrics to track are the ones that clearly show improvements and efficiency, scale, merchant experience, risk management and somewhat monetization at the end.

But the things that internally we would want to track in some ways, are things like the payment success rates driven by intelligent routing using AI, some reduction in transaction failures and, in some ways, the way you would want to get productivity through onboarding turnaround times and increase the cross-sell across the ecosystem products.

And when we think about risk and fraud, you would want to think about internally, you look at things which are like the detection times, the response times and the transactions monitored through the AI alert systems in and so on and so forth. And in terms of efficiencies, we look at all the way from customer service, support resolution times to the reconciliation settlement turnaround time and all these manual lower loads and operating overloads.

But pretty much the answer on the question which was asked earlier which is what percentage of the workflows are automated using AI systems and this productivity gains, so the key, we think, in terms of the opportunity, and this is how we think in our mental model is also evolving because it's a moving target.

But we think that we need to think of this opportunity of AI not just as a technology productivity gain or an experiment but as a driver for efficiency, risk management and long-term operating leverage. And I mean, that's how we look into this, at least. And so far, we think that yes, it's just not a separate initiative.

It is increasingly becoming embedded all across our platforms and leveraging AI across product management and analytics and customer servicing and transaction routing and all the lending-related risk assessment that we plan to do going forward to enhance both scalability and somewhat the margin expansion going forward.

So I mean that's how our approach is, not just simply deploy AI on a standalone feature, but to integrate it as a layer across our payments, commerce and financial services to build somewhat an efficient platform over time. So this has been our thought process. So far, your point about actually specifically talking about AI as separate line item, given that we are not just a services company, we're more of a product company.

Historically, we've seen services companies segregate the revenues on AI and non-AI. If you -- and yes, there are some cloud service providers who do that in terms of the large ones including Microsoft and others or data center providers. We're somewhat embedding AI into all different aspects of what we do.

And so as a result, we think that just embedding AI across all these multiple layers of our organization with a focus on sort of the key areas that we need to leverage is perhaps the way we need to think about it. We do have specific AI revenue as well, which from a size of the P&L is not material, but we think that there's a lot more potential in that.

And as and when it becomes large enough that we'd want to talk about it, and you'll hear more and more of that in this year from us. But I think that's how we think about it. To your points about how we would want to manage the risk and so on and so forth, and you mentioned my Mythos and a few other security vulnerability issues and so on and so forth, keeps us up all the time.

We don't know too much about that because the new frameworks are coming up by the day. I mean, I think only a handful of companies have access to such large frameworks but given the amount of scrutiny and so on and so forth that come along with it. But I think that will evolve. We'll have to learn. I mean, much like us, even banks will have to build up on that. And I think that a lot of things are new in that space.

But there are good, great compliance standards in place even today, that much I can tell you. And I think that this exposure that comes in is about a small vulnerability in a piece of software, which was not patched, which was not even known, that risk is now becoming significantly more and something that we have to keep on reviewing and looking at.

And we also have a lot of compliances on data, data security and DPDP and many others. So I think a proper framework in terms of looking at it is very important. And more at a capex level, we look at three things, which is in the world of AI, genuinely, we think there's only compute, algos and data, at the end, abstracted out to these three.

And so we think that we don't have a very large role to play in compute because we're not a chip design firm in we don't manufacture chips and we are not going that route. So we just think that we have to work on algos and data. And that's where we are at, at the moment and apply it within our embedded ecosystem.

So I know it's a long answer, but hopefully in the coming quarters, we'll be able to specifically when we gain significant traction, not just from our embedding of AI within our ecosystem, but also direct revenues coming from certain products that we have built out in AI that potentially

have a lot more interesting use cases, which we believe there are, that we'll be able to share that as well going forward.

Sanjay Malik: Only recommendation is if at all, whatever fabric of your organization and which have a process front, middle or back end, to the extent possible, you can disclose what part of that is AI, that will really help people understand where you are in that AI journey?

Vishal Mehta: That's a good suggestion. We'll take that up.

Moderator: Our next question comes from the line of Anita Bajaj from SK Advisors.

Anita Bajaj: Also many congratulations for a great set of numbers. So first, I wanted to understand that as AI agents increasingly execute commerce autonomously, does the control point of the ecosystem shift away from merchants towards orchestration platforms like AvenuesAI?

Vishal Mehta: I think it's a slightly loaded question. But the way I think we need to think about agents is that the agents and who is custodian of that agent. So in a classical way, what you do is intent and execution, there are two separate things. And we as a company will provide a framework for someone to build an agent, and then there are guardrails around that agent.

And then there's control mechanisms to an extent of a kill switch, which has been given to the custodian of the agent. The important part is that much like -- you can imagine that, I mean, what the agent would need to execute will always be in the control of the merchant within the merchant ecosystem.

But if AvenuesAI here is providing the agent for the merchant to do certain tasks and activities at the back end, technically, we are an infra provider. But the control mechanism of the merchant will always be -- or the agent will always be with the merchant. But it gets slightly more gray area because we are also the custodian and we brought the framework to build the agents.

So I think a lot of this is slightly -- I mean, it's new to all. And we have bit of payment agents as well, just to let you know. So in other words, using the protocols which are out there that -- a classical example is a customer can go and say that I want to buy ticket from, say, Ahmedabad to Bombay.

And so there's a discovery agent on the side that will actually go discover the lowest cost and what it may be and give you that information. And then once the intent is given, the opportunity for the customer to give intent is always in the control of the customer. And I'm just using one use case to perhaps walk you through how we think through it.

But so the customer control is always with the customer. It is never with the agent because the intent comes from the customer. The agent is executing on that intent. And so I think from a customer perspective, we don't think that the agent can take over the customer intent at any given point in time because that would be huge risk, if you will. So that's one part.

Once the agent is able to go and discover and find the right set of search results, and if the customer wants to purchase a particular sector of tickets or whatever it may be, that intent goes

into a command to execute. And that again comes from the customer. It can't be an agent which will just run the command itself.

But at that point, that execution will go from discovery agent to a payment agent. So there will be an agent to agent protocol transfer that happens. And that payment agent is actually going to go again to AvenuesAI's payment framework, whether it's through MCP, I mean, or it will go directly into executing that if the merchant is integrated using CCAvenue.

And once that happens, again, the two-factor authentication is still in the hands of the customer, which means that they can't execute -- or a payment agent cannot execute the command without the customer finally going and saying that, yes, I'm going to verify because a two-factor authentication is required.

And once it executes, it will again give it back to the site agent and the site agent gives the information back to the customer. So I think in some ways, we think the intent of the customer will always be safe. The intent of the merchant will be more around the amount of guardrails and the controls that you would want to set as a merchant on to your own agent.

And then there will be infra providers, in certain cases, us, who provide the agent framework for someone to create such agents and give the controls in the hands of the creator. And creator in this case would be a merchant or creator in this case could also be a software developer working for a merchant. And you will have pretty much all the guardrails and the metering and everything else on the agent that potentially also safeguards the interest of the person who controls the agent. So I hope that makes sense. But I mean, we don't see the control moving to us.

Anita Bajaj: And my next question is that where do you believe the largest long-term profit pool will kind of emerge from? Will it be -- like is it payments, AI orchestration or lending software or transaction intelligence?

Vishal Mehta: I think transaction intelligence is an input into the profit pool. It's like the most important input in a profit pool. So if the output is profits, then the input is the transaction intelligence. And that's what we are after, which is -- and that becomes the monetization on merchant data distribution, credit automation, all the workflows built on top of payments. So I mean, the biggest value creation is not much on MDR alone. It becomes -- in some ways we believe the intelligence and that's where we think the opportunity lies.

Anita Bajaj: Right. Okay. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Ayushi.

Ayushi: Sir, my first question is regarding XDuce. So we had acquired XDuce in 2024, acquired a 20% stake for \$10 million. So I wanted to ask about what is the status with respect to the company, what is the turnover, where are we at. Because, yes, I expect an answer for that first and then I'll ask my follow-up question?

Vishal Mehta: Yes. So we have not acquired. We've taken 20% in XDuce. The participation of XDuce comes up in the share of associates of the company. I think XDuce is based out of the United States. This year, as a company, we will want to expand international payments in United States also, and so we invested post all the regulatory RBI clearances.

But I think they don't show up directly in our balance sheet. They show up as a share of associates in our books. I think we have got a lot of opportunity because once we build out more infrastructure in the U.S., we will have more collaborative partnerships with companies we have invested in and become strategic in some ways for us going forward. So I hope that answers the question. But yes, there's -- I mean, the specifics around associated companies, of course, start discussing it out given our interest in the United States and how we'd like to grow there going forward.

Ayushi: Sir, I have two follow-up questions to that. Sir, actually, your answer doesn't give me a lot of confidence right now because when we acquired XDuce, the Board had stated two specific objectives. One was that we were embedding Phronetic AI into XDuce's framework, and then second was growing CCAvenue's U.S. payment business.

So since that investment, XDuce has made at least two significant capital deployments that are entirely unrelated to those objectives. And I think you would probably know about that more than I do. And sir, at that point also, you had told that our international revenue -- that the 30% target for international revenue was made in February 2024. Sir, as of now, also, we are not close to that number. So what do you expect us to believe? Even 5 years down the line, if you don't reach that number, we are just supposed to wait?

Vishal Mehta: No. So I think the way we think about this and thanks for bringing this up. So the way we think about the opportunity is that AI deployment, and you'll read a lot of reports, what the mental model was about 1.5 years, 2 years ago is very different than what the reality is today. So enterprise adoption of AI has been slow.

And if you read the recent news, you will also realize that companies like OpenAI, they have set up -- I mean, some of these investments, even as recent as last quarter, where they said that we will implement it for enterprises. Because, historically, you would have seen that companies which are into software development would actually go and say that we know how to implement and give productivity gains to you.

So let me help you implement AI within your organization. But you'll see a number of reports out there saying that the enterprise adoption of AI has been very, very slow. In many cases, many of them, they're even not very bullish about it. And the reason is nothing else. The reason is that enterprises have their own challenges.

And within those enterprises, unless there is a team that can come in, who provide end-to-end solutions, and OpenAI has been working with even companies like Accenture and there are reports that Accenture may be at risk given that OpenAI is getting into implementation. But the reason they want to get into a implementation is because it's slow.

And so the mental model maybe two years ago was that, yes, large enterprises like Morgan Stanley, Goldman Sachs, all of them, they adopted AI, every nook and corner of it, and there won't be jobs and you'd be seeing reports on that. But no, it's changed. So yes, I think that as a company would make bold bets in terms of -- and we don't control the adoption as much as we'd like to.

But you'd want to make such bets in the years, it's worth it. It will stand the test of time. It's just not that there's some latency involved. So that's one. And so I think that in each company will want to do what they would think is appropriate in terms of their build out. So we can't comment on specific investments and what they'd like to do.

But what I can tell you is that, two things have happened. One is our focus last year has been on Middle East, in growth in Middle East and Saudi and some of the Middle Eastern countries because we thought that we had achieved a certain scale penetration and we should continue building up.

And U.S. was there in the horizon, but it was not an important geography to focus on because we thought that Middle East was seeing a lot more traction. And where we think that we have lighted a small fire, we pour gasoline on it until it becomes larger. This year, we will pick up U.S. because of the macroeconomic risk in Middle East.

And we are also seeing a lot more activities happening in the U.S. So to us, we don't think that -- yes, we were wrong in terms of thinking that AI adoption in such large financial enterprises will become much cleaner, faster, and companies can provide services to them who already have MSAs with large enterprises.

So to that extent, of course, we were wrong, that the rate of adoption for large enterprises have been slow. But on the other hand, we also believe that there is a lot more going on. And once there is an adoption that starts because the frameworks have also evolved, the cost of tokens has also been -- some people say it's higher, some people say it's lower, but that's also being optimized. We think that it stands the test of time.

I think it will work. It is just that it will take time to adopt, and maybe we were slightly ahead of our time in terms of our approach to apply AI. In fact, if you come to think of it, even other than productivity tools and coding and many others, enterprise adoption has been very slow. So I think that, that will always happen in a new technology. We think that that's -- it's a bet worth making. It's one that we won't get all our bets right in terms of timing. But it stands the test of time. It will work because we will...

Vishwas Patel: Yes. This is universal, not just specific to us, actually. So AI adoption is slow.

Vishal Mehta: Yes.

Ayushi: So sir, with XDuce, basically, they made one investment in a U.S. cybersecurity firm and the other investment in DEV Information Technologies, which is an Indian listed company. So I think they have spent around INR12 crores in that particular transaction. So the Infibeam Board

would have probably given approval to XDuce to redeploy the money that you gave them, right? So what does Infibeam still think about that? Because if they're not losing it according to your stated objectives. It is a concern for me as a shareholder?

Vishal Mehta:

I think that's an incorrect statement. We don't participate in the Board of XDuce and we don't allocate the funds. They have their own control mechanism and they have their own opportunities that they want to explore. And just so that you know, they have been a profitable company. They make a few million dollars every year.

So I think I don't see any reason why we would want to, to control what specifically about how firms who derive most of the revenues out of the U.S. would perform and what they would work upon going forward, What I can tell you is that, yes, we think that whatever we want to build up and however we want to think about growing this position, that we have -- we think that there's a lot more opportunity going forward.

And I think that, that will specifically in two areas that we think because we don't have direct MSAs with large financial institutions who are based in the U.S. and New York. We don't have MSAs. And typically, an MSA could perhaps take you 6 to 12 months, maybe two years even, to sign a single MSA.

So we think that when the enterprise adoption of AI picks up and we are able to build out a lot more this year in FY '27, that we'll have more collaborations going forward. So I don't think that we would have much to say in terms of what some of those decisions on capital allocations happen at that point.

Moderator:

Thank you, sir. Participant has left the queue. Ladies and gentlemen, with that, that was the last question. So today with that we conclude today's conference. I now hand the conference over to the management for the closing remarks. Thank you and over to you, team.

Vishal Mehta:

Yes. So thanks all for joining our full year Investor Call and we look forward to keeping everyone updated on the progress. Have a good day.

Rajat Gupta:

Thank you so much, sir. Ladies and gentlemen, on behalf of Go India Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.