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October 21, 2025

To,
BSE Limited
(BSE: 542726)

National Stock Exchange of India Limited
(NSE: INDIAMART)

**Subject: Transcript of Earnings Conference Call on financial results and developments
for the quarter and half year ended September 30, 2025**

Dear Sir/Ma'am,

Pursuant to Regulation 30(6) read with Part A of Schedule III of the Listing Regulations, we wish to inform that the Transcript of Earnings Conference Call for Analysts and Investors held on October 17, 2025, with respect to the financial performance of the Company for quarter and half year ended September 30, 2025, is enclosed herewith. The copy of transcript is also available on the Company's website at <https://investor.indiamart.com/FinancialResultsStatements.aspx>.

Kindly take note of the same.

Yours faithfully,
For IndiaMART InterMESH Limited

(Vasudha Bagri)
Compliance Officer
Membership No: A28500

Encl: As above.



Webinar Transcript

Event: IndiaMART Q2 FY2026 Earnings Webinar

Event Date/Time: October 17, 2025 at 17:00 hrs

CORPORATE PARTICIPANTS:

Mr. Dinesh Chandra Agarwal - Chief Executive Officer

Mr. Brijesh Kumar Agrawal - Whole-Time Director

Mr. Jitin Diwan - Chief Financial Officer

Mr. Prateek Chandra - Chief Strategy Officer

Mr. Avijit Vikram - Head Investor Relations

Avijit Vikram:

Good evening, ladies and gentlemen. I am Avijit Vikram, Head of Investor Relations. On behalf of IndiaMART InterMESH Limited, I welcome you all to the company's Q2 FY26 Earnings Webinar. 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.

Joining us today from the management side, we have Mr. Dinesh Agarwal - Chief Executive Officer; Mr. Brijesh Agrawal – Whole Time Director; Mr. Jitin Diwan - Chief Financial Officer; and Mr. Prateek Chandra - Chief Strategy Officer.

Before we begin, I would like to remind you that some of the statements made in today's conference call may be forward-looking in nature and may involve risks and uncertainties. Kindly refer to Slide #3 of the earnings presentation for the detailed disclaimer.

Now I would like to hand over the call to Mr. Dinesh Agarwal for his opening remarks. Thank you, and over to you, sir.

Dinesh Chandra Agarwal:

Good evening, everyone, and welcome to IndiaMART's Q2 FY26 Earnings call. We have circulated our Earnings Presentation, which is available on our website as well as the stock exchanges' website. We are sure you would have gone through the presentation and would be happy to take any questions afterwards.

IndiaMART has delivered a consolidated revenue from operations of Rs. 391 crores in quarter 2, representing year-on-year growth of 12%. Collections from customers have grown to Rs. 406 crores, representing year-on-year growth of 14%.

Deferred revenue grew to Rs. 1,750 crores, representing year-on-year growth of 18%.

In the second quarter, our unique business inquiries were 31 million, representing year-on-year growth of 12%. The total number of paying suppliers stood at 2 lakh 22 thousand. Net additions for the quarter were around 2,800. This is excluding a one-time benefit of around 1,200 net additions during the quarter due to simplification of the onboarding process for new silver paying subscribers. The net paying supplier addition in the Q2 was actually 3,951 but the normalised would be considered at 2,800.

Our platinum and gold customers, which constitutes approximately 50% of our customer base and more than 75% of revenue continue to have very good upsell and retention rates.

We continue to focus on improving the platform by creating a better user experience for both the buyers and suppliers, improving how users engage and converse, delivering better customer servicing and building a trusted platform. We are implementing a growing range of AI use cases, which is strengthening our platform and product offering.

Our focus remains on raising the bar on quality and servicing our customers better, which will create long-term value for our stockholders.

Now I will hand over the call to Brijesh to update about Busy Infotech. Thank you, and over to you, Brijesh.

Brijesh Kumar Agrawal:

Good evening. Busy has done a billing of about Rs. 38 crores in Q2. The normalised year-on-year growth rate, which excludes the impact of change in the payout structure for partners, is at 57%. The Revenue from operations for Q2 is around Rs. 29 crores and the deferred revenue stands at about Rs. 111 crores. Now this represents a year-on-year growth of 46% and 63%, respectively, on a normalised basis.

The cash flow from operations for Q2 was Rs. 11 crores. During this quarter, we sold 12 thousand new licenses, taking the total count of licenses sold to 4 lakh 21 thousand.

Moving forward we are committed to enhance the overall product experience and continue to build the growth momentum in the business.

With this, I would hand over the call to Jitin to take it further from here.

Jitin Diwan:

Good evening, everyone. I'll take you through the financial performance for the quarter ending September 2025.

Consolidated collection from customer was Rs. 406 crores in the quarter, representing year-on-year growth of 14%. IndiaMART's standalone collection from customers for the quarter was Rs. 365 crores, registering year-on-year growth of 8%.

Consolidated deferred revenue stood at Rs. 1,750 crores, an increase of 18% on year-on-year basis.

Consolidated revenue from operations was Rs. 391 crores, registering year-on-year growth of 12% and consolidated EBITDA was Rs. 130 crores, representing margin of 33%.

In Q2, we recorded a decline in other income from Rs. 92 crores in the previous quarter to Rs. 10 crores in this quarter, primarily due to the mark-to-market losses on our treasury portfolio owing to significant increase in bond yields during the quarter.

Consolidated net profit for the quarter was Rs. 83 crores and consolidated cash generated from operations was Rs. 114 crores. Cash and treasury balance stood at Rs. 2,874 crores as on September 30, 2025.

Thank you very much. And now we are ready to take questions.

Question-and-Answer Session

Avijit Vikram:

We will now begin the Q&A session. If you wish to ask a question to the panellists, kindly raise your hand and allow camera and microphone access. Alternatively, you may type your questions on the chat menu, and we will revert on it.

Please restrict to two questions so that we may be able to address questions from all the participants. We will wait for a few seconds, while the question queue assembles.

Moderator:

First question is from the line of Anmol Garg from DAM Capital. Please unmute yourself and go ahead with your question.

Anmol Garg:

Firstly, just wanted to understand when you say that 1,200 addition is because of a simplification of onboarding process. What does this mean exactly?

Dinesh Chandra Agarwal:

What used to happen earlier was, our sales team will go and acquire the customer, means collect the advanced payment or get the NACH registration done. And then we would ask them to wait for two reasons: one, wait for their payment clearance. The

second, wait for their GST verification, that they are legitimate GST verified supplier or not.

And also, we took that opportunity to improve their catalogue or the mini website on the internet, which we call MDC - mini dynamic catalogues. Now given the technology we are able to verify the GST of any supplier on the go. In fact, many of the suppliers are pre-verified on GST. And we said that most of our payments are also online, 80% of the payments are now online.

So, I think we initially did a pilot in Delhi NCR for a couple of months and after no problems, we now immediately activate the customer to be live. So earlier, what was taking 3-5-7 days process, has now become zero. With that change, earlier we used to have work in progress or orders in progress, order book of 1,200 odd customers, which will get rolled over.

Now with this immediate activation that order book was immediately filled. So, there is no rollover order book that is going to the next quarter. That is the additional one-time gain that we have found. So that is what is looking like 4,000 customer additions.

However, as you know that many of those orders actually bounced in the payment and failed in the GST or failed to complete process. So, I think that will result into an immediate first month or second month churn. So earlier, those customers were not counted and they were refunded automatically, or their money was not received.

Now, they will be counted as a customer, but they will be also counted in the churn. So that's why there's a onetime benefit of about 1,200 customers. But the overall addition at net level will remain the same. I hope that answers.

Anmol Garg:

Yeah. Very clear, sir. Also, I wanted to understand, going ahead, how should we think about the paid supplier addition from an overall perspective, are we seeing any reduction in the churn process in the last three months? And any steps that we have taken with respect to the same?

Dinesh Chandra Agarwal:

Steps taken I have already told and I will tell you again, one, we have reduced the competition or reduced the number of sellers being introduced per buyer. So that it is good for buyer and supplier both, as I told, over the last 5-7 years, the supplier responsiveness has become far better. And so earlier, when we

were introducing 6-7 suppliers to one buyer, they were likely to get 3 responses.

Now the supplier responsiveness has gone as high as 70-80%. So, it may be enough to introduce only 4-5 suppliers, so also it increases the competition for the suppliers, because the suppliers were complaining largely that earlier I used to get maturity. Now I'm having difficulty in getting maturity.

The second thing that we did was the quality of inquiry, earlier when we were asking buyers, we were not asking buyers to fill a lot of details, with category-based management, our ability to know what to ask and our confidence has gone up that we can ask 2-3 questions to the buyer. That helps in two things: One, the intent of buyers is very, very clear because he has filled at least two, three things apart from his phone number and OTP, he has also filled quantity and he has also filed some specification. Secondly, it also helps the supplier very much, that when they see the RFQ, earlier if they were seeing 50-60% of the RFQ having quantity or having specification. Now they are seeing 80-90% of the RFQs having quantity and having specification. And that helps the suppliers choose the correct kind of RFQs and correct kind of inquiry.

The third one was localisation and earlier, we were giving mostly all India based searches. Now, we are giving more city preferred localised searches. As you would have seen on Google and every place else, the results are localised for you, the same process we have started to do for IndiaMART also.

And all this has resulted in a better NPS from the supplier side on the leading indicators, leading indicators means now they are happier with the quality of inquiries, they are happier with the locational relevancy, and we have seen an improved query relevancy feedback.

However, it has not yet resulted into any significant movement in the churn and silver customers continue to have an elevated churn, monthly customers having about 7%, annual silver customers about 4% and gold and platinum continues to be healthy at about 1%.

So, I'm not able to give you any guidance on the paid customer addition even going forward.

Anmol Garg: And one last thing, just wanted to understand how has our performance marketing spend moved during the quarter?

Dinesh Chandra Agarwal: That has done well, if you really see the unique business inquiry count, the unique business inquiries have grown from immediate past quarter 29 mn to 31 mn. And if I see year-on-year, that has grown by 12-13%. Now half of that is actually coming from the organic and half of this is coming from performance marketing.

So, performance marketing currently is being done in the top 10,000 odd categories. We are still trying to optimise because in certain categories, we are not able to get any share. In certain categories, we are getting too much. So, we are trying to optimise, but I think the initial results are very good. And now I think the framework has been settled. We will continue to, as I said, our initial budget is about Rs. 8-10 crores per quarter, and we'll continue to spend on that side.

Anmol Garg: Sure. So should we assume that 8-10 crore per quarter is something which is continuing in this quarter as well.

Dinesh Chandra Agarwal: Yeah, so the current quarter was about Rs. 6 crore. And last quarter was also about Rs. 6 crores. But this quarter, slightly the results are better because our optimisations have gone better.

Moderator: Next question is from the line of Kunal from Banyan Tree Advisors. Please unmute yourself and go ahead with your question.

Kunal Thanvi : So I have two questions. One was on the collection growth and the deferred revenue growth. If you look at the collection growth it is closer to 7-8% and deferred revenue growth is closer to 15-18%. How does one read into these numbers? How do we interpret the difference between collection growth and deferred revenue growth?

Dinesh Chandra Agarwal: There is a table in the standalone detailed financials. There's a proper reconciliation table in the standalone financials, not in the investor presentation. You can see there what was the opening deferred revenue, what is the collection and how much the revenue recognised and how much is the closing deferred revenue and what is the current and non-current of that. So that is there in the standalone financials.

Kunal Thanvi : Sure. One other question was when we look at lower traffic growth on the platform right? It was 3% this quarter. Last quarter,

it was closer to 7%. How do one read into this number? And what are the steps that we have taken to improve this traffic growth? Because ultimately, if you were to think about, a traffic growth would be the lead indicator in terms of our growth coming on that, right?

Dinesh Chandra Agarwal: So I was about to touch this next quarter. I'm going to drop this KPI altogether, because this KPI has become very unreliable in the days of web crawling, scraping, agentic and all of this. It has become really hard even for Google Analytics to differentiate between the user traffic and differentiate between a bot traffic or scraping traffic or crawling traffic.

So earlier, it was quite almost a near monopoly of Google. And so it was very easy to identify which are the crawlers, Google crawlers and which are the Yahoo crawlers or which are the Bing crawlers. And we will typically ban the Russian and Chinese crawlers, Yandex and others.

But now everybody, including Meta, including ChatGPT, including Grok, including Alibaba Qwen and DeepSeek. They're all crawling the entire Internet very, very heavily. The second part is now every time you turn on think mode on the ChatGPT it goes and brings 100 pages and gives you some 20 lines answer. Those 100 pages are again very hard to differentiate because there is no established system of identifying which particular place that query is coming from, whether it is coming from a Perplexity through ChatGPT, I mean, which model, which front end and now with the browser agentic, the Dia Browser and the Comet Browser and other of this.

Actually, the crawling will happen directly from the customers end and customers IT will come. So it is very hard to now say that this traffic is user traffic and this traffic is machine traffic. So we will probably have to drop this KPI from the top and look at only the business enquiries received or converted or calls. And we'll find some alternate better KPI where I can differentiate between the human traffic and machine traffic.

Kunal Thanvi : One last question, if I can ask is, see we have been improved a lot of things in last 4-5 quarters. And when we look at the conversion numbers in terms of unique enquiries versus delivered, there is reasonable improvement there. But when we look at the supplier churn on the silver level, it continues to be elevated, like how do you as a management team, think about this?

Is it also linked to the overall economy going through a tough period? What are the attributes apart from IndiaMART, if you like, what are the things that we should think when you've been trying so hard on these improving the user experience, making it more relevant to them. Still the problematic silver suppliers continues to be under stress?

Dinesh Chandra Agarwal: So, I would say we are too small to be even affected by economical downturn. We may get some positive tailwinds when the economy is doing very, very well. But we are too small to be even affected by economy, until unless something like a very bad event happens like COVID or demonetisation or something like that. But otherwise, these kind of typical economic slowdowns or 1-2% GDP slow down or up. That should not be a matter at a 2% or 3% penetration.

Now coming to the working hard. I think we keep working hard and one fine day we find something smart. You never know when is that, that is what is we are trying to find all of us together. And we have to wait for that moment to come. There was a definite tailwind, which was the mobile Internet, which has started around 2013-2014, got a very good shot in the arm at around 2016 when Jio came in. And also in 2020, when the lockdown happened.

Effectively, there was a big tailwind. Now there are almost 900 million internet users in India, and there's not much left on that side. So, whatever was the natural tailwind of that every internet company, that is kind of tapering. Whatever new tailwind will come is because of the agentic or because of the AI-based things, because now we have got a distribution which is far more wider.

Earlier WhatsApp was a communication channel, but now WhatsApp could be a discovery channel. Earlier ChatGPT was a chat channel or Wikipedia kind of information channel, now it could be a discovery channel. So, there may be more new channels that will come in. So, I think the natural growth on the buyer side will come in either from them or there is something that we need to fix within our ecosystem, and we continue to work hard to find that one particular lever.

Avijit Vikram: We have a question from the chat menu. The question is from Mr. Manjeet Buaria. So, you have consistently explained why you believe this is a large addressable market from paying supplier standpoint, and growth here will come back to healthy levels when the current issues are fixed. What factors or data points will make you change your mind on this hypothesis and say that the

TAM is not large enough to grow net paying suppliers, at least in high-single digits. Any implications of that changed view on our marketing cost?

Dinesh Chandra Agarwal: You are saying that if this Rs. 1.5 crores GST suppliers come down to 75 lakh, I will reduce my final supplier that I should be targeting. But as long as there are 15 million, 20 million good SMEs and as long as they are growing at 10% nominal growth, I don't think that a 5% or 10% kind of a penetration should be an unrealistic number. So, I don't know what will change in my mind that this will not increase.

Moderator: Next question is from the line of Nikhil Choudhary from Nuvama. Please unmute yourself and go ahead with your question.

Nikhil Choudhary: Sir, first question on subscriber addition. The 2.8K addition, while being close to our range, but still highest in since last two years. So just wanted to understand was it normal change we see quarterly? Or did we saw some change in, let's say, gross addition or some decline in churn?

Dinesh Chandra Agarwal: Not much. I think it is that Rs. 2,500 plus/minus a couple of hundred here and there. Certain working days, certain non-working days in the quarter. That's about it, nothing else.

Nikhil Choudhary: Got it. Second one, on the churn side, especially on monthly churn side. Any reason we are not seeing any reduction in churn? And second, along with this question, I think we have noticed you have increased the price of silver subscriber plan. So, any logic behind why to increase silver pricing at a time when the churn is so high?

Dinesh Chandra Agarwal: So the same question was asked to us into 2022 or 2023 also. Till 2019, the silver pricing was Rs. 3,000 per month and Rs. 30,000 per year. Today, we are in 2025 that's like six years ago. In six years, even at whatever price rise that you factor in, even if inflation is factored in, it's a very modest increase. While these customers are the building blocks for us, these are the bottom of the pyramid customers which end up becoming gold and platinum tomorrow. But trying to acquire them at a cheaper rate and a more cheaper rate could be a race to the bottom because for a lot of these customers you have to ask which kind of customer you want to acquire? What size of customer you want to acquire? So, it's not value at this price or value at that price. It's either there is value or there is no value. So, our thought is that simple

10% kind of a price rise every second year should be applicable. I mean that's part of the inflation, I guess.

Nikhil Choudhary:

Got it. Just one clarity on the marketing investment part. Last quarter, we highlighted we want to increase the investment from Rs. 6 crores to Rs. 10 crores, but we maintained it to Rs. 6 crores. So, any logic here? And also was there some ESOP announcement? And can you quantify it?

Dinesh Chandra Agarwal:

So marketing was, I always told that it is about Rs. 10 crores per quarter. It was actually done at Rs. 6 crores last quarter, but I said that my budget is about to up Rs. 6-10 crores per quarter. On the ESOP front, Jitin can give you the details. Our last ESOP was expiring sometime January I guess. So, we came up with a new ESOP grant.

Jitin Diwan:

So in the beginning of the year, as Dinesh mentioned, because the last policy was expiring, we have renewed our ESOP policy, and we have given the grants for about Rs. 90 crores. And the expense for that, that's how has started coming in Q1 and Q2.

Moderator:

Next question is from the line of Shubham Jhawar of Dexter Capital. Please unmute yourself and go ahead with your question.

Shubham Jhawar:

My first question was our ARPU of top 1% has now increased from Rs. 6 lakhs in FY21 to nearly Rs. 11 lakhs now, right? So, I wanted to understand this growth is fairly very nice over the years. How much of it is due to volume increase of RFQs and what percentage would be due to the price hikes that we have taken over the years?

Dinesh Chandra Agarwal:

So top 1% is mostly price hike, because it has nothing to do with volume. In FY2021, we had 147,000 customers. So top 1% would account for about 1,500 customers. Now that we have 220,000 customers. So now top 1% is about 2,200 customers. So one is, 50% growth is coming from that.

But the ARPU growth, as you said, mostly from the price hike from the differential pricing that we have, and from the product that is you can target multiple cities and you can target multiple keywords. So, people have taken multiple keyboards and multiple cities. And some of it came from the medium enterprises and large enterprises also.

Shubham Jhavar: Got it. And sir, what is your sense on our ability to further increase this because over the years, it has increased quite decently.

Dinesh Chandra Agarwal: Yeah, I guess on the enterprise side, it can increase quite a bit because of their ability to target and their ability to serve larger markets, especially in the high-value segments. If you go to our enterprise sections on different quarterly presentation, you will find different, different industries being focused here.

And these kind of customers have the marketing budgets running into crores as well as the ability to serve a larger customer base because of their dealer distribution network or because of their distribution ability. So, I guess there is a lot more possible. Probably we are yet to learn how to do that better from the product market fit side also and from the sales and servicing point of view also.

So you can see different, if you go to this section on IndiaMART and About-us, you will find multiple such industries where there are large customers. And then comes the medium size of the customers because now as per MSME definition, the medium size of the customer is Rs. 100 crores to Rs. 500 crores.

Shubham Jhavar: Got it. And my second question was our marketing and selling cost is Rs. 60 crores this quarter. How do we see that going forward? Like what percentage are you expecting it to increase?

Jitin Diwan: So, it should remain same as a percentage of revenue. As we have said that we have done the performance marketing of Rs. 6 crores, and there's a budget of Rs. 10 crores. So, we'll see that how we optimise it and that may increase. So that may have a change of another 1%. Otherwise, it should remain the same.

Shubham Jhavar: So basically around 16% to 18% of revenues is what our selling and marketing costs would be, right?

Jitin Diwan: Yeah, correct.

Dinesh Chandra Agarwal: Also if you see, before COVID it was 19%, during COVID let's forget about it and then when we started building up again, it went as high as 20%. That was FY2023 because we suddenly hired so many people. But then typically, hovered at 19% pre-COVID and 17-18% otherwise. Last year, we were trying to see how to work on the churn numbers before adding the gross. But as per this

average and as per the normal increase, I think 17%, 18% is fair to assume.

Avijit Vikram:

So we have a question from the chat menu, the question is from Mr. Aman Thadani. Net adds have remained in the 1,000 to 2,000 range for several quarters as we intentionally slowed gross additions to fix churn. Understood and aligned here. Question is, given that the silver funnel is weak and there is 1% natural churn per month in platinum and gold, at what point will the customer count in platinum and gold start shrinking?

Dinesh Chandra Agarwal:

At 1% churn because typically, there is a natural flow coming from silver and gold to the platinum side. So, I don't see that shrinking. But yes, when the silver customer growth remains muted, platinum would be the last to start shrinking.

Moderator:

Next question is from the line of Rahul Jain from Dolat Capital. Please unmute yourself and go ahead with your question.

Rahul Jain:

I was trying to understand is that with all this long, enduring process that we have gone through in terms of optimising various aspects of the business to ensure the subscriber addition aspect of it and meanwhile, scaling up on the ARPU on the existing base.

So, with this learning, your thought process in terms of what is the right scalability in terms of the subscriber and your thought process is what is the ideal ARPU in this business? Has that changed in the last three years, the thought process that this is a far less volume game, but more an ARPU game? Or you think the opportunity remains the same?

Dinesh Chandra Agarwal:

For both side, if you go to the customer pyramid slide, you will see that both the aspects of the business, while the silver base, whether it is monthly or annual, they bring bulk of the customer and they bring the pipeline to the gold and platinum.

But if see you the platinum customer base, which is just the top 10-15%, that accounts for 50-60%. And I am giving you gold plus platinum data that gold plus platinum put together is 50% of the customer base accounting for 75% of the revenue. So effectively, the rest 75% of the customer base is actually counting for the low ARPU base. So, it is not either-or game. You have to work on both sides, one for the leadership, the other for the monetisation and profitability.

- Rahul Jain:** Right. And with this thing, what looks like a best-case three-year scenario for us from a going forward perspective from, I know you don't go for a guidance at this point, but maybe a longer period goal, which you could set because you would assume a lot of this thing would get rectified over the next few quarters?
- Dinesh Chandra Agarwal:** Yeah. I mean we'll continue to work as soon as we have better grip on the situation, we'll start giving guidance. But then, currently, on best effort basis we continue to deliver what is delivered.
- Rahul Jain:** And what should be the sustainable ARPU potential on the current base?
- Dinesh Chandra Agarwal:** I can talk about the historical ARPU. So, historically, ARPU has grown from 32,000 in FY2017 to pre-COVID about 42,000 immediately post COVID, in as early as FY2024 was 53,000 and now running at 60-65,000. So, I guess ARPU has grown at 7-8% CAGR over the last many, many years. And we think that kind of an ARPU growth should typically be possible, 6-8% of the ARPU growth should be typically possible.
- Rahul Jain:** Right, so 6% to 8% when you talk about the long average, it is period when you have good net addition also, which is actually dilutive to your ARPU.
- Dinesh Chandra Agarwal:** But there have been periods, for example, FY2021 and FY2022, the entire two years, we didn't have any net addition. And similarly, FY2024-25, we didn't have much of net addition. So, this is a very long-term, which includes all kinds of cycles.
- Moderator:** Next question is from the line of Saurabh Savla of Multi-Act. Please unmute yourself and go ahead with the question.
- Saurabh Savla:** So I had a bookkeeping question with respect to our general and admin expense in the functional P&L that has sequentially increased by around Rs. 20 odd crores from Rs. 25 crores to Rs. 44 crores. So, is there any one-off in that, and what kind of sustainable number would be for this expense?
- Jitin Diwan:** So thanks for your question. So, you're right, there is a one-off of fair valuation loss which we have taken on one of our investment this time for about Rs. 16 crores. That is why that is looking swelled. Other than that, there is no reason to believe that should increase from the normal number which we have been reporting.

- Saurabh Savla:** Okay. So, in the reported financials, it would be part of your other income, right?
- Jitin Diwan:** Not other income, it will be under expenses on here above EBITDA.
- Saurabh Savla:** And also other income has declined sequentially Q-o-Q in the reported results. So, what is the reason for that?
- Jitin Diwan:** So just before that, while that G&A number includes one-off in the stand-alone, in the consolidated numbers, if you see there will not be an impact of that because on a monthly and quarterly basis, we take the share in loss and profit for all our investments.
- Coming to your point of other income, as I explained in the beginning, so in this quarter, there is a mark-to-market losses on our treasury portfolio because the bond yields had increased. That is why you're seeing dip in the Other income. But the way to look at this is, usually on a little longer basis, if you see on a yearly basis on a half yearly basis, that should stay in the range of the yield of like 6.5-7.5% of actual treasury income what we do.
- Avijit Vikram:** We have a question from the chat menu. The question is from Amrish Kacker. Busy has added 12,000 licenses in each of the last two quarters versus 8,000 per quarter previously. How should we think about the longer-term growth in licenses as our investments begin to pay off?
- Brijesh Kumar Agrawal:** So in terms of the licenses being sold, as I have mentioned earlier, the improvement on the new activations has been consistently happening. We expect that this momentum should continue. However, we should factor in that in the accounting software business, Q4 and Q1 generally would see a higher demand for accounting software, because at that time, people find it convenient to change their accounting software, whereas Q2, Q3 generally tend to be a little subdued. So therefore, even going forward, we think that we would be in line with the kind of growth we've been seeing over the last couple of years in terms of new activation that is how I would try to put it here.
- Moderator:** Next question is from the line of Nikhil Choudhary of Nuvama. Please unmute yourself and go ahead with your question.
- Nikhil Choudhary:** Just want clarity on a couple of questions. First on the price increase of Rs. 4,000, especially for silver monthly. Did we saw

some slowdown in silver subscriber addition after the price increase? Or was it at normalised level?

Dinesh Chandra Agarwal: Of course, yeah, because once we announced the price, we announced ahead of the time. So, we got some of the sales which were the proposals were already sent. We got some of the sales at previous price and probably this particular price could have some impact on the gross additions in the next one or two quarters. But I don't see that to be a major change beyond one or two quarters. So, there would be a slight dip, but I would say that it is worth the increase in price.

Nikhil Choudhary: Got it. Second, just want some clarity on your comment that we saw some improvement on ROI of the marketing spend compared to last quarter. Can you quantify what were the improvements we saw in this quarter versus last quarter?

Dinesh Chandra Agarwal: So, if you see the unique business enquiries, on the similar spend in the last quarter, we got 29 million enquiries. On the similar spend, we got 31 million unique business enquiries in this quarter.

Nikhil Choudhary: Okay. But it could be organic as well, right?

Dinesh Chandra Agarwal: Yes. That's why I'm saying you can assume 50% organic and 50% driven by the advertising effort.

Moderator: Next question is from the line of Shivam Gupta of DT Fund. Please unmute yourself and go ahead with your question.

Shivam Gupta: Good evening. Just had a couple of questions. So first one was that when we're attacking a churn problem. And in a way, if I zone out, it's more like we are trying different interventions and experiments to see what works. From your perspective, isn't AI a big, and the way AI is coming through, isn't that a big lever for you to actually accelerate the number of experiments and the velocity of them to actually shrink the time from henceforth to solve this problem? Just your view on this.

Dinesh Chandra Agarwal: I think two, three things that comes immediately and as early as last month, we had a complete AI full day meet with the Board. So, there are three things that we have found apart from what I have been talking and what you can see in my annual reports that other AI initiatives that I've been talking.

One, clearly emerging in the call automation or AI-based voice bots. They have become as good as humans in terms of sounding

natural and understanding the other parties' voice. With the AI, with the tooling, with the context engineering, I think they can surpass humans in less than one year in terms of their ability to handle complex queries and their ability to answer complex query and also fix the problems.

So, I think we are working very quickly, as we speak, our AI bots could be handling as high as 1 lakh calls per day by the beginning of the 1st of January. So, they are already doing almost 10,000, 20,000 calls per day.

The second part is, this whole voice part has two things. One is the voice bot where they can talk. The second is the call analytics. And there is a huge amount of calling between the customer and between us that happens and between the buyer and supplier that happens and between the buyer and us that happens. So, all that entire triangle, almost like 3 crore calls per month happens. And that's a black box because you can always say that we can do audit, you can listen to the calls, but it's almost impossible to listen to millions of the calls and make the sense out of it. So, I think we are working on that direction to improve that, so that's on the call side.

Now coming to the cataloguing improvement, categorisation improvement and categorisation expertise, a lot of these call analytics will come handy and pdf analysis will come handy to improve these items where it can dramatically improve the cataloguing and discovery and those kind of things, the things that we have built harder over many, many years. So, I think that has become easier. That also lowers the entry barrier for others. But at the same time, it gives a lot more advantage to a player like us. So, you are right, these three things should help. And many more will emerge in times to come. I hope that answers your question.

Shivam Gupta:

That was helpful. And the second question was that you did mention about the pollution from the bots in the incoming traffic. Related to that is that does that also pose a worry from a perspective of data being scraped and poached and, in a way, kind of dilute the moat that the platform has?

Dinesh Chandra Agarwal:

Yeah. So, there are 2-3-4 kinds of data. Some data is just the name address, some of the data is phone number and e-mail and some of the data is the catalogue. That's one part of this, which is the data-data. So, phone and e-mail we don't provide anywhere on the web. So hard to scrap. But yes, from other sources, one can always get something.

The second part of the network effect or the barrier to entry is the insight that we have on which supplier likes what. Despite the fact that he has displayed a lot more products, but what he likes to deal in with which categories he deals most and which categories which cities he deals most, what kind of quantities and what kind of price points he deals most. That information is nowhere scrapable or available to any bot or any AI agent.

The third part is the paying customer service that we have built, which has brought the buyer and supplier both creating a network effect where there are 30 million unique business enquiries every quarter, that's about 10 million business enquiries every month. And also similarly, there are about 200,000 paying customers. So these are the three moats. Out of that, the only first one, I mean, that was always scrapable anyway. The scrapping has become easier, but it was always scrapable.

Shivam Gupta:

Got it. And my last question would be that, from my understanding, there is a lot of value in the platform when it comes to somebody searching for a long tail of goods or products that they use in their own supply chains. But over the years, have you seen the platform becoming a larger part of the user supply chains? And maybe if this answer you can give from a gold guy to a platinum guy that if you have any queues that IndiaMART sourced leads are becoming a larger part of their bill purchase or their supply chain operations.

Dinesh Chandra Agarwal: Shivam, can you please elaborate?

Shivam Gupta:

So what I was trying to say is, let's say, there is a supplier, let's say, a platinum supplier who's consuming certain RFQs and he's, let's say, sourcing 10% of his incoming supply from IndiaMART. And over the years, as his ARPU continues to pay you more, and there will be a natural growth in his business, which is allowing him to pay this. But also, is there a natural increase of wallet share in the fact that he's sourcing more of his supply chains from the IndiaMART's platform? Maybe I know you don't have exact data on this, but any heuristics if you have or any colour you could share? It's a relevance question that effectively I'm trying to ask for the gold and platinum tiers.

Dinesh Chandra Agarwal: So typically, we found that people who are responsible for doing the sourcing versus the people who are responsible for doing the marketing or lead gen for the customers, even in very, very small businesses are very, very different set of people. The people who

work like a tele sales person or even a field sales person, there is a sales manager and then the factory manager or there is a procurement manager. And these are almost like two very different personalities, however, the owner does deal with both of the guys, but these are two different ones. So, it is hard for me to even decipher between the same company's purchase person also. It is far easier for me to identify a purchase manager from an Indian Oil or from Reliance Industries or from Tata Motors because their e-mail ID clearly reveals that he is from Tata Motors.

But from a small company, it is difficult, but I've taken your suggestion and we'll work on it.

Moderator:

This was the last question for today. I would now like to hand over the call to Mr. Dinesh Agarwal for his concluding remarks. Over to you sir.

Dinesh Chandra Agarwal:

Thank you very much, ladies and gentlemen, for joining our Q2FY26 conference call. We have tried to address your queries in the time available. But if you still have any questions, please feel free to contact with our Investor Relations team, and they'll be happy to arrange for any answers.

Thank you very much. good evening, and have a very, very happy and safe Diwali.

Moderator:

On behalf of IndiaMART, we thank everyone for joining us on this webinar. You may now disconnect your lines. Thank you.

Notes:

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