

Independent Auditor's Report

To the Members of IndiaMART InterMESH Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated 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 consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2024, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition - Web Services

See Note 2.3(d) and 19 to consolidated financial statements

| The key audit matter | How the matter was addressed in our audit |
|--|--|
| The Group generates revenue primarily from | In view of the significance of the matter we applied |

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

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| <p>web services and follows a prepaid model for its business.</p> <p>Revenue from web services is recognised over the period of the contract as and when the Group satisfies performance obligations by actually rendering the promised services to its customers.</p> <p>These services are delivered using IT systems which manage very high volume on daily basis and generate reports from which the Group recognises revenue, and hence there is inherent risk around the existence and accuracy of revenue recognition.</p> <p>We have identified revenue recognition from web services as a key audit matter because of the significance of web services revenue to the financial statements and its recognition based on high volume of data generated by internal IT systems.</p> | <p>the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <p>i. We assessed the appropriateness of the revenue recognition accounting policy and its compliance with applicable accounting standards.</p> <p>ii. We evaluated the design and implementation of key internal financial controls and operating effectiveness of the relevant key controls with respect to existence and accuracy of revenue recognition on selected transactions.</p> <p>iii. We, with the involvement of IT specialists, evaluated the design, implementation and operating effectiveness of management's general IT controls and key application controls over the Group's IT systems which govern revenue recognition, including access controls, controls over program changes and interfaces between different systems.</p> <p>iv. We selected a sample of transactions using statistical sampling and performed tests of details including reading the contract, identifying performance obligation and its link with actual rendition to assess whether the criteria for revenue recognition are met.</p> <p>v. We tested completeness and accuracy of web services revenue and collection from underlying relevant source documents generated by IT systems with the underlying accounting records.</p> <p>vi. We assessed the adequacy of disclosures in the consolidated financial statements.</p> |
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Goodwill Impairment

See Note 6A to consolidated financial statements

| The key audit matter | How the matter was addressed in our audit |
|---|--|
| <p>The Group had recognised goodwill related to the business acquisition of Busy Infotech Private Limited and Livekeeping Technologies Private Limited, amounting to INR 4,122.34 million and INR 420.38 million respectively, during the year ended 31 March 2023.</p> <p>Goodwill has been allocated to the Busy Infotech Private Limited and Livekeeping</p> | <p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <p>i. We evaluated the design and implementation and also tested the operating effectiveness of key internal financial controls implemented by the Group in relation to impairment testing of goodwill.</p> |



Independent Auditor's Report (Continued)

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| <p>Technologies Private Limited cash-generating units (CGUs).</p> <p>The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGUs, which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow model. The model uses several key assumptions, including estimates of future revenue, operating costs, terminal value growth rate and the weighted-average cost of capital (discount rate).</p> | <p>ii. We evaluated the Group's valuation methodology applied in determining the recoverable amount of CGUs in accordance with applicable Ind AS. Further, we also assessed the objectivity and independence of the specialists involved in the process.</p> <p>iii. We evaluated the appropriateness of assumptions applied to key inputs of the cash flow forecasts including expected revenue growth rates, terminal growth rate and discount rate.</p> <p>iv. We engaged valuation specialists to assess the appropriateness of valuation methodology used and key inputs such as Weighted Average Cost of Capital (WACC) rate, terminal growth rate and terminal value for the determination of the recoverable amount of each CGU. Further, we also compared the recoverable amount determined above with the carrying value of CGU.</p> <p>v. We performed our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the currently estimated headroom for the Busy Infotech Private Limited and Livekeeping Technologies Private Limited CGUs.</p> <p>vi. We tested the arithmetical accuracy of the models.</p> <p>vii. We evaluated the adequacy of disclosures in the consolidated financial statements, including disclosures of key assumptions, judgements and sensitivities.</p> |
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Valuation of investments in associates and other entities

See Note 7 and 8 to consolidated financial statements

| The key audit matter | How the matter was addressed in our audit |
|---|--|
| <p>The Group has significant investments in associates and other entities amounting to INR 2,731.67 million and INR 2,504.81 million respectively, as at 31 March 2024.</p> <p>Management keeps track of all investments in reference to their financial performance. In addition, management also performs:</p> <p>i. Review of indicators of impairment (if any) on</p> | <p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <p>i. We evaluated the design and implementation and also tested the operating effectiveness of key internal financial controls implemented by the Group in relation to valuation of investments in associates and other entities.</p> |



Independent Auditor's Report (Continued)

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| <p>investments in associates at regular intervals and performs impairment testing if any indicators are noted.</p> <p>ii. Fair valuation of investments in other entities which are measured at fair value through profit and loss ("FVTPL").</p> <p>Significant judgements are involved to determine the key assumptions used for the purpose of impairment testing/ fair valuation, such as revenue growth, discount rates, etc. The aforesaid activity of impairment testing/ fair valuation is highly dependent on the assumptions and other inputs considered to carry out such activity.</p> <p>We have identified valuation of investments in associates and other entities as a key audit matter because of the complexity involved in determination of key assumptions and judgements for the purpose of impairment testing/ fair valuation of respective investments.</p> | <p>ii. We evaluated the Group's valuation methodology applied in determining the fair value ("recoverable amount") in accordance with relevant applicable Ind AS. Further, we also assessed the objectivity and independence of the specialists involved in the valuation process.</p> <p>iii. We evaluated the appropriateness of assumptions around the key drivers of the cash flow forecasts such as revenue growth rates and terminal growth rate.</p> <p>iv. We also assessed the valuation methodology for recent market transactions and key assumptions adopted in the cash flow forecasts considering current economic scenario, including retrospective reviews to prior year's forecasts against actual results.</p> <p>v. We engaged valuation specialists to assess the appropriateness of valuation methodology and market driven assumptions used for assessment of the valuation of investments.</p> <p>vi. We tested the arithmetical accuracy of the models.</p> <p>vii. We assessed the adequacy of disclosures in the consolidated financial statements, including disclosures of key assumptions, judgments and sensitivities.</p> |
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Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive



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income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated 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 Directors 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place 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 consolidated 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 the 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 consolidated 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.



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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated 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 paragraph (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 entities included in the consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a. We did not audit the financial statements of five subsidiaries (including its subsidiary), whose financial statements reflects total assets (before consolidation adjustments) of INR 2,210.49 million as at 31 March 2024, total revenues (before consolidation adjustments) of INR 54.71 million and net cash outflows (before consolidation adjustments) amounting to INR 5.61 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.



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- b. The consolidated financial statements include the Group's share of net loss (and other comprehensive income) of INR 403.94 million for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of eight associates, whose financial information have not been audited either by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2024 and 02 April 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, and on the basis of written representations received by the management from directors of its eight associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate companies incorporated in India, to the extent applicable, and the operating effectiveness of such controls,



Independent Auditor's Report (Continued)

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refer to our separate Report in "Annexure B".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group and its associates. Refer Note 37 to the consolidated financial statements.
 - b. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate companies incorporated in India during the year ended 31 March 2024.
 - d (i) The management of the Holding Company, its subsidiary companies and associate companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 12(3) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiary companies and associate companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiary companies and associate companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management of the Holding Company, its subsidiary companies and associate companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 12(3) to the consolidated financial statements, no funds have been received by the Holding Company, its subsidiary companies and associate companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiary companies and associate companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The final dividend paid by the Holding Company during the year, in respect of the previous year ended 31 March 2023, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 41 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
 - f. Based on our examination, which included test checks, and that performed by the respective auditors of the subsidiaries, which are companies incorporated in India whose financial



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statements have been audited under the Act, except for the instances mentioned below, the Holding company, and subsidiaries have used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares.

- the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining its books of account.
- the feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software used for maintaining its books of account for the period from 1 April 2023 to 27 January 2024 for one of the subsidiary company. Further, audit trail (edit log) facility was not enabled for full year in relation to certain master data records of such accounting software.
- the accounting softwares relating to revenue did not have the feature of audit trail (edit log) facility in respect of one of the subsidiary company.
- the feature of recording of audit trail (edit log) facility was not enabled for the accounting software used for maintaining its books of accounts for the period from 1 April 2023 to 30 June 2023 for one of the subsidiary company.
- the feature of recording of audit trail (edit log) facility was not enabled for the accounting software used for maintaining its books of accounts for the period from 1 April 2023 to 31 May 2023 for four subsidiary companies.

Further, for the periods where audit trail (edit log) was enabled and operated, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with.



Independent Auditor's Report (Continued)

IndiaMART InterMESH Limited

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The associate companies are private limited companies and accordingly the requirements as stipulated by the provisions of section 197(16) are not applicable to the associate companies. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Kanika

Kanika Kohli

Partner

Place: Noida

Date: 30 April 2024

Membership No.: 511565

ICAI UDIN:24511565BKFTCN4621

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of IndiaMART InterMESH Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the Holding company and subsidiary companies incorporated in India and included in the consolidated financial statements.

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

| Name of the entities | CIN | Subsidiary/ JV/ Associate |
|-------------------------------------|-----------------------|---------------------------|
| IB MonotaRO Private Limited | U52609DL2020PTC366962 | Associate |
| Mobisy Technologies Private Limited | U72900KA2008PTC045157 | Associate |

According to the information and explanations given to us, in respect of six associate companies incorporated in India, CARO is not applicable:

| Name of the entities | CIN | Subsidiary/ JV/ Associate |
|---------------------------------------|-----------------------|---------------------------|
| Shipway Technology Private Limited | U72300HR2015PTC056319 | Associate |
| Truckhall Private Limited | U60221WB2016PTC217183 | Associate |
| Agillos E-Commerce Private Limited | U52300KA2016PTC092938 | Associate |
| Edgewise Technologies Private Limited | U72200KA2015PTC078474 | Associate |
| Simply Vyapar Apps Private Limited | U74110KA2018PTC110858 | Associate |
| Adansa Solutions Private Limited | U74999WB1973PTC028813 | Associate |



B S R & Co. LLP

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of IndiaMART InterMESH Limited for the year ended 31 March 2024 (Continued)

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022



Kanika

Kanika Kohli

Partner

Place: Noida

Date: 30 April 2024

Membership No.: 511565

ICAI UDIN: 24511565BKFTCN4621

Annexure B to the Independent Auditor's Report on the consolidated financial statements of IndiaMART InterMESH Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of IndiaMART InterMESH Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies and its associate company, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph



**Annexure B to the Independent Auditor's Report on the consolidated financial statements of IndiaMART InterMESH Limited for the year ended 31 March 2024
(Continued)**

below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to five subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

The internal financial controls with reference to financial information insofar as it relates to an associate company, which is a company incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditor. In our opinion and according to the information and explanations given to us by the Management, such unaudited associate company is not material to the Holding Company.



B S R & Co. LLP

**Annexure B to the Independent Auditor's Report on the consolidated financial statements of IndiaMART InterMESH Limited for the year ended 31 March 2024
(Continued)**

Our opinion is not modified in respect of this matter.

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

Chartered Accountants

Firm's Registration No.: 101248W/W-100022



Kanika

Kanika Kohli

Partner

Place: Noida

Date: 30 April 2024

Membership No.: 511565

ICAI UDIN: 24511565BKFTCN4621

| | Notes | As at 31 March 2024 | As at 31 March 2023 |
|--|--------|------------------------|------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5A | 155.01 | 128.31 |
| Capital work in progress | 5A | 5.04 | 1.77 |
| Right-of-use assets | 5B | 326.85 | 412.62 |
| Goodwill | 6A | 4,542.72 | 4,542.72 |
| Other intangible assets | 6B | 335.23 | 447.43 |
| Investment in associates | 7 | 2,541.67 | 2,751.48 |
| Financial assets | | | |
| (i) Investments | 8 | 2,694.81 | 2,365.52 |
| (ii) Loans | 8 | 65.32 | 0.84 |
| (iii) Other financial assets | 8 | 42.04 | 40.73 |
| Deferred tax assets (net) | 26 | - | 21.75 |
| Non-current tax assets (net) | 18 | 60.27 | 84.26 |
| Other non-current assets | 9 | 15.83 | 15.21 |
| Total Non-current assets | | 10,784.79 | 10,812.64 |
| Current assets | | | |
| Financial assets | | | |
| (i) Investments | 8 | 22,221.76 | 22,718.33 |
| (ii) Trade receivables | 10 | 47.82 | 70.55 |
| (iii) Cash and cash equivalents | 11 | 848.04 | 581.06 |
| (iv) Bank balances other than (iii) above | 11 | 163.97 | 1.69 |
| (v) Loans | 8 | 108.31 | 56.48 |
| (vi) Other financial assets | 8 | 248.82 | 149.62 |
| Other current assets | 9 | 62.52 | 55.93 |
| Total current assets | | 23,701.24 | 23,633.66 |
| Total Assets | | 34,486.03 | 34,446.30 |
| Equity and Liabilities | | | |
| Equity | | | |
| Share capital | 12 | 599.49 | 305.79 |
| Other equity | 13 | 16,761.65 | 20,279.13 |
| Total Equity | | 17,361.14 | 20,584.92 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 15 (a) | 292.45 | 340.28 |
| (ii) Other financial liabilities | 15 (b) | 269.57 | 355.68 |
| Contract liabilities | 17 | 5,189.79 | 4,205.57 |
| Provisions | 16 | 268.47 | 196.40 |
| Deferred tax liabilities (net) | 26 | 429.47 | 202.86 |
| Total Non-current liabilities | | 6,449.75 | 5,300.79 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 15 (a) | 114.22 | 118.80 |
| (ii) Trade payables | 14 | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | 0.55 | 1.07 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 343.07 | 271.11 |
| (iii) Other financial liabilities | 15 (b) | 433.94 | 270.61 |
| Contract liabilities | 17 | 9,210.02 | 7,419.06 |
| Other current liabilities | 17 | 425.67 | 367.09 |
| Provisions | 16 | 97.38 | 77.02 |
| Current tax liabilities (net) | 18 | 50.29 | 35.83 |
| Total Current liabilities | | 10,675.14 | 8,560.59 |
| Total Liabilities | | 17,124.89 | 13,861.38 |
| Total Equity and Liabilities | | 34,486.03 | 34,446.30 |
| Material accounting policies | 2 | | |

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

As per our report of even date attached

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

Kanika Kohli
Partner
Membership No.: 511565
Place: Noida

Date: 30 April 2024



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

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

Prateek Chandra
(Chief Financial Officer)

Place: Noida
Date: 30 April 2024

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

Manoj Bhargava
(Company Secretary)

IndiaMART InterMESH Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2024
(Amounts in INR million, unless otherwise stated)

| | Notes | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------|-------------------------------------|-------------------------------------|
| Income: | | | |
| Revenue from operations | 19 | 11,967.75 | 9,853.99 |
| Other income | 20 | 2,106.10 | 1,805.26 |
| Total income | | 14,073.85 | 11,659.25 |
| Expenses: | | | |
| Employee benefits expense | 21 | 5,440.72 | 4,247.35 |
| Finance costs | 22 | 89.13 | 81.51 |
| Depreciation, amortisation and impairment expense | 23 | 364.61 | 310.75 |
| Other expenses | 24 | 3,213.45 | 2,927.81 |
| Total expenses | | 9,107.91 | 7,567.42 |
| Net profit before share of loss in associates, exceptional items and tax | | 4,965.94 | 4,091.83 |
| Share in net loss of associates | | (403.94) | (379.05) |
| Profit before exceptional items and tax | | 4,562.00 | 3,712.78 |
| Exceptional items | | | |
| Impairment of investment | 7 | (18.23) | - |
| Profit before tax | | 4,543.77 | 3,712.78 |
| Income tax expense | | | |
| Current tax | 26 | 953.86 | 950.11 |
| Deferred tax | 26 | 250.38 | (75.60) |
| Total tax expense | | 1,204.24 | 874.51 |
| Net profit for the year | | 3,339.53 | 2,838.27 |
| Other comprehensive (loss)/income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement (loss)/gain on defined benefit plans | | (8.83) | 60.37 |
| Income tax effect | | 2.02 | (15.31) |
| Other comprehensive (loss)/income for the year, net of tax | | (6.81) | 45.06 |
| Total comprehensive income for the year | | 3,332.72 | 2,883.33 |
| Earnings per equity share: | 25 | | |
| Basic earnings per equity share (INR) - face value of INR 10 each | | 55.18 | 46.48 |
| Diluted earnings per equity share (INR) - face value of INR 10 each | | 55.04 | 46.32 |
| Material accounting policies | 2 | | |

The accompanying notes are an integral part of the consolidated 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: 30 April 2024



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

Dinesh Chandra Agarwal

(Managing Director and CEO)

DIN:00191800

Brijesh Kumar Agrawal

(Whole-time director)

DIN:00191760

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida

Date: 30 April 2024

(a) Equity share capital (Refer Note 12)

| Equity shares of INR 10 each issued, subscribed and fully paid up | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Equity share capital at the beginning of the year | 306.15 | 305.65 |
| Bonus issue during the year (Refer Note 12(1)) | 306.15 | - |
| Equity shares issued to Indiamart Employee Benefit Trust during the year (refer note 12(d)) | - | 2.10 |
| Equity shares extinguished on buy back during the year (Refer Note 12(1)) | (12.50) | (1.60) |
| Equity share capital at the end of the year | 599.80 | 306.15 |
| Equity shares held by Indiamart Employee Benefit Trust as at year end (refer note 12(d)) | (0.31) | (0.36) |
| Equity share capital at the end of the year net of elimination on account of shared held by Indiamart Employee Benefit Trust | 599.49 | 305.79 |

(b) Other equity (Refer Note 13)

| Particulars | Attributable to the equity holders of parent | | | | | Total other equity |
|---|--|-----------------|--|----------------------------|-------------------|--------------------|
| | Securities premium | General reserve | Reserves and surplus 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 year | - | - | - | - | 2,838.27 | 2,838.27 |
| Other comprehensive income for the year | - | - | - | - | 45.06 | 45.06 |
| Total comprehensive income | - | - | - | - | 2,883.33 | 2,883.33 |
| Buy-back of equity shares* | - | - | - | - | (1,230.99) | (1,230.99) |
| Expenses for buy-back of equity shares | - | - | - | - | (12.78) | (12.78) |
| Amount transferred to capital redemption reserve upon buyback | - | - | - | 1.60 | (1.60) | - |
| Employee share based payment expense (Refer Note 23) | - | - | 265.66 | - | - | 265.66 |
| Issue of equity shares on exercise of share based awards during the year | 139.27 | - | (139.27) | - | - | - |
| Final dividend paid (INR 2/- per share for financial year ended 31 March 2022) | - | - | - | - | (61.09) | (61.09) |
| Balance as at 31 March 2023 | 15,522.50 | 8.45 | 256.55 | 1.60 | 4,490.03 | 20,279.13 |
| Balance as at 1 April 2023 | 15,522.50 | 8.45 | 256.55 | 1.60 | 4,490.03 | 20,279.13 |
| Profit for the year | - | - | - | - | 3,339.53 | 3,339.53 |
| Other comprehensive loss for the year | - | - | - | - | (6.81) | (6.81) |
| Total comprehensive income | - | - | - | - | 3,332.72 | 3,332.72 |
| Amount utilised for bonus issue | (304.19) | - | - | (1.60) | - | (305.79) |
| Buy-back of equity shares (Refer Note 12(2))* | (6,149.39) | - | - | - | - | (6,149.39) |
| Expenses for buy-back of equity shares (Refer Note 12(2)) | (36.95) | - | - | - | - | (36.95) |
| Amount transferred to capital redemption reserve upon buyback | (4.05) | (8.45) | - | 12.50 | - | - |
| Employee share based payment expense (Refer Note 21) | - | - | 253.60 | - | - | 253.60 |
| Issue of equity shares on exercise of share based awards during the year (including bonus effect) | 137.14 | - | (137.23) | - | - | (0.09) |
| Final dividend paid (INR 20/- per share for financial year ended 31 March 2023) | - | - | - | - | (611.58) | (611.58) |
| Balance as at 31 March 2024 | 9,165.06 | - | 372.92 | 12.50 | 7,211.17 | 16,761.65 |

* Including tax on buyback of INR 1,161.89 (31 March 2023: 232.59)

(Loss)/ Gain of INR (6.81) and INR 45.06 on remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings for the year ended 31 March 2024 and 31 March 2023 respectively.

The accompanying notes are an integral part of the consolidated 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: 30 April 2024



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

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

Prateek Chandra
Prateek Chandra
(Chief Financial Officer)

Place: Noida
Date: 30 April 2024

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

Manoj Bhargava
Manoj Bhargava
(Company Secretary)

IndiaMART InterMESH Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2024
(Amounts in INR million, unless otherwise stated)

| | Notes | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------|-------------------------------------|-------------------------------------|
| Cash flow from operating activities | | | |
| Profit before tax for the year | | 4,543.77 | 3,712.78 |
| Adjustments for: | | | |
| Depreciation, amortisation and impairment expense | 23 | 364.61 | 310.75 |
| Interest, dividend and other income | 20 | (29.27) | (32.22) |
| Gain on de-recognition of Right-of-use assets | 20 | (4.82) | (4.71) |
| Liabilities and provisions no longer required written back | 20 | (1.55) | (1.55) |
| 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 | (1,778.75) | (908.20) |
| Fair value gain on measurement and sale of Investment in other entities | 20 | (286.64) | (837.99) |
| Net gain on disposal of property, plant and equipment | 20 | (2.00) | (2.86) |
| Finance costs | 22 | 89.13 | 81.51 |
| Allowances for doubtful debts | | - | 0.18 |
| Share-based payment expense | 21 | 253.60 | 265.66 |
| Gain on sale of investment in Associates | 20 | - | (0.28) |
| Share of net loss of associates | | 403.94 | 379.05 |
| Impairment of investment | 7 | 18.23 | - |
| Operating profit before working capital changes | | 3,570.25 | 2,962.12 |
| Net changes in: | | | |
| Trade receivables | | 22.73 | 27.20 |
| Other financial assets | | (98.19) | (3.47) |
| Other assets | | (7.21) | (2.77) |
| Other financial liabilities | | 30.69 | 33.13 |
| Trade payables | | 71.44 | 72.89 |
| Contract liabilities | | 2,775.18 | 2,332.76 |
| Provisions and other liabilities | | 142.18 | 90.90 |
| Cash generated from operations | | 6,507.07 | 5,512.76 |
| Income tax paid (net) | | (915.41) | (754.48) |
| Net cash generated from operating activities | | 5,591.66 | 4,758.28 |
| Cash flow from investing activities | | | |
| Proceeds from sale of property, plant and equipment | | 2.75 | 11.55 |
| Purchase of property, plant and equipment, other intangible assets and capital advances | | (146.77) | (172.03) |
| Purchase of current investments | | (22,190.70) | (21,825.59) |
| Inter-corporate deposits placed with financial institutions | | (272.81) | (52.12) |
| Redemption of inter-corporate deposits placed with financial institutions and body corporates | | 156.60 | 448.95 |
| Proceeds from sale of current investments | | 24,051.19 | 22,960.84 |
| Interest, dividend and income from investment units | | 441.21 | 535.68 |
| Payment for acquisition (net of cash acquired) | | - | (5,068.37) |
| Investment in bank deposits (having original maturity of more than three months) | 11 | (167.54) | (1.86) |
| Redemption of bank deposits | | 5.26 | 371.29 |
| Investment in associates and other entities | | (255.01) | (724.13) |
| Proceeds from sale of investment in associates and other entities | | - | 275.69 |
| Net cash flow from/(used in) investing activities | | 1,624.18 | (3,240.10) |
| Cash flow from financing activities | | | |
| Repayment of lease liabilities (including interest) | | (138.86) | (128.11) |
| Dividend paid | | (611.48) | (60.98) |
| Expenses for buy-back of equity shares | | (36.95) | (12.78) |
| Buy-back of equity shares including tax on buyback | | (6,161.89) | (1,232.59) |
| Proceeds from issue of equity shares on exercise of share based awards | | 0.32 | 1.87 |
| Net cash used in financing activities | | (6,948.86) | (1,432.59) |
| Net increase in cash and cash equivalents | | 266.98 | 85.59 |
| Cash and cash equivalents at the beginning of the year | 11 | 581.06 | 495.47 |
| Cash and cash equivalents at the end of the year | 11 | 848.04 | 581.06 |

Material accounting policies

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

As per our report of even date attached

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

Kanika Kohli
Partner
Membership No.: 511565
Place: Noida

Date: 30 April 2024



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

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

Prateek Chandra
(Chief Financial Officer)

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

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 30 April 2024

IndiaMART Intermesh Limited

Notes to Consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

1. Corporate Information

IndiaMART Intermesh Limited (“the Company” or “the Parent 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 and its consolidated subsidiaries (hereinafter collectively referred to as “the Group”) provides an online B2B marketplace for business products and services. It provides a platform to discover products and services and connect with the suppliers of such products and services. The registered office of the Company is located at 1st Floor, 29-Daryagang, Netaji Subash Marg New Delhi-110002, India.

The consolidated financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 30 April 2024.

2. Material accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies below, except for the following:

- certain financial assets and liabilities measured at fair value where Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments);
- share-based payments
- net defined benefit (asset)/liability - Fair value of plan assets less present value of defined benefit obligations.

The preparation of these consolidated 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 consolidated financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and associates as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights
- The size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders



IndiaMART Intermesh Limited**Notes to Consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

Group subsidiaries and associates are as follows:

| S. No. | Name of Subsidiaries and Associates and date of shareholding | Proportion of ownership interest as at 31 March, 2024 | Proportion of ownership interest as at 31 March 2023 |
|--------|--|---|--|
| (A) | <u>Subsidiaries:</u> | | |
| 1 | Tradezeal Online Private Limited (from 31 May 2005) (formerly Known as Tradezeal International Private Limited) | 100.00% | 100.00% |
| 2 | Hello Trade Online Private Limited (from 03 July 2008) | 100.00% | 100.00% |
| 3 | Busy Infotech Private Limited (from 06 April 2022) | 100.00% | 100.00% |
| 4 | Livekeeping technologies Private Limited (Formerly known as Finlite Technologies Private Limited) (from 23 May 2022) | 51.01% | 51.01% |
| 5 | Pay With IndiaMART Private Limited (from 07 February 2017) | 100.00% | 100.00% |
| 6 | Tolexo Online Private Limited (from 28 May 2014) | 100.00% | 100.00% |
| (B) | <u>Associates:</u> | | |
| 7 | Simply Vyapar Apps Private Limited (from 03 September 2019) | 27.45% (on Fully diluted basis) | 27.45% (on Fully diluted basis) |
| 8 | Truckhall Private Limited (from 05 June 2021) | 31.20% (on Fully diluted basis) | 25.02% (on Fully diluted basis)- |
| 9 | Shipway Technologies Private Limited (from 29 April 2021) | 26.00% (on Fully diluted basis) | 26.00% (on Fully diluted basis)- |
| 10 | Agillos E-Commerce Private Limited (from 13 August 2021) | 26.23% (on Fully diluted basis) | 26.23% (on Fully diluted basis)- |
| 11 | Edgewise Technologies Private Limited (from 04 February 2022) | 26.01% (on Fully diluted basis) | 26.01% (on Fully diluted basis)- |
| 12 | IB Monotaro Private Limited (from 03 March 2022) | 26.70% (on Fully diluted basis) | 26.00% (on Fully diluted basis) |
| 14 | Mobisy Technologies Private Limited (from 03 November 2022) | 25.08% | 25.08% |
| 15 | Adansa Solutions Private Limited (from 06 April 2022) | 26.01% | 26.01% |

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group



IndiaMART InterMesh Limited**Notes to Consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year/quarter are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2024 since the Group's subsidiaries and associate have the same reporting period end.

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, if any, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill, if any) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Material accounting policies

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in these consolidated financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.



IndiaMART Intermesh Limited**Notes to Consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

The group adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the consolidated financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

a) Statement of Compliance

The consolidated financial statements for the year ended 31 March 2024 have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") 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).

All amounts disclosed in the financial statements and notes have been rounded off to the nearest INR million as per the requirement of Schedule III, unless otherwise stated.

b) Current versus non-current classification

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash-equivalents, the group has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

c) Fair value measurement

The Group measures financial instruments, such as Investment in equity/preference/debt instrument of other entities, Investment in mutual funds, exchange traded funds, bonds, debentures, units of alternative investment funds and investment trust at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 consolidated 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



IndiaMART Intermesh Limited**Notes to Consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

- (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 consolidated 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.

The Group's management determines the policies and procedures for recurring fair value measurement, such as investment in optionally convertible cumulative redeemable preference instruments (OCRPS), investment in compulsory convertible debentures (CCD), investment in equity/preference/debt instruments of other entities, investment in mutual funds, exchange traded funds, bonds, debentures, government securities, units of investment trust and units of alternative investment funds measured at fair value.

External valuers are involved for valuation of significant assets, such as unquoted investments in equity/preference/ debt instruments of other entities. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises the accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for significant estimates and assumptions (Note 3)
- Disclosures for valuation methods and quantitative disclosure of fair value measurement hierarchy (Note 29)

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

The Group is primarily engaged 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 disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

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

Rendering of services

Revenue from web 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.



IndiaMART Intermesh Limited**Notes to Consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

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 fixed 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 pro rata over the period of display of advertisement as per 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 balances***Trade 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). Refer to accounting policies of financial assets in section o) Financial instruments.

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 obligations 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 cash selling price of the service arises for reasons other than the provision of finance.

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



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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 31 March, 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) Property, plant and equipment

Capital work in progress and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Capital work in progress includes cost of property, plant and equipment under development as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

The Group has adopted component accounting as required under Schedule II to the Companies Act, 2013. The Group identifies the components separately, if it has useful life different from the respective property, plant and equipment.

Based on the analysis, Group believes that it does not have any asset having useful life of its major components different from the property, plant and equipment, hence Group believes that there is no material impact on the financial statement of the Group due to component accounting.

Depreciation is calculated on a written down value basis using the rates arrived at based on the useful lives prescribed under Schedule II to Companies Act, 2013. The Group has used the following rates to provide depreciation on its Property, plant and equipment:



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(Amounts in INR millions, unless otherwise stated)

| Asset | Annual rates |
|------------------------|--------------|
| Computers | 63.16% |
| Furniture and fittings | 26.89% |
| Office equipment | 45.07% |
| Vehicles | 31.23% |

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses (if any). Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Unique telephone numbers are amortised on a written down value basis at 40% annually.

Intangibles being Software acquired by the Group are amortised as follows:



IndiaMART Intermesh Limited**Notes to Consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

| Entity | Method | Rate (p.a.) |
|---|----------------------|-------------|
| Indiamart Intermesh Limited (Identified intangibles acquired under business combination) | Straight line method | 20% |
| Indiamart Intermesh Limited (other intangibles) | Written down value | 40% |
| Tolexo Online Private Limited | Written down value | 40% |
| Busy Infotech Private Limited | Straight Line | 33.33% |
| Livekeeping Technologies Private Limited | Written down value | 63.16% |

Advances paid towards the acquisition of intangible assets outstanding at each balance sheet date are classified as capital advances and cost of assets not ready for use at the balance sheet date, are disclosed under capital work-in-progress.

h) Leases

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset. At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the



IndiaMART InterMesh Limited**Notes to Consolidated financial statements for the year ended 31 March 2024**

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remaining balance of the liability. Finance charges were recognised in finance costs in the statement of profit or loss.

A ROU asset was depreciated over the useful life of the asset. However, if there was no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

i) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or, a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105.

Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

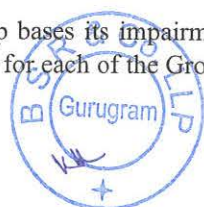
After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

j) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast



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calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k) TaxesCurrent Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (loss) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised



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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (loss) or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/ value added taxes/ Service tax/ Goods and service tax (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/ GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

1) Provisions and contingent liabilitiesProvisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.



m) Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under other current financial liabilities in the balance sheet.

Post-employment obligations

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan for its employees i.e. gratuity. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

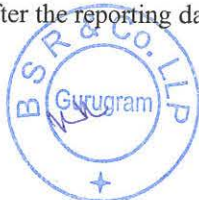
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Other long-term employee benefit obligations

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting period-end. Actuarial gain/loss are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.



n) Share-based payments

Employees of the Group also receive remuneration in the form of stock options (ESOP) and stock appreciation rights (SAR) as a share based payment transactions under the Group's Employee stock option plan and Employee stock benefit scheme. Both of these are equity settled share based payment transactions.

The cost of equity settled transactions is determined based on fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves (SBP) in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity settled transaction at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

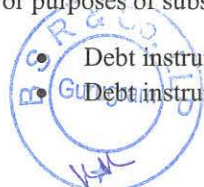
Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value except trade receivables plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Trade receivables that do not contain a significant financing component are recognised at transaction price in accordance with IND AS 115.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:



Debt instruments at amortised cost

Debt instruments at fair value through other comprehensive income (FVTOCI)



IndiaMART Intermesh Limited

Notes to Consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans to employees, trade and other receivables. For more information on receivables, refer to Note 29.

Debt instruments at FVTOCI

A 'debt instrument' is classified as at FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument and equity instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

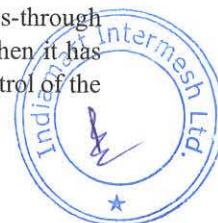
Debt instruments and equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the



IndiaMART Intermesh Limited**Notes to Consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- b. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.



IndiaMART Intermesh Limited**Notes to Consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilitiesInitial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



p) Foreign currency transactions

The Group's financial statements are presented in INR which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

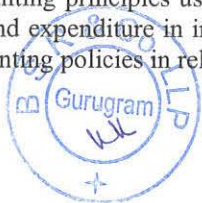
s) Segment reporting

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 Busy Infotech Private Limited and Livekeeping Technologies Private Limited (Formerly known as Finlite Technologies Private Limited) during the year ended 31 March 2023, the Group had 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 pertains to online B2B marketplace for business products and services. It provides a platform to discover products and services and connect with the suppliers of such products and services. 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 significant accounting policies. The accounting policies in relation to segment accounting are as under:



IndiaMART InterMesh Limited

Notes to Consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

(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. 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.

t) Share Capital

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

v) 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 the current and comparative periods presented in the consolidated financial statements.

3. Significant accounting estimates and assumptions

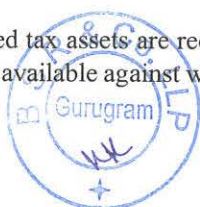
The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Group considers whether



the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has recognised deferred tax assets on the deductible temporary differences since the management is of the view that it is probable the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

b) Share based payment

The Group initially measures the cost of equity-settled transactions with employees using a Black-Scholes-Merton option pricing model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option and SAR units, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 28.

c) Impairment of Non- financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model or other fair value valuation models. In DCF model, the cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

d) Defined benefit plans (gratuity benefit)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Further details about gratuity obligations are given in Note 27.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the



IndiaMART Intermesh Limited**Notes to Consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 29 and 31 for further disclosures.

f) Useful life of assets considered for depreciation of Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

g) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

4. Recently issued accounting pronouncements

As on 31 March 2024, there are no new standards or amendments to the existing standards applicable to the group which has been notified by Ministry of Corporate Affairs.



5A Property, plant and equipment

| | Computers | Office equipments | Furniture and fixtures | Motor vehicles | Total Property, plant and equipment | Capital work in progress |
|--|-----------|-------------------|------------------------|----------------|-------------------------------------|--------------------------|
| Gross carrying amount | | | | | | |
| As at 01 April 2022 | 115.58 | 48.68 | 4.03 | 3.78 | 172.07 | 1.77 |
| Acquisitions through business combinations (refer note 34) | 1.73 | 1.29 | 1.61 | 4.42 | 9.05 | - |
| Additions for the year | 184.22 | 3.79 | 0.59 | 7.18 | 195.78 | - |
| 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 year | 136.31 | 4.93 | 2.26 | - | 143.50 | 5.04 |
| Disposals for the year | (32.12) | (0.61) | (0.09) | - | (32.82) | - |
| As at 31 March 2024 | 395.71 | 54.26 | 6.29 | 7.27 | 463.53 | 6.81 |
| Accumulated depreciation | | | | | | |
| 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 year* | 110.12 | 4.02 | 0.66 | 1.64 | 116.44 | 1.77 |
| Disposals during the year | (31.78) | (0.60) | (0.08) | - | (32.46) | - |
| As at 31 March 2024 | 254.37 | 46.88 | 3.63 | 3.64 | 308.52 | 1.77 |
| Net Carrying value | | | | | | |
| 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 31 March 2024 | 141.34 | 7.38 | 2.66 | 3.63 | 155.01 | 5.04 |



5B Right-of-use asset

| | Leasehold land | Buildings | Total |
|--|----------------|-----------|---------|
| Gross carrying amount | | | |
| As at 01 April 2022 | 37.12 | 834.60 | 871.72 |
| Acquisitions through business combinations (refer note 34) | - | 2.79 | 2.79 |
| Measurement period adjustments (refer note 34) | - | (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 year | - | 97.27 | 97.27 |
| Disposals for the year | - | (61.04) | (61.04) |
| As at 31 March 2024 | 37.12 | 824.19 | 861.31 |
| Accumulated depreciation, amortisation and impairment | | | |
| As at 01 April 2022 | 2.76 | 340.53 | 343.29 |
| Charge 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 |
| Charge for the year (refer Note 1 below) | 33.90 | 102.46 | 136.36 |
| Disposals for the year | - | (14.36) | (14.36) |
| As at 31 March 2024 | 37.12 | 497.34 | 534.46 |
| Net Carrying value | | | |
| As at 01 April 2022 | 34.36 | 494.07 | 528.43 |
| As at 31 March 2023 | 33.90 | 378.72 | 412.62 |
| As at 31 March 2024 | - | 326.85 | 326.85 |

1. The Company has received a letter issued by the authorities during the year which includes reference of order cancelling the land lease deed as per the terms of the lease arrangement. In the said order, it was also mentioned that to restore the cancelled lease, the concerned persons are required to file an appeal under section 41(3) of the UP Urban Planning and Development Act, 1973 within a stipulated time period. The Company has filed an appeal to restore the cancelled allotment of land within the prescribed timeline and the said appeal is pending before the appropriate authority.

Pursuant to limited visibility on potential outcome of the appeal, the Right to Use asset recognised in respect of such leasehold land and Capital work in progress has been fully provided during the current year.

2. Disposal includes adjustment on account of lease modifications

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as at year end:

| | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------------|---------------------|---------------------|
| Within one year | 133.23 | 129.34 |
| Within one - two years | 127.96 | 121.57 |
| Within two - three years | 107.85 | 106.29 |
| Within three - five years | 112.26 | 210.48 |
| Above five years | 2.31 | 6.62 |
| Total lease payments | 483.61 | 574.30 |

The reconciliation of lease liabilities is as follows:

| | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| Opening balance | 459.08 | 562.80 |
| Additions | 94.06 | 28.56 |
| Addition due to business combination | - | 3.18 |
| Amounts recognized in statement of profit and loss as interest expense | 42.70 | 47.10 |
| Payment of lease liabilities | (138.86) | (128.11) |
| Derecognition | (50.31) | (28.01) |
| Adjustment for lease modifications | - | (25.11) |
| Liabilities no longer required written back | - | (1.33) |
| Balance as at year end (Refer Note 15) | 406.67 | 459.08 |



6A Goodwill

| | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| Acquisitions through business combinations | 4,542.72 | 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 34) | 4,137.71 | 419.92 | 4,557.63 |
| Measurement period adjustments (refer note 34) | (15.37) | 0.46 | (14.91) |
| Closing balance as at 31 March 2023 | 4,122.34 | 420.38 | 4,542.72 |
| Changes during the year | - | - | - |
| Closing balance as at 31 March 2024 | 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.

The recoverable amount of the CGU was based on its value in use and was determined by discounting the future cash flows to be generated from the continuing use of the CGU. These calculations use cash flow projections over a period of five to six years (31 March 2023: five to seven years) and then on perpetuity on the basis of certain assumptions which include revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirement, based on next year financial budgets approved by the management, with extrapolation for the remaining period. Future cash flows are discounted with "Weighted Average Cost of Capital". The key assumptions are as follows:

For the year ended 31 March 2024:

| Particulars | Busy Infotech Private Limited | Livekeeping Technologies Private Limited |
|--------------------------------|-------------------------------|--|
| Discount rate (pre tax) (%) | 26.77% | 21.39% |
| Terminal value growth rate (%) | 4.00% | 4.00% |

For the year ended 31 March 2023:

| Particulars | Busy Infotech Private Limited | Livekeeping Technologies Private Limited |
|--------------------------------|-------------------------------|--|
| Discount rate (pre tax) (%) | 25.97% | 19.61% |
| Terminal value growth rate (%) | 4.00% | 4.00% |

Average annual revenue growth rate is 29.95% (31 March 2023: 37.03%) for Busy Infotech Private Limited and 180.76% (31 March 2023: 168.15%) for Livekeeping Technologies Private Limited for the above stated period(s). Further, the discount rate is based on the Weighted Average Cost of Capital (WACC) of a comparable market participant, which is adjusted for specific risks. These estimates are likely to differ from future actual results of operations and cash flows.

Based on the above, no impairment was identified as at 31 March 2024 and 31 March 2023 as the recoverable value of the CGUs exceeded the carrying value.

With regard to the assessment of value-in use for Busy Infotech Private Limited and Livekeeping Technologies Private Limited, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGUs to exceed its recoverable amount.



IndiaMART InterMESH Limited
Notes to Consolidated Financial Statements for the year ended 31 March 2024

(Amounts in INR million, unless otherwise stated)

6B Other Intangible assets

| | Software | Unique telephone numbers | Technology | Channel Network | Total |
|--|----------|--------------------------|------------|-----------------|--------|
| Gross carrying amount | | | | | |
| As at 01 April 2022 | 15.07 | 4.70 | - | - | 19.77 |
| Acquisitions through business combinations (refer note 34) | 0.77 | - | 191.08 | 365.62 | 557.47 |
| As at 31 March 2023 | 15.84 | 4.70 | 191.08 | 365.62 | 577.24 |
| Additions | - | - | - | - | - |
| Disposals | (0.51) | - | - | - | (0.51) |
| As at 31 March 2024 | 15.33 | 4.70 | 191.08 | 365.62 | 576.73 |
| Accumulated amortization | | | | | |
| 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 year | 0.45 | 0.02 | 38.22 | 73.12 | 111.81 |
| Disposals | (0.12) | - | - | - | (0.12) |
| As at 31 March 2024 | 14.80 | 4.60 | 75.86 | 146.24 | 241.50 |
| Net Carrying value | | | | | |
| 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 31 March 2024 | 0.53 | 0.10 | 115.22 | 219.38 | 335.23 |



7 Investment in associates- Unquoted*

| (Accounted under equity method) | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | No. of units | Amount | No. of units | Amount |
| Fully paid up - at cost | | | | |
| Investments in Simply Vyapar Apps Private Limited (refer note 1 below) | | | | |
| Compulsory convertible preference shares of INR 100 each (at premium of INR 52,217.90 each) | 5,954 | 311.50 | 5,954 | 311.50 |
| Bonus shares received on above Compulsory convertible preference shares | 1,13,126 | - | - | - |
| Equity shares of INR 10 each (at premium of INR 52,307.90 each) | 10 | 0.52 | 10 | 0.52 |
| Bonus shares received on above Equity shares | 190 | - | - | - |
| Compulsory convertible preference shares of INR 100 each (at premium of INR 2,90,261 each) | 1,809 | 525.26 | 1,809 | 525.26 |
| Bonus shares received on above Compulsory convertible preference shares | 34,371 | - | - | - |
| Equity shares of INR 10 each (at premium of INR 2,03,242 each) | 444 | 90.24 | 444 | 90.24 |
| Bonus shares received on above Equity shares | 8,436 | - | - | - |
| Equity shares of INR 10 each (at premium of INR 2,90,351 each) | 137 | 39.78 | 137 | 39.78 |
| Bonus shares received on above Equity shares | 2,603 | - | - | - |
| Less: Share of loss of associate | | (463.72) | | (312.68) |
| Investments in Mobisy Technologies Private Limited | | | | |
| 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 | 17,963 | 21.98 |
| Fair value gain recognised through profit and loss till the date entity has become an associate | | 366.03 | | 366.03 |
| Add: Share of loss of associate | | (57.34) | | (9.54) |
| Investments in Ten Times Online Private Limited | | | | |
| 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 | - | - | - | - |
| Investments in Truckhall Private Limited | | | | |
| Compulsory convertible preference shares of INR 10 each (at premium of INR 7,467 each) | 12,846 | 96.05 | 12,846 | 96.05 |
| Compulsory convertible preference shares of INR 10 each (at premium of INR 14,282 each) (Refer Note 4 below) | 5,248 | 75.00 | - | - |
| Equity shares of INR 10 each (at premium of INR 7,467 each) | 1,879 | 14.05 | 1,879 | 14.05 |
| Less: Share of loss of associate | | (54.94) | | (30.74) |
| Investments in Shipway Technology Private Limited | | | | |
| 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 | 100 | 4.35 |
| Less: Share of loss of associate | | (25.56) | | (17.58) |
| Investments in Agillos E-Commerce Private Limited | | | | |
| 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 | 2,241 | 97.50 |
| Less: Impairment allowance for investment in shares (Refer note 2 below) | | (18.23) | | - |
| Less: Share of loss of associate | | (31.39) | | (24.38) |
| Investments in Edgewise Technologies Private Limited | | | | |
| 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 | 100 | 2.73 |
| Less: Share of loss of associate | | (32.30) | | (11.95) |
| Investments in IB Monotaro Private Limited | | | | |
| 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 3 below) | 1,06,876 | 137.36 | - | - |
| Less: Share of loss of associate | | (263.91) | | (126.18) |
| Investments in Adansa Solutions Private Limited | | | | |
| 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 | 7,950 | 116.90 |
| Less: Share of loss of associate | | (19.32) | | (11.49) |
| | | 2,541.67 | | 2,751.48 |

*Refer note 33 for transactions and outstanding balances pertaining to related parties.

Notes:

- During the year ended 31 March 2024, 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).
- During the year ended 31 March 2024, 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 year ended 31 March 2024, 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% from 26.00%.
- During the year ended 31 March 2024, 0.0001% Compulsory convertible debentures in Truckhall Private Limited amounting to INR 75 has been converted into 5,248 0.001% Compulsorily Convertible Preference shares of the face value of INR 10 each resulting in increase of its equity ownership on fully converted and diluted basis to 31.20% from 25.02%.



8 Financial assets

i) Investments

Non-current*

- i) Investment in other entities at FVTPL
ii) Investment in debt instruments of associates at FVTPL

Current

- Investment in mutual funds and exchange traded funds at FVTPL
Investment in bonds and debentures at FVTPL
Investments in Investment Trust- Quoted (measured at FVTPL)
Investment in Government Securities- Quoted (measured at FVTPL)

| | As at 31 March 2024 | As at 31 March 2023 |
|------------------|------------------------|------------------------|
| 2,504.81 | 2,210.52 | |
| 190.00 | 155.00 | |
| 2,694.81 | 2,365.52 | |
| 13,857.17 | 11,736.59 | |
| 5,299.81 | 10,497.55 | |
| - | 484.19 | |
| 3,064.78 | - | |
| 22,221.76 | 22,718.33 | |

*Refer note 33 for transactions and outstanding balances pertaining to related parties.

a) Non-current investments

(i) Investment in others entities

Unquoted (measured at FVTPL) (Refer note 1 below)

Instant Procurement Services Private Limited

- Equity shares held of INR 10 each (at premium of INR 899 each)
Equity shares sold during the year
0.001% Compulsorily convertible preference share of INR 10 each
Fair value gain recognised through profit and loss till date

As at
31 March 2024

As at
31 March 2023

| No. of units | Amount | No. of units | Amount |
|--------------|-----------------|--------------|-----------------|
| 10 | - | 5,510 | 0.05 |
| - | - | (5,500) | (0.05) |
| 16,200 | 13.50 | 16,200 | 13.50 |
| | 803.15 | | 373.24 |
| | 816.65 | | 386.74 |
| 1,146 | 5.89 | 1,146 | 5.89 |
| 1,580 | 6.50 | 1,580 | 6.50 |
| 1,290 | 75.00 | 1,290 | 75.00 |
| 100 | 0.51 | 100 | 0.51 |
| | - | | 74.28 |
| | 87.90 | | 162.18 |
| 24,74,637 | 240.56 | 33,36,489 | 324.34 |
| 60,000 | 7.65 | - | - |
| - | - | (8,61,852) | (83.78) |
| 15,10,656 | 240.68 | 15,10,656 | 240.68 |
| | 96.12 | | 96.12 |
| | 585.01 | | 577.36 |
| 1,870 | 161.41 | 1,870 | 161.41 |
| 100 | 8.63 | 100 | 8.63 |
| | - | | - |
| 10,323 | 696.08 | 10,323 | 696.08 |
| 3,805 | 218.12 | 3,805 | 218.12 |
| | (68.99) | | - |
| | 845.21 | | 914.20 |
| | 2,504.81 | | 2,210.52 |

(ii) Investment in debt instruments of associates at FVTPL

Unquoted (measured at FVTPL)

Investment in Truckhall Private Limited

Investment made in 0.0001% Compulsory convertible debentures of INR 1000 each in Truckhall Private Limited:

- Opening 75,000 75.00
Addition during the year (Refer Note 2 below) 30,000 30.00
Conversion during the year (Refer Note 4 below) (75,000) (75.00)

Investment in Mobisy Technologies Private Limited

Investment in Compulsory convertible debentures of INR 1000 each in Mobisy Technologies Private Limited

- Opening 80,000 80.00
Addition during the year (Refer Note 3 below) 80,000 80.00

190.00

155.00

Notes:

- 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.
- During the year ended 31 March 2024, the Group has further invested INR 30 in Truckhall Private Limited in Compulsory Convertible Debentures.
- During the year ended 31 March 2024, the Group has further invested INR 80 in Compulsory Convertible Debentures (CCD) of Mobisy Technologies Private Limited. Such CCD's shall be convertible into Compulsorily Convertible Preference Shares within a stipulated period as per terms of investment.
- During the year ended 31 March 2024, 0.0001% Compulsory convertible debentures in Truckhall Private Limited amounting to INR 75 has been converted into 5,248 0.001% Compulsorily Convertible Preference shares of the face value of INR 10 each resulting in increase of its equity ownership on fully converted and diluted basis to 31.20% from 25.02%.
- During the year ended 31 March 2024, the Group has further invested INR 7.65 in Mynd Solutions Private Limited thereby increasing the equity ownership to 9.34% on fully converted and diluted basis. This investment has continued to be classified as "Investment at FVTPL" as per Ind-AS 109.



8 Financial assets (Cont'd)

b) Current investments

| | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------------------------|------------------|------------------------|------------------|
| | No. of units | Amount | No. of units | Amount |
| <i>Investment in mutual funds and exchange traded funds - Quoted (measured at FVTPL)</i> | | | | |
| Aditya Birla Sun Life Corporate Bond Fund - Regular Growth | 12,48,976 | 128.95 | 5,30,849 | 50.75 |
| Aditya Birla Sun Life Corporate Bond Fund | 1,16,44,141 | 1,202.20 | 1,21,76,476 | 1,164.12 |
| Aditya Birla Sun Life Overnight fund | - | - | 4 | 0.01 |
| Aditya Birla Sun Life Nifty SDL Apr 2027 Index Fund | 4,40,73,459 | 494.62 | 4,69,79,108 | 491.73 |
| Aditya Birla Sun Life CRISIL AAA Jun 2023 Index Fund | - | - | 39,99,365 | 42.03 |
| Axis Corporate Debt Fund | 87,77,620 | 141.96 | 1,22,01,532 | 240.59 |
| Axis Liquid Fund | 16,790 | 45.06 | - | - |
| Bajaj Finserv Liquid Fund- Direct growth | 10,005 | 10.54 | - | - |
| Bharat Bond ETF April-2023 | - | - | 4,00,000 | 491.63 |
| Bharat Bond ETF April-2025 | 8,20,419 | 982.29 | 3,79,992 | 423.31 |
| Bharat Bond FOF April 2023 | - | - | 55,34,867 | 67.64 |
| Edelweiss NIFTY PSU Bond Plus SDL Apr 2026 50:50 Index Fund | 4,74,76,047 | 563.66 | 4,74,76,047 | 525.57 |
| Edelweiss CRISIL IBX 50:50 Gilt Plus SDL Apr 2037 Index Fund | 4,77,54,473 | 548.05 | 4,77,54,473 | 500.05 |
| Edelweiss CRISIL IBX 50:50 Gilt Plus SDL April2023 | 1,97,73,100 | 226.92 | - | - |
| Edelweiss Arbitrage Fund | 17,60,675 | 33.30 | - | - |
| HDFC Short Term Debt Fund | - | - | 1,04,887 | 2.81 |
| HDFC Low Duration Fund | 1,54,29,585 | 874.61 | 1,54,29,585 | 810.37 |
| HDFC Corporate Bond Fund | 47,38,647 | 141.61 | 47,38,647 | 130.88 |
| ICICI Prudential Banking & PSU Debt Fund | - | - | 4,12,300 | 11.36 |
| ICICI Prudential Corporate Bond Fund - Growth | 6,64,641 | 17.91 | 6,64,641 | 16.60 |
| ICICI Prudential Savings Fund | 14,74,179 | 736.43 | 14,74,179 | 681.95 |
| ICICI Prudential Short Term Fund | - | - | 3,61,528 | 18.27 |
| ICICI Prudential Corporate Bond Fund | 2,06,88,321 | 582.29 | 2,23,05,368 | 580.56 |
| ICICI Prudential Nifty SDL Dec 2028 Index Fund | 4,82,19,177 | 542.09 | 4,82,19,177 | 502.67 |
| IDFC Banking & PSU Debt Fund - Direct - Growth | - | - | 12,05,754 | 25.19 |
| Invesco India Arbitrage Fund | 53,94,026 | 169.22 | - | - |
| Kotak Corporate Bond Fund | 2,37,186 | 838.50 | 2,52,698 | 827.90 |
| Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund | 4,97,90,091 | 552.91 | 5,47,08,297 | 567.20 |
| Kotak Equity Arbitrage Fund | 1,13,75,631 | 413.92 | 15,80,642 | 53.03 |
| Kotak Nifty SDL Apr 2032 Top 12 Equal Weight Index Fund | 9,46,02,577 | 1,079.69 | 9,46,02,577 | 990.38 |
| Nippon India Dynamic Bond Fund | 2,49,40,628 | 891.35 | 2,49,40,628 | 822.49 |
| Nippon India Nivesh Lakshya Fund | 2,00,56,798 | 330.22 | - | - |
| SBI Nifty 50 ETF | 6,02,665 | 140.73 | 14,50,000 | 260.41 |
| SBI Mutual Fund ETF Sensex Open Ended | 15,342 | 12.19 | - | - |
| SBI Savings Fund - Direct Growth | 45,42,601 | 65.18 | 45,42,601 | 60.54 |
| SBI Liquid Fund- Direct - Growth Plan | - | - | 7,127 | 25.11 |
| Aditya Birla Sun Life Liquid Fund | 13,33,372 | 76.76 | 1,65,315 | 60.02 |
| SBI S&P BSE Sensex ETF | 6,48,000 | 516.96 | 6,48,000 | 408.88 |
| SBI Nifty Index Fund | 5,02,335 | 102.35 | 5,02,335 | 78.85 |
| SBI Magnum Constant Maturity Fund | 91,91,798 | 543.31 | 91,91,798 | 500.27 |
| SBI Arbitrage Opportunities Fund | 97,11,582 | 317.90 | - | - |
| Tata Arbitrage Fund | 29,95,342 | 41.13 | - | - |
| Invesco India Arbitrage Fund - DG | 53,50,104 | 167.84 | - | - |
| UTI Nifty 50 ETF | 13,50,000 | 324.52 | 1,35,000 | 249.57 |
| UTI Liquid Cash Plan | - | - | 14,595 | 53.85 |
| Total | | 13,857.17 | | 11,736.59 |
| <i>Investment in bonds and debentures- Quoted (measured at FVTPL)</i> | | | | |
| Bajaj Finance Ltd. Bond | 2,850 | 642.65 | 200 | 197.48 |
| Canara Bank perpetual bond | 30 | 304.89 | 30 | 304.85 |
| Export Import Bank Of India Bond | - | - | 200 | 196.16 |
| Axis Finance Ltd. Bond | 2,500 | 252.11 | - | - |
| HDFC bank Perpetual Bond | 20 | 206.51 | 20 | 205.59 |
| HDFC 2023 Coupon Bond | 500 | 502.03 | 900 | 903.80 |
| HDFC Bank Bond | 250 | 252.43 | - | - |
| HDB Financial Services Ltd Bond | 750 | 311.95 | - | - |
| ICICI Bank Infra Bond | - | - | 100 | 103.29 |
| Kotak Mahindra Investment Ltd Zero Coupon Bond | - | - | 200 | 184.23 |
| Kotak Mahindra Prime Ltd. Bond | 2,500 | 266.33 | - | - |
| India InfraDebt Ltd Bond | 100 | 98.99 | 100 | 99.02 |
| IRFC Ltd Bond | - | - | 250 | 255.18 |
| ICICI Home Finance Company Ltd MLD | - | - | 150 | 153.98 |
| LIC Housing Finance Bond | - | - | 1,000 | 1,020.54 |
| Mahindra & Mahindra Financial Services Ltd. Zero Coupon Bond | 300 | 274.09 | 400 | 212.23 |
| NABARD Bond | 150 | 151.83 | 1,750 | 1,732.88 |
| Piramal Enterprises MLD | - | - | 180 | 197.46 |
| Punjab National Bank Perpetual Bond | 10 | 101.97 | 10 | 100.83 |
| Power Grid Corporation of India Limited Bond | - | - | 55 | 71.84 |
| Power Finance Corporation Ltd - Bond | 8 | 8.07 | 558 | 577.90 |
| REC Bond | - | - | 998 | 1,042.77 |
| State Bank of India Perpetual Bond | 100 | 1,021.24 | 210 | 1,141.85 |
| 7.75% SBI Sept 2027 | 15 | 153.51 | 5 | 51.91 |
| Shriram Transport MLD | - | - | 100 | 114.30 |
| Bank of Baroda Perpetual Bond | 10 | 103.34 | 10 | 102.85 |
| State Bank of India Tier-II Bond | 500 | 496.41 | 500 | 490.53 |
| SIDBI Bond | - | - | 650 | 629.46 |
| Tata Cleantech MLD | - | - | 250 | 254.93 |
| Union Bank of India Perpetual Bond | 15 | 151.46 | 15 | 151.69 |
| Total | | 5,299.81 | | 10,497.55 |
| <i>Investments in Investment Trust- Quoted (measured at FVTPL)</i> | | | | |
| Powergrid InvIT | - | - | 39,51,962 | 484.19 |
| Total | | - | | 484.19 |
| <i>Investment in Government Securities- Quoted (measured at FVTPL)</i> | | | | |
| 7.18% Government of India 2033 | 50,00,000 | 508.85 | - | - |
| 7.18% Government of India 2037 | 1,25,00,000 | 1,275.95 | - | - |
| 7.44% Government of Karnataka SGS 2034 | 5,00,000 | 50.50 | - | - |
| 7.43% Government of Tamilnadu SGS 2034 | 10,00,000 | 100.35 | - | - |
| 7.45% Government of Karnataka SGS 2037 | 25,00,000 | 252.39 | - | - |
| 7.73% Government of Maharashtra SGS 2036 | 35,00,000 | 365.13 | - | - |
| 7.42% Government of Karnataka SGS 2035 | 25,00,000 | 251.99 | - | - |
| 7.72% Government of Maharashtra Bond SGS 2035 | 25,00,000 | 259.62 | - | - |
| Total | | 3,064.78 | | - |
| Total current investments | | 22,221.76 | | 22,718.33 |
| Aggregate book value of quoted investments | | 22,221.76 | | 22,718.33 |
| Aggregate market value of quoted investments | | 22,221.76 | | 22,718.33 |
| Aggregate carrying value of unquoted investments | | 2,694.81 | | 2,365.52 |



8 Financial assets (Cont'd)

e) Loans (measured at amortised cost)

(i) Loans

Non-current (unsecured, considered good unless stated otherwise)

Inter-corporate deposits*

-Bajaj Finance Limited

Loans to employees**

Current (unsecured, considered good unless stated otherwise)

Inter-corporate deposits*

-PNB Housing Finance Limited

-Bajaj Finance Limited

Loans to employees **

Total loans

Notes:

*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 31 March 2024 | As at 31 March 2023 |
|------------------------|------------------------|
| 64.30 | - |
| 1.02 | 0.84 |
| 65.32 | 0.84 |
| 104.03 | - |
| - | 52.12 |
| 4.28 | 4.36 |
| 108.31 | 56.48 |
| 173.63 | 57.32 |

d) Other financial assets (measured at amortised cost)

Non-current (unsecured, considered good unless stated otherwise)

Security deposits

Deposits with remaining maturity for more than twelve months (Refer Note 11)

Total

Current (unsecured, considered good unless stated otherwise)

Security deposits

Amount recoverable from payment gateway

Other receivables

Total

Notes:

Security deposits are non-interest bearing and are generally on term of 3 to 9 years.

| As at 31 March 2024 | As at 31 March 2023 |
|------------------------|------------------------|
| 41.96 | 40.73 |
| 0.08 | - |
| 42.04 | 40.73 |
| 19.46 | 7.71 |
| 229.03 | 141.91 |
| 0.33 | - |
| 248.82 | 149.62 |

9 Other assets

Non-current (unsecured, considered good unless stated otherwise)

Prepaid expenses

Indirect taxes recoverable

Capital advance

Total

Current (Unsecured, considered good unless stated otherwise)

Advances recoverable

Indirect taxes recoverable

Prepaid expenses

Others

Total

| As at | As at |
|-------|-------|
| 0.33 | 0.60 |
| 14.10 | 14.61 |
| 1.40 | - |
| 15.83 | 15.21 |
| 9.02 | 10.41 |
| 13.29 | 15.36 |
| 40.21 | 30.13 |
| - | 0.03 |
| 62.52 | 55.93 |

10 Trade receivables

Unsecured, considered good unless stated otherwise

Trade receivables

Receivables from related parties (Refer Note 33)

Total

Notes:

a) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.

b) For terms and conditions relating to related party receivables (Refer Note 33)

c) Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

| As at 31 March 2024 | As at 31 March 2023 |
|------------------------|------------------------|
| 47.25 | 68.55 |
| 0.57 | 2.00 |
| 47.82 | 70.55 |

| Outstanding for following periods from due date of payment / transaction | Not Due | Less than 6 months | 6 Months- 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|---------|-----------------------|------------------|-----------|-----------|-------------------|-------|
| 31 March 2024 | | | | | | | |
| Undisputed, considered good | | | | | | | |
| Trade receivables | 34.15 | 12.87 | 0.21 | 0.40 | 0.12 | 0.07 | 47.82 |
| 31 March 2023 | | | | | | | |
| Undisputed, considered good | | | | | | | |
| Trade receivables | 53.32 | 16.77 | 0.02 | 0.36 | 0.08 | - | 70.55 |

11 Cash and bank balances

a) Cash and cash equivalents

Cheques on hand

Balance with bank

- On current accounts

- Deposits with original maturity of less than three months*

Total Cash and cash equivalents

*Includes interest accrued.

Note:

Cash and cash equivalents for the purpose of cash flow statement comprise cash and cash equivalents as shown above.

b) Bank balances other than cash and cash equivalents

(i) Deposits with banks

- remaining maturity upto twelve months

- remaining maturity for more than twelve months

Less: Amount disclosed under Other financial assets non-current

(ii) Earmarked balances with banks*

Amount disclosed under current bank deposits

* Earmarked balances includes below items :-

-Unclaimed/Unpaid dividend

-Bank balance with Indiamart Employee Benefit Trust

| As at 31 March 2024 | As at 31 March 2023 |
|------------------------|------------------------|
| 185.06 | 237.90 |
| 284.93 | 301.45 |
| 378.05 | 41.71 |
| 848.04 | 581.06 |
| 161.70 | 0.03 |
| 0.08 | - |
| 161.78 | 0.03 |
| (0.08) | - |
| 161.70 | 0.03 |
| 2.27 | 1.66 |
| 163.97 | 1.69 |
| 0.23 | 0.13 |
| 2.04 | 1.53 |



12 Share capital

Authorised equity share capital (INR 10 per share)

As at 01 April 2022
As at 31 March 2023
As at 31 March 2024

| 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 31 March 2024

| 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 31 March 2024 | | As at 31 March 2023 | |
|--|------------------------|---------|------------------------|--------|
| | Number of shares | Amount | Number of shares | Amount |
| Shares outstanding at the beginning of the year | 3,06,14,574 | 306.15 | 3,05,64,574 | 305.65 |
| Bonus issue during the year (refer note 1 below) | 3,06,14,574 | 306.15 | - | - |
| Equity shares issued to Indiamart Employee Benefit Trust during the year (refer note (d) below) | - | - | 2,10,000 | 2.10 |
| Equity shares extinguished on buy back during the year (refer note 2 below) | (12,50,000) | (12.50) | (1,60,000) | (1.60) |
| Shares outstanding at the end of the year | 5,99,79,148 | 599.80 | 3,06,14,574 | 306.15 |
| Equity shares held by Indiamart Employee Benefit Trust as at year end (refer note (d) below) | (30,202) | (0.31) | (35,353) | (0.36) |
| Shares outstanding at the end of the year net of elimination on account of shares held by Indiamart Employee Benefit Trust | 5,99,48,946 | 599.49 | 3,05,79,221 | 305.79 |

Notes:

- During the year the Company has issued and allotted 30,614,574 fully paid up Bonus Equity shares (including 35,353 bonus shares issued and held by Indiamart Employee Benefit trust) of Rs.10 each on 22 June 2023 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.
- During the year, the Board of Directors approved a proposal to buy-back upto 12,50,000 equity shares of the Company for an aggregate amount not exceeding INR 5,000, being 2.04% of the total paid up equity share capital at 4,000 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 12,50,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on 25 September 2023. Capital redemption reserve was created to the extent of share capital extinguished of INR 12.50. The buyback results in a cash outflow of INR 6,198.84 (including transaction costs of INR 36.95 and tax on buyback of INR 1,161.89). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.
- Utilisation of Qualified Institutions Placement ('QIP') funds
 - During the year ended 31 March 2021, the Company had raised money by the way of QIP and allotted 1,242,212 equity shares of face value INR 10 each to the eligible qualified institutional buyers (QIB) at a price of INR 8.615 per equity share (including a premium of INR 8.605 per equity share) aggregating to INR 10,701.66 Millions on 22 February 2021. The issue was made in accordance SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
Expenses incurred in relation to QIP amounting to INR 189.67 has been adjusted from Securities Premium Account which resulted into the QIP's net proceeds of INR 10,511.99.
Out of these proceeds, the Company has utilised till 31 March 2024 INR 10,393.08 (31 March 2023 : 10,138.42) towards purposes specified in the placement document from the date of QIP. The balance amount of QIP's net proceeds remain invested in liquid instruments.
 - Out of the amount utilised from QIP's net proceeds as mentioned in 2(i) above, INR 1,015.95 has been utilised through Tradezeal Online Private limited, the wholly owned subsidiary of the Company, details of the same are given below :-

Investment made through Tradezeal Online Private Limited

| | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------------|------------------------|------------------------|
| Truckhall Private Limited | 215.10 | 185.10 |
| Shipway Technology Private Limited | 182.00 | 182.00 |
| Legistify Services Private Limited | 87.90 | 87.90 |
| Agillos E-Commerce Private Limited | 260.00 | 260.00 |
| Edgewise Technologies Private Limited | 133.45 | 133.45 |
| Adansa Solutions Private Limited | 137.50 | 137.50 |
| Total | 1,015.95 | 985.95 |

Other than as disclosed above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group and its associates to or in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall lend or invest in party identified by or on behalf of the Group and its associates (Ultimate Beneficiaries). The Group and its associates have not received any funds from any party(s) (Funding Party) with the understanding that the Group and its associates shall whether directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group and its associates (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

a) Terms/ rights attached to equity shares:

- The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity is entitled to one vote per share.
- In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



12 Share capital (Cont'd)

b) Details of shareholders holding more than 5% equity shares in the Company

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|------------------------|-----------|------------------------|-----------|
| | Number | % Holding | Number | % Holding |
| Equity shares of Rs. 10 each fully paid | | | | |
| Dinesh Agarwal | 1,68,27,523 | 28.06% | 85,90,559 | 28.06% |
| Brijesh Agrawal | 1,14,03,046 | 19.01% | 58,21,329 | 19.01% |
| Arisaig Asia Fund Limited | 14,31,983 | 2.39% | 15,36,494 | 5.02% |

Details of shareholding of promoters

| Promoters | As at 31 March 2024 | | As at 31 March 2023 | | % Change during the year |
|-------------------------------|------------------------|-----------|------------------------|-----------|-----------------------------|
| | Number | % Holding | Number | % Holding | |
| Dinesh Chandra Agarwal | 1,68,27,523 | 28.06 | 85,90,559 | 28.06 | - |
| Brijesh Kumar Agrawal | 1,14,03,046 | 19.01 | 58,21,329 | 19.01 | - |
| Promoter Group | | | | | - |
| Chetna Agarwal | 3,02,600 | 0.50 | 1,54,479 | 0.50 | - |
| Pankaj Agarwal | 2,94,413 | 0.49 | 1,50,299 | 0.49 | - |
| Anand Kumar Agrawal | 1,37,119 | 0.23 | 70,000 | 0.23 | - |
| Meena Agarwal | 1,36,727 | 0.23 | 69,800 | 0.23 | - |
| Dinesh Chandra Agarwal (HUF) | 1,16,987 | 0.20 | 59,722 | 0.20 | - |
| Naresh Chandra Agrawal | 78,745 | 0.13 | 40,200 | 0.13 | - |
| Prakash Chandra Agrawal | 1,16,989 | 0.20 | 40,014 | 0.13 | 0.07 |
| Gunjan Agarwal | 38,998 | 0.07 | 19,908 | 0.07 | - |
| Keshar Devi Agrawal | - | - | 19,709 | 0.06 | (0.06) |
| Vijay Jalan | 19,589 | 0.03 | 10,000 | 0.03 | - |
| Naresh Chandra Agrawal (HUF) | 17,550 | 0.03 | 8,959 | 0.03 | - |
| Anand Kumar Agrawal (HUF) | 11,701 | 0.02 | 5,973 | 0.02 | - |
| Prakash Chandra Agrawal (HUF) | 11,701 | 0.02 | 5,973 | 0.02 | - |
| Hamirwasia Business Trust | 400 | 0.00 | 200 | 0.00 | - |
| Hamirwasia Family Trust | 400 | 0.00 | 200 | 0.00 | - |
| Nanpara Business Trust | 200 | 0.00 | 100 | 0.00 | - |
| Nanpara Family Trust | 200 | 0.00 | 100 | 0.00 | - |
| Total | 2,95,14,888 | 49.22 | 1,50,67,524 | 49.21 | - |

c) Shares reserved for issue under options

Information relating to the Company's share based payment plans, including details of options and SAR units issued, exercised and lapsed during the financial year, options and SAR units outstanding at the end of the year, is set out in note 28.

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

| | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------------------------|--------|------------------------|--------|
| | Number | Amount | Number | Amount |
| Opening balance | 35,353 | 0.36 | 11,584 | 0.12 |
| Purchased during the year | - | - | 2,10,000 | 2.10 |
| Bonus issued during the year | 35,353 | 0.36 | - | - |
| Transfer to employees pursuant to SAR/ESOP exercised | (40,504) | (0.41) | (1,86,231) | (1.86) |
| Closing balance | 30,202 | 0.31 | 35,353 | 0.36 |



13 Other equity

| | As at 31 March 2024 | As at 31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Securities premium | 9,165.06 | 15,522.50 |
| General reserve | - | 8.45 |
| Employee share based payment reserve | 372.92 | 256.55 |
| Capital redemption reserve | 12.50 | 1.60 |
| Retained earnings | 7,211.17 | 4,490.03 |
| Total other equity | 16,761.65 | 20,279.13 |

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 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Payable to micro, small and medium enterprises | 0.55 | 1.07 |
| Other trade payables | - | - |
| - outstanding dues to others | 4.48 | 3.18 |
| Accrued expenses | 338.59 | 267.93 |
| Total | 343.62 | 272.18 |

| Outstanding for following years from due date of payment / transaction | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|---------|------------------|-----------|-----------|-------------------|--------|
| 31 March 2024 | | | | | | |
| (i) MSME* - undisputed | 0.55 | - | - | - | - | 0.55 |
| (ii) Others - undisputed | 2.16 | 2.32 | - | - | - | 4.48 |
| Accrued expenses | 338.59 | - | - | - | - | 338.59 |
| 31 March 2023 | | | | | | |
| (i) MSME* - undisputed | 1.07 | - | - | - | - | 1.07 |
| (ii) Others - undisputed | 2.42 | 0.48 | 0.26 | 0.02 | - | 3.18 |
| Accrued expenses | 267.93 | - | - | - | - | 267.93 |

* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

15 Lease and other financial liabilities

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| (a) Lease liabilities | | |
| Non-current | 292.45 | 340.28 |
| Current | 114.22 | 118.80 |
| | 406.67 | 459.08 |
| (b) Other financial liabilities | | |
| Non-current | | |
| Deferred Consideration | 269.57 | 355.68 |
| Total | 269.57 | 355.68 |
| Current | | |
| Payable to employees | 276.02 | 238.01 |
| Deferred Consideration | 132.54 | - |
| Security deposits | - | 0.78 |
| Other payable* | 25.38 | 31.82 |
| Total | 433.94 | 270.61 |

*Includes unclaimed/unpaid dividend of INR 0.23 (31 March 2023: INR 0.13).

16 Provisions

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Non-current | | |
| Provision for employee benefits (Refer note 27) | | |
| Provision for gratuity | 141.35 | 103.38 |
| Provision for leave encashment | 127.12 | 93.02 |
| Total | 268.47 | 196.40 |
| Current | | |
| Provision for employee benefits (Refer note 27) | | |
| Provision for gratuity | 40.19 | 33.51 |
| Provision for leave encashment | 41.81 | 28.13 |
| Provision-others* | 15.38 | 15.38 |
| Total | 97.38 | 77.02 |

* Contingency provision towards indirect taxes. There is no change in this provision during the year ended 31 March 2024.



17 Contract and other liabilities

| | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------------------|------------------------|------------------------|
| Contract liabilities* | | |
| Non-current | | |
| Deferred revenue | 5,189.79 | 4,205.57 |
| | <u>5,189.79</u> | <u>4,205.57</u> |
| Current | | |
| Deferred revenue | 8,334.57 | 6,741.96 |
| Advances from customers | 875.45 | 677.10 |
| | <u>9,210.02</u> | <u>7,419.06</u> |
| Total | <u>14,399.81</u> | <u>11,624.63</u> |
| Other liabilities- current | | |
| Statutory dues | | |
| Tax deducted at source payable | 51.33 | 53.20 |
| GST payable | 354.40 | 297.05 |
| Others | 19.94 | 16.84 |
| Total | <u>425.67</u> | <u>367.09</u> |

* Contract liabilities include consideration received in advance to render services in future periods. Refer Note 33 for outstanding balances pertaining to related parties.

18 Income tax assets and liabilities

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Income tax assets (net of provisions) | | |
| Non current | | |
| Income tax assets | 72.28 | 1,699.98 |
| Less: Provision for income tax | (12.01) | (1,615.72) |
| Total non current tax assets (net) | <u>60.27</u> | <u>84.26</u> |
| Current | | |
| Income tax assets | 921.99 | 884.08 |
| Less: Provision for income tax | (972.28) | (919.91) |
| Total current tax assets/(liability) (net) | <u>(50.29)</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 year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Sale of services | | |
| Income from web services | 11,314.22 | 9,220.14 |
| Income from accounting software services | 537.94 | 433.73 |
| Advertisement and marketing services | 115.59 | 200.12 |
| Total | 11,967.75 | 9,853.99 |

*Refer note 33 for transactions pertaining to related parties.

Transaction price allocated to the remaining performance obligations

The performance obligation is satisfied after the services are rendered for which customers has paid.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) i.e. Contract liabilities, as at March 31, are as follows:

| | As at 31 March 2024 | | As at 31 March 2023 | |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | Within 12 months | More than 12 months | Within 12 months | More than 12 months |
| Web services | 8,911.57 | 4,998.93 | 7,171.12 | 4,134.17 |
| Accounting software services | 270.64 | 178.97 | 223.25 | 52.31 |
| Advertisement and marketing services | 27.81 | 11.89 | 24.69 | 19.09 |
| | 9,210.02 | 5,189.79 | 7,419.06 | 4,205.57 |

The Group has Nil contract assets as at 31 March 2024 (31 March 2023 : Nil).

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2024 and 31 March 2023.

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

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Opening balance at the beginning of the year | 11,624.62 | 9,070.37 |
| Acquisition through business combinations | - | 241.71 |
| Measurement period adjustment | - | (19.48) |
| Less: Revenue recognised from contract liability balance at the beginning of the year | (6,560.53) | (5,372.02) |
| Add: Amount received/billed from customers during the year | 14,742.94 | 12,186.12 |
| Less: Revenue recognised from amount received/billed during the year | (5,407.22) | (4,482.08) |
| Closing balance at the end of the year | 14,399.81 | 11,624.62 |

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

-Fair value gain on measurement and income from sale of Investment in other entities

Interest income from financial assets measured at amortised cost

- on bank deposits

- on corporate deposits and loans

- on security deposits

Other interest income

Dividend Income

Gain on sale of investment in Associates

Gain on de-recognition of Right-of-use assets

Liabilities and provisions no longer required written back

Net gain on disposal of property, plant and equipment

Miscellaneous income

Total

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--------------|-------------------------------------|-------------------------------------|
| | 1,778.75 | 908.20 |
| | 286.64 | 837.99 |
| | 8.94 | 9.77 |
| | 13.24 | 9.00 |
| | 2.98 | 2.99 |
| | 1.50 | 6.20 |
| | 4.11 | 10.46 |
| | - | 0.28 |
| | 4.82 | 4.71 |
| | 1.55 | 4.77 |
| | 2.00 | 2.86 |
| | 1.57 | 8.03 |
| Total | 2,106.10 | 1,805.26 |

21 Employee benefits expense

Salaries, allowance and bonus

Gratuity expense (Refer note 27)

Leave encashment expense (Refer note 27)

Contribution to provident and other funds

Employee share based payment expense (Refer note 28)

Staff welfare expenses

Total

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--------------|-------------------------------------|-------------------------------------|
| | 4,885.40 | 3,764.97 |
| | 81.39 | 75.73 |
| | 83.54 | 60.65 |
| | 78.26 | 53.55 |
| | 253.60 | 265.66 |
| | 58.53 | 26.79 |
| Total | 5,440.72 | 4,247.35 |

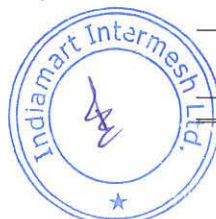
22 Finance costs

Interest cost of lease liabilities

Interest Cost on Deferred consideration

Total

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--------------|-------------------------------------|-------------------------------------|
| | 42.70 | 47.10 |
| | 46.43 | 34.41 |
| Total | 89.13 | 81.51 |



23 Depreciation, amortisation and impairment expense

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Depreciation of property, plant and equipment (Refer Note 5A) | 116.44 | 98.44 |
| Depreciation and impairment of Right-of-use assets (Refer Note 5B) | 136.36 | 100.68 |
| Amortisation of intangible assets (Refer Note 6B) | 111.81 | 111.63 |
| Total | 364.61 | 310.75 |

24 Other expenses*

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Content development expenses | 310.45 | 288.17 |
| Buyer engagement expenses | 123.61 | 133.95 |
| Customer support expenses | 314.15 | 228.96 |
| Commission on Sales | 21.02 | 12.44 |
| Outsourced sales cost | 1,381.82 | 1,312.84 |
| Internet and other online expenses | 511.94 | 469.14 |
| Rates and taxes | 8.20 | 4.04 |
| Outsourced support cost | 15.97 | 17.45 |
| Advertisement expenses | 23.28 | 26.22 |
| Power and fuel | 17.74 | 15.81 |
| Repair and maintenance: | | |
| - Plant and machinery | 8.61 | 6.96 |
| - Others | 57.29 | 39.63 |
| Travelling and conveyance | 52.43 | 33.62 |
| Recruitment and training expenses | 28.88 | 26.95 |
| Legal and professional fees | 75.29 | 117.28 |
| Directors' sitting fees | 7.87 | 5.25 |
| Insurance expenses | 66.70 | 45.35 |
| Collection charges | 64.13 | 49.18 |
| Corporate social responsibility activities expenses | 61.16 | 54.27 |
| Rent | 54.44 | 30.14 |
| Miscellaneous expenses | 8.47 | 10.16 |
| Total | 3,213.45 | 2,927.81 |

*Refer note 33 for transactions pertaining to related parties.

25 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 year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Basic | | |
| Net profit as per the statement of profit and loss for computation of EPS (A) | 3,339.53 | 2,838.27 |
| Weighted average number of equity shares used in calculating basic EPS (B)* | 6,05,22,532 | 6,10,66,500 |
| Basic earnings per equity share (A/B) | 55.18 | 46.48 |
| Diluted | | |
| Weighted average number of equity shares used in calculating basic EPS* | 6,05,22,532 | 6,10,66,500 |
| Potential equity shares | 1,51,044 | 2,12,040 |
| Total no. of shares outstanding (including dilution) (C)* | 6,06,73,576 | 6,12,78,540 |
| Diluted earnings per equity share (A/C) | 55.04 | 46.32 |

There are potential equity shares for the year ended 31 March 2024 and 31 March 2023 in the form of share based awards granted to employees which have been considered in the calculation of diluted earning per share.



26 Income tax

The major components of income tax expense are:

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

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Current tax expense | | |
| Current tax for the year | 953.86 | 950.11 |
| | 953.86 | 950.11 |
| Deferred tax benefit | | |
| Relating to origination and reversal of temporary differences | 250.38 | (75.60) |
| | 250.38 | (75.60) |
| Total income tax expense | 1,204.24 | 874.51 |

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

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

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Net gain/(loss) on remeasurements of defined benefit plans | (2.02) | 15.31 |

c) Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate.

| | | |
|---|-----------------|-----------------|
| Profit before tax | 4,543.77 | 3,712.78 |
| Accounting profit before income tax | 4,543.77 | 3,712.78 |
| Tax expense at the statutory income tax rate @25.17% | 1,143.67 | 934.51 |
| Adjustments in respect of differences taxed at lower tax rates | (93.91) | (191.87) |
| Adjustment in respect of change in carrying amount of investment in subsidiaries | 12.34 | 44.84 |
| Adjustment in respect of buyback expenses | (9.30) | (3.22) |
| Dividend income received | (1.03) | (2.63) |
| Income non-taxable for tax purposes | - | - |
| Other non-deductible expenses and non-taxable income | (7.82) | (22.54) |
| Business losses and unabsorbed depreciation (for which no deferred tax asset recognised) | 160.29 | 115.42 |
| Tax expense at the effective income tax rate of 26.50% (31 March 2023: 23.55%) | 1,204.24 | 874.51 |

The effective tax rate has been increased to 26.50% for the year ended 31 March 2024 from 23.55% for the year ended 31 March 2023, primarily on account of long term capital gain realised on sale of mutual funds units and investments taxed at lower rate in the previous year.

d) Breakup of deferred tax recognised in the Balance sheet

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---------------------|---------------------|
| Deferred tax asset | | |
| Property, plant and equipment and intangible assets | 23.65 | 13.21 |
| Provision for gratuity | 49.35 | 34.99 |
| Provision for compensated absences | 38.48 | 30.37 |
| Provision for diminution of investments in subsidiaries | 12.04 | 12.04 |
| Deferred revenue and advance from customers/dealers | 3.12 | 11.45 |
| Provision of expenses, allowable in subsequent year | 47.65 | 51.24 |
| Ind AS 116 - Leases Liability | 102.35 | 115.54 |
| Others | 2.61 | - |
| Total deferred tax assets | 279.25 | 268.84 |

Total deferred tax assets recognised (A)

Deferred tax liabilities

| | | |
|--|-----------------|-----------------|
| Investment in mutual funds, exchange traded funds, bonds, debentures, units of alternative investment fund and investment trust measured at fair value | (300.40) | (84.08) |
| Investment in other entities measured at fair value | (241.84) | (154.19) |
| Accelerated deduction on lease rent for tax purposes | - | (1.73) |
| Identified intangible assets on business acquisition | (84.22) | (111.64) |
| Ind AS 116 - Right of Use asset | (82.26) | (95.31) |
| Others | - | (3.00) |
| Total deferred tax liabilities (B) | (708.72) | (449.95) |

Net deferred tax liabilities (C) = (A) + (B)

| | | |
|--|-----------------|-----------------|
| | (429.47) | (181.11) |
|--|-----------------|-----------------|



26 Income tax (Cont'd)

e) Breakup of deferred tax expense recognised in Statement of profit and loss and OCI
Particulars

Deferred tax expense/(income) relates to the following:

| | | |
|--|---------------|----------------|
| Provision for gratuity | (14.36) | 13.52 |
| Provision for compensated absences | (8.11) | (9.96) |
| Investment in other entities measured at fair value | 87.65 | 152.42 |
| Investment in debt instrument of subsidiaries measured at fair value | - | 39.30 |
| Provision for diminution of investments in subsidiaries | - | (12.04) |
| Deferred revenue and advance from customers/dealers | 8.33 | 44.29 |
| Provision for expenses, allowable in subsequent year | 3.59 | (11.81) |
| Investment in mutual funds, exchange traded funds, bonds, debentures, units of alternative investment fund and investment trust measured at fair value | 216.32 | (238.22) |
| Property, plant and equipment and intangible assets | (37.86) | (34.70) |
| Ind AS 116 - Right of Use asset | (13.05) | 29.04 |
| Ind AS 116 - Leases Liability | 11.46 | (31.85) |
| Others | (5.61) | (0.28) |
| Deferred tax benefit | 248.36 | (60.29) |

f) Reconciliation of Deferred tax Assets & liabilities:

Particulars

As at 31 March 2024

As at 31 March 2023

Opening balance as of 1 April

| | | |
|---|-----------------|-----------------|
| Tax benefit/(expense) during the year recognised in Statement of profit and loss | (181.11) | (156.42) |
| Net Deferred tax liabilities recognised pursuant to business combinations (refer note 34) | (250.38) | 75.60 |
| Measurement period adjustments (refer note 34) | - | (80.35) |
| Tax impact during the year recognised in OCI | - | (4.63) |
| Closing balance at the end of the year | 2.02 | (15.31) |
| | (429.47) | (181.11) |

g) Disclosed in the balance sheet as follows:

Particulars

As at 31 March 2024

As at 31 March 2023

| | | |
|---------------------------------------|-----------------|-----------------|
| Deferred Tax Liabilities | (429.47) | (202.86) |
| Deferred Tax Assets | - | 21.75 |
| Deferred Tax Liabilities (net) | (429.47) | (181.11) |

h) Detail of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the balance sheet:

Particulars

As at 31 March 2024

As at 31 March 2023

Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:

| | | |
|--|---------------|---------------|
| - tax business losses* | 402.70 | 383.83 |
| - unabsorbed depreciation | 10.02 | 9.76 |
| - other deductible temporary differences | 5.16 | 0.80 |
| | 417.88 | 394.39 |

*Tax losses will expire between FY 2024-2025 to FY 2031-2032.

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.



27 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 31 March 2024 | As at 31 March 2023 |
|---|---------------------|---------------------|
| Present value of defined benefit obligation | 446.28 | 354.24 |
| Fair value of plan assets | (264.74) | (217.35) |
| Net liability arising from defined benefit | 181.54 | 136.89 |

Leave encashment - other long term employee benefit plan

| | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| Present value of other long term employee benefit plan | 168.93 | 121.14 |

a) Reconciliation of the net defined benefit (asset)/liability and other long term employee benefit plan

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/liability and other other long term employee benefit plan and its components.

Reconciliation of present value of defined benefit obligation for Gratuity and Leave encashment

| | Gratuity | |
|---|---------------------|---------------------|
| | As at 31 March 2024 | As at 31 March 2023 |
| Balance at the beginning of the year | 354.24 | 336.31 |
| Acquisition through business combinations | - | 21.33 |
| Benefits paid | (23.34) | (25.17) |
| Current service cost | 71.33 | 61.94 |
| Interest cost | 25.97 | 24.20 |
| Actuarial (gains)/losses | | |
| - changes in demographic assumptions | - | (12.44) |
| - changes in financial assumptions | 10.32 | (31.19) |
| - experience adjustments | 7.76 | (20.74) |
| Balance at the end of the year | 446.28 | 354.24 |

| | Leave encashment | |
|---|---------------------|---------------------|
| | As at 31 March 2024 | As at 31 March 2023 |
| Balance at the beginning of the year | 121.14 | 75.21 |
| Acquisition through business combinations | - | 2.29 |
| Benefits paid | (35.75) | (17.01) |
| Current service cost | 47.76 | 62.78 |
| Interest cost | 8.31 | 5.07 |
| Past service cost | - | 2.82 |
| Actuarial (gains)/losses | | |
| - changes in demographic assumptions | 7.06 | (4.46) |
| - changes in financial assumptions | 3.25 | (8.50) |
| - experience adjustments | 17.16 | 2.94 |
| Balance at the end of the year | 168.93 | 121.14 |

Movement in fair value of plan assets

| | Gratuity | |
|---|---------------------|---------------------|
| | As at 31 March 2024 | As at 31 March 2023 |
| Opening fair value of plan assets | 217.35 | 146.02 |
| Acquisition through business combinations | - | 9.00 |
| Interest income | 15.91 | 10.41 |
| Actuarial gains/(losses) | 9.25 | (4.00) |
| Contributions from the employer | 46.20 | 81.00 |
| Benefits paid | (23.97) | (25.08) |
| Closing fair value of plan assets | 264.74 | 217.35 |

Each year the management of the Group reviews the level of funding required as per its risk management strategy. The Group expects to contribute to gratuity INR 84.01 during the year ended 31 March 2024 (31 March 2023: INR 74.04).

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

| | As at 31 March 2024 | As at 31 March 2023 |
|--------------------------|---------------------|---------------------|
| Funds managed by insurer | 100.00% | 100.00% |

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.



27 Defined benefit plan and other long term employee benefit plan (Cont'd)

b) Expense recognised in profit or loss

| | Gratuity | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| Current service cost | 71.33 | 61.94 |
| Net interest expense | 10.06 | 13.79 |
| Components of defined benefit costs recognised in profit or loss | 81.39 | 75.73 |
| Remeasurement of the net defined benefit liability: | | |
| Actuarial (gain)/loss on plan assets | (9.25) | 4.00 |
| Actuarial (gain)/loss on defined benefit obligation | 18.08 | (64.37) |
| Components of defined benefit costs recognised in other comprehensive income | 8.83 | (60.37) |

| | Leave encashment | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| Current service cost | 47.76 | 62.78 |
| Past service cost | - | 2.82 |
| Net interest expense | 8.31 | 5.07 |
| Actuarial (gain)/loss on other long term employee benefit plan | 27.47 | (10.02) |
| Components of other long term employee benefit costs recognised in profit or loss | 83.54 | 60.65 |

c) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------------------|---------------------|---------------------|
| Discount rate | 7.10%-7.15% | 7.30-7.35% |
| Expected rate of return on assets | 7.10%-7.15% | 7.30-7.35% |

| | As at 31 March 2024 | | As at 31 March 2023 | |
|----------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| Attrition rate: | Upto 4 years of service | Above 4 years of service | Upto 4 years of service | Above 4 years of service |
| Ages | | | | |
| Upto 30 years | 32.00% | 32.00% | 31.06% | 31.06% |
| Above 30 years | 12.00% | 12.00% | 12.29% | 12.29% |
| Future salary growth | | | | |
| Year 1 | 12.25% | 12.25% | 12.23% | 12.23% |
| Year 2 | 12.25% | 12.25% | 12.23% | 12.23% |
| Year 3 and onwards | 12.25% | 12.25% | 12.07% | 12.07% |

Mortality table India Assured Life Morality (2012-14) India Assured Life Morality (2012-14)

The Group regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown

Gratuity

| | Increase | Decrease |
|--|----------|----------|
| For the year ended 31 March 2024 | | |
| Impact of change in discount rate by 0.50% | (23.57) | 26.84 |
| Impact of change in salary by 0.50% | 10.26 | (10.13) |
| For the year ended 31 March 2023 | | |
| Impact of change in discount rate by 0.50% | (18.86) | 20.70 |
| Impact of change in salary by 0.50% | 8.44 | (8.79) |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

e) The table below summarises the maturity profile and duration of the gratuity liability:

| | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------|---------------------|---------------------|
| Particulars | | |
| Within one year | 40.16 | 33.51 |
| Within one - three years | 67.78 | 53.70 |
| Within three - five years | 57.16 | 42.69 |
| Above five years | 281.18 | 224.34 |
| Total | 446.28 | 354.24 |



28 Share based payment plans

The Indiamart Employee Stock Benefit Scheme-2018 was approved by shareholders in annual general meeting held on May 07, 2018. The scheme is designed to provide incentives to employees to deliver long-term returns. Under the plan, participants are granted options which vest upon completion of upto 72 months of service from the grant date. Participation in the plan is at the board appointed committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The Company has set up a trust to administer the scheme under which Stock Appreciation Rights (SAR) and Stock options(ESOP), with substantially similar types of share based payment arrangements, have been granted to employees. The scheme only provides for equity settled grants to employees where by the employees can purchase equity shares by exercising SAR units/options as vested at the exercise price specified in the grant, there is no option of cash settlement.

a) Employee Stock Option Plan (ESOP)

The details of activity have been summarized below:

| | For the year ended 31 March 2024 | | For the year ended 31 March 2023 | |
|--|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|
| | Number of options | Weighted Average Exercise Price (INR) | Number of options | Weighted Average Exercise Price (INR) |
| Outstanding at the beginning of the year | 35,784 | 10 | 45,050 | 10 |
| Granted during the year | - | - | - | - |
| Forfeited/ expired during the year | 1,141 | 10 | 5,061 | 10 |
| Exercised during the year | 7,952 | 10 | 4,205 | 10 |
| Outstanding at the end of the year | 26,691 | 10 | 35,784 | 10 |
| Exercisable at the end of the year | - | - | - | - |

Figures for the year ended 31 March 2024 and 31 March 2023 are as follows:

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Range of exercise prices (INR) | 10 | 10 |
| Number of options outstanding | 26,691 | 35,784 |
| Weighted average remaining contractual life of options (in years) | 2 | 3 |
| Weighted average exercise price (INR) | 10 | 10 |
| Weighted average share price for the options exercised during the year (INR) | 10 | 10 |

Stock Options granted

The key inputs used in the measurement of the grant date fair valuation of equity settled ESOPs are given in the table below:

Figures for the year ended 31 March 2024 and 31 March 2023 are as follows:

| | ESOP 2022 | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| Weighted average share price (INR) | 6,662 | 6662 |
| Exercise price (INR) | 10 | 10 |
| Life of the options granted (Vesting and exercise period) in years | 4 | 4 |
| Value of options method | Market price of stock* | Market price of stock* |

* Fair value has been considered as stock price of the day prior to the grant date and hence volatility, expected dividends and average risk-free interest rate is not applicable.

b) Stock appreciation rights (SAR)

The Company has granted stock appreciation rights to its employees. Details of activity summarized below:

| (i) SAR 2018* | For the year ended 31 March 2024 | | For the year ended 31 March 2023 | |
|--|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|
| | Number of SAR units | Weighted Average Exercise Price (INR) | Number of SAR units | Weighted Average Exercise Price (INR) |
| Outstanding at the beginning of the year | - | - | 2,03,658 | 500 |
| Granted during the year | - | - | - | - |
| Lapsed during the year | - | - | 2,028 | 500 |
| Exercised during the year | - | - | 2,01,630 | 500 |
| Expired during the year | - | - | - | - |
| Outstanding at the end of the year | - | - | - | - |
| Exercisable at the end of the year | - | - | - | - |

* 31 March 2024 : Nil (31 March 2023 : 175,893) shares have been issued against the SAR exercised under this scheme during the year.



28 Share based payment plans (Cont'd)

SAR 2018 units granted

The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Weighted average share price (INR) | 597 | 597 |
| Exercise Price (INR) | 500 | 500 |
| Expected Volatility | 41% | 41% |
| Historical Volatility | 41% | 41% |
| Life of the options granted (Vesting and exercise year) in years | 4 years | 4 years |
| Expected dividends | Nil | Nil |
| Average risk-free interest rate | 7.8% | 7.80% |
| Value of options method | Black-Scholes valuation model | Black-Scholes valuation model |

| (ii) SAR-Others* | For the year ended 31 March 2024 | | For the year ended 31 March 2023 | |
|--|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|
| | Number of SAR units | Weighted Average Exercise Price (INR) | Number of SAR units | Weighted Average Exercise Price (INR) |
| Outstanding at the beginning of the year | 60,066 | 10 | 73,600 | 10 |
| Granted during the year | 70,590 | - | - | - |
| Lapsed during the year | 7,946 | - | 6,813 | - |
| Exercised during the year | 12,544 | 10 | 5,800 | 10 |
| Expired during the year | - | - | - | - |
| Outstanding at the end of the year | 1,10,166 | 10 | 60,066 | 10 |
| Exercisable at the end of the year | - | - | - | - |

* 31 March 2024 : 24,600 (31 March 2023 : 6,163) shares have been issued against the SAR exercised under this scheme during the year.

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Range of exercise prices (INR) | 10 | 10 |
| Number of units outstanding | 1,10,166 | 60,066 |
| Weighted average remaining contractual life of units (in years) | 2.96 | 2.78 |
| Weighted average exercise price (INR) | 10 | 10 |

SAR units granted

The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Weighted average share price (INR) | 5,198-7,135 | 6,662-7,135 |
| Exercise Price (INR) | 10 | 10 - 500 |
| Life of the options granted (Vesting and exercise year) in years | 4-6 years | 4 years |
| Value of options method | Market price of stock* | Market price of stock* |

* Fair value has been considered as stock price of the day prior to the grant date and hence volatility, expected dividends and average risk-free interest rate is not applicable.

Effect of the employee share-based payment plans on the profit and loss:

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Total Employee Compensation Cost pertaining to share-based payment plans | 253.60 | 265.66 |
| Compensation Cost pertaining to equity-settled employee share-based payment plan included above | 253.60 | 265.66 |

Effect of the employee share-based payment plans on its financial position:

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Total reserve for employee share based payments outstanding as at year end | 372.92 | 256.55 |



29 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 31 March 2024 | As at 31 March 2023 |
|---|---------|-------------------------|-------------------------|
| Financial assets | | | |
| a) Measured at fair value through profit or loss (FVTPL) | | | |
| - Investment in mutual funds, exchange traded funds and government securities (Refer Note b(iii) below) | Level 1 | 16,921.95 | 11,736.59 |
| - Investments in Investment Trust (Refer Note b(iii) below) | Level 1 | - | 484.19 |
| - Investment in bonds & debentures (Refer Note b(v) below) | Level 2 | 5,299.81 | 10,497.55 |
| - Investment in equity/preference instruments of other entities (Refer Note b(iv) below) | Level 3 | 2,504.81 | 2,210.52 |
| - Investment in debt instruments of associates (Refer Note b(v) below) | Level 3 | 190.00 | 155.00 |
| | | <u>24,916.57</u> | <u>25,083.85</u> |
| b) Measured at amortised cost (refer note (b)(i) and (ii) below) | | | |
| - Trade receivables | | 47.82 | 70.55 |
| - Cash and cash equivalents | | 848.04 | 581.06 |
| - Loans to employees | | 5.30 | 5.20 |
| - Inter-corporate deposits | | 168.33 | 52.12 |
| - Security deposits | | 61.42 | 48.44 |
| - Deposits with Banks | | 164.05 | 1.69 |
| - Other financial assets | | 229.36 | 141.91 |
| | | <u>1,524.32</u> | <u>900.97</u> |
| Total financial assets (a+b) | | <u>26,440.89</u> | <u>25,984.82</u> |
| Financial liabilities | | | |
| a) Measured at amortised cost (refer note (b)(i) and (ii)) | | | |
| - Trade payables | | 343.62 | 272.18 |
| - Security deposits | | - | 0.78 |
| - Other financial liabilities | | 703.51 | 625.51 |
| - Lease liabilities | | 406.67 | 459.08 |
| Total financial liabilities | | <u>1,453.80</u> | <u>1,357.55</u> |

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

i) 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.

ii) 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.

iii) Fair value of quoted mutual funds, exchange traded fund, investment trust and government securities is based on quoted market prices at the reporting date. We do not expect material volatility in these financial assets.

iv) 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.

v) 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.

vi) Fair value of the quoted bonds and debentures is determined using observable market's inputs and is classified as Level 2.



29 Fair value measurements (Cont'd)

c) (i) Following table describes the valuation techniques used and key inputs thereto for the level 3 financial assets:

| Financial assets | Valuation technique(s) | Significant Unobservable inputs | Significant Unobservable input range | | Inter-relationship between significant unobservable input and fair value measurement |
|--|--|---|---|---|---|
| | | | For the year ended 31 March 2024 | For the year ended 31 March 2023 | |
| Investment in equity/preference instruments of other entities | | | | | |
| Legistify Services Private Limited, Mynd Solutions Private Limited, Zimyo Consulting Private Limited, Fleetx Technologies Private Limited and Instant Procurement Services Private Limited | Market multiple and Discounted cashflow approach | i) Discount rate ii) Terminal growth rate iii) Market multiples (Comparable Companies) iv) Revenue growth rate | i) 23.6% - 28.5% ii) 4%-5% iii) 3.2x - 12.2x iv) Budgeted and forecasted revenue | i) 24.5% - 28.5% ii) 4% iii) 2.1x - 7.2x iv) Budgeted and forecasted revenue | The estimated fair value of Investment in Other entities will Increase/ (decrease) if the Terminal 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. |

Investment in debt instruments of associates at FVTPL represents amount invested in Compulsory Convertible Debentures instruments which shall be convertible into Compulsorily Convertible Preference Shares in the near future. Considering the nature of investments, there is no material change in the significant unobservable inputs for investment in debt instruments of associates as at 31 March 2024 and 31 March 2023.

Sensitivity:

For the fair value of investment in other entities, reasonably possible changes in significant unobservable inputs at the reporting date would have the following effect:

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|----------------------------|----------------------------------|----------------------------------|
| (a) Discount Rate: | | |
| +1% change | (54.80) | (59.38) |
| -1% change | 60.32 | 65.81 |
| (b) Long term Growth Rate: | | |
| +1% change | 27.12 | 25.09 |
| -1% change | (24.54) | (22.90) |
| (c) Market Multiple: | | |
| +2.5% change | 19.97 | 21.38 |
| -2.5% change | (19.98) | (21.38) |
| (d) Revenue growth rate: | | |
| +1% change | 20.84 | 60.08 |
| -1% change | (20.48) | (55.52) |

d) Reconciliation of level 3 fair value measurements

Opening balance
Fair value gain recognised in profit or loss (net)
Additions
Disposals/Extinguishment
Change in status of investment to Associate
Conversion of debt instrument in associate to equity
Closing balance

| Investment in equity/preference instruments of other entities/investment in debt instruments of associates | |
|--|----------------------------------|
| For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| 2,365.52 | 1,719.05 |
| 286.64 | 837.99 |
| 117.65 | 395.68 |
| - | (274.48) |
| - | (312.72) |
| (75.00) | |
| 2,694.81 | 2,365.52 |

e) During the year ended 31 March 2024 and 31 March 2023, there were no transfers due to re-classification into and out of Level 3 fair value measurements



30 Capital management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the borrowings and equity balance. The capital structure of the Group consists of no borrowings and only equity of the Company. The Group is not subject to any externally imposed capital requirements.

The Group reviews the capital structure on a regular basis. As part of this review, the Group considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

31 Financial risk management objectives and policies

The Group is exposed to market risk, credit risk and liquidity risk. The Group's board of directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i) Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents, bank deposits, inter-corporate deposits and investment in mutual funds, exchange traded funds, bonds, debentures, units of alternative investment funds and units of investment trust with reputed banks and financial institutions.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Trade receivables

The Group majorly collects consideration in advance for the services to be provided to the customer. As a result, the Group is not exposed to any significant credit risk on trade receivables.

Cash and cash equivalents and investments

Cash and cash equivalents, bank deposits and investments in mutual funds, exchange traded funds, debentures, units of alternative investment funds and units of investment trust.

The Group maintains its cash and cash equivalents, bank deposits, inter-corporate deposits and investment in mutual funds, exchange traded funds, bonds, debentures, units of alternative investment funds and units of investment trust with reputed banks and financial institutions. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Security deposits and loans

The Group monitors the credit rating of the counterparties on regular basis. These instruments carry very minimal credit risk based on the financial position of parties and Group's historical experience of dealing with the parties.

ii) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups' reputation.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, and continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.



31 Financial risk management objectives and policies (Cont'd)

Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Contractual maturities of financial liabilities

| As at 31 March 2024 | Within 1 year | Between 1 and 5 years and thereafter | Total |
|---------------------------------------|---------------|---|----------|
| Trade payables | 343.62 | - | 343.62 |
| Lease and other financial liabilities | 568.53 | 658.41 | 1,226.94 |
| | 912.15 | 658.41 | 1,570.56 |

| As at 31 March 2023 | Within 1 year | Between 1 and 5 years and thereafter | Total |
|---------------------------------------|---------------|---|----------|
| Trade payables | 272.18 | - | 272.18 |
| Lease and other financial liabilities | 389.41 | 886.89 | 1,276.30 |
| | 661.59 | 886.89 | 1,548.48 |

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include foreign currency receivables, deposits, investments in mutual funds, exchange traded funds, bonds, debentures, units of alternative investment funds, units of investment trust and investment in other entities.

a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The company's exposure to unhedged foreign currency risk as at 31 March 2024 and 31 March 2023 is not material. Currency risks related to the principal amounts of the company's US dollar trade receivables.

b) Interest rate risk

Investment of short-term surplus funds of the Group in liquid schemes of mutual funds, exchange traded funds, bonds, debentures, units of alternative investment fund and investment trust provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives.

Sensitivity

+ 5% change in NAV of mutual funds, exchange traded funds, bonds, debentures, units of alternative investment fund and units of investment trust.
- 5% change in NAV of mutual funds, exchange traded funds, bonds, debentures, units of alternative investment fund and units of investment trust.

| Impact on profit before tax | |
|-------------------------------------|-------------------------------------|
| For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| 1,111.09 | 1,135.92 |
| (1,111.09) | (1,135.92) |



32 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 Busy Infotech Private Limited and Livekeeping Technologies Private Limited (Formerly known as Finlite Technologies Private limited) during the previous year, the Group had 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 pertains to online B2B marketplace for business products and services. It provides a platform to discover products and services and connect with the suppliers of such products and services. 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, amortization and impairment, 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 year ended 31 March 2024 and 31 March 2023 is as follows:

| | For the year ended 31 March 2024 | | | For the year ended 31 March 2023 | | |
|--|-------------------------------------|---------------------------------|------------|-------------------------------------|---------------------------------|----------|
| | Web and related services | Accounting Software services | Total | Web and related services | Accounting Software services | Total |
| Revenue from operations from external customers | 11,429.81 | 537.94 | 11,967.75 | 9,420.26 | 433.73 | 9,853.99 |
| Inter-segment revenue | - | - | - | - | - | - |
| Segment revenues | 11,429.81 | 537.94 | 11,967.75 | 9,420.26 | 433.73 | 9,853.99 |
| Segment results | 3,352.45 | (38.87) | 3,313.58 | 2,577.08 | 101.75 | 2,678.83 |
| Finance Cost | | | (89.13) | | | (81.51) |
| Depreciation, amortisation and impairment expense | | | (364.61) | | | (310.75) |
| Other income | | | 2,106.10 | | | 1,805.26 |
| Profit before share of loss in associates, exceptional items and tax | | | 4,965.94 | | | 4,091.83 |
| Share in net loss of associates | | | (403.94) | | | (379.05) |
| Profit before exceptional items and tax | | | 4,562.00 | | | 3,712.78 |
| Exceptional items | | | (18.23) | | | - |
| Profit before tax | | | 4,543.77 | | | 3,712.78 |
| Tax expense | | | (1,204.24) | | | (874.51) |
| Profit for the year | | | 3,339.53 | | | 2,838.27 |

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 year ended 31 March 2024 and 31 March 2023

| | For the year ended 31 March 2024 | | | For the year ended 31 March 2023 | | |
|---------------------------------|----------------------------------|---------------------------------|-----------|----------------------------------|---------------------------------|----------|
| | Web and related services | Accounting Software services | Total | Web and related services | Accounting Software services | Total |
| Revenue from external customers | | | | | | |
| India | 11,383.26 | 520.36 | 11,903.62 | 9,337.25 | 404.87 | 9,742.12 |
| Others | 46.55 | 17.58 | 64.13 | 83.01 | 28.86 | 111.87 |
| | 11,429.81 | 537.94 | 11,967.75 | 9,420.26 | 433.73 | 9,853.99 |

| | As at 31 March 2024 | | | 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 | 494.74 | 4,885.94 | 5,380.68 | 551.19 | 4,996.86 | 5,548.05 |
| Others | - | - | - | - | - | - |
| | 494.74 | 4,885.94 | 5,380.68 | 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 year ended 31 March 2024 and 31 March 2023, respectively.

Segment assets and liabilities

| | As at 31 March 2024 | | | | 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 | 22,765.29 | 6,366.27 | 5,354.47 | 34,486.03 | 22,680.36 | 6,275.93 | 5,490.01 | 34,446.30 |
| Segment liabilities | 16,070.87 | 1,054.02 | - | 17,124.89 | 13,007.13 | 854.25 | - | 13,861.38 |



33 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 Finlite 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

Dinesh Chandra Agarwal
Brijesh Kumar Agrawal
Prateek Chandra
Manoj Bhargava
Dhruv Prakash
Rajesh Sawhney
Elizabeth Lucy Chapman
Vivek Narayan Gour
Pallavi Dinodia Gupta
Aakash Chaudhry

Designation

Managing Director & CEO
Whole time director
Chief financial officer
Company Secretary
Non-executive director
Independent director
Independent director (Resigned with effect from 07 October 2022)
Independent director
Independent director (Appointed with effect from 20 October 2022)
Independent director (Appointed with effect from 20 July 2023)

c) Relatives of Key Management Personnel (KMP)*

Bharat Agarwal
Chetna Agarwal
Gunjan Agarwal
Anand Kumar Agrawal
Meena Agrawal
Pankaj Agarwal
Naresh Chandra Agrawal
Prakash Chandra Agrawal
Shravani Prakash
Anjani 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
Dinesh Chandra Agarwal HUF
Nanpara Family Trust
Nanpara Business Trust
Hamirwasia Business Trust
Hamirwasia Family Trust
National Engineering Industries Limited

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 year.

ii) Key management personnel compensation

Short-term employee benefits
Post-employment benefits
Other long-term employee benefits
Employee share based payment

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| | 168.07 | 154.26 |
| | 0.28 | 0.04 |
| | 3.67 | 1.79 |
| | 28.67 | 13.76 |
| | 200.69 | 169.85 |



33 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 year:

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Entities where KMP exercise Significant influence: | | |
| <u>Rent & related miscellaneous expenses</u> | | |
| Mansa Enterprises Private Limited | 5.34 | 2.64 |
| <u>Tax consultancy and litigation support service</u> | | |
| S R Dinodia & Co LLP | 1.60 | - |
| <u>Purchase of Investment</u> | | |
| Mynd Solutions Private Limited | - | 240.68 |
| <u>Sale of Investment</u> | | |
| Mynd Solutions Private Limited | - | 137.31 |
| KMP and relatives of KMP's: | | |
| <u>Recruitment and training expenses</u> | | |
| Key management personnel | 3.00 | 2.25 |
| <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 | 29.06 |
| Relatives of Key Management Personnel | 11.45 | 1.13 |
| Entities where Key Management Personnel exercise significant influence | 1.21 | 0.12 |
| <u>Remuneration</u> | | |
| Relatives of Key Management Personnel | 0.98 | - |
| <u>Director's sitting fees</u> | 7.30 | 4.86 |
| <u>Other services availed</u> | | |
| Relatives of Key Management Personnel | 0.96 | - |
| Associates | | |
| <u>Investment in associates</u> | | |
| Truckhall Private Limited | 30.00 | 75.00 |
| IB Monotaro Private Limited | 137.36 | - |
| Simply Vyapar Apps Private Limited | - | 39.78 |
| Adansa Solutions Private Limited | - | 137.50 |
| Mobisy Technologies Private Limited | 80.00 | 231.18 |
| <u>Sale of Investment in associates</u> | | |
| Ten Times Online Pvt. Ltd | - | 1.21 |
| Bonus Shares Received | | |
| 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 & marketing services provided to</u> | | |
| Simply Vyapar Apps Private Limited | 7.25 | 16.47 |
| IB Monotaro Private Limited | 1.39 | 0.32 |
| Mynd Solutions Private Limited | 5.00 | - |
| National Engineering Industries Limited | 0.01 | - |
| <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 | - | 0.05 |
| <u>Marketing services availed from</u> | | |
| IB Monotaro Private Limited | 0.08 | - |
| <u>Purchase of Fixed Assets</u> | | |
| IB Monotaro Private Limited | 0.02 | - |
| <u>Indiamart Employee Benefit Trust</u> | | |
| Share capital issued | - | 2.10 |
| Bonus share capital issued | 0.36 | - |
| Dividend paid | 0.71 | 0.15 |



33 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 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Associates | | |
| <u>Investment in equity instruments of associates (at cost)*</u> | | |
| Simply Vyapar Apps Private Limited | 967.30 | 967.30 |
| Truckhall Private Limited | 185.10 | 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 | 463.90 | 463.90 |
| <u>Investment in debt instruments of associates (at FVTPL)</u> | | |
| Truckhall Private Limited | 30.00 | 75.00 |
| Mobisy Technologies Private Limited | 160.00 | 80.00 |
| <u>Trade receivables</u> | | |
| Simply Vyapar Apps Private Limited | 0.57 | 2.00 |
| <u>Trade Payable (including accrued expenses)</u> | | |
| S R Dinodia & Co LLP | 0.98 | - |
| Mansa Enterprises Private Limited | 0.07 | - |
| Key Management Personnel | 0.25 | - |
| <u>Contract Liabilities</u> | | |
| Simply Vyapar Apps Private Limited | - | 2.53 |
| IB Monotaro Private Limited | 3.71 | 1.10 |
| <u>Investment in Entities where KMP and Individuals exercise Significant influence (at FVTPL)</u> | | |
| Mynd Solutions Private Limited | 585.01 | 577.36 |

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



34 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 |
| Purchase Consideration | 5,000.00 |

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 |
| Total Intangible Assets | 539.30 | | |

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 had 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 previous year, 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. 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 23 has been discharged upto 31 March 2024.

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 |
| Purchase Consideration | 781.01 |

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 |
| Total Intangible Assets | 17.40 | | |

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 previous year, 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.



35 Group information

Information about subsidiaries and associates

The consolidated financial statements of the Group includes subsidiaries and associates listed in the table below:

| Name | Principal activities | Country of incorporation | % interest | |
|--|---|--------------------------|------------------------|------------------------|
| | | | As at 31 March 2024 | As at 31 March 2023 |
| Information about subsidiaries | | | | |
| Hello Trade Online Private Limited | Business facilitation services | India | 100.00 | 100.00 |
| Tradezeal Online Private Limited | Business facilitation services | India | 100.00 | 100.00 |
| Tolexo Online Private Ltd | Cloud based solution for SMEs | India | 100.00 | 100.00 |
| Pay With Indiamart Private Limited | Payment facilitation | India | 100.00 | 100.00 |
| Busy Infotech Private Limited | Software and apps service providing company | India | 100.00 | 100.00 |
| Livekeeping Technologies Private Limited | Software and apps service providing company | India | 51.01 | 51.01 |
| Information about associates | | | | |
| Simply Vyapar Apps Private Limited | Software and apps service providing company | India | 27.45 | 27.45 |
| Truckhall Private Limited | Software and apps service providing company | India | 31.20 | 25.02 |
| Shipway Technology Private Limited | Software and apps service providing company | India | 26.00 | 26.00 |
| Agillos E-Commerce Private Limited | Software and apps service providing company | India | 26.23 | 26.23 |
| Edgewise Technologies Private Limited | Software and apps service providing company | India | 26.01 | 26.01 |
| IB Monotaro Private Limited | E-Commerce company | India | 26.70 | 26.00 |
| Mobisy Technologies Private Limited (w.e.f 03 November 2022) | Software and apps service providing company | India | 25.08 | 25.01 |
| Adansa Solutions Private Limited (w.e.f 06 April 2022) | Software and apps service providing company | India | 26.01 | 26.01 |

36 Additional information

| Name of the entity in the group | Net Assets, i.e., total assets minus total liabilities | | Share in profit and loss | | Share in other Comprehensive income | | Share in total Comprehensive income | |
|--|---|----------------|--|----------------|---|----------------|--|----------------|
| | As % of consolidated net assets | INR million | As % of consolidated profit and loss | INR million | As % of consolidated other comprehensive income | INR million | As % of total comprehensive income | INR million |
| Parent | | | | | | | | |
| Indiamart Intermesh Limited | | | | | | | | |
| Balance as at 31 March 2024 | 79.56% | 17,703.42 | | | | | | |
| Balance as at 31 March 2023 | 81.80% | 20,644.10 | | | | | | |
| For the year ended 31 March 2024 | | | 107.70% | 3,621.93 | 90.79% | (6.11) | 107.73% | 3,615.82 |
| For the year ended 31 March 2023 | | | 96.73% | 2,721.86 | 87.22% | 39.78 | 96.58% | 2,761.64 |
| Subsidiaries | | | | | | | | |
| Tolexo Online Private Limited | | | | | | | | |
| Balance as at 31 March 2024 | -2.14% | (477.09) | | | | | | |
| Balance as at 31 March 2023 | -1.59% | (400.51) | | | | | | |
| For the year ended 31 March 2024 | | | -2.28% | (76.66) | -1.19% | 0.08 | -2.28% | (76.58) |
| For the year ended 31 March 2023 | | | -2.39% | (67.16) | 0.59% | 0.27 | -2.34% | (66.89) |
| Hello Trade Online Pvt Ltd | | | | | | | | |
| Balance as at 31 March 2024 | 0.00% | 0.15 | | | | | | |
| Balance as at 31 March 2023 | 0.00% | 0.21 | | | | | | |
| For the year ended 31 March 2024 | | | 0.00% | (0.06) | 0.00% | - | 0.00% | (0.06) |
| For the year ended 31 March 2023 | | | 0.00% | (0.07) | 0.00% | - | 0.00% | (0.07) |
| Tradezeal Online Pvt Ltd | | | | | | | | |
| Balance as at 31 March 2024 | 6.99% | 1,555.41 | | | | | | |
| Balance as at 31 March 2023 | 5.29% | 1,334.20 | | | | | | |
| For the year ended 31 March 2024 | | | 6.58% | 221.21 | 0.00% | - | 6.59% | 221.21 |
| For the year ended 31 March 2023 | | | 15.78% | 444.09 | 0.00% | - | 15.53% | 444.09 |
| Pay with Indiamart Private Limited | | | | | | | | |
| Balance as at 31 March 2024 | 0.03% | 5.66 | | | | | | |
| Balance as at 31 March 2023 | 0.02% | 6.03 | | | | | | |
| For the year ended 31 March 2024 | | | -0.01% | (0.37) | 0.00% | - | -0.01% | (0.37) |
| For the year ended 31 March 2023 | | | -0.04% | (1.15) | 0.00% | - | -0.04% | (1.15) |
| Busy Infotech Private Limited | | | | | | | | |
| Balance as at 31 March 2024 | 3.10% | 690.06 | | | | | | |
| Balance as at 31 March 2023 | 2.31% | 582.86 | | | | | | |
| For the year ended 31 March 2024 | | | 3.18% | 107.09 | -1.63% | 0.11 | 3.19% | 107.20 |
| For the year ended 31 March 2023 | | | 3.66% | 103.00 | 12.61% | 5.75 | 3.80% | 108.75 |
| Livekeeping Technologies Private Limited | | | | | | | | |
| Balance as at 31 March 2024 | 1.04% | 231.27 | | | | | | |
| Balance as at 31 March 2023 | 1.27% | 319.99 | | | | | | |
| For the year ended 31 March 2024 | | | -2.61% | (87.91) | 12.04% | (0.81) | -2.64% | (88.72) |
| For the year ended 31 March 2023 | | | -0.99% | (27.88) | -0.42% | (0.19) | -0.98% | (28.07) |
| Livekeeping Private Limited | | | | | | | | |
| Balance as at 31 March 2024 | 0.00% | 0.02 | | | | | | |
| Balance as at 31 March 2023 | 0.00% | 0.07 | | | | | | |
| For the year ended 31 March 2024 | | | 0.00% | - | 0.00% | - | 0.00% | - |
| For the year ended 31 March 2023 | | | 0.00% | (0.04) | 0.00% | - | 0.00% | (0.04) |



36 Additional information (Cont'd)

| Name of the entity in the group | Net Assets, i.e., total assets minus total liabilities | | Share in profit and loss | | Share in other Comprehensive income | | Share in total Comprehensive income | |
|---|--|-------------|--------------------------------------|-------------|---|-------------|-------------------------------------|-------------|
| | As % of consolidated net assets | INR million | As % of consolidated profit and loss | INR million | As % of consolidated other comprehensive income | INR million | As % of total comprehensive income | INR million |
| Associate (accounting as per equity method) | | | | | | | | |
| Simply Vyapar Apps Private Limited | | | | | | | | |
| Balance as at 31 March 2024 | 2.26% | 503.58 | | | | | | |
| Balance as at 31 March 2023 | 2.59% | 654.62 | | | | | | |
| For the year ended 31 March 2024 | | | -4.49% | (151.04) | 0.00% | - | -4.50% | (151.04) |
| For the year ended 31 March 2023 | | | -5.39% | (151.55) | 0.00% | - | -5.30% | (151.55) |
| Truckhall Private Limited | | | | | | | | |
| Balance as at 31 March 2024 | 0.58% | 130.16 | | | | | | |
| Balance as at 31 March 2023 | 0.31% | 79.36 | | | | | | |
| For the year ended 31 March 2024 | | | -0.72% | (24.20) | 0.00% | - | -0.72% | (24.20) |
| For the year ended 31 March 2023 | | | -0.77% | (21.62) | 0.00% | - | -0.76% | (21.62) |
| Shipway Technology Private Limited | | | | | | | | |
| Balance as at 31 March 2024 | 0.70% | 156.44 | | | | | | |
| Balance as at 31 March 2023 | 0.65% | 164.42 | | | | | | |
| For the year ended 31 March 2024 | | | -0.24% | (7.98) | 0.00% | - | -0.24% | (7.98) |
| For the year ended 31 March 2023 | | | -0.40% | (11.36) | 0.00% | - | -0.40% | (11.36) |
| Agillos E-Commerce Private Limited | | | | | | | | |
| Balance as at 31 March 2024 | 0.95% | 210.38 | | | | | | |
| Balance as at 31 March 2023 | 0.93% | 235.62 | | | | | | |
| For the year ended 31 March 2024 | | | -0.75% | (25.24) | 0.00% | - | -0.75% | (25.24) |
| For the year ended 31 March 2023 | | | -0.68% | (19.27) | 0.00% | - | -0.67% | (19.27) |
| Edgewise Technologies Private Limited | | | | | | | | |
| Balance as at 31 March 2024 | 0.45% | 101.15 | | | | | | |
| Balance as at 31 March 2023 | 0.48% | 121.50 | | | | | | |
| For the year ended 31 March 2024 | | | -0.61% | (20.35) | 0.00% | - | -0.61% | (20.35) |
| For the year ended 31 March 2023 | | | -0.42% | (11.91) | 0.00% | - | -0.42% | (11.91) |
| IB Monotaro Private Limited | | | | | | | | |
| Balance as at 31 March 2024 | 4.11% | 915.22 | | | | | | |
| Balance as at 31 March 2023 | 3.63% | 915.59 | | | | | | |
| For the year ended 31 March 2024 | | | -4.10% | (137.73) | 0.00% | - | -4.10% | (137.73) |
| For the year ended 31 March 2023 | | | -4.34% | (122.01) | 0.00% | - | -4.27% | (122.01) |
| Mobisy Technologies Private Limited (w.e.f 03 November 2022) | | | | | | | | |
| Balance as at 31 March 2024 | 1.83% | 406.56 | | | | | | |
| Balance as at 31 March 2023 | 1.80% | 454.36 | | | | | | |
| For the year ended 31 March 2024 | | | -1.42% | (47.80) | 0.00% | - | -1.42% | (47.80) |
| For the year ended 31 March 2023 | | | -0.34% | (9.54) | 0.00% | - | -0.33% | (9.54) |
| Adansa Solutions Private Limited (w.e.f 06 April 2022) | | | | | | | | |
| Balance as at 31 March 2024 | 0.53% | 118.18 | | | | | | |
| Balance as at 31 March 2023 | 0.50% | 126.01 | | | | | | |
| For the year ended 31 March 2024 | | | -0.23% | (7.83) | 0.00% | - | -0.23% | (7.83) |
| For the year ended 31 March 2023 | | | -0.41% | (11.49) | 0.00% | - | -0.40% | (11.49) |
| Balance as at 31 March 2024 | 100.00% | 22,250.57 | | | | | | |
| Balance as at 31 March 2023 | 100.00% | 25,238.43 | | | | | | |
| For the year ended 31 March 2024 | | | 100.00% | 3,363.06 | 100.00% | (6.73) | 100.00% | 3,356.33 |
| For the year ended 31 March 2023 | | | 100.00% | 2,813.90 | 100.00% | 45.61 | 100.00% | 2,859.51 |
| Adjustment arising out of consolidation | | | | | | | | |
| Balance as at 31 March 2024 | | (4,889.43) | | | | | | |
| Balance as at 31 March 2023 | | (4,653.51) | | | | | | |
| For the year ended 31 March 2024 | | | | (23.53) | | (0.08) | | (23.61) |
| For the year ended 31 March 2023 | | | | 24.37 | | (0.55) | | 23.82 |
| Total | | | | | | | | |
| Balance as at 31 March 2024 | | 17,361.14 | | | | | | |
| Balance as at 31 March 2023 | | 20,584.92 | | | | | | |
| For the year ended 31 March 2024 | | | | 3,339.53 | | (6.81) | | 3,332.72 |
| For the year ended 31 March 2023 | | | | 2,838.27 | | 45.06 | | 2,883.33 |



37 Contingent liabilities and commitments

a) Contingent liabilities

| | As at 31 March 2024 | 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 Tolexo Online Private limited 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). Tolexo Online Private limited 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 Group shall evaluate the amount of provision, if any, on further clarity of the above 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 Group reviews 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 with respect to loss contingencies for legal and other contingencies 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 as at 31 March 2024.

(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 31 March 2024, the Group has INR 8.39 capital commitment (31 March 2023: Nil).

38 Investment in associates

The Group has investment in associates and the aggregate summarised financial information in respect of the Group's associates accounted for using the equity method is as below:

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Carrying value of the Group's interest in associates | 2,541.67 | 2,751.48 |
| The Group's share in loss for the year in associates | (403.94) | (379.05) |

39 Scheme of Amalgamation

A composite scheme of amalgamation ("the Scheme") amongst wholly owned subsidiaries Busy Infotech Private Limited ("Busy" or "Transferor Company 1"), Hello Trade Online Private Limited ("Hello" or "Transferor Company 2"), Tolexo Online Private Limited ("Tolexo" or "Transferor Company") and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (read with the Rules made thereunder) was approved by the Board of Directors of the respective companies in their meeting held on 28 March 2024.

The petition for the Scheme was filed with National Company Law Tribunal ("NCLT") on March 29, 2024. The Scheme is subject to scrutiny by statutory authorities and other interested parties before NCLT examines it from judicial and overall perspective. Given that the Scheme will become effective on filing of the NCLT order with the Registrar of Companies, the financial impact of the Scheme is not incorporated in the financial statements of the Company for the financial year ended March 31, 2024.

40 Additional Regulatory Information

a) - Relationship with Struck off companies

The Group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

b) - Ratios

| Ratio | Numerator | Denominator | Current year | Previous year | % Variance* |
|---|--|---|--------------|---------------|-------------|
| Current Ratio (in times) | Current Assets | Current liabilities | 2.22 | 2.76 | -20% |
| Debt-Equity Ratio (in times) | Total debt (represents lease liabilities) (Refer Note 1 below) | Shareholder's equity | 0.02 | 0.02 | 5% |
| Debt Service Coverage Ratio (in times) | Earning available for debt service (Refer Note 2 below) | Debt Service (Refer Note 3 below) | 10.92 | 8.42 | 30% |
| Interest Coverage ratio (in times) | Profit before interest, tax & exceptional items | Finance cost | 52.18 | 46.55 | 12% |
| Return on Equity Ratio (in %) | Profit after tax, attributable to equity shareholders | Average Shareholder's Equity | 17.60% | 14.43% | 22% |
| Trade Receivables turnover ratio (in times) | Net Credit sales during the year | Average trade receivable | 13.62 | 10.33 | 32% |
| Trade payables turnover ratio (in times) | Other expenses | Average trade payable | 10.44 | 12.85 | -19% |
| Net capital turnover ratio (in times) | Revenue from operations | Working capital (Current Assets-Current liabilities) | 0.92 | 0.65 | 41% |
| Net profit ratio (in %) | Net profit after tax | Revenue from operations | 27.90% | 28.80% | -3% |
| Operating Profit Margin ratio (in %) | Profit before interest, tax, exceptional items, other income and share in net loss of associates | Revenue from operations | 24.64% | 24.03% | 3% |
| EBITDA Margin ratio (in %) | EBITDA (Refer Note 8 below) | Revenue from operations | 27.69% | 27.19% | 2% |
| Return on Capital employed (ROCE) (in %) | Earning before interest and taxes | Capital employed (Refer Note 4 below) | 25.56% | 17.86% | 43% |
| Return on investment (ROI) (in %) | Income generated from invested funds (Refer Note 5 below) | Average invested funds in treasury investments (Refer Note 6 below) | 8.45% | 4.52% | 87% |
| Debt to EBITDA (in times) | Total debts (represents lease liabilities) (Refer Note 1 below) | EBITDA (Refer Note 8 below) | 0.12 | 0.17 | -28% |

Notes

- 1) Total debt represents lease liabilities.
- 2) Earning available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and amortizations + Interest + other adjustments like gain on sale of Fixed assets, shared based expenses etc.
- 3) Debt service = Lease Payments (Interest + Principal)
- 4) Capital Employed = Total shareholder's equity + Deferred tax liability + Lease liabilities
- 5) Income generated from invested funds = FVPL gain on mutual funds, exchange traded funds, bonds, debentures, units of alternative investment funds and investment trust + Interest income from Bank deposits + Interest income on inter corporate deposits
- 6) Average invested funds in treasury investments = Average of (Average quarterly opening treasury investments and quarterly closing treasury investments #)
- # Treasury Investments = Mutual funds, exchange traded funds, bonds, debentures, units of alternative investment funds and investment trust + Inter - corporate deposits + Bank deposits
- 7) Average is calculating based on simple average of opening and closing balances.
- 8) EBITDA stands for Profit before interest, tax, depreciation, amortisation, exceptional items and other income

* Explanation where variance in ratio is more than 25%

- **Debt Service Coverage Ratio**
Due to increase in earnings and reduction in debt
- **Trade Receivables turnover ratio (in times)**
The increase in ratio is on account of decrease in trade receivables as compared to previous year.
- **Net capital turnover ratio (in times)**
On account of increase in the revenue for the year and decrease in the net working capital.
- **Return on Capital employed (ROCE) (in %)**
Due to increase in earnings and reduction in capital employed on account of buy back during the year
- **Return on investment (ROI)**
Due to increase in income generated from investment by the company
- **Debt to EBITDA (in times)**
Due to increase in earnings & reduction in debt



41 Events after the reporting period

- (a) The Group has evaluated all the subsequent events through 30 April 2024, which is the date on which these 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 consolidated financial statements.
- (b) **Dividend**
Dividends paid during the year ended 31 March, 2024 include an amount of Rs. 20/- per equity share (pre bonus share issue of 1:1) towards final dividend for the year ended 31 March, 2023 (Dividend paid during the year ended 31 March 2023 : Rs 2/per equity share).
Dividend declared by the Company is based on the profit available for distribution. On 29 April 2024, the Board of Directors of the Company have proposed a final dividend of INR 20/- per share in respect of the year ended 31 March 2024.

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: Gurugram

Date: 30 April 2024



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:00491760

Prateek Chandra
Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 30 April 2024