

Transcript of 10th Annual General Meeting:

Shyamal Trivedi, Vice President and Company Secretary:

Good Morning Sirs.

I request to Chairman Sir, required Quorum is present should we proceed for the meeting?

Mr. Ajit Mehta, Chairman:

Yes

Shyamal Trivedi, Vice President and Company Secretary:

Good Morning everyone, I am Shyamal Trivedi, Vice President and Company Secretary of the Company, I hope all of you are safe and keeping well during these tough times. I welcome you all to 10th Annual General meeting of Infibeam Avenues Limited which is being held today through video conferencing in view of ongoing travel restrictions and the social distancing norms implemented due to the COVID-19 pandemic and in accordance with the circulars and guidelines issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India in this regard. Members who are attending this meeting through Video Conferencing will be counted as present for the purpose of Quorum.

Now, let me introduce you to the members of the Board and KMPs present with us today,

1. Mr. Ajit Mehta, Chairman and Non-Executive Director, Chairman of SRC Committee
2. Mr. Vishal Mehta, Managing Director
3. Mr. Vishwas Patel, Executive Director
4. Mr. Keyoor Bakshi, Independent Director and Chairman of Audit Committee
5. Mr. Roopkishan Dave, Independent Director and Chairman of NRC Committee
6. Ms. Vijaylaxmi Seth, Independent Director and Chairperson of CSR Committee
7. Mr. Piyushkumar Sinha, Independent Director
8. Mr. Hiren Padhya, Chief Financial Officer

Also, we have, Mr. Ramesh Pipalawa and Mr. Bhavitavya Shah, partners of Shah & Taparia, Statutory Auditors of the Company, Mr. Ashish Doshi, Practising Company Secretary, partner of SPANJ & Associates, Secretarial Auditor of the Company who all are present in this AGM.

I now request Mr. Ajit Mehta, Chairman, to address the shareholders and share his views. Sir, kindly unmute yourself before speaking.

Mr. Ajit Mehta, Chairman:

Dear Shareholders,

Good Morning to all of you.

Welcome to our 10th Annual General Meeting, being conducted online through a video conference under the guidelines from Ministry of Corporate Affairs.

I hope all of you are in good health and your family and friends are safe too!

The world is confronting one of the greatest health threats of a generation, one that profoundly impacts the global economy and all of its citizens. Our thoughts remain with the communities and individuals, including healthcare workers and first responders, most deeply hit by the COVID-19 crisis.

We have always stood for our customers, employees and communities in good and bad times. COVID-19 is one of those extraordinary times and we have responded with agility to this global crisis, prioritising our various stakeholder groups.

There are great lessons to be learned from the current challenging times and we believe we will emerge stronger. As we deal with the spiraling effects of this pandemic, I want to assure you that we remain strong, resilient and are well-positioned to capture the ongoing opportunities in digital. We are at an inflection point staring at multi-year strong growth as consumers, businesses, banks and governments all transition steadily to adopt digital payments and digital platforms for transacting locally and globally.

Our vision is to enhance the way customers and merchants live, trade and transact through the digitization and democratisation of commerce. We want to build a world class Fintech company as, our Fintech is 'Next Generation' and capable of delivering 10X value proposition.

We will continue to enhance merchant and customer experience through the digitisation and democratisation of commerce.

Before I conclude, we are committed to embrace the best corporate governance practices in our operations and achieve higher transparency in our operations. To this end, our Board of Directors engages closely with the leadership team and acts as a guiding light to provide course correction, wherever needed.

I would also like to extend my heart-felt gratitude to our talent pool for their unwavering commitment to the organisation. I would also like to thank all our stakeholders, including customers, merchants, partners, and the society at large for their support to us.

I would now like to hand over to Mr. Shyamal Trivedi, for further proceedings of the AGM.

Thank you.

Shyamal Trivedi, Vice President and Company Secretary:

Thank you very much Sir

Members please note that the company had provided remote e-voting facility to all the persons who were members as on the cut-off date i.e. September 23, 2020 for vote on resolutions set out in the notice of AGM. The remote e-voting was kept open from September 26, 2020, Saturday (from 9.00 am) to Tuesday, September 29, 2020 (till 5.00 p.m.). Members attending the AGM today who have not cast their vote by remote e-voting are entitled to exercise their right to vote by e-voting during the AGM, no voting will be allowed after the AGM is over. All the Statutory Registers and documents referred to in the notice of AGM are available for inspection, members can inspect the same by clicking on the option provided on the Dashboard.

Your Company has appointed M/s. SPANJ & Associates, Company Secretaries as the scrutinizer for the purpose of scrutinizing the E-voting process. The E- voting results declared along with the Scrutinizers' Report will be placed on the Company's website, Link In Time website and the results will also be communicated to the Stock Exchanges.

I now request Mr. Vishal Mehta, Managing Director to address the members. Sir, please unmute yourself before speaking.

Mr. Vishal Mehta, Managing Director:

Dear Shareholders,

We ended the year FY20 on a strong note with growth across the board, both in Digital Payment and Enterprise Platforms businesses and across financial and operational metrics. Payments business continued its upward rally with strong growth in transaction volume and value processed, while Platforms business marked another year of high double-digit growth. We have continued our journey to record strong operating and profitability margins, highest ever.

On account of pandemic, the consumers and the enterprises have both felt the necessity for digital adoption and business transformation, leading to wide acceptance of digital payments in India as well as in our international operations. This has helped consistent merchant addition on our platforms. Our prudent pricing policies, long-standing client relationships, and aggressive business development led to significant rise in volume of payments processed.

We achieved a revenue of Rs. 648 crore in FY 2019-20, up 10%, compared to FY 2018-19, excluding the demerger and divestment of non-core entities in FY 2018-19. The growth in revenue was on account of growth in Payments business and strong engagements in Platforms businesses in our domestic and international operations.

The Payments business achieved positive growth during FY 2019-20 compared to FY 2018-19. We recorded highest ever number of successful payments transaction of 147 million, up 28% and processed successful payments worth Rs. 62,200 crore. The Payments business in the UAE, achieved strong sequential growth since the beginning of calendar year 2020, including in April and May 2020, a period impacted by COVID-19 globally.

ESP business achieved strong double-digit revenue growth in FY 2019-20 compared to FY 2018-19. During the year, upgrades and additional requirements by certain enterprise clients, and increase in volumes on GeM portal led to a very strong growth.

Our EBITDA margins improved to 33.4% in FY20 compared to 19.4% in FY19, adjusted for demerger and divestments that we undertook in FY19. Our Profit after tax margin also improved to 15.4% in FY20 compared to 10.9% in FY19.

We are building a future-proof business and our Fintech solutions are capable of delivering a 10x value proposition to the enterprise as well as customers.

During the year that went by, we built a premier Fintech company offering a comprehensive portfolio of digital solutions to merchants and businesses, including large enterprises and government. We remain among the top three players in India in terms of revenue market share. In a very short period of less than two years of launch of operations in the UAE we have been number two among non-bank private players.

Among the top peers in the Payments business, in India, we are far ahead of the competition in terms of the portfolio offering, our international presence as well as on profitability parameters.

During FY 2019-20 and after the balance closing date, we have undertaken various initiatives towards building a strong, scalable and sustainable business, from strategic tie-ups to strategic investments, new business to new geographies and strengthening of our leadership team which I will touch upon in a moment.

As part of the organizational development, we are committed to strengthening our leadership team at business, functional and technical levels with very high-caliber resources. In this regard, we have taken a step to strengthen our top leadership team. I welcome Mr. Srikanth, as our Group President. He'll be responsible to steer the company's growth and global expansion.

During the year we announced expanding our Payments business in Saudi Arabia and the USA, which are markets with very high potential for growth. We have made inroads in Oman as well.

We are also planning to launch our Fintech solutions in multiple countries, emerging and developed, across the world, over the next few years, with country-in-a-box strategy. We aim to be among the leading Fintech solutions providers globally.

Let me take this opportunity to also highlight some of the developments post balance sheet date especially given the COVID times and the economic challenges we all face.

As soon as lockdown measures were announced, we were pro-active in sensing this. We quickly mobilized and implemented work-from-home and other resiliency measures. To ensure business continuity we quickly procured laptops and arranged to move desktops to employees' residence. During the lockdown in April, over 90% of our staff across all our offices worked from home. Even now, with relaxations, majority of our staff continues to work from home but they have stabilized the entire business flow, making it a new normal. For those coming to work, we are reinforcing both basic and enhanced personal and office hygiene measures to keep them, their colleagues and their clients safe. We have also distributed face masks to employees and check their and visitor temperature to help protect employees and support staff.

Speaking about the performance during the COVID, especially April onwards, when strict lockdown was imposed across the country, and activities and mobility was restricted to only essential goods and services, our payments processing volumes and value processed both dipped sharply. Our revenue and profitability for Apr-Jun quarter were down by 24% and 39% respectively, as lockdown was extended to almost the whole of first quarter and still continues to a varied extent across various parts of the country. However, cost optimisation measures helped improve EBITDA margin by 190 bps to 38% compared to the same period last year.

We have seen a V-shaped recovery in our business volumes, especially in our Payments business since the lows experienced in the month of April. In India, by June end, the average daily payments volume surpassed the daily average in March despite, aviation, travel & tourism and hotel industry volumes continue to be very low. In the UAE we experienced a speeding momentum with month-on-month growth in volume & value; we observed an increase of nearly 2x in average daily volume in Jun'20 vs. Jan'20. In fact, in August, we processed highest ever payments worth Rs. 7,800 crore, more than double the value in April, leading to an annual run-rate of Rs. 94,000 crore.

One of the reasons for this growth can also be attributed to an increasing number of merchants registering for using our PG platform. We are experiencing increasing registrations post-Covid June quarter from about 100+ daily in Q1 to 150+ daily post-June. Some of the top industry categories include retail, groceries, education and technology companies.

We also experienced a sharp rise in bill payments volume through our BillAvenue platform. The average daily bills processed through BillAvenue platform increased nearly 2x vs 1Q FY19 and 5x vs 1Q FY18. COVID has led to sharp rise in digital adoption for utility payments with month-on-month rise in volumes. Based on the run-rate in Q1 we could process 11-12 million bills in FY21.

In order to capture the growing opportunities in the payments business across the world, especially hustled by the pandemic, we have launched various payment solutions, given that there is high demand for these solutions already and our merchants have been asking us to launch these

services. This will expand revenue, improve margins and generate higher cash flows. You may refer to the second-last page of Annual Report where we have presented the seven Fintech platforms in form of a pie-chart. The three orange pies are the new launches namely; B2Biz, CPGS and CCAvenue Finance.

With In B2Biz we aim to capture a large pie of B2B payments and collection by automating accounts receivable and payables. Apart from acquiring customers directly, we have also tied up with HDFC Bank to offer our B2B platform as a white label to them. We expect large processing value and leverage our existing clientele to grow this business significantly in the coming years.

We have built a full-stack payment platform offering merchant plug-in, switch, payment network connectivity, etc. to process card payments for financial institutions, through the CPGS solution. Thus, we are now adding financial institutions as our customers who require to process a large number of their card transactions connected to various payment networks like Visa, Mastercard and American Express. We have successfully launched this service in one of our international market by tying up with that country's number 1 and number 2 bank through which we will be able to process more than 90% of the country's online card payments.

With the launch of CPGS we have become a comprehensive digital payment solution provider with a top-notch front-end payment gateway that is, the core CCAvenue Payment Gateway, and a seamless backend payment processor, that is CPGS, charging merchants for PG and charging financial institutions for card processing. Moreover, unlike in the PG business, there is no revenue sharing or pass thru in CPGS while there are multiple revenue streams including the per transaction fee. These will expand our revenue significantly as we tie up with more card issuing financial institutions, and will enhance margins.

Another revenue and margin expansion initiative is the launch of CCAvenue Finance, to offer lending and card issuance services. India has over 1 million private companies to whom we can offer lending and card issuance services, both credit and pre-paid/debit cards.

Under lending, we have successfully launched express settlement service to settle merchant funds instantly instead of T+2 or T+3 days for a small additional charge on the existing transaction. We have signed with few large companies that are settling multi-crore worth of transactions instantly which give us few extra basis points, improving our take rates and thereby expanding revenue.

Under card issuance services, we will offer corporate credit cards and corporate pre-paid cards.

For corporate credit cards, we have acquired Cardpay Technologies in June for approximately US\$1.1 million that offers spend management solution to businesses through a SaaS based platform under the brand name GRIT. We are targeting to offer credit cards to corporates including the large pool of marquee clients in our portfolio through the GRIT platform. The credit cards come with many features and benefits, better than the traditional corporate cards offered by financial institutions. We are tying up multiple banks for a line-of-credit, and plan to launch this service commercially in second half of the year.

Finally, for pre-paid cards, we have partnered with Go Payments. From May 2020, Go Payments has become our 52.38% subsidiary from 48% earlier. Go Payments offers various financial services like domestic money transfer, recharges, AEPS services, they are Bharat BillPay agent institution, undertake travel bookings, etc. We are partnering with Go Payments targeting corporate employees to offer IndusInd Bank Rupay pre-paid cards, general purpose and meal cards. Employees can spend on these cards at any merchant outlets which accept Rupay cards. Through various card programs we can earn higher net take rates. This will expand our revenue and boost margins.

Our demerger scheme to unlock shareholder value is on track. We have got consent from stock exchange to file with NCLT in the month on July and subsequently we have filed with NCLT.

We have put in place well-defined strategies to take our Company to the next level. Our key strategic priorities include 1) growing the share of transaction-based revenues, which allows us to scale our financials, 2) deepen our offerings to provide end-to-end solutions across all our business segments, 3) build bespoke solutions, 4) expand in high-potential and high-growth international markets, and 5) continue to improve our profitability by driving higher efficiencies across all our processes and activities.

We are confident of delivering robust and multi-year profitable growth across our businesses in future and are taking all the requisite steps in this direction. We are making adequate investments in strengthening our people, processes and practices and are looking to capture all the emerging opportunities of both organic and inorganic growth. As we embark on our future journey, we are confident of evolving into a more responsible, sustainable, profitable and growth-oriented organisation.

I would like to thank our Board of Directors, the entire team of IAL, shareholder investors and all other stakeholders for being the constant pillar of support in our journey so far. We are committed to create value for all of you in a responsible manner.

Thank you.

Shyamal Trivedi, Vice President and Company Secretary:

Thank you Sir.

The notice of the 10th Annual General Meeting along with the Annual Report, have been sent by electronic mode to those Members whose e-mail addresses are registered with the Company or RTA or Depositories. These documents have also been made available on the Company's website.

I request the members to allow me to take the Notice convening this meeting as read.

The Statutory Auditor's report and the Secretarial Auditor's report do not contain any qualifications or modified opinion or adverse remarks. There being no qualifications, both the report are not required to be read in this meeting and is being taken as read.

Now we move towards the agenda items of the AGM Notice.

In terms of the notice, the following items of businesses are to be considered at this meeting:

Ordinary Business:

1. To receive, consider and adopt
 - A. The audited standalone financial statements of the Company for the Financial Year ended March 31, 2020, together with the reports of the Board of Directors and Auditors thereon and;
 - B. The audited consolidated financial statements of the Company for the Financial Year ended March 31, 2020, together with the report of Auditors thereon
2. To appoint a Director in place of Mr. Vishwas Patel (DIN: 00934823), who retires by rotation and being eligible, offers himself for re appointment.

3. Approval pursuant to Section 185 of the Companies Act, 2013

As we have not received any questions/queries from any Shareholders of the Company, we will not have Question-Answer session.

All the items of businesses as per the notice of the 10th Annual General Meeting have been taken-up. I now declare the proceedings of the Annual General Meeting as completed.

On behalf of the Board of Directors and management of Infibeam, I convey our sincere thanks to all the Members for attending and participating at this meeting. Stay safe and take care of yourselves. Thank you very much and have a good day.