

INDIAMART INTERMESH LIMITED

TRANSCRIPT OF 22ND ANNUAL GENERAL MEETING

TUESDAY, AUGUST 31, 2021, AT 11:00 A.M. (IST)

Manoj Bhargava, Company Secretary & Compliance Officer:

Good Morning Members!

I welcome all of you to the 22nd Annual General Meeting of IndiaMART InterMESH Limited. I hope all of you and your family members are doing fine and keeping safe in this pandemic. This meeting is being held through VC/OAVM, in compliance with the circulars issued by MCA and SEBI in this regard.

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

- The facility of participation at the AGM through VC/OAVM have been made available to the members on first come first serve basis.
- Members participating in the meeting, can ask question or clarification, if any, through chat box option, these questions may be taken up towards the end of the Meeting.
- As this meeting is held through VC/OAVM, the provisions relating to appointment of proxy is not available.
- Requisite arrangements have been made through e-voting services provided by NSDL, to enable its members to exercise their right to vote on the election of Chairman / resolutions set forth in the AGM notice.
- Mr. Shreyansh Pratap Jain, Practicing Company Secretary (Membership No. F8621 & C.P. No. 9515) has been appointed as the Scrutinizer for remote e-voting process and e-voting during the AGM.

Now, I would like you to introduce to 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 & Stakeholders Relationship Committee;
- Ms. Elizabeth Lucy Chapman, Independent Director & Chairperson of the Nomination & Remuneration Committee;
- Mr. Dhruv Prakash, Non-Executive Director;
- Mr. Rajesh Sawhney, Independent Director; and

- Mr. Prateek Chandra, CFO of the Company.

Apart from the above, we have Mr. Prince Sharma, representative of B.S.R. Co. LLP, Statutory Auditors and Mr. Devesh Vasisht, representative of Sanjay Grover & Associates, Secretarial Auditors, are also present through VC.

As there is no designated Chairman of the Board, the members present are required to elect the Chairman of AGM, from amongst the nominated Directors, through e-voting in compliance with the requirements of the circular issued by MCA.

Mr. Vivek Narayan Gour and Mr. Rajesh Sawhney are nominated, by the other Directors present, to be elected as the Chairman of the Meeting.

The instructions for election of Chairman through e-voting shall be shared on the screen, Members are requested to follow the instructions, and cast their votes. The window for e-voting on election of Chairman is open now and the same would be closed at 11:15 a.m.

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

The Company is in receipt of 1 (one) Corporate representation(s) alongwith Board Resolution, authorising the person concerned to attend and vote at the meeting, on behalf of the said entity, representing 283,902 Equity Shares constituting 0.93% of the paid-up Equity Share Capital of the Company as on the cut-off date i.e., August 24, 2021.

Now, the meeting is adjourned for enabling the members to cast their vote for the election of Chairman of this meeting and shall be resumed at 11:20 a.m.

Meeting resumes at 11:20 a.m.

Manoj Bhargava, Company Secretary & Compliance Officer:

I once again extend a warm welcome to all the members attending the meeting.

I would like to update that Ms. Kanika Kohli has also joined us from of B.S.R. Co. LLP, Statutory Auditors.

As per the poll results, Mr. Vivek Narayan Gour has been elected as Chairman of this meeting. Now, I request Chairman to preside over and carry out the proceedings of the meeting.

Vivek Sir!

Vivek Narayan Gour, Chairman of the AGM:

Thank you, Manoj.

Dear Members,

I have immense pleasure in welcoming you all to the 22nd Annual General Meeting of IndiaMART InterMESH Limited. I trust and hope that you and your families are safe and

well. I highly appreciate your taking out time today to attend this Annual General Meeting 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 this meeting to order.

During the financial year 2020-21, your Company achieved consolidated revenue from operations of Rs. 6,695 million as compared to Rs. 6,388 million last year, this resulted in a growth of 5%. The Company has recorded a consolidated EBITDA Rs. 3,282 million as compared to Rs. 1,689 million last year thereby recording a growth of 94% during the year under review. The Company has also recommended final dividend of Rs. 15 per equity share.

The year 2020-21 has been a challenging year for all of us due to Covid-19 pandemic which has ravaged lives across the globe, impacted socio-economic development and presented extraordinary challenges for the Indian economy and businesses. We adopted to the need of the hour and sharpened our focus on COVID-19-essential products to support the manufacturers on one hand and meet the growing demand for these products across the country, on the other. We quickly pivoted to COVID-19-relevant essential categories such as masks, sanitisers, hospital supply and medicines relevant on our platform for seamless discovery of supplies during the time of the crisis, for the benefit of the community at large. Additionally, we also shifted to work-from-home module, for the safety of the employees and to ensure business continuity.

Further, the Company raised Rs. 10,702 million through a successful Qualified Institutional Placement also called QIP which will be utilised for both organic and inorganic growth opportunities by investing in companies, which have synergies with our business model.

In furtherance of the above, the Company has made a few strategic investments such as 'Shipway', 'SuperProcure', 'AerChain', 'Legistify' and 'Bizom' in line with its long term vision of facilitating commerce online as well as enabling businesses by providing a wide range of SaaS-based solutions, thereby, helping us create a robust and resilient business ecosystem for our suppliers.

At last, I would like to update that IndiaMART is fully equipped to catalyse the transformation of small and medium enterprises and will continue to make 'doing business easy' by building a more sustainable and scalable business model. Further, I take this opportunity to thank you all for being our pillars of support & strength and wish for the wellbeing of all the stakeholders of the Company.

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

Notice of the AGM along with the Audited 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, 2021, 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 and reports of the Board of Directors as read.

As Auditors have not made any qualifications, observations, or comments in their Audit Report for the financial year ended March 31, 2021, I now take it 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. on August 27, 2021 to 5:00 pm on August 30, 2021 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 are eligible and 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 open now and the same would close at 12 noon. 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.

We shall now take the resolutions. The following resolutions are proposed to be passed in this meeting:

Item 1.: Consideration and Adoption of the Audited Standalone & Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and Auditors thereon.

Item 2.: Declaration of dividend of Rs. 15/- per equity share for the year ended March 31, 2021.

Item 3.: Appointment of Director in place of Mr. Dhruv Prakash (DIN: 05124958), who retires by rotation and being eligible, offers himself for re-appointment.

The Company has made available the option to raise any questions/clarifications using the Chat Box facility provided during the AGM to all members attending the AGM through Video Conferencing. Now, I request Mr. Prateek Chandra, the Chief Financial Officer of the Company to take up the questions received from our Members.

Prateek!

Prateek Chandra, Chief Financial Officer:

Thank you Vivek Sir.

So, the first question I see on my screen is from Neeraj.

The Question is you have raised Rs. 1000 crore in QIP and have currently Rs. 2365 Crores on Balance Sheet. So how do you plan to deploy this capital?

So as on 31st of March we have Rs. 2,365 crores, cash and investment in the Balance Sheet and we also have a corresponding liability of deferred revenues which essentially means the advances you would have received from the customers of Rs. 725 crores. So, if we take this out, we have roughly around Rs. 1,600 crores of free cash available with us for the

investments. As we have stated earlier, this entire cash and investments are plan to be deployed in three different uses.

The first use is the dividend distribution as in accordance with our Dividend Distribution Policy adopted by the Board which would be declared every year.

Second, is we would like to keep a reserve for our IndiaMART's Organic and Inorganic growth needs. So, we would like to maintain certain cash reserves out of this balance.

And Lastly it is to pursue inorganic as well as organic growth opportunities for which we have raised the QIP of almost Rs. 1000 crores in the month of Feb.

As we have also stated that we would pursue these opportunities essentially in the fields of B2B, SAAS, Fintech, Payments and Logistics which are synergistic places for us and so far we have made 6 different investments which are strategic minority investments as we have disclosed from time to time to Stock Exchanges. We will continue to explore such minority investments and acquisitions going forward.

Moving on to the next question from Sudhir,

What has been the impact of Covid on the Company and when do we expect recovery from the same?

So, I request our Managing Director and CEO, Mr. Dinesh Agarwal to take up this question.

Dinesh Agarwal, Managing Director and CEO:

Thank you Prateek.

As we all know, in the last financial year first quarter of the last financial year was hit badly by the lockdown and the first quarter of the current financial year was gone by was a very tough quarter on the lives of people. Despite the fact the Covid and lockdown has let to a huge adoption of the internet by buyers and we have been able to increase the buyer traffic by 30-40% last year as well as sustain the buyer traffic this particular quarter unlike the last quarter. If we look at the past year first quarter during the lockdown we had lost around 15000 customers However this quarter we have been able to reduce that losses only to 6000 customers and similar to the last year as the recovery happened over the next two quarters, we would be seeing the recovery in the customers happening over next two quarters again.

As we can see, the businesses have opened up and we are able to do the business in a better manner. I hope and I urge all of you to keep safety so that we do not fall into a third wave but giving cautiously I will say that opportunities on the internet and mobile are immense and we would likely to get benefit in the long run.

Prateek Chandra, Chief Financial Officer:

Thank you, Dinesh.

Third question I see from Vikas.

What is your view on increasing competitive intensity in your space and how do we keep edge over the competition?

I request our Whole-time Director Brijesh Agrawal to take this question.

Brijesh Agrawal, Whole-time Director:

Thanks Prateek.

As we all have seen from various researches, that the entire B2B Market is estimated to be almost 600 billion dollars plus size. Given that it's a very very large market, I think there is enough room for multiple players to come and operate here. In fact a lot of these new players that have come in are experimenting with different business models they are trying to solve the other unsolved problems like credit, like logistics for these B2B Companies. While there is no sizeable direct competition for us, we continue to build a stronger business by creating modes in the business which will help us strengthen our leadership position even further. B2B marketplaces world over have experienced very strong network effects and we have been seeing that here at Indiamart over the last 4-5 years now already. People newcomers find it very difficult to displace or overcome such network effects. We have a very strong brand in the market especially within the business community and they continue to believe that Indiamart is a destination of choice when it comes to finding a product, or a supplier or a buyer. We also have an AI driven matchmaking engine which uses proprietary data about the behaviour of the buyers and the suppliers and that is actually helping us build one of the strongest modes in our business. Apart from that, over the last decade or so the kind and variety of information that we have been able to aggregate regarding the products, their prices, their specifications regarding suppliers all of this essentially give us clear edge over any player trying to solve this problem. We also have a strong Balance Sheet with Zero debt today and therefore it also allows us to have an aggressive play when capital is the key differentiator required there. So, I think given these factors together we believe we should be able to build upon the leadership position that we have created for us in the B2B market.

Prateek Chandra, Chief Financial Officer:

Thank you Brijesh.

Next question is from Rajesh.

Is there any plans of Bonus and Share Splits?

We would like to confirm that there are no plans of bonus or share splits as of now. However, as a company we continue to explore best capital structures which may suit the company needs and in the interest of stakeholders. So as and when any decision is been taken the same will be informed to the stock exchanges and to all the investors.



With this, I don't see any other question right now Vivek sir, may be while the meeting is on till 12:00 we may receive subsequent questions but currently we don't have any other question.

Vivek Narayan Gour, Chairman of the AGM:

Thank you Prateek.

Dear Shareholders,

As there are few more questions being received, we would respond to the unanswered questions individually within 7 days from this meeting.

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 NSDL, NSE and BSE.

Members, there being no other business to transact, I hereby conclude this AGM of the Company and thank all of you for your participation and dignified presence.

Thank You.