

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditor's Report

To the Board of Directors of IndiaMART InterMESH Limited

### Report on the Audit of the Condensed Consolidated Interim Financial Statements

#### Opinion

We have audited the condensed consolidated interim financial statements of IndiaMART InterMESH Limited (hereinafter referred to as the 'Holding Company) and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the condensed consolidated interim Balance Sheet as at 30 June 2023, and the condensed consolidated interim statement of Profit and Loss (including other comprehensive income), condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the quarter then ended, and notes to the condensed consolidated interim financial statements, including material accounting policy information (hereinafter referred to as "the condensed consolidated interim financial statements") and other explanatory information as required by Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" and other accounting principles generally accepted in India.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on condensed separate interim financial statements of such subsidiaries and unaudited condensed interim financial information of associates furnished to us by the management, the aforesaid condensed consolidated interim financial statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the interim consolidated state of affairs of the Group, and its associates as at 30 June 2023, of interim consolidated profit and interim other comprehensive loss, interim consolidated changes in equity and its interim consolidated cash flows for the quarter ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Condensed Consolidated Interim Financial Statements* section of our report. We are independent of the Group, and its associates in accordance with the ethical requirements that are relevant to our audit of the condensed consolidated interim financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of other auditors referred to in paragraph 1(a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the condensed consolidated interim financial statements.

#### Management's and Board of Directors' Responsibilities for the Condensed Consolidated Interim Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements that give a true and fair view of the





consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with Ind AS 34 prescribed under section 133 of the Act and other accounting principles generally accepted in India. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the condensed consolidated interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the condensed consolidated interim financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the condensed consolidated interim financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of each company.

#### **Auditor's Responsibilities for the Audit of the Condensed Consolidated Interim Financial Statements**

Our objectives are to obtain reasonable assurance about whether the condensed consolidated interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed consolidated interim financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the condensed consolidated interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on whether the company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.





- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of condensed consolidated interim financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed consolidated interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the condensed consolidated interim financial statements, including the disclosures, and whether the condensed consolidated interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the condensed consolidated interim financial statements of such entities or business activities within the Group and its associates to express an opinion on the condensed consolidated interim financial statements. We are responsible for the direction, supervision and performance of the audit of condensed consolidated interim financial statements of such entity included in the condensed consolidated interim financial statements of which we are the independent auditors. For the other entities included in the condensed consolidated interim financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para 1(a) of the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Holding Company and such other entity included in the condensed consolidated interim financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matters**

1. (a) We did not audit the condensed consolidated interim financial statements of five subsidiaries, whose condensed interim financial statements reflect total assets (before consolidation adjustments) of INR 1,902.85 Million as at 30 June 2023, total revenues (before consolidation adjustments) of INR 12.33 Million and net cash inflows (before consolidation adjustments) amounting to INR 2.97 Million for the quarter then ended, as considered in the condensed consolidated interim financial statements. These condensed interim financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the condensed consolidated interim financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.
- (b) The condensed consolidated interim financial statements also include the Group's share of net loss (and other comprehensive income) of INR 106.22 Million for the quarter ended 30 June 2023, as considered in the condensed consolidated interim financial statements, in respect of eight associates, whose condensed interim financial information have not been audited by us or by other auditors. These unaudited condensed interim financial information have been furnished to us by the Management and our opinion on the condensed consolidated interim financial statements, in so far



**B S R & Co. LLP**

as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited condensed interim financial information. In our opinion and according to the information and explanations given to us by the Management, these condensed interim financial information are not material to the Group.

Our opinion on the condensed consolidated interim financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the condensed interim financial information certified by the Management.

For **B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm registration No: 101248W/W-100022

*Kanika*

**Kanika Kohli**

*Partner*

Membership No:511565

ICAI UDIN: 23511565BGYGHV2568

Place: Noida

Date: 20 July 2023

IndiaMART InterMESH Limited  
Condensed Consolidated Interim Balance Sheet as at 30 June 2023  
(Amounts in INR million, unless otherwise stated)

	Notes	As at 30 June 2023	As at 31 March 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5A	136.78	128.31
Capital work in progress	5A	1.77	1.77
Right-of-use assets	5B	398.62	412.62
Goodwill	6A	4,542.72	4,542.72
Other intangible assets	6B	419.25	447.43
Investment in associates	7	2,764.38	2,751.48
<b>Financial assets</b>			
(i) Investments	8	2,395.52	2,365.52
(ii) Loans	8	1.55	0.84
(iii) Other financial assets	8	43.93	40.73
Deferred tax assets (net)	28	10.41	21.75
Non-current tax assets (net)	18	87.67	84.26
Other non-current assets	9	18.17	15.21
<b>Total Non-current assets</b>		<b>10,820.77</b>	<b>10,812.64</b>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Investments	8	23,381.40	22,718.33
(ii) Trade receivables	10	58.65	70.55
(iii) Cash and cash equivalents	11	331.67	581.06
(iv) Bank balances other than (iii) above	11	9.99	1.69
(v) Loans	8	218.83	56.48
(vi) Other financial assets	8	117.79	149.62
Other current assets	9	53.99	55.93
<b>Total current assets</b>		<b>24,172.32</b>	<b>23,633.66</b>
<b>Total Assets</b>		<b>34,993.09</b>	<b>34,446.30</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	12	611.58	305.79
Other equity	13	20,258.19	20,279.13
<b>Total Equity</b>		<b>20,869.77</b>	<b>20,584.92</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	15 (a)	330.29	340.28
(ii) Other financial liabilities	15 (b)	366.76	355.68
Contract liabilities	17	4,555.45	4,205.57
Provisions	16	205.57	196.40
Deferred tax liabilities (net)	28	301.07	202.86
<b>Total Non-current liabilities</b>		<b>5,759.14</b>	<b>5,300.79</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	15 (a)	114.97	118.80
(ii) Trade payables	14		
(a) total outstanding dues of micro enterprises and small enterprises		0.74	1.07
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		262.46	271.11
(iii) Other financial liabilities	15 (b)	201.63	270.61
Contract liabilities	17	7,461.69	7,419.06
Other current liabilities	17	195.71	367.09
Provisions	16	85.16	77.02
Current tax liabilities (net)	18	41.82	35.83
<b>Total Current liabilities</b>		<b>8,364.18</b>	<b>8,560.59</b>
<b>Total Liabilities</b>		<b>14,123.32</b>	<b>13,861.38</b>
<b>Total Equity and Liabilities</b>		<b>34,993.09</b>	<b>34,446.30</b>
Summary of material accounting policies	2		

The accompanying notes are an integral part of the condensed consolidated interim financial statements

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 101248W/W-100022

*Kanika*  
Kanika Kohli  
Partner  
Membership No.: 511565  
Place: Noida

Date: 20 July 2023

For and on behalf of the Board of Directors of  
IndiaMART InterMESH Limited

*Degand*  
Dinesh Chandra Agarwal  
(Managing Director and CEO)  
DIN: 00191860

*Prateek Chandra*  
Prateek Chandra  
(Chief Financial Officer)

*Agrawal*  
Brijesh Kumar Agrawal  
(Whole-time director)  
DIN: 00191760

*Manoj Bhargava*  
Manoj Bhargava  
(Company Secretary)

Place: Noida  
Date: 20 July 2023





IndiaMART InterMESH Limited  
Condensed Consolidated Interim Statement of Profit and Loss for the period ended 30 June 2023  
(Amounts in INR million, unless otherwise stated)

	Notes	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
<b>Income:</b>			
Revenue from operations	19	2,821.21	2,245.81
Other income	20	571.38	10.03
<b>Total income</b>		<b>3,392.59</b>	<b>2,255.84</b>
<b>Expenses:</b>			
Purchase of stock in trade	21	-	1.55
Changes in inventories of Stock-in -Trade	22	-	(0.18)
Employee benefits expense	23	1,242.67	925.27
Finance costs	24	21.91	12.32
Depreciation and amortisation expense	25	74.65	63.12
Other expenses	26	804.95	677.10
<b>Total expenses</b>		<b>2,144.18</b>	<b>1,679.18</b>
<b>Net profit before share of loss in associates, exceptional items and tax</b>		<b>1,248.41</b>	<b>576.66</b>
Share in net loss of associates		(106.22)	(69.66)
<b>Profit before exceptional items and tax</b>		<b>1,142.19</b>	<b>507.00</b>
<b>Exceptional items</b>			
Impairment of investment	7	(18.23)	-
<b>Profit before tax</b>		<b>1,123.96</b>	<b>507.00</b>
<b>Income tax expense</b>			
Current tax	28	182.69	215.33
Deferred tax	28	109.80	(175.32)
<b>Total tax expense</b>		<b>292.49</b>	<b>40.01</b>
<b>Net profit for the period</b>		<b>831.47</b>	<b>466.99</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gain/(loss) on defined benefit plans		(1.03)	3.88
Income tax effect		0.26	(0.98)
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>(0.77)</b>	<b>2.90</b>
<b>Total comprehensive income for the period</b>		<b>830.70</b>	<b>469.89</b>
<b>Earnings per equity share:</b>			
Basic earnings per equity share (INR) - face value of INR 10 each	27	13.60	7.64
Diluted earnings per equity share (INR) - face value of INR 10 each		13.57	7.60
Summary of material accounting policies	2		

The accompanying notes are an integral part of the condensed consolidated interim financial statements

As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 101248W/W-100022

*Kanika*

Kanika Kohli  
Partner  
Membership No.: 511565  
Place: Noida

Date: 20 July 2023

For and on behalf of the Board of Directors of  
IndiaMART InterMESH Limited

*Degand*

Diresh Chandra Agarwal  
(Managing Director and CEO)  
DIN:00191800

*Agrawal*  
Brijesh Kumar Agrawal  
(Whole-time director)  
DIN:00191760

*Prateek Chandra*

Prateek Chandra  
(Chief Financial Officer)

*Manoj Bhargava*

Manoj Bhargava  
(Company Secretary)

Place: Noida  
Date: 20 July 2023



(a) Equity share capital (Refer Note 12)

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
As at 1 April 2022	305.53
Equity shares issued to Indiamart Employee Benefit Trust during the period (refer note 12(a))	2.10
Equity shares issued during the period and held by Indiamart Employee Benefit Trust as at quarter end (refer note 12(a))	(2.10)
Equity shares extinguished on buy back during the period (Refer Note 12(1))	(1.60)
As at 30 June 2022	303.93
As at 1 April 2023	305.79
Bonus issue during the period (Refer Note 12(2))	306.15
Bonus shares issued during the period and held by Indiamart Employee Benefit Trust (refer note 12(a))	(0.36)
As at 30 June 2023	611.58

(b) Other equity (Refer Note 13)

Particulars	Attributable to the equity holders of parent					Total other equity
	Securities premium	General reserve	Employee share based payment reserve	Capital Redemption Reserve	Retained earnings	
Balance as at 1 April 2022	15,383.23	8.45	130.16	-	2,913.16	18,435.00
Profit for the period	-	-	-	-	466.99	466.99
Other comprehensive income for the period	-	-	-	-	2.90	2.90
Total comprehensive income	-	-	-	-	469.89	469.89
Employee share based payment expense (Refer Note 23)	-	-	73.06	-	-	73.06
Buy-back of equity shares	-	-	-	1.60	(1,000.00)	(998.40)
Tax on buy-back of equity shares	-	-	-	-	(232.59)	(232.59)
Expenses for buy-back of equity shares	-	-	-	-	(12.85)	(12.85)
Balance as at 30 June 2022	15,383.23	8.45	203.22	1.60	2,137.61	17,734.11
Balance as at 1 April 2023	15,522.50	8.45	256.55	1.60	4,490.03	20,279.13
Profit for the period	-	-	-	-	831.47	831.47
Other comprehensive loss for the period	-	-	-	-	(0.77)	(0.77)
Total comprehensive income	-	-	-	-	830.70	830.70
Employee share based payment expense (Refer Note 23)	-	-	65.73	-	-	65.73
Amount utilised for bonus issue	(304.19)	-	-	(1.60)	-	(305.79)
Final dividend paid (INR 20/- per share for financial year ended 31 March 2023)	-	-	-	-	(611.58)	(611.58)
Balance as at 30 June 2023	15,218.31	8.45	322.28	-	4,709.15	20,258.19

Gain/ (Loss) of INR (0.77) and INR 2.90 on remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings for the quarter ended 30 June 2023 and 30 June 2022 respectively.

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 101248W/W-100022

Kanika Kohli  
Partner  
Membership No.: 511565  
Place: Noida

Date: 20 July 2023

For and on behalf of the Board of Directors of  
IndiaMART InterMESH Limited

Dinesh Chandra Agarwal  
(Managing Director and CEO)  
DIN:00111800

Brishesh Kumar Agrawal  
(Whole-time director)  
DIN:00191760

Prateek Chandra  
(Chief Financial Officer)

Manoj Bhargava  
(Company Secretary)

Place: Noida  
Date: 20 July 2023



IndiaMART InterMESH Limited  
Condensed Consolidated Interim Statement of Cash Flows for the period ended 30 June 2023  
(Amounts in INR million, unless otherwise stated)

Particulars	Notes	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
<b>Cash flow from operating activities</b>			
<b>Profit before tax for the period</b>		1,123.96	507.00
<i>Adjustments for:</i>			
Depreciation and amortisation expense	25	74.65	63.12
Interest, dividend and other income	20	(7.56)	(10.50)
Gain on de-recognition of Right-of-use assets	20	(0.47)	(2.35)
Provisions and liabilities no longer required written back	20	(0.33)	(0.77)
Fair value gain/(loss) (net) on measurement, interest and income from sale of mutual funds, exchange traded funds, bonds, debentures, units of investment trust and alternative investment funds	20	(560.32)	41.31
Fair value gain on measurement and sale of Investment in other entities	20	-	(33.33)
Gain on disposal of property, plant and equipment	20	(0.02)	(2.63)
Finance costs	24	21.91	12.32
Allowances for doubtful debts		-	0.18
Share-based payment expense	23	65.73	73.06
Share of net loss of associates		106.22	69.66
Impairment of investment	7	18.23	-
<b>Operating profit before working capital changes</b>		<b>842.00</b>	<b>717.07</b>
<b>Net changes in:</b>			
Trade receivables		11.90	28.64
Other financial assets		70.98	85.05
Inventory		-	(0.14)
Other assets		2.18	14.58
Other financial liabilities		(69.12)	(83.02)
Trade payables		(8.98)	25.27
Contract liabilities		392.51	293.43
Provisions and other liabilities		(155.10)	(163.29)
<b>Cash generated from operations</b>		<b>1,086.37</b>	<b>917.59</b>
Income tax paid (net)		(180.11)	(169.03)
<b>Net cash generated from operating activities</b>		<b>906.26</b>	<b>748.56</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		0.05	7.85
Purchase of property, plant and equipment, other intangible assets and capital advances		(34.42)	(75.44)
Purchase of current investments		(5,281.35)	(4,562.02)
Inter-corporate deposits placed with financial institutions		(161.92)	-
Redemption of inter-corporate deposits placed with financial institutions and body corporates		-	448.95
Proceeds from sale of current investments		5,050.35	9,573.07
Interest and dividend received		92.32	113.90
Payment for acquisition (net of cash acquired)		-	(5,080.53)
Investment in bank deposits (having original maturity of more than three months)	11	(8.30)	(105.38)
Redemption of bank deposits		-	262.20
Investment in associates and other entities		(167.36)	(252.28)
<b>Net cash flow (used in)/from investing activities</b>		<b>(510.63)</b>	<b>330.32</b>
<b>Cash flow from financing activities</b>			
Repayment of lease liabilities		(22.74)	(19.35)
Interest paid on lease liabilities	24	(10.83)	(12.32)
Dividend paid		(611.45)	-
Expenses for buy-back of equity shares (Refer Note 12)		-	(9.40)
Tax on buy-back of equity shares (Refer Note 12)		-	(232.59)
Buy-back of equity shares (Refer Note 12)		-	(1,000.00)
<b>Net cash used in financing activities</b>		<b>(645.02)</b>	<b>(1,273.66)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(249.39)</b>	<b>(194.78)</b>
Cash and cash equivalents at the beginning of the period	11	<b>581.06</b>	<b>495.47</b>
<b>Cash and cash equivalents at the end of the period</b>	11	<b>331.67</b>	<b>300.69</b>
Summary of material accounting policies	2		

The accompanying notes are an integral part of the condensed consolidated interim financial statements

As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 101248W/W-100022

*Kanika*  
Kanika Kohli  
Partner  
Membership No.: 511565  
Place: Noida

Date: 20 July 2023



For and on behalf of the Board of Directors of  
IndiaMART InterMESH Limited

*Degand*  
Dinesh Chandra Agarwal  
(Managing Director and CEO)  
DIN:00191800

*Agrawal*  
Brijesh Kumar Agrawal  
(Whole-time director)  
DIN:00191760

*Prateek Chandra*  
Prateek Chandra  
(Chief Financial Officer)

*Manoj Bhargava*  
Manoj Bhargava  
(Company Secretary)

Place: Noida  
Date: 20 July 2023



## IndiaMART Intermesh Limited

### Notes to condensed consolidated interim financial statements for the period ended 30 June 2023

(Amounts in INR million, unless otherwise stated)

#### 1. Corporate Information

The condensed consolidated interim financial statements comprise the condensed interim financial statements of IndiaMART Intermesh Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") and its associates.

The Company is a public company domiciled in India and was incorporated on 13 September 1999 under the provisions of the Companies Act applicable in India. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India. The Company is engaged in e-marketplace for business needs, which acts as an interactive hub for domestic and international buyers and suppliers. The registered office of the Company is located at 1st Floor, 29-Daryaganj, Netaji Subash Marg New Delhi-110002, India.

The condensed consolidated interim financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 20 July 2023.

#### 2. Summary of Material Accounting Policies

##### (a) Statement of compliance

The condensed consolidated interim financial statements for the period ended 30 June 2023 have been prepared in accordance with Indian Accounting Standard (referred to as "Ind AS") 34, Interim Financial Reporting and other Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act, 2013 ("the Act") (as amended from time to time). These condensed consolidated interim financial statements must be read in conjunction with the consolidated financial statements for the year ended 31 March 2023. They do not include all the information required for a complete set of Ind AS financial statements. However, selected explanatory notes are included to explain events and transactions that management believes are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

All amounts disclosed in the condensed consolidated interim financial statements have been rounded off to the nearest INR million as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

##### (b) Basis of Preparation

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities measured at fair value or amortised cost at the end of each reporting period.

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

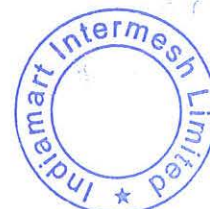
The statement of cash flows has been prepared under the indirect method. The preparation of these condensed consolidated interim financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the condensed consolidated interim financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

##### (c) Basis of consolidation

The Company consolidates all entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.



**IndiaMART Intermesh Limited****Notes to condensed consolidated interim financial statements for the period ended 30 June 2023**

(Amounts in INR million, unless otherwise stated)

An associate is an entity over which the Group has significant influence, but not control or joint control over financial and operating policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. The aggregate of the Group's share of profit and loss of an associate is shown on the face of the condensed consolidated interim statement of profit and loss.

**(d) Revenue from contracts with customers and other income****Revenue from contracts with customers**

The Group is engaged primarily in providing web related services and accounting software services. Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

Rendering of services

Revenue from web based services is recognised based on output method i.e. pro-rata over the period of the contract as and when the Group satisfies performance obligations by transferring the promised services to its customers. Revenues from lead based services is recognised based on output method i.e. as and when leads are consumed by the customer or on the expiry of contract whichever is earlier. Activation revenue is amortised over the estimated customer relationship period.

Revenue from term license software for accounting software services is recognized at a point in time when control is transferred to the end user. Control is transferred when the end user activates the license procured from the Company. In case of renewals of proprietary term licenses with existing customers, revenue from term license is recognized at a point in time when the renewal is activated by the end user. Revenue from support and subscription (S&S) is recognized over the contract term on a straight-line basis as the Company is providing a service of standing ready to provide support, when-and-if needed, and is providing unspecified software upgrades on a when-and-if available basis over the contract term. In case softwares are bundled with support and subscription for term based license, such support and subscription contracts are generally priced as a percentage of the net fees paid by the customer to purchase the license and are generally recognized as revenues rateably over the contractual period that the support services are provided.

Revenue from sale of services is based on the price agreed with the customers, net of discounts.

Advertising revenue is derived from displaying web based banner ads and sale of online advertisements.

Revenue from banner advertisement is recognised on a pro rata basis over the period of display of advertisement as per the terms of the contract. Revenue from sale of online advertisements is recognised based on output method and the Group applies the practical expedient to recognize advertising revenue in the amount to which the Group has a right to invoice.

Contract balancesTrade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised. The Group recognises contract liability for consideration received in respect of unsatisfied performance obligations and reports these amounts as deferred revenue and advances from customers in the balance sheet. The unaccrued amounts are not recognised as revenue till all related performance obligation are fulfilled. The Group generally receives transaction price in advance for contracts with customers that run up for more than one year. The transaction price received in advance does not have any significant financing component as the difference between the promised consideration and the selling price of the service arises for reasons other than the provision of finance.





## IndiaMART Intermesh Limited

### Notes to condensed consolidated interim financial statements for the period ended 30 June 2023

(Amounts in INR million, unless otherwise stated)

#### Other income

##### Interest income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

##### Dividends

Dividend is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### (e) Business combinations, goodwill and Intangibles

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred which is measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree at fair value. Acquisition related costs are expensed as incurred. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

Intangible assets acquired in a business combination are measured at their fair value at the date of acquisition.

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

#### (f) Adoption of new accounting principles

##### **Deferred tax related to assets and liabilities arising from a single transaction (amendments to Ind AS 12 - Income Taxes)**

The amendments clarify that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The Group has adopted this amendment effective 1 April 2023. The Group previously accounted for deferred tax on leases on a net basis. Following the amendments, the Group has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. The adoption did not have any impact on its condensed consolidated interim financial statements as balances qualify for offset under paragraph 74 of Ind AS 12. The impact for



**IndiaMART Intermesh Limited**

**Notes to condensed consolidated interim financial statements for the period ended 30 June 2023**

(Amounts in INR million, unless otherwise stated)

the Group relates to disclosure of the deferred tax assets and liabilities recognized, which will be disclosed as part of the annual financial statements.

**3. Significant accounting estimates and assumptions**

The preparation of condensed consolidated interim financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The significant judgements made by management in applying the Group's accounting policies and key sources of estimation and uncertainty were the same as those described in the last annual consolidated financial statements for the year ended 31 March 2023.

**Measurement of fair values**

The Group records certain financial assets and liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

The Group's management determines the policies and procedures for recurring fair value measurement, such as investment in equity instruments and preference instruments, investments in mutual funds, exchange traded funds, bonds, debentures, units of investment trust and units of alternative investment funds measured at fair value.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the condensed consolidated interim financial statements are categorised within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 — inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 — Unobservable inputs for the asset or liability reflecting Group's assumptions about pricing by market participants

For assets and liabilities that are recognised in the condensed consolidated interim financial statements on fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**4. Segment Information**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group has identified two business segments namely "Web and related Services" and "Accounting Software Services" as reportable segments based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems.

Web and related services are business-to-business e-marketplace services which act as an interactive hub for domestic and international buyers and suppliers. Accounting software services include business of development, system analysis, designing and marketing of integrated business accounting software to help and manage businesses with increased efficiency.

The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in Note 2 on material accounting policies. The accounting policies in relation to segment accounting are as under:

- (a) Segment revenue and expenses





**IndiaMART Intermesh Limited**

**Notes to condensed consolidated interim financial statements for the period ended 30 June 2023**

(Amounts in INR million, unless otherwise stated)

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Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. However, segment revenue does not include other income.

(b) Segment assets and liabilities

Assets and liabilities directly attributable or allocable to segments are disclosed under each reportable segment.



## 5A Property, plant and equipment

	Computers	Office equipments	Furniture and fixtures	Motor vehicles	Total Property, plant and equipment	Capital work in progress (Refer Note below)
<b>Gross carrying amount</b>						
As at 01 April 2022	115.58	48.68	4.03	3.78	172.07	1.77
Acquisitions through business combinations (refer note 33)	1.73	1.29	1.61	4.42	9.05	
Additions for the year	184.22	3.79	0.59	7.18	195.77	-
Disposals for the year	(10.01)	(3.82)	(2.11)	(8.11)	(24.05)	-
As at 31 March 2023	291.52	49.94	4.12	7.27	352.85	1.77
Additions for the period	30.39	0.53	0.32	-	31.24	-
Disposals for the period	(0.06)	(0.08)	-	-	(0.14)	-
As at 30 June 2023	321.85	50.39	4.44	7.27	383.95	1.77
<b>Accumulated depreciation</b>						
As at 01 April 2022	92.51	42.73	3.26	2.95	141.45	-
Charge for the year	92.60	3.39	0.44	2.01	98.44	-
Disposals during the year	(9.08)	(2.66)	(0.65)	(2.96)	(15.35)	-
As at 31 March 2023	176.03	43.46	3.05	2.00	224.54	-
Charge for the period	21.51	0.74	0.09	0.41	22.75	-
Disposals during the period	(0.04)	(0.08)	-	-	(0.12)	-
As at 30 June 2023	197.50	44.12	3.14	2.41	247.17	-
<b>Net Carrying value</b>						
As at 01 April 2022	23.07	5.95	0.77	0.83	30.62	1.77
As at 31 March 2023	115.49	6.48	1.07	5.27	128.31	1.77
As at 30 June 2023	124.35	6.27	1.30	4.86	136.78	1.77

**Note:**

1. Capital work in progress represents the amount incurred on construction of boundary wall for leasehold land, the project has been temporarily suspended as the Company is in process of evaluating the construction plan and also in the process of planning to seek further extension for construction on leasehold land (refer note 5B for details related to leasehold land).





5B Right-of-use asset

	Leasehold land (Refer Note 1 below)	Buildings	Total
<b>Gross carrying amount</b>			
As at 01 April 2022	37.12	834.60	871.72
Acquisitions through business combinations (refer note 33)	-	2.79	2.79
Measurement period adjustments (refer note 33)	-	(0.07)	(0.07)
Additions for the year	-	30.05	30.05
Disposals for the year (refer note 2 below)	-	(79.41)	(79.41)
As at 31 March 2023	37.12	787.96	825.08
Additions for the period	-	11.41	11.41
Disposals for the period	-	(3.86)	(3.86)
As at 30 June 2023	37.12	795.51	832.63
<b>Accumulated depreciation</b>			
As at 01 April 2022	2.76	340.53	343.29
Depreciation for the year	0.46	100.22	100.68
Disposals for the year (refer note 2 below)	-	(31.51)	(31.51)
As at 31 March 2023	3.22	409.24	412.46
Depreciation for the period	0.12	23.60	23.72
Disposals for the period	-	(2.17)	(2.17)
As at 30 June 2023	3.34	430.67	434.01
<b>Net Carrying value</b>			
As at 01 April 2022	34.36	494.07	528.43
As at 31 March 2023	33.90	378.72	412.62
As at 30 June 2023	33.78	364.84	398.62

1. As per the terms of the lease arrangement, the Company was required to complete the construction of building within a defined time from the date of handing over the possession. The Company had obtained extension for construction of building on the leasehold land till 5 July 2021. The project has been temporarily suspended as the company is in the process of evaluating the construction plan and is also in the process of planning to seek further extension for construction on the leasehold land.

2. Disposal includes adjustment on account of lease modifications

6A Goodwill

As at 30 June 2023

Acquisitions through business combinations

4,542.72

The following table presents the changes in the carrying value of goodwill based on identified CGUs:

	Busy Infotech Private Limited	Livekeeping Technologies Private Limited	Total
Opening balance as at 1 April 2022	-	-	-
Acquisitions through business combination (refer note 33)	4,137.71	419.92	4,557.63
Measurement period adjustments (refer note 33)	(15.37)	0.46	(14.91)
Closing balance as at 31 March 2023	4,122.34	420.38	4,542.72
Changes during the period	-	-	-
Closing balance as at 30 June 2023	4,122.34	420.38	4,542.72

The Group tests goodwill for impairment on March 31, or more frequently when there is indication for impairment. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not larger than the Group's operating segment.



**IndiaMART InterMESH Limited**

Notes to Condensed Consolidated Interim Financial Statements for the period ended 30 June 2023

(Amounts in INR million, unless otherwise stated)

**6B Other Intangible assets**

	Software	Unique telephone numbers	Technology	Channel Network	Total
<b>Gross carrying amount</b>					
As at 01 April 2022	15.07	4.70	-	-	19.77
Acquisitions through business combinations (refer note 33)	0.77	-	191.08	365.62	557.47
As at 31 March 2023	15.84	4.70	191.08	365.62	577.24
Additions	-	-	-	-	-
As at 30 June 2023	15.84	4.70	191.08	365.62	577.24
<b>Accumulated amortization</b>					
As at 01 April 2022	13.69	4.49	-	-	18.18
Amortisation for the year	0.78	0.09	37.64	73.12	111.63
As at 31 March 2023	14.47	4.58	37.64	73.12	129.81
Amortisation for the period	0.34	0.01	9.55	18.28	28.18
As at 30 June 2023	14.81	4.59	47.19	91.40	157.99
<b>Net Carrying value</b>					
As at 01 April 2022	1.38	0.21	-	-	1.59
As at 31 March 2023	1.37	0.12	153.44	292.50	447.43
As at 30 June 2023	1.03	0.11	143.89	274.22	419.25





7 Investment in associates- Unquoted

(Accounted under equity method)	As at			As at		
	No. of units	30 June 2023	Amount	No. of units	31 March 2023	Amount
<b>Fully paid up - at cost</b>						
<b>Investments in Simply Vyapar Apps Private Limited (refer note 3 below)</b>						
Compulsory convertible preference shares of INR 100 each (at premium of INR 52,217.90 each)	1,19,080	311.50		5,954	311.50	
Equity shares of INR 10 each (at premium of INR 52,307.90 each)	200	0.52		10	0.52	
Compulsory convertible preference shares of INR 100 each (at premium of INR 2,90,261 each)	36,180	525.26		1,809	525.26	
Equity shares of INR 10 each (at premium of INR 2,03,242 each)	8,880	90.24		444	90.24	
Equity shares of INR 10 each (at premium of INR 2,90,351 each)	2,740	39.78	967.30	137	39.78	967.30
Less: Share of loss of associate			(355.28)			(312.68)
<b>Investments in Mobisy Technologies Private Limited</b>						
Compulsory convertible preference shares of INR 1 each (at premium of INR 776 each)	1,28,593	99.92		1,28,593	99.92	
Equity shares of INR 1 each (at premium of INR 776 each)	100	0.07		100	0.07	
Compulsory convertible preference shares of INR 1 each (at premium of INR 836 each)	1,19,474	100.00		1,19,474	100.00	
Compulsory convertible preference shares of INR 1 each (at premium of INR 1,222/- each)	1,05,607	129.20		1,05,607	129.20	
Equity shares of INR 1 each (at premium of INR 837 each)	17,750	14.86		17,750	14.86	
Equity shares of INR 1 each (at premium of INR 1,222/- each)	17,963	21.98	366.03	17,963	21.98	366.03
Fair value gain recognised through profit and loss till the date entity has become an associate			97.87			97.87
Add: Share of loss of associate			(21.34)			(9.54)
<b>Investments in Ten Times Online Private Limited</b>						
Equity shares of INR 10 each (at premium of INR 40 each)	-	-		18,701	0.93	
Sale of equity shares of INR 10 each (INR 64 7024)	-	-		(18,701)	(1.21)	
Gain on sale of Investment during the year	-	-		-	0.28	
Less: Share of loss of associate						
<b>Investments in Truckhall Private Limited</b>						
Compulsory convertible preference shares of INR 10 each (at premium of INR 7,467 each)	12,846	96.05		12,846	96.05	
Equity shares of INR 10 each (at premium of INR 7,467 each)	1,879	14.05	110.10	1,879	14.05	110.10
Less: Share of loss of associate			(34.89)			(30.74)
<b>Investments in Shipway Technology Private Limited</b>						
Compulsory convertible preference shares of INR 10 each (at premium of INR 43,446 each)	4,088	177.65		4,088	177.65	
Equity shares of INR 10 each (at premium of INR 43,446 each)	100	4.35	182.00	100	4.35	182.00
Less: Share of loss of associate			(19.61)			(17.58)
<b>Investments in Agillos E-Commerce Private Limited</b>						
Compulsory convertible preference shares of INR 10 each (at premium of INR 60,311 each)	2,694	162.50		2,694	162.50	
Equity shares of INR 10 each (at premium of INR 43,497 each)	2,241	97.50	260.00	2,241	97.50	260.00
Less: Impairment allowance for investment in shares (Refer note 1 below)			(18.23)			-
Less: Share of loss of associate			(32.77)			(24.38)
<b>Investments in Edgewise Technologies Private Limited</b>						
Compulsory Convertible Preference Shares of INR 10 each (at premium of INR 27,314 each)	4,784	130.72		4,784	130.72	
Equity Shares of INR 10 each (at premium of INR 27,314 each)	100	2.73	133.45	100	2.73	133.45
Less: Share of loss of associate			(17.64)			(11.95)
<b>Investments in IB Monotaro Private Limited</b>						
Equity shares of INR 10 each (at premium of INR 1,274.15 each)	8,11,250	1,041.77		8,11,250	1,041.77	
Investment in Equity shares of INR 10 each (at premium of INR 1,275.24/- each) (Refer note 2 below)	1,06,876	137.36	1,179.13	-	-	1,041.77
Less: Share of loss of associate			(153.98)			(126.18)
<b>Investments in Adansa Solutions Private Limited</b>						
Equity shares of INR 1000 each (at premium of INR 10,28,411.76 each)	20	20.60		20	20.60	
Compulsory Convertible Preference shares of INR 10 each (at premium of INR 14,696 each)	7,950	116.90	137.50	7,950	116.90	137.50
Less: Share of loss of associate			(15.26)			(11.49)
			<b>2,764.38</b>			<b>2,751.48</b>

Notes:

- During the quarter ended 30 June 2023, Impairment loss amounting to INR 18.23 has been recorded for "Agillos E-Commerce Private Limited" based on impairment testing performed due to actual performance being lower than projected performance. The said impairment has been classified as an exceptional item in the statement of profit and loss.
- During the quarter ended 30 June 2023, the Group has further invested INR 137.36 into the equity shares of IB Monotaro Private Limited as a part of right issue resulting in increase of its equity ownership on fully converted and diluted basis to 26.70%.
- During the quarter ended 30 June 2023, the Group has received bonus shares from Simply Vyapar Private Limited in the ratio of 1:19 (i.e. 19 Bonus shares for every 1 existing share).



8 Financial assets

	As at 30 June 2023	As at 31 March 2023
<b>j) Investments</b>		
<b>Non-current</b>		
i) Investment in other entities at FVTPL	2,210.52	2,210.52
ii) Investment in debt instruments of associates at FVTPL	185.00	155.00
	<u>2,395.52</u>	<u>2,365.52</u>
<b>Current</b>		
Investment in mutual funds and exchange traded funds at FVTPL	14,541.18	11,736.59
Investment in bonds and debentures at FVTPL	8,385.90	10,497.55
Investments in Investment Trust- Quoted (measured at FVTPL)	454.32	484.19
	<u>23,381.40</u>	<u>22,718.33</u>

	As at 30 June 2023		As at 31 March 2023	
	No. of units	Amount	No. of units	Amount
<b>a) Non-current investments</b>				
<b>(i) Investment in others entities</b>				
<i>Unquoted (measured at FVTPL)</i>				
<b>Instant Procurement Services Private Limited</b>				
Equity shares held of INR 10 each (at premium of INR 899 each)	5,510	-	5,510	-
0.001% Optionally convertible redeemable preference share of INR 10 each (converted into 0.001% Compulsorily convertible preference share of INR 10 each)	-	-	-	-
0.001% Compulsorily convertible preference share of INR 10 each	16,200	-	16,200	-
Equity shares sold during the year	(5,500)	(137.17)	(5,500)	(137.17)
Fair value gain on measurement and income from sale of Investment till date		523.91		523.91
<b>Legistify Services Private Limited</b>				
Compulsory convertible preference shares of INR 10 each (at premium of INR 5,132.68 each)	1,146	5.89	1,146	5.89
Compulsory convertible preference shares of INR 10 each (at premium of INR 4,104.14 each)	1,580	6.50	1,580	6.50
Compulsory convertible preference shares of INR 10 each (at premium of INR 58,120.00 each)	1,290	75.00	1,290	75.00
Equity shares of INR 10 each (at premium of INR 5,132.68 each)	100	0.51	100	0.51
Fair value gain recognised through profit and loss till date		74.28		74.28
<b>Mynd Solutions Private Limited</b>				
Equity shares of INR 10 each (at premium of INR 87.21 each)	33,36,489	324.34	33,36,489	324.34
Compulsory convertible preference shares of INR 10 each INR (at premium of INR 149.32 each)	15,10,656	240.68	15,10,656	240.68
Sale of equity shares	(8,61,852)	(137.31)	(8,61,852)	(137.31)
Fair value gain on measurement and income from sale of Investment till date		149.65		149.65
<b>Zimyo Consulting Private Limited</b>				
Compulsory convertible preference shares of INR 10 each (at premium of INR 86,306.32/- each)	1,870	161.41	1,870	161.41
Equity shares of INR 10 each (at premium of INR 86,306.32/- each)	100	8.63	100	8.63
		170.04		170.04
<b>Ficcs Technologies Private Limited</b>				
Compulsory convertible preference shares of INR 10 each (at premium of INR 67,420/- each)	10,323	696.08	10,323	696.08
Equity shares of INR 10 each (at premium of INR 57,315/- each)	3,805	218.12	3,805	218.12
		914.20		914.20
		<u>2,210.52</u>		<u>2,210.52</u>
<b>(ii) Investment in debt instruments of associates at FVTPL</b>				
<i>Unquoted (measured at FVTPL)</i>				
<b>Investment in Truckhall Private Limited</b>				
Investment made in 0.0001% Compulsory convertible debentures of INR 1000 each in Truckhall Private Limited.				
Opening	75,000	75.00	-	-
Addition during the period (Refer Note 2 below)	30,000	30.00	75,000	75.00
		105.00		75.00
<b>Investment in Mobisy Technologies Private Limited</b>				
Investment in Compulsory convertible debentures of INR 1000 each in Mobisy Technologies Private Limited	80,000	80.00	80,000	80.00
		80.00		80.00
		<u>185.00</u>		<u>155.00</u>

1. The Group has invested in equity, convertible preference, and convertible debt instruments of other entities and associates, based on the terms of these instruments they are measured at fair value through profit and loss

2. During the quarter ended 30 June 2023, the Group has further invested INR 30 in Truckhall Private Limited in Compulsory Convertible Debentures



8 Financial assets (Cont'd)  
b) Current investments

	As at 30 June 2023		As at 31 March 2023	
	No. of units	Amount	No. of units	Amount
<b>Investment in mutual funds and exchange traded funds - Quoted (measured at FVTPL)*</b>				
Aditya Birla Sun Life Corporate Bond Fund - Regular Growth	17,81,311	173.79	5,30,849	50.75
Aditya Birla Sun Life Corporate Bond Fund	1,10,44,145	1,136.05	1,21,76,476	1,104.12
Aditya Birla Sun Life Overnight Fund	-	-	4	0.01
Aditya Birla Sun Life Nifty SDI Apr 2027 Index Fund	4,69,79,108	501.49	4,69,79,108	491.73
Aditya Birla Sun Life CRISIL AAA Jun 2023 Index Fund	-	-	39,99,365	42.03
Aditya Birla Sun Life Arbitrage Fund	1,19,36,701	292.50	-	-
Axis Corporate Debt Fund	1,14,83,405	175.66	1,22,01,532	240.59
Axis Money Market Fund	2,58,924	821.45	-	-
Bharat Bond ETF April-2023	-	-	4,00,000	491.63
Bharat Bond ETF April-2025	-	-	3,79,992	423.31
Bharat Bond L10F April 2023	8,20,419	932.28	-	-
Edelweiss NIFTY PSU Bond Plus SDI Apr 2026 50:50 Index Fund	-	-	55,34,867	67.64
Edelweiss CRISIL IBX 50:50 Gilt Plus SDI Apr 2037 Index Fund	4,74,76,047	535.47	4,74,76,047	525.57
HDFC Short Term Debt Fund	4,77,54,473	516.38	4,77,54,473	500.05
HDFC Low Duration Fund	1,04,887	2.87	1,04,887	2.81
HDFC Corporate Bond Fund	1,54,29,585	827.19	1,54,29,585	810.37
HDFC Arbitrage Fund	47,38,647	133.84	47,38,647	130.88
HDFC Arbitrage Fund	58,43,219	101.15	-	-
ICICI Prudential Banking & PSU Debt Fund	4,12,300	11.58	4,12,300	11.36
ICICI Prudential Corporate Bond Fund - Growth	6,64,641	16.95	6,64,641	16.60
ICICI Prudential Savings Fund	14,74,179	695.71	14,74,179	681.95
ICICI Prudential Short Term Fund	3,61,528	18.64	3,61,528	18.27
ICICI Prudential Money Market Fund	9,09,183	300.38	-	-
ICICI Prudential Equity Arbitrage Fund	54,09,439	170.64	-	-
ICICI Prudential Liquid Fund	59,418	20.14	-	-
ICICI Prudential Corporate Bond Fund	2,23,05,367	593.20	2,23,05,368	580.56
ICICI Prudential Nifty SDI Dec 2028 Index Fund	4,82,19,177	514.82	4,82,19,177	502.67
HDFC Banking & PSU Debt Fund - Direct - Growth	12,05,754	25.66	12,05,754	25.19
Kotak Corporate Bond Fund	2,52,698	845.50	2,52,698	827.90
Kotak Nifty SDI Apr 2027 Top 12 Equal Weight Index Fund	5,47,08,297	578.51	5,47,08,297	567.20
Kotak Equity Arbitrage Fund	1,45,33,924	497.35	1,45,33,924	53.03
Kotak Nifty SDI Apr 2032 Top 12 Equal Weight Index Fund	9,46,02,577	1,021.49	9,46,02,577	990.38
Nippon India Dynamic Bond Fund	2,49,40,628	846.22	2,49,40,628	822.49
Nippon India Corporate Bond Fund	4,189	0.22	-	-
SBI Nifty 50 ETF	8,00,000	159.51	14,50,000	260.41
SBI Savings Fund - Direct Growth	45,42,601	61.81	45,42,601	60.54
SBI Liquid Fund - Direct - Growth Plan	-	-	7,127	25.11
Aditya Birla Sun Life Liquid Fund	80,806	29.85	1,65,315	60.02
SBI S&P BSE Sensex ETF	6,48,000	451.29	6,48,000	408.88
SBI Nifty Index Fund	5,02,335	87.51	5,02,335	78.85
SBI Magnum Constant Maturity Fund	91,91,798	514.41	91,91,798	500.27
SBI Arbitrage Opportunities Fund	2,80,19,793	864.60	-	-
Invesco India Arbitrage Fund - ESG	17,90,888	52.86	-	-
UTI Money Market Fund	44,710	120.06	-	-
UTI Treasury Advantage Fund	25,861	80.30	-	-
UTI Nifty 50 ETF	1,35,000	277.08	1,35,000	249.57
UTI Liquid Cash Plan	9,207	34.56	14,595	53.85
		<b>14,541.18</b>		<b>11,736.59</b>
<b>Investment in bonds and debentures- Quoted (measured at FVTPL)</b>				
Hajaj Finance Bond	200	201.89	200	197.48
Canara Bank perpetual bond	30	311.93	30	304.85
Export Import Bank Of India Bond	200	200.41	200	196.16
HDFC Bank Perpetual Bond	20	211.43	20	205.59
HDFC Ltd Bond	500	508.25	900	903.80
ICICI Bank Infra Bond	-	-	100	103.29
Kotak Mahindra Investment Ltd Zero Coupon Bond	200	188.16	200	184.23
India Infrastructure Ltd Bond	100	100.99	100	99.02
IRFC Ltd Perpetual Bond	-	-	250	255.18
ICICI Home Finance Company Ltd MLD	50	52.30	150	153.98
Lax Housing Finance Bond	1,000	1,041.26	1,000	1,020.54
Mahindra & Mahindra Zero coupon bonds	250	216.64	400	212.23
NABARD Bond	1,750	1,769.79	1,750	1,732.88
Pyramal Enterprises MLD	-	-	180	197.46
Punjab National Bank Perpetual Bond	10	104.35	10	100.83
Power Grid Corporation of India Limited Bond	55	73.26	55	71.84
Power Finance Corporation Ltd - Bond	1,058	160.86	558	577.90
REC Bond	350	359.07	998	1,042.77
SBI Perpetual Bond	210	1,166.79	210	1,141.85
7.75% SBI Sept 2027	5	53.14	5	51.91
Shriram Transport Finance MLD	-	-	100	114.30
Bank of Baroda Perpetual Bond	10	104.94	10	102.85
State Bank of India Treas-II Bond	500	502.20	500	490.53
SIDBI Bond	650	642.99	650	629.46
Tata Cleantech MLD	250	260.25	250	254.93
Union Bank Perpetual Bond	15	155.00	15	151.69
<b>Total</b>		<b>8,385.90</b>		<b>10,497.55</b>
<b>Investments in Investment Trust- Quoted (measured at FVTPL)</b>				
Powergrid InvIT	39,51,962	454.32	39,51,962	481.19
<b>Total current investments</b>		<b>23,381.40</b>		<b>22,718.33</b>
<b>Aggregate book value of quoted investments</b>		<b>23,381.40</b>		<b>22,718.33</b>
<b>Aggregate market value of quoted investments</b>		<b>23,381.40</b>		<b>22,718.33</b>
<b>Aggregate carrying value of unquoted investments</b>		<b>2,395.52</b>		<b>2,365.52</b>

\* Unless otherwise mentioned, all Mutual Fund investments are under Direct Growth





	As at 30 June 2023	As at 31 March 2023
<b>8 Financial assets (Cont'd)</b>		
<b>c) Loans (measured at amortised cost)</b>		
<b>(i) Loans</b>		
<b>Non-current (unsecured, considered good unless stated otherwise)</b>		
Loans to employees**	1.55	0.84
<b>Current (unsecured, considered good unless stated otherwise)</b>		
Inter-corporate deposits*		
- HDFC Limited	100.49	-
- Bajaj Finance Limited	113.56	52.12
Loans to employees**	4.78	4.36
<b>Total loans</b>	<b>218.83</b>	<b>56.48</b>
	<b>220.38</b>	<b>57.32</b>
<b>Notes:</b>		
* Inter-corporate deposits placed with financial institutions yield fixed interest rate		
** Represent interest free loans to employees, which are generally recoverable within 24 monthly instalments		
	As at 30 June 2023	As at 31 March 2023
<b>d) Others (measured at amortised cost)</b>		
<b>Non-current (unsecured, considered good unless stated otherwise)</b>		
Security deposits	43.93	40.73
<b>Total</b>	<b>43.93</b>	<b>40.73</b>
<b>Current (unsecured, considered good unless stated otherwise)</b>		
Security deposits	9.37	7.71
Amount recoverable from payment gateway	65.57	141.91
Other receivables	42.85	-
<b>Total</b>	<b>117.79</b>	<b>149.62</b>
<b>Notes:</b>		
Security deposits are non-interest bearing and are generally on term of 3 to 9 years.		
<b>9 Other assets</b>	As at 30 June 2023	As at 31 March 2023
<b>Non-current (unsecured, considered good unless stated otherwise)</b>		
Prepaid expenses	0.52	0.60
Indirect taxes recoverable	14.47	14.61
Capital advance	3.18	-
<b>Total</b>	<b>18.17</b>	<b>15.21</b>
<b>Current (Unsecured, considered good unless stated otherwise)</b>		
Advances recoverable	18.80	10.41
Indirect taxes recoverable	13.15	15.36
Prepaid expenses	22.01	30.13
Others	0.03	0.03
<b>Total</b>	<b>53.99</b>	<b>55.93</b>
<b>10 Trade receivables</b>	As at 30 June 2023	As at 31 March 2023
<b>Unsecured, considered good unless stated otherwise</b>		
Trade receivables	54.95	68.55
Receivables from related parties (Refer Note 32)	3.70	2.00
<b>Total</b>	<b>58.65</b>	<b>70.55</b>
<b>Notes:</b>		
a) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person		
b) Few terms and conditions relating to related party receivables (Refer Note 32)		
c) Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.		
<b>11 Cash and bank balances</b>	As at 30 June 2023	As at 31 March 2023
<b>a) Cash and cash equivalents</b>		
Cheques on hand	89.44	237.90
Balance with bank:		
- On current accounts	240.12	301.45
- Deposits with original maturity of less than three months	2.11	41.71
<b>Total Cash and cash equivalents</b>	<b>331.67</b>	<b>581.06</b>
<b>Note:</b>		
Cash and cash equivalents for the purpose of cash flow statement comprise cash and cash equivalents as shown above.		
<b>b) Bank balances other than cash and cash equivalents</b>		
(i) Deposits with banks		
- remaining maturity upto twelve months	-	0.03
(ii) Earmarked balances with banks*	9.99	1.66
<b>Amount disclosed under current bank deposits</b>	<b>9.99</b>	<b>1.69</b>

\* Earmarked balances include unclaimed/unpaid dividends of INR 0.13 (31 March 2023: INR 0.13), bank balance with Indiamart Employee Benefit Trust of INR 2.16 (31 March 2023: INR 1.53) and Corporate Social Responsibility (CSR) unspent bank account balance of INR 7.70 (31 March 2023: Nil)



12 Share capital

Authorised equity share capital (INR 10 per share)

As at 01 April 2022  
As at 31 March 2023  
As at 30 June 2023

Number of shares	Amount
9,94,42,460	994.42
9,94,42,460	994.42
9,94,42,460	994.42

Authorised 0.01% cumulative preference share capital (INR 328 per share)

As at 01 April 2022  
As at 31 March 2023  
As at 30 June 2023

Number of shares	Amount
3	0.00
3	0.00
3	0.00

Issued equity share capital (subscribed and fully paid up) (INR 10 per share)

As at 01 April 2022

Number of shares	Amount
3,05,52,990	305.53

Equity shares issued to Indiamart Employee Benefit Trust during the year (refer note (d) below) 2,10,000 2.10  
Equity shares issued during the earlier year to Indiamart Employee Benefit Trust and transferred to employees pursuant to SAR/ESOP's exercised during the year (refer note (d) below) 11,584 0.12  
Equity shares issued during the year and held by Indiamart Employee Benefit Trust as at year end (refer note (d) below) (35,353) (0.36)  
Equity shares extinguished on buy back during the year (refer note 1 below) (1,60,000) (1.60)

As at 31 March 2023

3,05,79,221	305.79
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Bonus issue during the period (refer note 2 below) 3,06,14,574 306.15  
Bonus shares issued during the period and held by Indiamart Employee Benefit Trust (refer note (a) below) (35,353) (0.36)

As at 30 June 2023

6,11,58,442	611.58
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**Notes:**

- The Board of Directors at its meeting held on 28 April 2022, approved a proposal to buy-back upto 160,000 equity shares of the Company for an aggregate amount not exceeding INR 1,000, being 0.52% of the total paid up equity share capital at 6,250 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 160,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on 29 June 2022. Capital redemption reserve was created to the extent of share capital extinguished of INR 1.60. The excess cost of buy-back of INR 1,012.78 (including INR 12.78 towards transaction cost of buy-back) over par value of share and corresponding tax on buy-back of INR 232.59 were offset from retained earnings.
- During the current quarter, the Company has issued and allotted 30,614,574 fully paid up Bonus Equity shares of 10 each in the ratio of 1:1 (i.e. 1 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on 21 June 2023 i.e. Record date.

a) Shares held by Indiamart Employee Benefit Trust and employees share based payment plans (face value: INR 10 each)

	As at 30 June 2023		As at 31 March 2023	
	Number	Amount	Number	Amount
Opening balance	35,353	0.36	11,584	0.12
Purchased during the period/year	-	-	2,10,000	2.10
Bonus issued during the period/year	35,353	0.36	-	-
Transfer to employees pursuant to SAR/ESOP exercised	-	-	(1,86,231)	(1.86)
<b>Closing balance</b>	<b>70,706</b>	<b>0.72</b>	<b>35,353</b>	<b>0.36</b>





13 Other equity

	As at 30 June 2023	As at 31 March 2023
Securities premium	15,218.31	15,522.50
General reserve	8.45	8.45
Employee share based payment reserve	322.28	256.55
Capital redemption reserve	-	1.60
Retained earnings	4,709.15	4,490.03
<b>Total other equity</b>	<b>20,258.19</b>	<b>20,279.13</b>

**Nature and purpose of reserves and surplus:**

- a) **Securities premium:** The Securities premium account is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act 2013.
- b) **General reserve:** The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another.
- c) **Employee share based payment reserve:** The Employee share based payment reserve is used to recognise the compensation related to share based awards issued to employees under Company's Share based payment scheme.
- d) **Capital redemption reserve:** The Capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.
- e) **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Group, and re-measurement gains/losses on defined benefit plans.

14 Trade payables

	As at 30 June 2023	As at 31 March 2023
Payable to micro, small and medium enterprises	0.74	1.07
Other trade payables		
- outstanding dues to others	2.34	3.18
Accrued expenses	260.11	267.93
<b>Total</b>	<b>263.19</b>	<b>272.18</b>

15 Lease and other financial liabilities

	As at 30 June 2023	As at 31 March 2023
<b>(a) Lease liabilities (Refer Note 5B)</b>		
Current	114.97	118.80
Non-current	330.29	340.28
	<b>445.26</b>	<b>459.08</b>
<b>(b) Other financial liabilities</b>		
<b>Non-current</b>		
Deferred Consideration (refer note 33)	366.76	355.68
<b>Total</b>	<b>366.76</b>	<b>355.68</b>
<b>Current</b>		
Payable to employees	175.00	238.01
Security deposits	0.78	0.78
Other payable*	25.85	31.82
<b>Total</b>	<b>201.63</b>	<b>270.61</b>

\*Includes unclaimed/unpaid dividend of INR 0.13 (31 March 2023: INR 0.13)

16 Provisions

	As at 30 June 2023	As at 31 March 2023
<b>Non-current</b>		
Provision for employee benefits (Refer note 29)		
Provision for gratuity	99.04	103.38
Provision for leave encashment	106.53	93.02
<b>Total</b>	<b>205.57</b>	<b>196.40</b>
<b>Current</b>		
Provision for employee benefits (Refer note 29)		
Provision for gratuity	36.08	33.51
Provision for leave encashment	33.70	28.13
Provision-others*	15.38	15.38
<b>Total</b>	<b>85.16</b>	<b>77.02</b>

\* Contingency provision towards indirect taxes. There is no change in this provision during the period ended 30 June 2023.



17 Contract and other liabilities

	As at 30 June 2023	As at 31 March 2023
<b>Contract liabilities*</b>		
<b>Non-current</b>		
Deferred revenue	4,555.45	4,205.57
	<u>4,555.45</u>	<u>4,205.57</u>
<b>Current</b>		
Deferred revenue	7,089.29	6,741.96
Advances from customers	372.40	677.10
	<u>7,461.69</u>	<u>7,419.06</u>
<b>Total</b>	<u>12,017.14</u>	<u>11,624.63</u>
<b>Other liabilities- current</b>		
Statutory dues		
Tax deducted at source payable	30.81	53.20
GST payable	145.37	297.05
Others	19.53	16.84
<b>Total</b>	<u>195.71</u>	<u>367.09</u>

\* Contract liabilities include consideration received in advance to render services in future periods. Refer Note 32 for outstanding balances pertaining to related parties.

18 Income tax assets and liabilities

	As at 30 June 2023	As at 31 March 2023
<b>Income tax assets (net of provisions)</b>		
<b>Non current</b>		
Income tax assets	1,703.95	1,699.98
Less: Provision for income tax	(1,616.28)	(1,615.72)
<b>Total Non Current Tax assets (net)</b>	<u>87.67</u>	<u>84.26</u>
<b>Current tax liabilities</b>		
Provision for income tax	1,102.04	919.91
Less: Income tax assets	(1,060.22)	(884.08)
	<u>41.82</u>	<u>35.83</u>





**19 Revenue from operations**

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
<b>Sale of services</b>		
Income from web services	2,656.20	2,096.29
Income from accounting software services	135.32	105.33
Advertisement and marketing services	29.69	44.19
<b>Total</b>	<b>2,821.21</b>	<b>2,245.81</b>

Changes in the contract liability balances during the period are as follows:

	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
Opening balance at the beginning of the period	11,624.63	9,070.38
Acquisition through business combinations	-	241.71
Less: Revenue recognised from contract liability balance at the beginning of the period	(2,300.81)	(1,826.75)
Add: Amount received/billed from customers during the period	3,213.73	2,540.83
Less: Revenue recognised from amount received/billed during the period	(520.41)	(419.06)
<b>Closing balance at the end of the period</b>	<b>12,017.14</b>	<b>9,607.11</b>

**20 Other income**

Fair value gain/(loss) on measurement and income from sale of financial assets		
-Fair value gain/(loss) (net) on measurement, interest and income from sale of mutual funds, exchange traded funds, bonds, debentures, units of alternative investment funds and investment trust	560.32	(41.31)
-Fair value gain on measurement and income from sale of Investment in other entities	-	33.33
Interest income from financial assets measured at amortised cost		
- on bank deposits	0.60	4.87
- on corporate deposits and loans	3.88	2.29
- on security deposits	0.72	0.65
Other interest income	0.03	0.04
Dividend Income	2.37	2.69
Gain on de-recognition of Right-of-use assets	0.47	2.35
Provisions and liabilities no longer required written back	0.33	0.77
Net gain/(loss) on disposal of property, plant and equipment	0.02	2.63
Miscellaneous income	2.64	1.72
<b>Total</b>	<b>571.38</b>	<b>10.03</b>

**21 Purchase of stock in trade**

	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
Purchases of stock in trade	-	1.55
	-	<b>1.55</b>

**22 Changes in inventories of finished goods, Stock-in-Trade**

	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
Inventory at the end of the period	-	1.29
Inventory at the beginning of the period	-	1.11
<b>Increase in inventories</b>	<b>-</b>	<b>(0.18)</b>

**23 Employee benefits expense**

	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
Salaries, allowance and bonus	1,105.54	818.58
Gratuity expense	17.19	15.89
Leave encashment expense	22.17	3.59
Contribution to provident and other funds	17.81	10.83
Employee share based payment expense	65.73	73.06
Staff welfare expenses	14.23	3.32
<b>Total</b>	<b>1,242.67</b>	<b>925.27</b>

**24 Finance costs**

	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
Interest cost of lease liabilities	10.83	12.32
Interest Cost on Deferred consideration	11.08	-
<b>Total</b>	<b>21.91</b>	<b>12.32</b>



25 Depreciation and amortisation expense

	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
Depreciation of property, plant and equipment (Refer Note 5A)	22.75	10.17
Depreciation of Right-of-use assets (Refer Note 5B)	23.72	25.37
Amortisation of intangible assets (Refer Note 6B)	28.18	27.58
<b>Total</b>	<b>74.65</b>	<b>63.12</b>

26 Other expenses

	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
Content development expenses	75.36	61.90
Buyer engagement expenses	29.61	35.29
Customer support expenses	73.49	45.00
Commission on Sales	6.70	0.90
Outsourced sales cost	375.28	315.45
Internet and other online expenses	124.26	100.98
Rates and taxes	3.38	1.44
Outsourced support cost	3.48	3.94
Advertisement expenses	4.61	2.52
Power and fuel	4.75	3.99
Repair and maintenance:		
- Plant and machinery	1.51	1.34
- Others	12.40	7.41
Travelling and conveyance	12.50	7.00
Recruitment and training expenses	6.74	4.62
Legal and professional fees	18.88	54.62
Directors' sitting fees	1.89	1.42
Auditor's remuneration	2.59	-
Insurance expenses	11.81	11.38
Collection charges	13.20	10.51
Corporate social responsibility activities expenses	9.24	1.10
Rent	11.39	4.84
Miscellaneous expenses	1.88	1.45
<b>Total</b>	<b>804.95</b>	<b>677.10</b>

27 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the earnings for the period attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the period. Diluted EPS are calculated by dividing the earnings for the period attributable to the equity holders of the parent company by weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The following reflects the basic and diluted EPS computations:

	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
<b>Basic</b>		
Net profit as per the statement of profit and loss for computation of EPS (A)	831.47	466.99
Weighted average number of equity shares used in calculating basic EPS (B)*	6,11,58,442	6,10,98,948
Basic earnings per equity share (A/B)	13.60	7.64
<b>Diluted</b>		
Weighted average number of equity shares used in calculating basic EPS*	6,11,58,442	6,10,98,948
Potential equity shares	1,00,325	3,57,006
Total no. of shares outstanding (including dilution) (C)*	6,12,58,767	6,14,55,954
Diluted earnings per equity share (A/C)	13.57	7.60

There are potential equity shares for the quarter ended 30 June 2023 and 30 June 2022 in the form of share based awards granted to employees which have been considered in the calculation of diluted earning per share.

\*Previous period numbers are adjusted for bonus shares issued during the current period





**28 Income tax**

The major components of income tax expense are:

**a) Income tax expense recognised in Statement of profit and loss**

Particulars	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
<b>Current tax expense</b>		
Current tax for the period	182.69	215.33
	<u>182.69</u>	<u>215.33</u>
<b>Deferred tax benefit</b>		
Relating to origination and reversal of temporary differences	109.80	(175.32)
	<u>109.80</u>	<u>(175.32)</u>
<b>Total income tax expense</b>	<b>292.49</b>	<b>40.01</b>

The effective tax rate has been increased from 7.89% for the quarter ended 30 June 2022 to 26.02% for the quarter ended 30 June 2023, as benefits of discrete events related to indexation and taxation at lower rate on sale of mutual funds were available during the quarter ended 30 June 2022.

**b) Income tax recognised in other comprehensive income/(loss) (OCI)**

Deferred tax related to items recognised in OCI during the period.

Particulars	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
Net gain/(loss) on remeasurements of defined benefit plans	(0.26)	0.98

**c) Reconciliation of Deferred tax Assets & liabilities:**

Particulars	As at 30 June 2023	As at 31 March 2023
<b>Opening balance as of 1 April</b>	<b>(181.11)</b>	<b>(156.42)</b>
Tax benefit/(expense) during the period recognised in Statement of profit and loss	(109.80)	75.60
Net Deferred tax liabilities recognised pursuant to business combinations (refer note 33)	-	(80.35)
Measurement period adjustments (refer note 33)	-	(4.63)
Tax impact during the period recognised in OCI	0.26	(15.31)
<b>Closing balance at the end of the period</b>	<b>(290.65)</b>	<b>(181.11)</b>

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



## 29 Defined benefit plan and other long term employee benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed statutory defined period of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance company in form of qualifying insurance policy. This defined benefit plans exposes the Group to actuarial risks, such as longevity risk, interest rate risk and salary risk.

The amount included in the balance sheet arising from the Group's obligation in respect of its gratuity plan and leave encashment is as follows:

### Gratuity - Defined benefit

	As at 30 June 2023	As at 31 March 2023
Present value of defined benefit obligation	375.47	354.24
Fair value of plan assets	(240.35)	(217.35)
<b>Net liability arising from defined benefit obligation</b>	<b>135.12</b>	<b>136.89</b>

### Leave encashment - other long term employee benefit plan

	As at 30 June 2023	As at 31 March 2023
Present value of other long term employee benefit plan	140.23	121.14

## 30 Fair value measurements

a) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

	Level	As at 30 June 2023	As at 31 March 2023
<b>Financial assets</b>			
a) Measured at fair value through profit or loss (FVTPL)			
- Investment in mutual funds and exchange traded funds (Refer Note b(iii) below)	Level 1	14,541.18	11,736.59
- Investments in Investment Trust (Refer Note b(iii) below)	Level 1	454.32	484.19
- Investment in bonds & debentures (Refer Note b(v) below)	Level 2	8,385.90	10,497.55
- Investment in equity/preference instruments of other entities (Refer Note b(iv) below)	Level 3	2,210.52	2,210.52
- Investment in debt instruments of associates (Refer Note b(v) below)	Level 3	185.00	155.00
		<u>25,776.92</u>	<u>25,083.85</u>
b) Measured at amortised cost (refer note (b)(i) and (ii) below)			
- Trade receivables		58.65	70.55
- Cash and cash equivalents		331.67	581.06
- Loans to employees		6.33	5.20
- Inter-corporate deposits		214.05	52.12
- Security deposits		53.30	48.44
- Deposits with Banks		9.99	1.69
- Other financial assets		108.41	141.91
		<u>782.40</u>	<u>900.97</u>
<b>Total financial assets (a+b)</b>		<b>26,559.32</b>	<b>25,984.82</b>
<b>Financial liabilities</b>			
a) Measured at amortised cost (refer note (b)(i) and (ii))			
- Trade payables		263.19	272.18
- Security deposits		0.78	0.78
- Other financial liabilities		567.60	625.51
- Lease liabilities		445.26	459.08
<b>Total financial liabilities</b>		<b>1,276.84</b>	<b>1,357.55</b>

b) The following methods / assumptions were used to estimate the fair values:

- The carrying value of deposits with Banks, Inter-corporate deposits with Financial institutions, trade receivables, loans to employees, cash and cash equivalents, trade payables, security deposits, lease liabilities and other financial assets and other financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments. These have been assessed basis counterparty credit risk.
- The fair value of non-current financial assets and financial liabilities measured are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.
- Fair value of quoted mutual funds, exchange traded fund and investment trust is based on quoted market prices at the reporting date. We do not expect material volatility in these financial assets.
- Fair value of investment in equity/preference and debenture instruments of other entities is estimated based on discounted cash flows / market multiple valuation technique using the cash flow projections, discount rate and credit risk and are classified as Level 3.
- Fair value of Investment in debt instruments of associates is estimated based on discounted cash flows / market multiple valuation technique using the cash flow projections, discount rate and credit risk and are classified as Level 3.
- Fair value of the quoted bonds and debentures is determined using observable market's inputs and is classified as Level 2.

c) Following table describes the valuation techniques used and key inputs thereto for the level 3 financial assets as of 31 March 2023:

Financial assets	Valuation technique(s)	Significant Unobservable inputs	Significant Unobservable inputs range	Inter-relationship between significant unobservable input and fair value measurement
<b>Investment in equity/preference instruments of other entities</b>				
Legistify Services Private Limited, Mynd Solutions Private Limited, Zimyo Consulting Private Limited, Fleets Technologies Private Limited and Instant Procurement Services Private Limited	Market multiple and Discounted cashflow approach	i) Discount rate ii) Revenue growth rate iii) Market multiples (Comparable Companies)	i) 24.5% - 28.5% ii) 10% - 204.7% iii) 2.1x - 7.2x	The estimated fair value of Investment in Other entities will Increase (decrease) if the Revenue growth rate and Market multiple is higher (lower). The estimated fair value of Investment in Other entities will Increase (decrease) if the Discount rate is (lower) higher.

\* For the period ended 30 June 2023, there is no material change in the significant unobservable inputs and sensitivity from the period ended 31 March 2023 for investment made in other entities.

d) Reconciliation of level 3 fair value measurements

	Investment in equity/preference instruments of other entities/investment in debt instruments of associates	
	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
Opening balance	2,365.52	1,719.05
Gain recognised in profit or loss	-	33.33
Additions	30.00	75.00
Disposals/Extinguishment	-	(0.92)
<b>Closing balance</b>	<b>2,395.52</b>	<b>1,826.46</b>

e) During the period ended 30 June 2023 and 30 June 2022, there were no transfers due to re-classification into and out of Level 3 fair value measurements



### 31 Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Pursuant to acquisition of Bus Infotech Private Limited and Livekeeping Technologies Private Limited (Formerly known as Finlite Technologies Private Limited) during the current year ended 30 June 2023, the Group has identified two business segments namely "Web and related Services" and "Accounting Software Services" as reportable segments based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems.

Web and related services are business-to-business e-marketplace services which acts as an interactive hub for domestic and international buyers and suppliers. Accounting software services includes business of development, system analysis, designing and marketing of integrated business accounting software to help and manage businesses with increased efficiency.

#### Segment accounting Policies

The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in note 2 on material accounting policies. The accounting policies in relation to segment accounting are as under:

#### (a) Segment revenue and expenses

Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. Segment revenue does not include other income. Segment expenses do not include finance cost. Depreciation and amortization, exceptional items, tax expense and share of loss of associates.

#### (b) Segment assets and liabilities

Assets and liabilities directly attributable or allocable to segments are disclosed under each reportable segment.

Financial information about the business segments for the period ended 30 June 2023 and 30 June 2022 is as follows:

	For the quarter ended 30 June 2023			For the quarter ended 30 June 2022		
	Web and related services	Accounting Software services	Total	Web and related services	Accounting Software services	Total
Revenue from operations from external customers	2,685.89	135.32	2,821.21	2,140.48	105.33	2,245.81
Inter-segment revenue	-	-	-	-	-	-
Segment revenues	2,685.89	135.32	2,821.21	2,140.48	105.33	2,245.81
Segment results	762.06	11.53	773.59	597.38	44.68	642.06
Finance Cost			(21.91)			(12.32)
Depreciation and Amortization expense			(74.65)			(63.12)
Other income			571.38			10.03
Profit before share of loss in associates, exceptional items and tax			1,248.41			576.65
Share of loss of an associates			(106.22)			(69.66)
Profit before exceptional items and tax			1,142.19			506.99
Exceptional items			(18.23)			-
Profit before tax			1,123.96			506.99
Tax expense			(292.49)			(40.01)
Profit for the period			831.47			466.98

#### Information about geographical areas:

The Group's revenue from continuing operations from external customers by location of operations and information of its non-current assets by location of assets are detailed below.

For the period ended 30 June 2023 and 30 June 2022:

	For the quarter ended 30 June 2023			For the quarter ended 30 June 2022		
	Web and related services	Accounting Software services	Total	Web and related services	Accounting Software services	Total
Revenue from external customers						
India	2,666.87	132.04	2,798.91	2,118.10	99.95	2,218.05
Others	19.01	3.29	22.30	22.37	5.39	27.76
	2,685.88	135.33	2,821.21	2,140.47	105.34	2,245.81

	As at 30 June 2023			As at 31 March 2023		
	Web and related services	Accounting Software services	Total	Web and related services	Accounting Software services	Total
Non-Current Assets*						
India	546.38	4,970.94	5,517.32	551.19	4,996.86	5,548.05
Others	-	-	-	-	-	-
	546.38	4,970.94	5,517.32	551.19	4,996.86	5,548.05

\* Non-current assets exclude financial assets, investment in associates, deferred tax assets, tax assets and post-employment benefit assets.

No single customer represents 10% or more of the Group's total revenue for the period ended 30 June 2023 and 30 June 2022, respectively.

#### Segment assets and liabilities

	As at 30 June 2023				As at 31 March 2023			
	Web and related services	Accounting Software services	Unallocable	Total	Web and related services	Accounting Software services	Unallocable	Total
Segment assets	23,277.88	6,349.66	5,365.55	34,993.09	22,680.36	6,275.93	5,490.01	34,446.30
Segment liabilities	13,187.77	935.56	-	14,123.32	13,007.13	854.25	-	13,861.38





32 Related party transactions

i) Names of related parties and related party relationship:

a) Entity's subsidiaries & associates

Subsidiaries	
	Hello Trade Online Private Limited
	Tradezeal Online Private Limited
	Tolexo Online Private Ltd
	Pay With Indiamart Private Limited
	Busy Infotech Private Limited (with effect from 06 April 2022)
	Livekeeping Technologies Private Limited (Formerly known as Finite Technologies Private Limited) (with effect from 23 May 2022)
	Livekeeping Private Limited (Subsidiary of Livekeeping Technologies Private Limited, with effect from 23 May 2022)
Associates	
	Simply Vyapar Apps Private Limited
	Ten Times Online Private Limited (ceased to be an associate with effect from 16 March, 2023)
	Truckhall Private Limited
	Shipway Technology Private Limited
	Agillos E-Commerce Private Limited
	Edgewise Technologies Private Limited
	IB Monotaro Private Limited
	Adansa Solutions Private Limited (w.e.f April 06, 2022))
	Mobisy Technologies Private Limited (with effect from 03 November 2022)

b) Key Management Personnel (KMP):

Name	Designation
Dinesh Chandra Agarwal	Managing Director & CEO
Brijesh Kumar Agrawal	Whole time director
Prateek Chandra	Chief financial officer
Manoj Bhargava	Company Secretary
Dhruv Prakash	Non-executive director
Rajesh Sawhney	Independent director
Elizabeth Lucy Chapman	Independent director (Resigned with effect from 07 October 2022)
Vivek Narayan Gour	Independent director
Pallavi Dinodia Gupta	Independent director (Appointed with effect from 20 October 2022)

c) Relatives of Key Management Personnel (KMP)\*

Chetna Agarwal  
Gunjan Agarwal  
Anand Kumar Agrawal  
Meena Agrawal  
Pankaj Agarwal  
Naresh Chandra Agrawal  
Prakash Chandra Agrawal  
Shravani Prakash  
Anjali Prakash  
Megha Bhargava  
Sphurti Gupta

d) Entities where Key Management Personnel (KMP) exercise significant influence.\*

Mansa Enterprises Private Limited  
Mynd Solutions Private Limited  
S R Dinodia & Co LLP  
Dimesh Chandra Agarwal HUF  
Nanpara Family Trust  
Nanpara Business Trust  
Hamirwasia Business Trust  
Hamirwasia Family Trust

e) Other related parties

Indiamart Employee Benefit Trust (administered Trust to manage employees share based payment plans of the Company)  
Indiamart Intermesh Employees Group Gratuity Assurance Scheme (administered Trust to manage post-employment defined benefits of employees of the Company)

\*With whom the Group had transactions during the reporting period.

ii) Key management personnel compensation

	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
Short-term employee benefits	43.13	38.51
Post-employment benefits	0.13	-
Other long-term employee benefits	2.64	-
Employee share based payment	6.37	3.92
	<b>52.27</b>	<b>42.43</b>



32 Related party transactions (Cont'd)

The following table provides the total amount of transactions that have been entered into with the related parties for the relevant period:

Particulars	For the quarter ended 30 June 2023	For the quarter ended 30 June 2022
<b>Entities where KMP exercise Significant influence:</b>		
<u>Rent &amp; related miscellaneous expenses</u>		
Mansa Enterprises Private Limited	1.09	0.46
<u>S R Dinodia &amp; Co LLP</u>		
Tax consultancy and litigation support service	0.74	-
<b>KMP and relatives of KMP's:</b>		
<u>Recruitment and training expenses</u>		
Key management personnel	0.75	-
<u>Bonus share issued (Face Value 10/- each)</u>		
Key management personnel	145.54	-
Relatives of Key Management Personnel	5.72	-
Entities where Key Management Personnel exercise significant influence	0.60	-
<u>Dividend paid</u>		
Key management personnel	291.09	-
Relatives of Key Management Personnel	11.45	-
Entities where Key Management Personnel exercise significant influence	1.21	-
Director's sitting fees	1.80	1.26
<u>Other services provided</u>		
Relatives of Key Management Personnel	0.27	-
<b>Associates</b>		
<u>Investment in associates</u>		
Truckhall Private Limited	30.00	75.00
Shipway Technology Private Limited	-	39.78
IB MonotaRO Private Limited	137.36	-
Adansa Solutions Private Limited	-	137.50
<u>Bonus Shares Received</u>		
Simply Vyapar Apps Private Limited		
-Equity Shares Capital (Face value 10/- each)	0.11	-
-Compulsory convertible preference shares (Face value 100/- each)	14.75	-
<u>Web, advertisement &amp; marketing services provided to</u>		
Simply Vyapar Apps Private Limited	1.93	2.96
IB Monotaro Private Limited	0.34	-
<u>Miscellaneous services provided to</u>		
Simply Vyapar Apps Private Limited	-	0.43
<u>Internet and online services availed from</u>		
Ten Times Online Pvt. Ltd	-	0.03
<u>Indiamart Employee Benefit Trust</u>		
Share capital issued	-	2.10
Bonus share capital issued	0.35	-
Dividend paid	0.71	-



## 32 Related party transactions (Cont'd)

**Terms and conditions of transactions with related parties**

The transactions with related parties are entered on terms equivalent to those that prevail in arm's length transactions. Outstanding balances as at the period end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The following table discloses the related parties balances at the year end:

Balance Outstanding at the year end	As at 30 June 2023	As at 31 March 2023
<b>Associates</b>		
<u>Investment in equity instruments of associates (At cost)*</u>		
Simply Vyapar Apps Private Limited	967.30	967.30
Truckhall Private Limited	110.10	110.10
Shipway Technology Private Limited	182.00	182.00
Agillos E-Commerce Private Limited	260.00	260.00
Edgewise Technologies Private Limited	133.45	133.45
IB MonotaRO Private Limited	1,179.13	1,041.77
Adansa Solutions Private Limited	137.50	137.50
Mobisy Technologies Private Limited	366.03	366.03
<u>Investment in debt instruments of associates (At FVTPL)</u>		
Truckhall Private Limited	105.00	75.00
Mobisy Technologies Private Limited	80.00	80.00
<u>Trade receivables</u>		
Simply Vyapar Apps Private Limited	3.70	2.00
<u>Trade Payable</u>		
S R Dinodia & Co LLP	0.74	-
<u>Deferred Revenue</u>		
Simply Vyapar Apps Private Limited	0.73	2.53
IB Monotaro Private Limited	0.76	1.10
<u>Investment in Entities where KMP and Individuals exercise Significant influence</u>		
Mynd Solutions Private Limited	577.36	577.36

\*Does not include share of profit/loss of associate as accounted under equity method





### 33 Business Combination

#### a) Acquisition of Busy Infotech Private Limited ("Busy Infotech")

On 24 January, 2022, the Group had signed the Share Purchase Agreement (SPA) for acquiring 100% equity interest in Busy Infotech for a consideration of INR 5,000. Busy Infotech is engaged in the business of development, system analysis, designing and marketing of integrated business accounting software (known as Busy accounting software). The acquisition would help the Company to offer accounting software solutions to businesses in line with its long term vision of enabling businesses.

The acquisition consummated on 06 April, 2022 and the Group had paid INR 5,000 in cash.

The total purchase consideration of INR 5,000 was allocated based on management estimates to the acquired assets and liabilities as follows:

Particulars	As at 01 April 2022
Net working capital (Including cash of INR 33.11 millions)	433.06
Deferred tax liabilities(Net)	(76.17)
Non current Liabilities	(46.11)
Property, plant and equipment	8.65
Software	0.77
ROU	2.79
Intangible assets	
Technology	173.68
Channel Network	365.62
Goodwill	4,137.71
<b>Purchase Consideration</b>	<b>5,000.00</b>

The table below shows the values and lives of intangible assets recognized on acquisition:

	Amount	Life (Years)	Basis of amortization
Technology	173.68	5	On straight line basis
Channel Network	365.62	5	On straight line basis
<b>Total Intangible Assets</b>	<b>539.30</b>		

Goodwill is non tax deductible and was allocated to the CGU "Busy Infotech Private Limited".

Acquisition-related costs:

The Group had incurred INR 38.79 towards acquisition related costs. These amounts have been included in other expenses in the consolidated statement of profit or loss for the year ended 31 March, 2023.

The operations of Busy Infotech have been consolidated in the consolidated financial statements of the Group from 01 April, 2022 for convenience purposes as the transactions between 01 April, 2022 and 05 April, 2022 were not material.

During the year ended 31 March, 2023, the Group had finalised the purchase price allocation for this acquisition, which resulted in increase in net working capital by INR 29.20, decrease in Right of Use assets by INR 0.07, increase in deferred tax liability INR 4.62 and increase in non current liabilities by INR 9.14 with corresponding impact of decrease in value of goodwill by INR 15.37 to INR 4,122.34 basis certain revised information.

In addition to the purchase consideration, initially INR 28 was payable as on acquisition date to certain Business Advisors over a two-year period, which has been renegotiated and reduced to INR 23 Mn. Payment of this amount is contingent upon these service providers continuing to be the advisors of the Group during the stipulated period mentioned in the agreement. Out of the total agreed amount, INR 17 Mn has been discharged upto 30 June 2023.

#### b) Acquisition of Livekeeping Technologies Private Limited (Formerly known as Finlite Technologies Private Limited)

On 25 March, 2022, the Group had signed Share subscription and Share purchase agreement (SSSPA) for acquiring 51.09% equity interest in Livekeeping Technologies Private Limited (Formerly known as Finlite Technologies Private Limited) by way of purchase of 2,147 equity shares from existing shareholder of Livekeeping for a consideration of INR 110 and by subscribing 6,843 fresh Compulsory Convertible Preference Shares (CCPS) for INR 350. Livekeeping is engaged in the business of providing technology related services, web development and mobile applications along with other services. Company is the owner of 'Live keeping', a mobile application that allows users to access their Tally data. This investment is in line with the Company's long term objective of offering various Software as a Service ('SAAS') based solutions for businesses.

The acquisition consummated on 23 May, 2022 and the Group had paid INR 459.74 in cash. As part of the acquisition, the Group had committed to Buy-out the remaining share from the promoter of Livekeeping Technologies Private Limited on specified dates in a manner stipulated under the SSSPA. Accordingly, the fair value of remaining consideration payable to promoters of Livekeeping Technologies of INR 321.27 was recognized by the Group as deferred consideration and the acquisition was accounted as per anticipated-acquisition method.

The total purchase consideration of INR 781.01 was allocated based on management estimates to the acquired assets and liabilities as follows:

Particulars	As at 31 May 2022
Net working capital (Including cash of INR 346.1 millions)	347.47
Deferred tax liabilities(Net)	(4.18)
Property, plant and equipment	0.40
Intangible assets	
Technology	17.40
Goodwill	419.92
<b>Purchase Consideration</b>	<b>781.01</b>

The table below shows the values and lives of intangible assets recognized on acquisition:

	Amount	Life (Years)	Basis of amortization
Technology	17.40	5	On straight line basis
<b>Total Intangible Assets</b>	<b>17.40</b>		

Goodwill is non tax deductible and was allocated to the CGU "Livekeeping Technologies Private Limited".

Acquisition-related costs:

The Group had incurred INR 1.91 towards acquisition related costs. These amounts have been included in other expenses in the consolidated statement of profit or loss for the year ended 31 March, 2023.

During the year ended 31 March 2023, the Group had finalised the purchase price allocation for this acquisition, which resulted in decrease in net working capital by INR 0.45 and increase in deferred tax liability INR 0.01 with corresponding impact of increase in value of goodwill by INR 0.46 to INR 420.38.

The operations of Livekeeping Technologies have been consolidated in the financial statements of the Group from 31 May, 2022.



34 Contingent liabilities and commitments

a) Contingent liabilities

	As at 30 June 2023	As at 31 March 2023
(i) Income-tax demand (refer notes (a) and (b) below)	302.68	302.68
Service tax/ GST demand (refer notes (c) below)	15.38	15.38

(a) In respect of Assessment year 2016-17, a demand was raised on Tolexo Online Private limited due to addition of income relating to receipts of securities premium against share allotment made to IndiaMART InterMESH Limited and accordingly the losses to be carried forward by the Company have been reduced from INR 719.22 to INR 482.07 ( Tax impact @ 25.17% - INR 59.69) . The matter is pending with CIT(Appeals). The Company is contesting the demand and the management believes that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the consolidated financial statements for tax demand raised.

(b) In respect of Assessment year 2017-18, a demand of INR 242.99 was raised on Tolexo Online Private limited due to addition of income relating to receipts of securities premium against share allotment made to IndiaMART InterMESH Limited. The Company is contesting the demand and the management believes that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the consolidated financial statements for tax demand raised.

(c) Pursuant to the service tax audit of Indiamart Intermesh Limited for the financial year 2013-14 to 2017-18 (i.e upto 30 June 2017), a demand has been raised on non-payment of service tax under rule 6(3) of CCR, 2004 on "Net gain on sale of current investments" of INR 15.38. The Company has already recorded the provision for the said amount in the books of accounts in the financial year 2019-20. The Company was contesting the aforesaid mentioned demand against commissioner (Appeals). During the previous year, the order has been received rejecting the appeal and imposing 100% penalty of INR 15.38. The Company has filed the appeal before Tribunal against the order, and the management believes that the Company's position in the matter will be tenable.

(ii) On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers altered historical understandings of such obligations, extending them to cover additional portions of the employee's income. However, the judgment isn't explicit if such interpretation may have retrospective application resulting in increased contribution for past and future years for certain employees of the Group. The Group, based on an internal assessment, evaluated that there are numerous interpretative challenges on the retrospective application of the judgment which results in impracticability in estimation of and timing of payment and amount involved. As a result of lack of implementation guidance and interpretative challenges involved, the Group is unable to reliably estimate the amount involved. Accordingly, the Company shall evaluate the amount of provision, if any, on there being further clarity on the matter.

(iii) The Group is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, the outcome of which is inherently uncertain. Some of these matters include speculative and frivolous claims for substantial or indeterminate amounts of damages. The Group records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Company reviews these provisions and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Group believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results or cash flows of the Group, with respect to loss contingencies for legal and other contingencies as at 30 June 2023.

(iv) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be notified. The Group will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are notified.

b) Capital and other commitments

- As at 30 June 2023, the Group has Nil capital commitment (31 March 2023: Nil).

35 Investment in associates

The Group has investment in associates as on 30 June 2023 (Refer Note 7). The aggregate summarised financial information in respect of the Group's associates accounted for using the equity method is as below:

	30 June 2023	31 March 2023
Carrying value of the Group's interest in associates	2,764.38	2,751.48
The Group's share in loss for the year in associates	(106.22)	(379.05)

36 Events after the reporting period

a) The Group has evaluated all the subsequent events through 20 July 2023, which is the date on which these condensed consolidated financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the condensed consolidated financial statements.

b) Buyback

The Board of Directors in its meeting on July 20, 2023, is considering buyback of fully paid up equity shares of the Company in accordance with the stipulated conditions prescribed under the relevant applicable laws.

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 101248W/W-100022

*Kanika Kohli*  
Kanika Kohli  
Partner  
Membership No.: 511565  
Place: Noida

Date: 20 July 2023

For and on behalf of the Board of Directors of  
IndiaMART InterMESH  
Limited

*Dinesh Chandra Agarwal*  
Dinesh Chandra Agarwal  
(Managing Director and CEO)  
DIN:00191800

*Brijesh Kumar Agrawal*  
Brijesh Kumar Agrawal  
(Whole-time director)  
DIN:00191760

*Prateek Chandra*  
Prateek Chandra  
(Chief Financial Officer)

*Manoj Bhargava*  
Manoj Bhargava  
(Company Secretary)

Place: Noida  
Date: 20 July 2023

