



# INDIAMART INTERMESH LIMITED

TRANSCRIPT OF 25<sup>TH</sup> ANNUAL GENERAL MEETING  
HELD ON THURSDAY, JUNE 20, 2024, AT 10:00 A.M. (IST)

**Manoj Bhargava, Group General Counsel, Company Secretary & Compliance Officer:**

Good Morning Members!

I am delighted to welcome you all to the 25<sup>th</sup> Annual General Meeting of IndiaMART InterMESH Limited. I trust and hope that all of you and your families are in good health. This meeting is being held through Video Conferencing/Other Audio-Video Visual Means, in compliance with the circulars issued by MCA and SEBI from time to time in this regard. The Registered Office of the Company, situated at New Delhi, shall be deemed as the venue for this meeting and the proceedings of the 25<sup>th</sup> Annual General Meeting shall be deemed to be made thereat, to transact the businesses, as mentioned in the Notice of the AGM.

The Notice of the AGM along with the Annual Report for the Financial Year 2023-24 have been sent through electronic mode to those members whose email ids are registered with the Company/ RTA and Depository Participants in compliance with the MCA General circulars and SEBI circulars issued from time to time.

Please note that in terms of statutory requirement, the proceedings of the AGM are being recorded and transcript of the proceedings shall be made available on the Company's website and shall be uploaded on the Stock Exchanges.

Before starting the proceedings of the meeting, I would like to inform the members about the modalities for participation/process to be followed while attending this meeting:

- The facility of participation at the AGM through VC/OAVM have been made available for 1000 members on first come first serve basis.
- Members participating in the meeting, can ask question(s) and/or seek clarification(s), if any, through chat box option facility, these questions may be taken up towards the end of the Meeting. The unanswered questions/clarifications, if any, shall be replied within seven (7) working days from the date of AGM by the Company suitably.
- As this meeting is held through VC/OAVM, the provision relating to appointment of proxy is not applicable. However, the body corporates were entitled to appoint authorized representatives to attend the meeting through VC and cast their votes electronically.
- Requisite arrangements have been made through e-voting services provided by NSDL, to enable the members to exercise their right to vote on the resolutions set forth in the AGM notice.
- Mr. Devesh Kumar Vasisht, Practising Company Secretary (Membership No. F8488), Managing Partner of M/s DPV & Associates LLP, Company Secretaries, has been appointed as the Scrutinizer for remote e-voting process and e-voting during the AGM.

Now, I would like to introduce the Board Members and Senior Management Personnel of the Company who have joined this meeting through VC/OAVM. We have with us:

- Mr. Dinesh Chandra Agarwal, Managing Director & CEO;
- Mr. Brijesh Kumar Agrawal, Whole-time Director;

- Mr. Vivek Narayan Gour, Independent Director and Chairman of the Audit Committee, Nomination and Remuneration Committee & Stakeholders Relationship Committee;
- Ms. Pallavi Dinodia Gupta, Lead Independent Director;
- Mr. Dhruv Prakash, Non-Executive Director;
- Mr. Jitin Diwan, Chief Financial Officer; and
- Mr. Prateek Chandra, Chief Strategy Officer of the Company

Apart from the above, we have Ms. Kanika Kohli and Mr. Sunil Arora, representatives of B S R & Co. LLP, Chartered Accountants, Statutory Auditors, Mr. Lakhan Gupta, Partner of Chandrasekaran Associates, Company Secretaries, Secretarial Auditors, are also present through Video Conferencing. Mr. Rajesh Sawhney and Mr. Aakash Chaudhry, Independent Directors could not attend the meeting due to their pre-occupation.

As there is no designated Chairman of the Board, I would like to request the present members of Board of Directors to elect the Chairperson of this AGM among themselves, in terms of Article 89 of Articles of Association of the Company. May I request the directors to nominate the Chairman of the meeting please.

**Dhruv Prakash, Non-Executive Director:**

I propose Ms. Pallavi Dinodia Gupta.

**Rajesh Sawhney, Independent Director:**

I second that.

**Manoj Bhargava, Group General Counsel, Company Secretary & Compliance Officer:**

*Thank You, So we will take Ms. Dinodia as a Chairperson of this meeting.*

So Ms. Pallavi Dinodia Gupta, Independent Director, nominated by the other Directors present at the meeting, is elected as Chairperson of this Meeting.

The Statutory Registers and relevant documents as referred to in the AGM Notice have been made available and kept open during the Meeting for inspection of members electronically, any member who wants to inspect the same can send their request to the e-mail id as mentioned in the AGM notice.

Now, I would request the Chairperson to preside over and carry out the proceedings of this meeting.

Ms. Dinodia, please.

**Pallavi Dinodia Gupta, Chairperson of the AGM:**

*Thank you, Manoj Ji!*

Dear Members,

With utmost gratitude and immense pleasure, I extend a very warm welcome to all of you at the 25th Annual General Meeting ('AGM') of IndiaMART InterMESH Limited. I, on behalf of the Company, express our deep appreciation for your presence and for taking out your valuable time today to attend this AGM which is being convened through Video Conferencing. The Company has made necessary arrangements to enable the members to participate in the meeting through video conferencing and voting electronically.

The requisite quorum being present, I call the meeting to order.

I am pleased to share with you that we witnessed good performance in FY24, as we continue to scale our operations and invest in our technologies and people to cater to the emerging opportunities and evolving market needs. IndiaMART has delivered a consolidated revenue from operations of Rs. 1,197 crores representing a year-on-year growth of 21%. Collections from customers grew from Rs. 1,219 crores to Rs. 1,474 crores on a consolidated basis. Our Consolidated Cash generated from Operations was Rs. 559 crores. Deferred revenue as of 31st March 2024 stood at Rs. 1,440 crores, an increase of 24% year-on-year. Consolidated EBITDA was Rs. 331 crores, representing a margin of 28%, while net profit was Rs. 334 crores with a margin of 24%.

As of March 31, 2024, the company has 194 million registered buyers. On the supplier side, we have 7.9 million Supplier Storefronts, and 214K paying subscription suppliers. Unique business enquiries for the year were at 93 million this year.

We added ~51K paying suppliers during last two years i.e. in FY 22 and FY 23, which is been the highest-ever paying supplier addition in our history. Due to this addition in a short span of time we experienced much higher churn on silver packages than anticipated as the retention is lowest in the newly onboarded suppliers. This in turn led to the lower net additions during the year. We continued to have good retention as well as upgrade rates in the Gold and Platinum customer segments, which comprises of ~75% of our Revenue.

We are continuously strengthening our product which leverages insights into supplier and buyer preferences, enhancing user experience through data-driven algorithmic matchmaking. We have integrated Generative AI into the supplier's Lead Manager that analyses the context and content of buyer enquiries and generates tailored response suggestions. This has improved response time and increased the likelihood of conversion. We have enhanced accuracy and efficiency in category mapping using Generative AI, enriching user experience and the SEO platform. We further focus on local language understanding to ensure precise search results and streamlined cataloguing through AI-powered image editing tools. We acknowledge the importance of innovation and digital advancements while maintaining security and data privacy, we have several active ISO certifications, including ISO 27001 and ISO 22301 in place which reflect our commitment to maintain integrity of our digital infrastructure.



As you are aware that we forayed into accounting space through acquisition of Busy Accounting software in the last FY Busy has generated 45% year-on-year growth in net billing, a 23% increase in revenue to Rs. 53 crores, and a 59% increase in deferred revenue to Rs. 43 crores. New Licenses sold during the year were 33K, bringing the total licenses sold till date to 364K. We have been working to enhance the growth prospects of the business through product enhancements, offering data accessibility through desktop, mobile, and cloud, and an expansion of our sales network. Overall, this being the second full year of our acquisition, the business has grown as expected, and we will continue to invest in our product and people to sustain this growth.

Creating holistic value creation for our stakeholders is our foremost priority. As part of ESG initiatives IndiaMART encourages discovery and promotion of products that align with UN Sustainable Development Goals, a global framework aimed at promoting progress towards sustainable future. In addition, we remain dedicated to driving meaningful change in society through our corporate social responsibility initiatives. During the year, we partnered with Udhyam Learning Foundation, The Khan Academy India, Tech Mahindra Foundation and SAAJHA to provide educational and skilling programmes. These initiatives enabled us to positively impact more than 1.1 Mn lives.

While driving our business growth, we also remain committed to supporting the small businesses. We provided free online visibility to 7.7 million small and medium businesses on our platform, enabling them to thrive in the digital landscape. Moreover, we offer 100% free services to our buyers.

In line with our belief of returning surplus cash to the shareholders, the Company has recommended for your consideration, a final dividend of Rs. 20 per equity share of face value of Rs. 10 for FY 2024, subject to shareholders' approval.

In conclusion, I would like to take the opportunity to thank each one of you for your continued trust in IndiaMART in taking forward the Company's goals of fostering digital inclusion of businesses to steer India's growth story. I, on behalf of the Company, am also grateful to our stakeholders, whose continued support and commitment has made it possible for us to make doing business easy and stay firmly on course of our long-term goal. I am confident that our partnership approach, supported by our collective efforts, will help us push the bar of inclusive and sustainable long-term growth for all of us.

We shall now take up the formal agenda of the meeting.

The Notice of the AGM along with the Audited Standalone and Consolidated Financial Statements of the Company and the reports of the Board of Directors and Auditors thereon, including annexures thereof, for the financial year ended March 31, 2024, has already been circulated to members through email and the same is also available on the Company's website.

I now take the Notice of the AGM along with the Explanatory statement and reports of the Board of Directors as read.

As the Statutory Auditors have not made any qualifications, observations, or comments in their Audit Report for the financial year ended March 31, 2024, I now take that as read.

In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, the Company has provided remote e-voting facility to the members from 9:00 a.m. IST on Saturday, June 15, 2024 to 5:00 p.m. IST till Wednesday, June 19, 2024 to cast their vote electronically on all the business items as set out in the Notice of the AGM.

All Members of the Company present at the AGM, who were eligible but could not exercise their right to vote during the remote e-voting period, can exercise their vote now through the e-voting platform of NSDL. The window for e-voting is now open and the same would close at 11 A.M. Thereafter, the proceedings of the meeting shall stand concluded.

Members need to follow the instructions mentioned in the notice of the AGM and in case of any difficulties, kindly connect on the helpline numbers given therein.

The following resolutions are proposed to be passed in this meeting:

**Item No.1.:** *To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and Auditors thereon.*

**Item No.2.:** *To declare dividend of Rs. 20/- per equity share for the financial year ended March 31, 2024.*

**Item No.3.:** *To appoint a Director in place of Mr. Brijesh Kumar Agrawal (DIN: -00191760), who retires by rotation and being eligible, offers himself for re-appointment.*

**Item No. 4.:** *To re-appoint M/s B S R & Co. LLP, Chartered Accountants, (Firm Registration No: 101248W/W-100022), as Statutory Auditors of the Company.*

**Item No.5.:** *Reappointment of Mr. Dinesh Chandra Agarwal (DIN:00191800), as Managing Director and Chief Executive Officer of the Company and approval of his revised remuneration*

**Item No.6.:** *Reappointment of Mr. Brijesh Kumar Agrawal (DIN:00191760), as Whole-time Director of the Company and approval of his revised remuneration*

**Item No.7.:** *To approve related party transaction in respect to hold office or place of profit in the Company by Mr. Bharat Agarwal.*

The resolution along with the explanatory statement pertaining to the item no's 4 to 7 are provided in the AGM Notice already circulated to the members.

The Company has made available the option to raise any questions or seek clarifications using the Chat Box facility provided during the AGM to all members attending the AGM through Video Conferencing. Now I would request Mr. Jitin Diwan, to take up the questions received from the members through chat box facility.

*Thank you!*

**Jitin Diwan, Chief Financial Officer:**

*Thank You, Pallavi Ma'am.*

Good morning dear members,

We received first question from Mr. Rahul Luthra. The question is:-

**What is IndiaMART's capital allocation strategy? How do we plan to utilize the cash on our balance sheet?**

May I request Mr. Prateek to take up this question please.

**Prateek Chandra, Chief Strategy Officer:**

Yeah! Thank You Jitin!

So with respect to the question on cash as of March 31, 2024, we had Rs. 2,340 crores of cash and investments and Rs. 1,440 crores deferred revenue in our balance sheet on a consolidated basis.

In the terms of allocation strategy, our first priority is to retain cash commensurate with the size of our operations. Beyond that, we intend to:

- Either invest in mergers and acquisitions or investing in opportunities which are strategic to our business as and when any suitable opportunity arises; or
- Distribute it back to the shareholders through dividends or buyback, if we could not identify investment opportunity in a defined timeframe

If you notice, our historical dividends and buybacks have been done as part of the same framework. During the last two fiscal years, we have returned Rs. 811 crores through dividends / buybacks, including taxes thereon to the shareholders.

Further, this year, The Board of Directors have recommended a final dividend i.e. Rs. 20/- per equity share, amounting to Rs 120 Crore subject to the approval by the shareholders in the AGM. Therefore, the intent is to manage all stakeholder's interest while meeting the investment needs of the business."

*Thank You very much!*

**Jitin Diwan, Chief Financial Officer:**

*Thank You, Prateek.*

We have received the second question from Mr. Dheeraj:  
The question is:-

**What initiatives have been taken to improve buyer and supplier engagement and retention on IndiaMART platform?**

May I request Mr. Dinesh Agarwal to take up this question please.

**Dinesh Agarwal, Managing Director & CEO:**

Thank You Jitin!

“We believe that relevant enquiries and simplification are the key drivers to improve user engagement and retention.

As most of you are aware that Our platform utilizes supplier behavioural data and buyer preferences to facilitate relevant matchmaking. As more and more people use the platform, our matchmaking algorithms becomes better and therefore continuously improve on the accuracy.

In addition to this, we are working on to further ease out discovery and improving buyer experience by utilizing Artificial Intelligence, Machine Learning tools in the entire user’s journey such as:

- Improving specifications, image of the listings and their mapping under respective product categories and thereby improving product discovery
- Improving search capabilities like multilingual and vernacular languages like combination of Hindi and English like Hinglish that we use on our day to day conversations
- Search for different spelling combinations
- Decreasing the number of seller introductions for each RFQ submitted on the platform so as to manage the competition
- Integration of a WhatsApp feature, allowing buyers to send enquiries via WhatsApp and allowing sellers to be able to communicate the buyer on the whatsapp as the preferred channel as well.
- In addition to the above, we are revising entire supplier onboarding and early engagement to ease the journey as well as improving enquiry conversions leading to early customer success.”

*Thank You!*



**Jitin Diwan, Chief Financial Officer:**

*Thank You, Mr. Dinesh*

We received third question from Ms. Sonam Bhatia:

The question is:-

**How is the accounting software landscape in India shaping up and what is the growth outlook for next few years??**

May I request Mr. Brijesh Kumar Agrawal to take up this question please.

**Brijesh Kumar Agrawal, Whole-Time Director:**

*Thanks Jitin!*

So when we look at the accounting software industry it is now becoming an important part of the overall Indian Business landscape.

Specially After the implementation of GST and due to increase in the overall regulatory compliances, the accounting software is becoming an essential ingredient for micro, small medium size businesses. They need it to manage their books of accounts, E-invoicing, E-Way bill generation, GST filing, inventory management, and many such more important activities

With over 14 million GST registered businesses and this number gradually increasing, the demand for accounting software is expected to grow at a steady pace for several years to come forward.

These business owners are now increasingly displaying preference to have access to their accounting data on-the-go especially via mobile phones. This presents an opportunity for accounting software to increase penetration via product innovations.

Now to capitalize on this opportunity, we've strategically invested in the accounting software space Our acquisitions include Busy Infotech and Livekeeping Technologies, and we've also taken minority stake in Realbooks and SimplyVyapaar.

Busy Infotech specializes in on-premise accounting software which is meant for small and medium-sized businesses. Recently, Busy also launched a mobile app, and an online version, providing real-time access from anywhere with an internet connection.

Livekeeping Technologies offers a range of value-added services to Tally users both on the mobile as well as web, which also includes data entry and real-time performance analysis dashboards.



Vyapar, is a mobile-first and user-friendly accounting software designed for micro and small businesses. It has expanded its services to include a hybrid cloud solution which is accessible on desktops also.

Realbooks, on the other hand, offers multi-branch, multi-location cloud-based accounting-inventory and payroll software. And it is very well-suited for medium and large enterprises.

So with these investments, we feel we are well entrenched to make the most of this changing landscape and opportunities that are emerging in the accounting software space and we should be able to fulfil this emerging need across the entire Indian MSME sector.

**Jitin Diwan, Chief Financial Officer:**

*Thank You, Brijesh!.*

As there are few more questions being received, we would respond to the unanswered questions individually within 7 working days from this meeting. Now, I will hand over to Ms. Pallavi for further proceedings.

**Pallavi Dinodia Gupta, Chairperson of the AGM:**

*Thank You Jitin!.*

The consolidated results of the e-voting on the resolutions set forth in the AGM notice, along with the report of the Scrutinizer, shall be made available on the website of the Company and disseminated on the websites of NSDL, NSE and BSE.

Members, there being no other business to transact, I hereby conclude AGM of our Company and thank you all for your participation and dignified presence. The e-voting shall be open till 11 A.M and thereafter the proceedings of the meeting shall stand concluded.

*Thanks You!*

**Manoj Bhargava, Group General Counsel, Company Secretary & Compliance Officer:**

*Thank you very much everyone. Thank you! We can conclude this meeting now.*

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