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**July 25, 2026**

**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 ended June 30, 2026**

Dear Sir/Ma'am,

Pursuant to Regulation 30 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 Tuesday, July 21, 2026, with respect to the financial results and developments of the Company for quarter ended June 30, 2026, 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
Digitally signed by Vasudha Bagri
Date: 2026.07.25 20:13:55 +05'30'

**(Vasudha Bagri)**
**Compliance Officer**
**Membership No: A28500**

***Encl: As above.***

# Webinar Transcript

## **Event:** IndiaMART Q1 FY2027 Earnings Webinar

Event Date/Time: July 21, 2026 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 Quarter One FY '27 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 Q1 FY27 Earnings webinar. We have circulated our Earnings Presentation, which is available on our website as well as the stock exchange website. We are sure you would have gone through the same. And we would be happy to take any questions afterwards.

IndiaMART has delivered a consolidated Revenue from operations of Rs. 414 crores in Quarter 1, representing a year-on-year growth of about 11%. Consolidated Collection from customers grew to Rs. 463 crores, representing year-on-year growth of 8% in the first quarter. Consolidated deferred revenue grew to Rs. 2,014 crores, representing year-on-year growth of 16%.

In quarter one, unique business enquiries were 26 million. Our total paying supplier base was 2 lakh18 thousand at the end of the quarter 1, reflecting net decline of 1,850 suppliers during the quarter. This decrease can primarily be attributed to moderation in the gross addition as well as elevated churn at the Silver subscription tier.

Our Platinum and Gold subscribers, which contribute approximately 50% of our customer base and more than 75% of the revenue, continue to have a good upsell and retention rate.

At the platform level, we are embedding elements of trust and safety into the foundation of the marketplace. Our already existing strong seller verification through a multi-layer KYC process, TrustSEAL verification, along with the transparent supplier ratings and reviews, is now supported by seller verification feature that helps the buyers to verify sellers before making any payments.

Further, to enhance buyer confidence, we have introduced a Buyer Payment Protection Program for eligible purchases with TrustSEAL verified suppliers.

We continue accelerating our AI evolution, incorporating intelligent capabilities into our platforms. We have streamlined the discovery process by introducing standardised cataloguing, intelligent matchmaking, and content moderation. We are also operating one of the largest agentic call handling system in the country that autonomously handles over 1 lakh calls per day.

All these initiatives work together to create a seamless and efficient experience for both buyers and sellers.

Our focus remains on enabling businesses to unlock sustainable growth through technology that evolves with their needs.

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, everyone. BUSY did a billing of about Rs. 59 crores in Q1 and this represents a year-on-year growth of 10%. Revenue from operations were at Rs. 36 crores, which is about 47% growth. The Deferred revenues were about Rs. 146 crores for the quarter and this shows a growth of 44% on year-on-year basis. The Cash from operations were at about Rs. 16 crores.

During Q1, we sold approximately 12 thousand new licenses, and with this the total number of new licenses sold count has gone to 4 lakh 54 thousand.

As I've been sharing earlier, we have been investing behind improving the product, the overall user experience. In this regard, we have also gone ahead and launched a new version of BUSY called BUSY Magic, which has a completely revamped UI/UX.

We think that these investments that we are making will create a foundation for the next phase of growth for BUSY. And with this, I will hand over the call to Jitin to discuss the financials.

**Jitin Diwan:** Good evening, everyone. I'll take you through the financial performance for the quarter ended June 2026. Consolidated Collection from customers was Rs. 463 crores in the quarter, representing year-on-year growth of 8%. IndiaMART standalone Collection from customer for the quarter was Rs. 402 crores, registering year-on-year growth of 8%. Consolidated Deferred revenue stood at Rs. 2,014 crores, an increase of 16% on year-on-year basis.

Consolidated Revenue from operations was Rs. 414 crores for the quarter, registering year-on-year growth of 11%. Consolidated EBITDA was Rs. 146 crores for the quarter, representing margin of 35%. Margins continued to be elevated on account of savings arising from lower customer acquisition and operating leverage.

In Q1, consolidated Other income for the quarter stood at Rs. 107 crores. The increase was primarily due to mark-to-market gains on our treasury portfolio.

Consolidated Net profit for the year was Rs. 172 crores, and consolidated Cash generated from operations was Rs. 163 crores for the quarter. Consolidated Cash and treasury balance overall stood at Rs. 3,553 crores as on June 30, 2026.

Board of Directors has approved the creation of new subsidiary, IndiaMART Finance Limited. This entity will serve MSMEs for their short-term credit requirement.

Thank you very much. Now we are ready to take any questions.

**Question-and-Answer Session**

**Avijit Vikram:** We will now begin the Q&A session. If you wish to ask questions to the panelists, kindly raise your hand and allow camera and microphone access. Alternatively, you may type the question in 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. First question is from the line of Kunal Thanvi. Please unmute yourself and go ahead with your question.

**Kunal Thanvi:** I had two questions. One was on this finance subsidiary that we have created. Can you help us understand what is the objective of this, and what kind of business we are going to conduct in this subsidiary? Are we going to lend our own balance sheet, or it would be a partnership with someone else? If you can help us understand that.

Second is, is there any plan in terms of monetising buyers at some stage? A related question to that was, we have been seeing number of buyers on our platform going down. If you can help us understand reason for the same, and how should we read into this?

**Dinesh Chandra Agarwal:** Let me first answer the wholly owned subsidiary approval, IndiaMART Finance Limited. Our objective is to facilitate transaction financing in order to help improve the marketplace effectiveness. In that process, we have been saying that credit facilitation during the commerce, especially in the B2B commerce, remains one of the key areas where the commerce happens.

And we have been doing various smaller experiments here and there in order to do a better customer experience and do a slightly better partnership. I think we have created a company called IndiaMART Finance Limited, which will work with partnership lenders to create small products and solutions for short-term transaction financing. We do not have any plans to lend out of our own balance sheet any large amount. So it is mainly to do the partnerships and short-term financing.

Now, coming to the buyer monetisation. Buyers are currently being monetised by way of seller enquiry or seller RFQ. We have been thinking about launching a paid buyer program, which gives certain value-added services. If you go to the IndiaMART website, currently, there is some experiment going on in paid buyer program. As and when something better comes, we will let you know.

The second piece on the buyer monetisation is the buyer audience monetisation. We have various insights onto category affinity of the buyer or the turnover affinity of the buyer and all that. And we are able to experiment that with the other audience monetisation platform to be able to monetise on the third-party advertising platform through our retargeting mechanism. So those are some of the buyer monetisation programs that we are having. We are not directly involved in buyer transaction-based monetisation.

In terms of buyer enquiry, I think they are typically flattish and plus minus 1% here and there. By and large, they're typically been flattish at unique business enquiries of 26-27 million.

**Moderator:** Next question is from the line of Abhishek Banerjee. Please unmute yourself and go ahead with the question.

**Abhishek Banerjee:** Couple of questions from my side. On this lending platform, right, what kind of financing will this be? Will it be invoice discounting or will it be just working capital finance? Also, Dinesh mentioned something about how you have been running some experiments on it. If you could give us some more colour on that, as in what are the learnings, etc., what is exciting for you. That would be really helpful. Also wanted to understand, this quarter, the growth in collections in BUSY has been slightly lower than the trend growth rates. Any particular reason for that? If you could, maybe just share these two things.

**Dinesh Chandra Agarwal:** Until now, we have only mostly experimented with trying to give any lending leads that came to us to the various financial institutions, to see if they can mature those leads for further financing them, either as a buyer or as a seller. However, in today's scenario of the digital world, I think turnaround time, etc., has become quite fast as against if you are doing the lead transfer. So in lead transfer mechanism, one of the learning is that today's acceptable turnaround times are minutes and hours rather than days of the yesterday world.

And that is why we needed a particular LSP subsidiary. We said that, Okay, we will do. In terms of products, I think mostly, as I said, they will be around helping buyer and seller to strengthen the marketplace for the short-term transaction financing. I do not understand whether it will be the invoice discounting or reverse invoice discounting, but somewhere near that. I hope that gives some clarity. As and when we will do more experiments, we will keep coming back to you every quarter.

**Brijesh Kumar Agrawal:** On BUSY, so if you were to look at the Q1 of last year, we actually had about Rs. 10 crores coming in because of one-time winbacks that we had introduced in that particular quarter. In fact, the growth in Q1 of FY26, that growth rate was also significantly higher than the normal. And therefore, if we were to remove that one-time Rs. 10 crores growth advantage that we got in that quarter, we would still be growing on a normalised basis at about 30 odd percent. So that's the reason why you see 10% growth in billing. But in terms of deferred revenues, in terms of the revenues recognised, the growth seems on a more normalised level of 30% to 40%.

**Abhishek Banerjee:** Understood. Just one last thing again. On the number of buyers on the platform. Is there any way that you have been considering in kind of boosting that up? We have been talking about making more marketing expenses, but that hasn't really fructified in increasing buyer count, or your lead business enquiries for that matter. And do you kind of correlate this in any way with improving quality of enquiries or quality of buyers on the platform? If you could give some colour on that that would be helpful.

**Dinesh Chandra Agarwal:** So we did cut down on some of the non-quality buyers that I have highlighted some 4-5 quarters earlier. But you are right that in the last 3 quarters or so, as we are spending Rs. 7 - 8 crore per quarter on the advertising, that primarily has shifted the buyer base from whatever organic decline that we had. We have shifted the buyer base to the more higher ARPU buyers. I mean, the categories where we are able to monetise. Because we do not advertise across the category or across the geography. We advertise specifically in those top 10% categories where exactly we know how to monetise that buyer better. So while on an overall number, you are seeing that the overall number of buyers are stagnating, but we are filling only those buyers where we have a very strong monetisation from the seller side.

So if I look at internal metrics where I look at the more monetizable buyer versus the less monetizable buyer, I think we are happy with the monetizable buyer growth. On the overall decline of the buyer, because currently we are experimenting more with Google, and since our primarily source of new buyer acquisition was Google, so there is some kind of a cannibalisation. As we expand our advertising to Facebook or Meta, Instagram or YouTube, I think we will be able to get additional set of buyers currently, because the problem was that in the Google, there are a lot of blocks of non-links were coming. Non-links means the popular products, Q&A, sponsored link, those kind of things were coming.

So I think despite the fact that we are first or second organic result, but on a mobile device, you are probably not visible in the first fold itself. So current endeavour was to experiment and remain at the top of the screen. So that's where we are. I think as we scale up, you will see increase in the unique business enquiries.

**Moderator:** Next question is from the line of Pratik Kothari. Please unmute yourself and go ahead with your question.

**Pratik Kothari:** Good evening. One question. Last quarter or past, we have spoken about now shifting our focus more towards quality of buyers or the trust that the platform can provide. If we just talk about how is that endeavour going?

**Dinesh Chandra Agarwal:** I think I highlighted already in my opening. Maybe you missed, I'll just repeat that. So earlier on the trust piece, we used to have a verified seller. On the verified seller, buyer was only required to do a phone number-based identification. Now we are slowly moving to 100% OTP verification for the buyers also, because I also highlighted the benefit of moving that there, because currently there is too much of AI-based agent parsing going on.

And if I move that without behind the login, I am able to save some of my unnecessary parsing that is happening. Secondly, we are now deploying from phone number and GST to further identity verification of the buyer. And there are APIs and there are self-declared buyer things. Third, currently there are many times when IndiaMART introduces a buyer to a multiple supplier. While buyer has selected only initial one or two suppliers on the platform, the other one or two got introduced to him, because of IndiaMART. Then buyer wants to see the detailed profile of the seller. So we have launched know your seller or seller verification page where they can put any particular number or a GST number or an email ID, and it will display the seller trust profile.

Another thing that we are trying now is the payment protection program. So that currently when you are receiving a QR code or a NEFT/RTGS instruction on the WhatsApp, because the seller's employee might have sent it to you or somebody might have sent it to you. You want to re-verify that into the verified account. So for every seller who is a IndiaMART TrustSEAL seller or IndiaMART paid seller, we are also verifying their bank accounts now, so that while making the payment, you can actually do the verified transfer only.

Apart from all of this, we are also offering now for all the TrustSEAL buyers, I mean, the buyers of all the TrustSEAL sellers with the payment assurance of up to Rs. 5 lakh. So these are some of the things that we are improving to improve the trusted ecosystem on IndiaMART.

**Pratik Kothari:** Second one, I mean, so currently we're not adding gross paid suppliers because, I mean, we intend to kind of solve for this leaky bucket, if that's the word I'm using. When do we kind of accept maybe that this is structurally how the profile has changed and this higher churn stays, and then we now start focusing on adding gross customers? I mean, we might have to just add more gross customers because the leakage might be higher or the churn might be higher or do we think this is a solvable problem for now?

**Dinesh Chandra Agarwal:** I mean, I can't really answer that for sure because we are trying various methods and various ways. You never know which one helps fix the real leakage. Because earlier the complaint was that the quality of enquiry or the quality of conversion was not good enough, and we fixed that, actually. We fixed that, and we came back to you, and we showed that. And even when we do seller surveys, sellers are very happy with the quality of enquiry and all that. Now there is a shortage of enquiry. This is something that we have started to face recently only, because the quality of enquiry is too good. Now there are shortage of buy leads or shortage of enquiry. Now for the shortage of enquiry, we are trying to work on the repeat buyer framework or new buyer acquisition framework.

On the other hand also, Google is also a little bit under pressure from ChatGPT and others. So effectively, we are trying to manage two, three things. As we do multiple experiments, we will come to know which one helps us either increase the buyer big time or buyer repeat big time. In the meantime, I think, as I said, our gold and platinum seller bucket, which is about 50% of the customers, they are very happy, and they continue to upgrade while we continue to see the areas where we are leaving the money on the table. So there are a lot of areas where category-based pricing is required, and we touched a little bit on your three tier pricing system for the category.

Within the platinum, how to charge according to the return on investment based upon the value of the product or based upon the number of buyers in every product. Having said that, we can keep trying. When does it start to result into a net growth? That, only time can tell.

**Pratik Kothari:** My actual question was, net growth is a function of gross minus churn, right? So while we are solving for the churn, we have let go of gross say over the last two, three years until we solve for the churn. My question was, do we at some point accept that while we have tried different things, the churn, maybe this is a structural way this churn stays, and then we just add more gross, which solves for the net addition also?

**Dinesh Chandra Agarwal:** That will happen only for 2-3 quarters. I mean, if I go and acquire larger, and you might have seen that happening with many other subscription players. So, I mean, I can go one more round, more Tier 2, more Tier 3, or more weekly, monthly kind of a payment system, but that will come back again with that. Once we get the product-market fit right, we will know internally that, okay, the customers are renewing. Because if the customers are not renewing, acquiring same customer with double the intensity will make the CAC go higher and the LTV go lower. The CAC LTV will never work on that piece.

So we have to be cognisant of the fact that there's no point acquiring a very low-end customer. So we have to fix that before pressing pedal on the growth.

**Moderator:** Next question is from the line of Vivekanand. Please unmute yourself and go ahead with the question.

**Vivekanand:** Thanks for the opportunity. Two questions. So, number one is, for curbing churn, you decided to change the, let's say, model of customer acquisition, focusing on certain areas, you increased prices, you also introduced more checks and balances at an early stage. Now I'm just trying to understand this better. In terms of the initiatives that you're taking to curb churn and improve the quality of the new gross adds, what else are you doing which could perhaps yield better results in the next 6 to 12 months? That is my first question.

The second one is, now that there is a considerable amount of traffic that is moving to the LLMs and not to search engines, how do you ensure that the LLMs are also looking at the results that are there on the platform in the same light as perhaps Google does with SEO? Are there any initiatives that you have taken that help LLMs surface your platform's results on top so that whenever anyone asks questions on the LLMs regarding any product that where IndiaMART has very good quality suppliers, the LLM surfaces your link instead of just giving an answer?

**Dinesh Chandra Agarwal:** On the initiatives, one initiative is that have a better quality of supplier. The second initiative is do a better curation and cataloguing and digitisation and category mapping and better specifications on the marketplace. Number third initiative was that have only better quality of buyers. Better quality means better quality of the enquiry fill rate, so that enquiry have quantities and specification and things built up. Fourth initiative is which we are trying through the financial service also to build the credit into transaction so that if there is conversion not happening because of the transaction, because many of the B2B transactions do require credit to happen. And credit also brings some transaction visibility and some certainty to the deliveries perspective. So these are some of the things that we are trying other than basic sales process modification.

Now coming to the bigger question, which everybody in the world is asking, whether these LLMs will become the search engine or these LLMs will eat the search engine and the internet will become private. And also that question is difficult, because one thing is for sure that LLMs would try to answer as much of the things at their own rather than transferring the control back, because nowadays there is hardly anything which is hidden from the copyright, I mean, protected by the copyright, because you could read the entire content and answer it in your own words. Now it is a two-way sword, because if I stop completely my content from the LLM, then I risk the complete omission from that LLM, which gives me a few links here and there. And if I expose the entire data, they will probably read everything and give you very little in return.

And if you go and read about this on Internet, there's a huge debate that is going on in the past 6 months or so, whereas Google was more of a give and take economy, where you gave the content, Google gave you back the links. They consume all the information that is available, and they try to retain a lot of traffic with themselves, and which to some extent works well with the users as well. So it has to be seen, because if that is the case, then entire Internet business models will have to be reversed. It will have to go back more private.

So, I can't comment on that, what would be the final destination of this particular debate. My hope is that over the time, there's a hybrid of a Google or a Gemini that will emerge over a period of time.

**Vivekanand:** That's very interesting. Thanks, Dinesh, for sharing this. Are there any regulatory guardrails in India that will prevent this from happening, where let's say, we then are at the mercy of these walled gardens, as you call it, the LLMs? Are there any guardrails which will perhaps come in play later on, or are there any discussions with the government where something like this could be introduced?

**Dinesh Chandra Agarwal:** It may not be right for me to answer that. That would be personally my opinion. I would suggest that you read about this topic on the net or ask the LLM themselves.

**Moderator:** Next question is from the line of Samarth Patel. Please unmute yourself and go ahead with the question.

**Samarth Patel:** Thanks for providing me the opportunity. I had a couple of questions. First one is, last quarter you mentioned that silver monthly churn was about 7%. Any update on silver churn number as of now? And also you had talked about initiatives which we were taking in terms of GST verification, bank account verification, and some sort of a turnover-based qualification. Any of these initiatives has improved the retention metric?

Apart from that, is there churn which is spreading over to the older cohorts and not contained to, let's say, first 12-month cohort? So any cohort-wise flavour in terms of silver churn that you can provide would be really helpful.

**Dinesh Chandra Agarwal:** So, two parts to the answer. One is, have we started doing more segmented verification and targeting? Yes. Will it result into any churn quickly or churn containment quickly? No, because it will take some amount of time. We are not completely closing a particular segment and moving to 100% because we have to migrate slowly and slowly. Whatever will happen will probably be visible after a year or so.

From that 7% silver monthly, I think nothing has changed, and that's why we are continuing to be negative or flattish total number of customers. Yes, the interesting part is the first 12 months is the biggest issue. Even in the silver tier, we see the renewal and retention rate improve double from the second year onwards. Most of the churn or retention problem is limited to the first-year onboarding itself. Thank you for highlighting that and asking that question. What else?

**Samarth Patel:** Question on GST verification?

**Dinesh Chandra Agarwal:** GST and bank account, I just told you. With GST verification, we were already doing. We are slowly and slowly moving towards a GST verification, where IndiaMART becomes 100% GST-verified marketplace. Bank account verification is the new thing that we have started. I am sure in times to come, we will try to become a higher portion of the bank account verification as well. Now that we have almost 99% email ID, 99% phone verified, 99% GST verified, at least in the paid customer base.

In the free customer base, 100% is email and phone verified, but GST verified is about 50-odd%. So we are moving towards 80%, 90% on that direction. Bank account verified, we will start today, and I am sure in the next year or so, we will cross 50% plus on the bank account. And in the two years' timeframe, we will cross 80% verification on that. The bigger question is how do we start to do buyer verification?

Because on the buyer side, we used to only ask phone number. And now I think it is important that business buyer verification. Currently, out of the 40-odd million total active buyers that we have, about 10 million only have the GST or verified business buyer. Can I increase that number to a substantial number? I think that side is still pending.

**Samarth Patel:** Understood, sir. That was really helpful. Just pressing upon the buyer side now. The unique business enquiry sort of declined 11%, and as you mentioned, active buyers were also down by 5%. Now, if I remember correctly, you mentioned in the last quarter that we already started doing this buyer side OTP verification for filtering the bot traffic, etc. So the decline that we are seeing, how much of that is because of the verification, and how much of that is the traffic migration, any quantification that you can provide?

**Dinesh Chandra Agarwal:** Very difficult. Out of the 26 million unique business enquiries, 26-27 million, very difficult to really judge. There is definitely about 4-5% decline has happened because of the OTP verification, etc. But rest of that, whether it is to do with our own change or whether it is to do with traffic migrating to LLM, or whether it is to do with the war and U.S. tension, I can't really tell.

**Avijit Vikram:** We can probably take a question from the chat box. Anirudh Shetty has posted questions on the chat box. First question is, why introduce buyer monetisation now when at present buyer enquiries growth is weak? Wanted to understand timing. Is it possible to track buyer leads coming from LLM searches? The third is, given our large cash balance, any plans to increase the stake in existing companies or take new positions?

**Dinesh Chandra Agarwal:** We are not introducing paid buyer program as if there's anything going to be restricted on the free tier. Paid buyer program would probably have some additional features, maybe procurement tool or anything. One, there's no monetisation which is restricting the existing buyers to access IndiaMART. Buyer access to IndiaMART remains completely free. But even then, there are buyers who are willing to pay for value-added services. So it is the voluntary buyer program, just like you see in the many other programs.

The second part that you asked is the LLM-related traffic attribution. It is early days. I think different analytics software and different webmaster tools have started to build some sense. Google alone has started to build some sense. I think it will take about a year or so until the winner-takes-all happens or the 2-3 big winners happen. It is difficult for the analytics tools or traffic analytics tools or webmaster tools to be able to classify which traffic is what. That's exactly what I said about a year ago when we stopped reporting traffic, because there's agent traffic, there's bot traffic, there's LLM traffic, and it is difficult for people to recognise. I think it will take some time.

Regarding the cash balance, we continue to do follow-on investments. I think Prateek can tell which are the last few couple of follow-on investments that we have done. We continue to evaluate any new interesting opportunities. In case they will come, we will definitely look at them. Last follow-on investments on the timeline, I think, Prateek, you can highlight.

**Prateek Chandra:** So out of the total investments that we have done, we have had follow-on investments in Bizom, in Fleetx, in SuperProcure, in Aerchain. So they are, let's say, the couple of companies wherein we had made the follow-on investments. These investments are essentially more driven by the working capital or growth needs of these investee companies.

So as and when any kind of an opportunity emerges, then at that point of time, we evaluate them and basis the merit, we take the decision whether to participate in that follow-on round or not in the follow-on round. As and when some follow-on happens, we will be kind of intimating it to the exchanges then.

**Dinesh Chandra Agarwal:** Some of the interesting ones, I think Fleetx, we started at 16-17%. Now we are already at 22%. Bizom, we started at 10% and now we are at 32%. Similarly, SuperProcure also. So I think many companies we have. And last new company was IDfy where we started. That was about one and a half years ago. M1xchange, I think has done pretty well. But M1xchange, there has not been any follow-on.

**Brijesh Kumar Agrawal:** No. We have a limit of 10%.

**Prateek Chandra:** We have a limit of 10%. We made it back to 10%.

**Moderator:** Next question is from the line of Aman Thadani. Please unmute yourself and go ahead with your question.

**Aman Thadani:** Thanks for the opportunity. I have a few questions pertaining to BUSY. The first is, over the last three years, we have seen a very good revenue growth, approximately 28% compounded and now that is ex of accounting change. That growth is despite a 10% growth in license year-on-year, which sort of implies a very good revenue per license expansion. Just wanting to understand that what has led to this meaningful growth in revenue per license, and standing today, sort of what trajectory or sustainable trajectory can we look at for the license growth and ARPU growth in BUSY over the next five years?

**Brijesh Kumar Agrawal:** So when we look at the overall breakup of the growth, which is that 28% CAGR growth that you see, one obviously is led by the sales of these licenses. Second is increase in the prices of the products. Third is improvement in the overall ratio of customers which are renewing year-on-year. And fourth component, what portion of these customers are taking on add-on products like the mobile app available inside of BUSY. So when you look at this growth, it is a function of these four things. And our sense is that over the next couple of years, we will continue to maintain or improve the overall CAGR growth that we've had. That is what is visible.

When you look at a five-year duration, I can say what is it that we would want to do more than what is it that we can go back and predict from today. We would want this business to become at least a 35-40% CAGR business year-on-year. That would be work in progress. But over the next couple of years, I think we can definitely expect us to be closer to anything between, let's say 27-30% CAGR growth rate, that we've seen over the last four years.

**Aman Thadani:** Got it. The license have grown at 10% a year over the last 3-4 years, but the revenue has really expanded. So going ahead, is there still meaningful scope to expand revenue per license? And should we assume that the license would stay at 10% growth over the next 3-4 years? Is that the right way to think about it?

**Brijesh Kumar Agrawal:** So we are trying to accelerate the growth in the sales of these newer licenses, and we are actually migrating from more like licensing to a subscription. That journey has already started for us. So ideally, we would want to see a higher growth rate of about 15-20% in the licenses in the immediate year or two. When it comes to, whether there is a headroom for better realisation from the existing customers, if you look at the value that a BUSY customer derives out of a current subscription versus the price that they go back and pay currently, there is substantial value which is still left on the table. And I think, while this is a slower process for customers to accept higher payments, but it is going to happen, because the value that customers are getting is substantially or disproportionately higher than what they really pay for.

What is also going to happen is that each of these customers would want to use their softwares on different platforms. So currently, let's say, BUSY is available on desktop, and then it is available on mobile app. But with the growing requirement for customers to use it on the cloud, while they are elsewhere using a browser also. So there's a third platform, which is what we are preparing a product that will address that. So one single product which will be accessible on desktop, cloud, as well as on mobile phone. That should also allow us to have a better ARPU coming in from these customers.

So again, as I said, it's a combination of price increases as well as the overall, let's say, value-added services that these customers start to subscribe for. So these two things put together will give us the ammunition to continue to have better ARPU realisations from these customers. And that is something which will happen over the next 3 to 5 years continuously. It's not just a very short term exercise.

**Aman Thadani:** My second question is on the investment piece. Since we have a very good track record in making strategic investments. So just wanted to understand from you that, is there a rough target maybe in rupees crores on maybe how much we would want to invest in, let's say, taking a meaningful stake in existing investments or maybe making new investments over the next three years?

**Dinesh Chandra Agarwal:** Most of these investments were done in 2021 and 2022 time frame. Not that we have not done any new investment. We have done a couple, but that was our first wave of understanding. Because if we go to our strategy slide, we said that we set out in 2020 around the IPO time, just after the IPO time, that now we have crossed the IPO as a journey. So how is the next couple of years looking like? So from discovery, we said that, okay, accounting and invoicing was one area that we wanted to focus on inventory management. So on that side, I think we have made significant progress there. We did four investments in the accounting side. We started with Vyapar. We were already evaluating M&A of another accounting software. So we went to and acquired BUSY completely for Rs. 500 Cr.

We also saw that while Vyapar and BUSY are very different kind of a company, and Vyapar is a very different kind of a company. We also found Realbooks, which is specifically doing business on the cloud side. But Tally remains the market leader with more than 60-70% market share. And we found that there is a good tool on top of Tally which can do a cloud and mobile version of the Tally. So we acquired a company called Livekeeping.

Overall, to some extent even the EasyEcom is also having a accounting transaction thing. So about 4 to 5 companies we started investing, incubating, and today you see each one of these have done well like Vyapar has done well. Our thesis has turned out to be right.

When we looked at distribution management system and some of the enterprise software. Then if I look at the SuperProcure plus Fleetx, that as a combination has turned out very well. Even Bizom has turned out very well. Airchain is now opening up. So there are certain set of companies that is now giving us some confidence that, okay, we will double down on some.

But over the time, there are not too many companies where you can go and invest them. Because we don't want to become a venture investing firm which is investing in hundreds of companies. We want to invest in companies where we have conviction and where we feel that either we can help them or they can help IndiaMART. It is not only the mere capital allocation basic strategy. So as and when we find something very, very good, we will do. But as of now, we don't want to become too many strategic investments there.

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

**Shivam Gupta:** Good evening. I have a couple of questions. First up, since we have this behaviour on the platform where traffic metrics and buyer and enquiry metrics are maybe having some headwinds for proper interpretation. Would it be, would we not like introduce a metric which is more around the quality with which the buyers are experiencing it to just give a better understanding?

For example, if let's say, of the number of queries that are coming in, how many are actually getting fulfilled or something like that, so that we can get a proper picture of the relevance and engagement holding up. Because otherwise, these declining numbers are getting these questions, which I think is just a question cum suggestion. That was my first one. I don't know if you want to respond to that.

**Dinesh Chandra Agarwal:** One number that we typically give is the repeat rate. So if you see 90-day repeat, that number is 58-59% as of now. And over the years, that number has moved from 50-51% to 58-59%. So that is one number.

Because of the fulfilment feedback, as we ourselves keep saying, that the fulfilment feedback itself is a survey number. And the survey number is not something that we can legally audit and be very upfront about it. I can tell you survey numbers time-to-time. We get about 2% buyers to respond back to us on the survey, whether they ended up buying through IndiaMART. Almost 40% of them, 40-45% of them say that, okay, we ended up procuring through IndiaMART. But is that number something legally can be held? Because it's just a purely a survey number. So that's why we do not report it as a quarterly thing. But I think I have told this number on the con call multiple times.

**Shivam Gupta:** Helpful. Maybe, moving to my second question, which was around the general conversation around AI and LLMs and everything. Just two-parter to that. Heartening to see that like you're running the largest AI-driven call centre and all. Maybe if you can give a few examples. Since the time that you started the whole program around AI, and when the tech started being used, what are the big windfall gains that the platform has realised? A couple of them as an example would help. And obviously, in the context of getting obtaining this churn problem would be helpful.

And the two-parter to that is, the second part to that is, well I fully, I think I acknowledge the double-edge sword framing of the LLMs. But just a question that even in the era of Google's and Meta's and these walled gardens, the Web 2.0 ones, the individual high quality data stores still held immense value, and they held that value for as many decades as we know. Why would that same paradigm be unlikely in an LLM case? And the simple question there is that if left to themselves, they can hallucinate still.

And even with, let's say hypothetically, our entire data store is available to them, they may still hallucinate on top of that. And coming to a real business enquiry kind of a customer putting, let's say, real money behind those kind of results, would we not again go back to a state where maybe it will be much more helpful for them to be querying high quality data stores, like let's say in IndiaMART in this case, through some kind of an MCP rather than trying to just strip off all the data and respond on their own. Thank you.

**Dinesh Chandra Agarwal:** So Shivam, on the second part of your question, I can't officially answer that from this stage, whether data should be, what can happen, what might happen, what should happen.

On the first part of the question, where do we feel the windfall gains from the AI can come? So one, obviously, we have seen after many, many years, the voice generation has crossed the ability of almost getting your work done. You can almost feel like you're talking to a human. It won't feel robotic. I mean if you just come to proving it, whether it is robotic or not, you can. But your work would be done. So that's where I think and we had one use case, which was very transactional, highly repeatable, and very high value for money, which was the buyer call centre.

We used to get or do almost 80 thousand calls a day through our manual call centre used to handle. And we quickly upgraded that to the AI voice call centre. Initially, it did gain us in the price, because initially we were talking less. But now that we found the voice to be so good, that we started to do buyer verification, buyer intent understanding. So we may or may not gain much on the cost side, but I think in terms of the buyer experience and in terms of the domain knowledge, we are able to do a good job there.

And today, I think we are one of the top companies which are using that. Another thing is in the content aggregation and audit. I think content aggregation and audit, I mean, AI can do 10x better job and 10x faster than whatever human BPO or any parser or anything could have done. So now with today's AI, in the audit and content aggregation, I think we are able to do a lot of work. But it is only the beginning of the value creation, because most of the value would accrue towards the end of next year or something like that.

The third part is security and/or trust building, because currently it is a user declared ID-based trust. But I think there is a social trust that we can do because of the content aggregation. So I think in that area again, there could be multiple gains that can come. So these are some of the low-hanging, high value fruit.

Otherwise, when you look at the more reasoned-out examples, like for example, handling complex CRM ticket solution or handling complex procurement solutions. So I think those are the more complex solution. I think it will take years for people to build around that and build the use cases, because the technology has taken a complete leap or an orbital change over the last two, three years. Whether it is voice, whether it is text, or whether it is video, all of it has taken an orbital change.

**Moderator:** This was the last question for the day. I will now hand over the call to Dinesh Agarwal for his concluding remarks. Over to you.

**Dinesh Chandra Agarwal:** Thank you, ladies and gentlemen, for joining our Q1 FY27 conference call. We have tried to address your queries in the time available. If you still have any questions, please feel free to connect with our Investor Relations team. Thank you, and good evening. Thank you.

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

Notes:
1. This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings
2. 