

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of IndiaMART InterMESH Limited

Opinion

We have audited the condensed consolidated interim financial statements of IndiaMART InterMESH Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the condensed consolidated interim balance sheet as at 30 June 2021, and the condensed consolidated interim statement of profit and loss (including other comprehensive income (loss)), condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the quarter then ended, and notes to the condensed consolidated interim financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the condensed consolidated interim financial statements") as required by Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" and other accounting principles generally accepted in India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed consolidated interim financial statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 30 June 2021, of consolidated profit and other comprehensive loss, consolidated changes in equity and its consolidated cash flows for the quarter ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Condensed Consolidated Interim Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Condensed Consolidated Interim Financial Statements

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

Registered Office:

In preparing the condensed consolidated interim financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 Management and Board of Directors either intends to liquidate the Group 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 the Group and of its associates.

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

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

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

- Identify and assess the risks of material misstatement of the condensed consolidated interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management's and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed consolidated interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the condensed consolidated interim financial statements, including the disclosures, and whether the condensed consolidated interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the condensed consolidated interim financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the condensed consolidated interim financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para 1(a) of the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

1. (a) We did not audit the financial statements of four subsidiaries, whose condensed interim financial statements, net of consolidation adjustments, reflect total assets of INR 380.08 million as at 30 June 2021, total revenues of INR 6.71 million and net cash outflows amounting to INR 317.64 million for the quarter then ended, as considered in the condensed consolidated interim financial statements. The condensed interim consolidated financial statements also include the Group's share of net loss (and other comprehensive loss) of INR Nil for the quarter, in respect of an associate, whose condensed interim financial statements have not been audited by us. These condensed interim financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the condensed consolidated interim financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate is based solely on the audit reports of the other auditors.
- (b) The condensed consolidated interim financial statements also include the Group's share of net loss (and other comprehensive loss) of INR 14.82 million for the quarter ended 30 June 2021, as considered in the condensed consolidated interim financial statements, in respect of three associates, whose condensed interim financial information have not been audited by us or by other auditors. These unaudited condensed interim financial information have been furnished to us by the Management and our opinion on the condensed consolidated interim financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited condensed interim financial information. In our opinion and according to the information and explanations given to us by the Management, these condensed interim financial information are not material to the Group.

B S R & Co. LLP

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

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

Chartered Accountants

ICAI Firm registration No: 101248W/W-100022

KANIKA

KOHLI

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KOHLI
Date: 2021.07.22 15:24:05
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Kanika Kohli

Partner

Membership No: 511565

ICAI UDIN: 21511565AAAABG1904

Place: Gurugram

Date: 22 July 2021

IndiaMART InterMESH Limited
Condensed Consolidated Interim Balance Sheet as at 30 June 2021
(Amounts in INR million, unless otherwise stated)

	Notes	As at 30 June 2021	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	5A	19.41	22.31
Capital work in progress	5A	1.77	1.77
Right-of-use asset	5B	590.14	625.65
Intangible assets	6	2.44	2.71
Investment in associates	7	547.22	269.94
Financial assets			
(i) Investments	8	112.89	99.99
(ii) Loans	8	2.44	2.37
(iii) Others financial assets	8	39.21	38.72
Non-current tax assets (net)	18	188.32	186.60
Other non-current assets	9	17.40	17.46
Total Non-current assets		1,521.24	1,267.52
Current assets			
Financial assets			
(i) Investments	8	22,679.77	22,174.36
(ii) Trade receivables	10	9.80	12.46
(iii) Cash and cash equivalents	11	166.85	401.19
(iv) Bank balances other than (iii) above	11	252.71	376.08
(v) Loans	8	1,120.73	709.25
(vi) Others financial assets	8	55.89	76.75
Current tax assets (net)	18	2.80	56.62
Other current assets	9	33.58	40.35
Total current assets		24,322.13	23,847.06
Total Assets		25,843.37	25,114.58
Equity and Liabilities			
Equity			
Share capital	12	303.37	303.16
Other equity	13	16,692.12	15,805.68
Total Equity		16,995.49	16,108.84
Liabilities			
Non-current liabilities			
Financial liabilities			
-Lease liabilities	15 (a)	504.96	525.67
Contract liabilities	17	2,728.06	2,584.75
Provisions	16	291.62	275.36
Deferred tax liabilities (net)	26	158.93	207.20
Total Non-current liabilities		3,683.57	3,592.98
Current liabilities			
Financial liabilities			
(i) Lease liabilities	15 (a)	101.64	108.57
(ii) Trade payables	14	-	-
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		154.19	154.28
(iii) Other financial liabilities	15 (b)	116.34	201.40
Contract liabilities	17	4,422.86	4,676.26
Other current liabilities	17	173.92	223.82
Provisions	16	49.87	48.43
Current tax liabilities (net)		145.49	-
Total Current liabilities		5,164.31	5,412.76
Total Liabilities		8,847.88	9,005.74
Total Equity and Liabilities		25,843.37	25,114.58
Summary of significant accounting policies	2		

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

As per our report of even date attached

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

KANIKA KOHLI Digitally signed by KANIKA KOHLI
Date: 2021.07.22 15:11:45 +05'30'

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram

Date: 22 July 2021

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

Dinesh Chandra Agarwal Digitally signed by Dinesh Chandra Agarwal
Date: 2021.07.22 13:19:41 +05'30'

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

Prateek Chandra Digitally signed by Prateek Chandra
Date: 2021.07.22 13:37:23 +05'30'

Prateek Chandra
(Chief Financial Officer)
Place: Lucknow

Brijesh Kumar Agrawal Digitally signed by Brijesh Kumar Agrawal
Date: 2021.07.22 13:24:26 +05'30'

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

MANOJ BHARGAVA Digitally signed by MANOJ BHARGAVA
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Manoj Bhargava
(Company Secretary)
Place: Noida

IndiaMART InterMESH Limited
Condensed Consolidated Interim Statement of Profit and Loss for the period ended 30 June 2021

(Amounts in INR million, unless otherwise stated)

	Notes	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Income:			
Revenue from operations	19	1,816.39	1,531.12
Other income	20	293.95	337.16
Total income		2,110.34	1,868.28
Expenses:			
Employee benefits expense	21	550.67	475.23
Finance costs	22	14.11	18.44
Depreciation and amortisation expense	23	31.82	44.03
Other expenses	24	379.59	322.76
Total expenses		976.19	860.46
Net profit before share of profit in associates and tax		1,134.15	1,007.82
Share in net loss of associates		(14.82)	(3.50)
Profit before tax		1,119.33	1,004.32
Income tax expense			
Current tax	26	287.03	3.75
Deferred tax	26	(46.78)	259.38
Total tax expense		240.25	263.13
Net profit for the period		879.08	741.19
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss and its related income tax effects			
Re-measurement losses on defined benefit plans		(5.92)	(18.25)
Income tax effect		1.49	4.56
		(4.43)	(13.69)
Other comprehensive loss for the period, net of tax		(4.43)	(13.69)
Total comprehensive income for the period		874.65	727.50
Earnings per equity share:			
	25		
Basic earnings per equity share (INR) - face value of INR 10 each		28.99	25.63
Diluted earnings per equity share (INR) - face value of INR 10 each		28.61	25.20
Summary of significant accounting policies	2		

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

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

**KANIKA
KOHLI**

Digitally signed by KANIKA
KOHLI
Date: 2021.07.22 15:12:06
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Kanika Kohli

Partner

Membership No.: 511565

Place: Gurugram

Date: 22 July 2021

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

**Dinesh
Chandra
Agarwal**

Digitally signed
by Dinesh
Chandra Agarwal
Date: 2021.07.22
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Dinesh Chandra Agarwal
(Managing Director and CEO)
DIN:00191800
Place: Noida

**Prateek
Chandra**

Digitally signed by Prateek Chandra
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Prateek Chandra
(Chief Financial Officer)
Place: Lucknow

**Brijesh
Kumar
Agrawal**

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

**MANOJ
BHARGAVA**

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Date: 2021.07.22
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Manoj Bhargava
(Company Secretary)
Place: Noida

(a) Equity share capital (Refer Note 12)

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
As at 1 April 2020	288.77
As at 30 June 2020	288.77
As at 1 April 2021	303.16
Equity share capital issued on exercise of ESOP during the period	0.21
As at 30 June 2021	303.37

(b) Other equity (Refer Note 13)

Particulars	Reserves and surplus					Share application money pending allotment	Total other equity
	Securities premium	General reserve	Employee share based payment reserve	Capital reserve	Retained earnings		
Balance as at 1 April 2020	4,753.90	8.45	116.16	(2.04)	(2,414.67)		2,461.80
Profit for the period	-	-	-	-	741.19	-	741.19
Other comprehensive income (loss) for the period	-	-	-	-	(13.69)	-	(13.69)
Total comprehensive income/(loss)	-	-	-	-	727.50	-	727.50
Share application money pending allotment	-	-	-	-	-	0.85	0.85
Employee share based payment expense (Refer Note 21)	-	-	21.12	-	-	-	21.12
ESOP surrendered of subsidiary company	-	-	(25.83)	-	25.83	-	-
Balance as at 30 Jun 2020	4,753.90	8.45	111.45	(2.04)	(1,661.34)	0.85	3,211.27
Balance as at 1 April 2021	15,310.77	8.45	97.38	-	389.08	-	15,805.68
Profit for the period	-	-	-	-	879.08	-	879.08
Other comprehensive loss for the period	-	-	-	-	(4.43)	-	(4.43)
Total comprehensive income	-	-	-	-	874.65	-	874.65
Issue of equity shares on exercise of share based awards during the period	4.48	-	(2.59)	-	-	-	1.89
Employee share based payment expense (Refer Note 21)	-	-	9.90	-	-	-	9.90
Balance as at 30 June 2021	15,315.25	8.45	104.69	-	1,263.73	-	16,692.12

Loss of INR 4.43 Mns and INR 13.69 Mns on remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings for quarter ended 30 June 2021 and 2020, respectively

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

As per our report of even date attached

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

KANIKA KOHLI Digitally signed by KANIKA KOHLI
Date: 2021.07.22 15:12:24 +05'30'

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram

Date: 22 July 2021

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

Dinesh
Chandra
Agarwal

Digitally signed by
Dinesh Chandra Agarwal
Date: 2021.07.22
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Dinesh Chandra Agarwal
(Managing Director and CEO)
DIN:00191800
Place: Noida

Prateek
Chandra

Prateek Chandra
(Chief Financial Officer)
Place: Lucknow

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Brijesh
Kumar
Agrawal

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

MANOJ
BHARGAVA

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Date: 2021.07.22
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Manoj Bhargava
(Company Secretary)
Place: Noida

IndiaMART InterMESH Limited
Condensed Consolidated Interim Statement of Cash Flows for the period ended 30 June 2021
(Amounts in INR million, unless otherwise stated)

Particulars	Notes	For the quarter ended	For the quarter ended
		30 June 2021	30 June 2020
Profit before tax		1,119.33	1,004.32
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation and amortisation expense	23	31.82	44.04
Interest and other income	20	(17.94)	(8.53)
Gain on de-recognition of Right-of-use assets	20	(1.05)	-
Provisions and liabilities no longer required written back		(2.13)	(14.93)
Gain on investments carried at fair value through profit and loss	20		
-Fair value gain on measurement and income from sale of mutual funds		(262.43)	(313.67)
Gain on disposal of property, plant and equipment	20	(0.05)	(0.03)
Finance costs	22	14.11	18.44
Share-based payment expense	21	9.90	21.12
Share of net loss of associates		14.82	3.50
		906.38	754.26
Changes in:			
Trade receivables		2.66	6.79
Other financial assets		21.56	(19.27)
Other assets		6.81	20.77
Other financial liabilities		(85.06)	(86.57)
Trade payables		(0.07)	15.81
Contract liabilities		(110.08)	(575.30)
Provisions and other liabilities		(38.13)	(40.00)
Cash generated from operations		704.07	76.49
Income tax paid (net)		(89.45)	(43.84)
Net cash generated from operating activities		614.62	32.65
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		0.17	0.03
Purchase of property, plant and equipment and other intangible assets		(0.06)	(0.36)
Purchase of current investments		(3,984.46)	(370.00)
Inter-corporate deposits placed with financial institutions		(412.06)	-
Proceeds from sale of current investments		3,706.11	381.24
Interest received		52.66	7.66
Refund of refundable security deposits for listing on stock exchange.		-	23.78
Investment in bank deposits (includes earmarked balances with bank) (having original maturity of more than three months)		(254.61)	8.90
Redemption of bank deposits		377.97	-
Investment in associates and other entities		(305.00)	(99.99)
Net cash used in investing activities		(819.28)	(48.74)
Cash flow from financing activities			
Share application money pending allotment		-	0.85
Repayment of lease liabilities		(17.66)	(11.75)
Interest paid on lease liabilities		(14.11)	(18.44)
Dividend paid		-	(14.93)
Proceeds from issue of equity shares on exercise of share based awards		2.09	-
Net cash used in financing activities		(29.68)	(44.27)
Net decrease in cash and cash equivalents		(234.34)	(60.36)
Cash and cash equivalents at the beginning of the period	11	401.19	169.38
Cash and cash equivalents at the end of the period	11	166.85	109.02

Summary of significant accounting policies 2

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

KANIKA KOHLI Digitally signed by KANIKA KOHLI
Date: 2021.07.22 15:13:15 +05'30'

Kanika Kohli

Partner

Membership No.: 511565

Place: Gurugram

Date: 22 July 2021

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

Dinesh Chandra Agarwal Digitally signed by Dinesh Chandra Agarwal
Date: 2021.07.22 13:20:36 +05'30'

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

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Date: 2021.07.22 13:25:35 +05'30'

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

Prateek Chandra Digitally signed by Prateek Chandra
Date: 2021.07.22 12:41:46 +05'30'

Prateek Chandra
(Chief Financial Officer)
Place: Lucknow

MANOJ BHARGAVA Digitally signed by MANOJ BHARGAVA
Date: 2021.07.22 13:38:26 +05'30'

Manoj Bhargava
(Company Secretary)
Place: Noida

IndiaMART InterMESH Limited

Notes to condensed consolidated interim financial statements for the period ended 30 June 2021

(Amounts in INR million, unless otherwise stated)

1. Corporate Information

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

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

The condensed consolidated interim financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 22 July 2021.

2. Summary of Significant Accounting Policies

(a) Statement of compliance

The condensed consolidated interim financial statements for the period ended 30 June 2021 have been prepared in accordance with Indian Accounting Standard (referred to as “Ind AS”) 34, Interim Financial Reporting and other Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act, 2013 (“the Act”) (as amended from time to time). These condensed consolidated interim financial statements must be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2021. They do not include all the information required for a complete set of Ind AS financial statements. However, selected explanatory notes are included to explain events and transactions that management believes are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

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

(b) Basis of Preparation

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

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

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

(c) Basis of consolidation

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

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

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

3. Significant accounting estimates and assumptions

The preparation of condensed consolidated interim financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The significant judgements made by management in applying the Group's accounting policies and key sources of estimation and uncertainty were the same as those described in the last annual consolidated financial statements for the year ended 31 March 2021.

Measurement of fair values

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

The Group's management determines the policies and procedures for recurring fair value measurement, such as investment in equity and preference instruments of other entities, investments in mutual funds and bonds measured at fair value at each balance sheet date.

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

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

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

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

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

4. Impact of COVID-19

The Group has taken into account all the possible impacts of COVID-19 in preparation of these condensed consolidated interim financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue and cost, impact on leases, impact on investment in subsidiaries and associates and investment in other entities. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these condensed consolidated interim financial statements and believes that the impact of COVID-19 is not material to these condensed consolidated interim financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the condensed consolidated interim financial statements may differ from that estimated as at the date of approval of these condensed consolidated interim financial statements owing to the nature and duration of COVID-19.

5A Property, plant and equipment

	Computers	Office equipment	Furniture and fixtures	Motor vehicles	Total Property, plant and equipment	Capital work in progress (Refer Note below)
Gross carrying amount						
As at 1 April 2020	127.87	52.63	5.75	3.80	190.05	1.77
Additions for the year	0.11	0.23	-	-	0.34	-
Adjustment for loss of control in Subsidiary	(3.81)	(0.24)	(0.03)	-	(4.08)	-
Disposals for the year	(11.15)	(3.53)	(1.69)	-	(16.37)	-
As at 31 March 2021	113.02	49.09	4.03	3.80	169.94	1.77
Additions for the period	-	0.04	-	-	0.04	-
Disposals for the period	(0.02)	(0.23)	-	(0.02)	(0.27)	-
As at 30 June 2021	113.00	48.90	4.03	3.78	169.71	1.77
Accumulated depreciation						
As at 1 April 2020	101.07	31.74	3.45	2.03	138.29	-
Charge for the year	16.25	9.30	0.52	0.56	26.63	-
Adjustment for loss of control in Subsidiary	(2.53)	(0.16)	(0.01)	-	(2.70)	-
Disposals during the year	(11.00)	(2.59)	(1.00)	-	(14.59)	-
As at 31 March 2021	103.79	38.29	2.96	2.59	147.63	-
Charge for the period	1.43	1.22	0.07	0.10	2.82	-
Disposals during the period	-	(0.13)	-	(0.02)	(0.15)	-
As at 30 June 2021	105.22	39.38	3.03	2.67	150.30	-
Net book value						
As at 1 April 2020	26.80	20.89	2.30	1.77	51.76	1.77
As at 31 March 2021	9.23	10.80	1.07	1.21	22.31	1.77
As at 30 June 2021	7.78	9.52	1.00	1.11	19.41	1.77

Note:

1. Capital work in progress represents the amount incurred on construction of boundary wall for leasehold land (refer note 5B for details related to leasehold land).

5B Right-of-use asset

	Leasehold land (Refer Note 1 below)	Buildings	Total
Gross carrying amount			
As at 1 April 2020	37.12	929.83	966.95
Additions for the year	-	26.82	26.82
Disposals for the year	-	(122.10)	(122.10)
As at 31 March 2021	37.12	834.55	871.67
Additions for the period	-	0.30	0.30
Disposals for the period	-	(12.72)	(12.72)
As at 30 June 2021	37.12	822.13	859.25
Accumulated depreciation			
As at 1 April 2020	1.84	165.40	167.24
Depreciation for the year	0.46	131.50	131.96
Disposals for the year	-	(53.18)	(53.18)
As at 31 March 2021	2.30	243.72	246.02
Depreciation for the period	0.12	28.59	28.71
Disposals for the period	-	(5.62)	(5.62)
As at 30 June 2021	2.42	266.69	269.11
Net book value			
As at 1 April 2020	35.28	764.43	799.71
As at 31 March 2021	34.82	590.83	625.65
As at 30 June 2021	34.70	555.44	590.14

1. As per the terms of the lease arrangement, the Company was required to complete the construction of building within a defined time from the date of handing over the possession. The Company had obtained extension for construction of building on the leasehold land till 5 July 2021. As such extension has expired, the company is in the process of obtaining further extension.

6 Intangible assets

	Software	Unique telephone numbers	Total
Gross carrying amount			
As at 1 April 2020	15.14	4.70	19.84
Adjustment for loss of control in Subsidiary	(0.09)	-	(0.09)
As at 31 March 2021	15.05	4.70	19.75
Additions	0.02	-	0.02
As at 30 June 2021	15.07	4.70	19.77
Accumulated depreciation			
As at 1 April 2020	10.91	4.10	15.01
Amortisation for the year	1.82	0.24	2.06
Adjustment for loss of control in Subsidiary	(0.03)	-	(0.03)
As at 31 March 2021	12.70	4.34	17.04
Amortisation for the period	0.25	0.04	0.29
As at 30 June 2021	12.95	4.38	17.33
As at 1 April 2020	4.23	0.60	4.83
As at 31 March 2021	2.35	0.36	2.71
As at 30 June 2021	2.12	0.32	2.44

7 Investment in associates- Unquoted

(Accounted under equity method)	As at 30 June 2021		As at 31 March 2021	
	No. of units	Amount	No. of units	Amount
Fully paid up - at cost				
Compulsory convertible preference shares of INR 100 each (at premium of INR 52,217.90 each) in Simply Vyapar Apps Private Limited	5,954	311.50	5,954	311.50
Equity shares of INR 10 each (at premium of INR 52,307.90 each) in Simply Vyapar Apps Private Limited	10	0.52	10	0.52
Add: Share of loss of associate		(56.46)		(42.08)
Equity shares of INR 10 each in Ten Times Online Private Limited		0.93		0.93
Add: Share of loss of associate		(0.93)		(0.93)
Compulsory convertible preference shares of INR 10 each (at premium of INR 7,467 each) in Truckhall Private Limited	12,846	96.05	-	-
Equity shares of INR 10 each (at premium of INR 7,467 each) in Truckhall Private Limited	1,879	14.05	-	-
Add: Share of loss of associate		(0.34)		-
Compulsory convertible preference shares of INR 10 each (at premium of INR 43,446 each) in Shipway Technology Private Limited	4,088	177.65	-	-
Equity shares of INR 10 each (at premium of INR 43,446 each) in Shipway Technology Private Limited	100	4.35	-	-
Add: Share of loss of associate		(0.10)		-
		547.22		269.94

Notes:

During the period ended 30 June 2021, the Group, through its wholly-owned subsidiary, Tradezeal Online Private Limited has made investments in Truckhall Private Limited and Shipway Technology Private Limited, thereby becoming associates of the Group.

8 Financial assets

a) Non-current investments	As at 30 June 2021		As at 31 March 2021	
	No. of units	Amount	No. of units	Amount
Investment in others				
Unquoted (measured at FVTPL)				
Instant Procurement Services Private Limited				
Equity shares held of INR 10 each in Instant Procurement Services Private Limited	5,500	-	5,500	-
0.001% Optionally convertible redeemable preference share of INR 10 each	12,446	-	12,446	-
0.001% Compulsorily convertible preference share of INR 10 each	3,764	-	3,764	-
Mobisy Technologies Private Limited				
Compulsory convertible preference shares of INR 1 each (at premium of INR 776 each)	128,593	99.92	128,593	99.92
Equity shares of INR 1 each (at premium of INR 776 each)	100	0.07	100	0.07
Legistify Services Private Limited (Refer Note 2 below)				
Compulsory convertible preference shares of INR 10 each (at premium of INR 5132.68 each)	1,146	5.89	-	-
Compulsory convertible preference shares of INR 10 each (at premium of INR 4104.14 each)	1,580	6.50	-	-
Equity shares of INR 10 each (at premium of INR 5132.68 each)	100	0.51	-	-
Total		112.89		99.99
Total non-current investments		112.89		99.99

Notes:

- The Group has invested in convertible preference shares of companies. Based on the terms, these have been classified as financial instrument in the nature of financial assets to be measured at fair value through profit-and-loss.
- During the period ended 30 June 2021, the Group has acquired 11.01% interest on fully converted and diluted basis in Legistify Services Private Limited at the aggregate consideration of INR 12.90 Million. This investment has been classified as "Investment at FVTPL" as per Ind-AS 109.

b) Current investments

	As at 30 June 2021		As at 31 March 2021	
	No. of units	Amount	No. of units	Amount
Investment in mutual funds - Quoted (measured at FVTPL)				
Aditya Birla Sunlife Short-Term Fund-Growth Regular Plan	355,385	13.17	2,599,874	95.06
Aditya Birla Sunlife Short-Term Fund-Growth-Direct Plan	5,765,040	225.11	21,181,794	814.54
Aditya Birla Sunlife Corporate Bond Fund - Growth-Regular Plan	6,508,526	567.59	6,508,526	559.11
Aditya Birla Sun Life Corporate Bond Fund-Growth-Direct Plan	4,570,414	402.58	4,570,414	396.40
Aditya Birla Sun Life Money Manager Fund - Direct	3,182,948	923.12	3,498,589	1,004.69
Aditya Birla Sun Life Savings Fund - Direct Growth	2,591,584	1,118.25	2,764,954	1,180.18
Aditya Birla sun life Banking PSU & Debt Fund-Direct	1,920,226	564.87	-	-
Axis Ultra Short Term Fund - Direct Growth	-	-	41,966,039	502.05
Axis Banking & PSU Debt Fund-Direct-Growth	281,347	596.99	-	-
Bharat Bond ETF April-2023	400,000	452.57	400,000	446.50
Bharat Bond ETF April-2025	149,992	156.37	149,992	153.71
Edelweiss Arbitrage Fund Direct- Growth	24,854,259	396.82	-	-
HDFC Short Term Debt Fund-Direct Growth Plan	5,205,920	131.98	17,712,429	441.87
HDFC Short Term Debt Fund - Regular Plan	1,797,498	44.82	8,380,984	205.90
HDFC Low Duration Fund -Regular Plan-Growth	65,547	2.99	3,797,410	170.92
HDFC Low Duration Fund - Direct Plan-Growth	14,109,161	680.24	12,035,204	572.57
HDFC Money Market Fund - Direct Growth	257,730	1,164.46	226,818	1,014.77
HDFC Ultra Short Term Fund - Direct Growth	100,961,709	1,217.27	100,961,709	1,205.42
ICICI Prudential Savings Fund- Direct Plan-Growth	2,702,206	1,149.79	2,583,184	1,084.13
ICICI Prudential Short-Term Fund - Direct	14,101,249	696.30	20,802,151	1,011.38
ICICI Prudential Short-Term Fund - Regular	3,606,276	167.66	3,606,276	165.40
ICICI Prudential Money Market Fund - Direct Growth	3,028,739	902.82	3,129,563	924.09
ICICI Prudential Equity Arbitrage Fund-Direct Growth	15,907,408	452.53	-	-
IDFC Low Duration Fund-Growth- Direct Plan	36,439,105	1,128.14	36,439,105	1,117.14
IDFC Bond Fund - Short-Term Plan- DGP	7,006,559	332.32	8,167,105	382.73
IDFC Banking & PSU Debt Fund - Direct - Growth	44,137,781	872.58	34,010,628	664.58
IDFC Corporate Bond Fund - Direct - Growth Plan	7,922,353	122.70	7,922,353	120.96
IDFC Ultra Short Term Fund - Direct-Growth Plan	36,591,465	441.84	36,591,465	438.04
Kotak Corporate Bond Fund - DGP	328,929	995.34	328,929	981.73
Kotak Money Market Fund - Direct Growth	378,854	1,331.73	384,544	1,339.67
Kotak Savings Fund - Direct Growth	28,948,565	1,013.05	28,948,565	1,004.02
Kotak Equity Arbitrage Fund-Direct Growth	20,613,011	632.86	-	-
L&T Short term bond fund-DGP	37,122,589	814.22	37,122,589	803.71
L&T Short-Term Bond Fund - Regular Growth	20,066,239	423.14	20,066,239	418.18
SBI Corporate Bond Fund - Direct - Growth Plan	7,021,759	86.87	7,021,759	85.77
SBI Magnum Ultra Short Duration Fund - Direct Growth	86,368	411.11	212,720	1,003.82
SBI Savings Fund - Direct Growth	29,687,211	1,024.72	34,943,576	1,194.92
SBI Liquid Fund- Direct - Growth Plan	62,030	201.45	62,030	199.84
Total		21,860.37		21,703.80
Investment in bonds - Quoted (measured at FVTPL)				
ICICI Bank Perpetual Bond	80	84.07		88.69
HDFC bank Perpetual Bond	400	416.00		381.87
SBI Perpetual Bond	300	319.33		-
Total		819.40		470.56
Total current investments		22,679.77		22,174.36
Aggregate book value of quoted investments		22,679.77		22,174.36
Aggregate market value of quoted investments		22,679.77		22,174.36
Aggregate carrying value of unquoted investments		112.89		99.99

c) Loans (measured at amortised cost)

	As at 30 June 2021		As at 31 March 2021	
(i) Loans				
Non-current (unsecured, considered good unless stated otherwise)				
Loans to employees**		2.44		2.37
		2.44		2.37
Current (unsecured, considered good unless stated otherwise)				
Inter-corporate deposits*				
-HDFC Limited		507.02		501.28
-LIC Housing Finance Limited		606.95	1,113.97	200.63
Loans to employees **			6.76	7.34
Total loans			1,120.73	709.25
			1,123.17	711.62

Notes:

*Inter-corporate deposits placed with financial institutions yield fixed interest rate.

**Represent interest free loans to employees, which are recoverable in maximum 24 monthly instalments.

	As at 30 June 2021	As at 31 March 2021
d) Others (measured at amortised cost)		
Non-current (unsecured, considered good unless stated otherwise)		
Security deposits	39.21	38.72
Total	39.21	38.72
Current (unsecured, considered good unless stated otherwise)		
Security deposits	3.15	3.18
Amount recoverable from payment gateway	52.09	73.57
Other receivables	0.65	-
Total	55.89	76.75
Total other financial assets	95.10	115.47

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

9 Other assets

	As at 30 June 2021	As at 31 March 2021
Non-current (unsecured, considered good unless stated otherwise)		
Prepaid expenses	0.68	0.74
Indirect taxes recoverable	16.72	16.72
Total	17.40	17.46
Current (Unsecured, considered good unless stated otherwise)		
Advances recoverable	16.27	14.78
Indirect taxes recoverable	8.54	7.38
Prepaid expenses	8.77	16.68
Others	-	1.51
Total	33.58	40.35

10 Trade receivables

	As at 30 June 2021	As at 31 March 2021
Unsecured, considered good unless stated otherwise		
<i>Considered good</i>		
Trade receivables	9.80	12.46
<i>Considered doubtful</i>		
Trade Receivables credit- impaired	-	0.03
Less: Loss allowance	-	(0.03)
Total	9.80	12.46

Notes:
a) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
b) Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

11 Cash and bank balances

	As at 30 June 2021	As at 31 March 2021
a) Cash and cash equivalents		
Cheques on hand	35.68	142.52
Balance with bank		
- On current accounts	131.17	258.67
Total Cash and cash equivalents	166.85	401.19

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	251.34	374.68
	251.34	374.68
(ii) Earmarked balances with banks*	1.37	1.40
Amount disclosed under current bank deposits	252.71	376.08

* Earmarked balances includes unclaimed/unpaid dividends of INR 0.06 (31 March 2021: INR 0.06) and bank balance with Indiamart Employee Benefit Trust of INR 1.31 (31 March 2021: INR 1.34).

12 Share capital

Authorised equity share capital (INR 10 per share)

	Number of shares	Amount
As at 1 April 2020	30,000,000	300.00
Increase during the year	69,442,460	694.42
As at 31 March 2021	99,442,460	994.42
As at 30 June 2021	99,442,460	994.42

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

	Number of shares	Amount
As at 31 March 2020	1,493,903	490.00
Decrease during the year	(1,493,900)	(490.00)
As at 31 March 2021	3	0.00
As at 30 June 2021	3	-

Authorised 0.01% compulsorily convertible cumulative preference share capital (INR 100 per share)

	Number of shares	Amount
As at 31 March 2020	1,894,254	189.43
Decrease during the year	(1,894,254)	(189.43)
As at 31 March 2021	-	-
As at 30 June 2021	-	-

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

	Number of shares	Amount
As at 1 April 2020	28,877,247	288.77
Equity share capital issued on exercise of ESOP during the year	66,696	0.67
Equity share capital issued on qualified institutions placement during the year	1,242,212	12.42
Equity share capital issued to Indiamart Employee Benefit Trust during the year (refer note (a) below)	135,000	1.35
Equity share capital issued during the year and held by Indiamart Employee Benefit Trust as at year end (refer note (a) below)	(4,861)	(0.05)
As at 31 March 2021	30,316,294	303.16
Equity share capital issued on exercise of ESOP during the period	20,946	0.21
As at 30 June 2021	30,337,240	303.37

Notes:

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

	As at 30 June 2021		As at 31 March 2021	
	Number	Amount	Number	Amount
Opening balance	47,434	0.48	42,573	0.43
Purchased during the period	-	-	135,000	1.35
Transfer to employees pursuant to SAR exercised	-	-	(130,139)	(1.30)
Closing balance	47,434	0.49	47,434	0.48

13 Other equity

	As at 30 June 2021	As at 31 March 2021
Securities premium	15,315.25	15,310.77
General reserve	8.45	8.45
Employee share based payment reserve	104.69	97.38
Retained earnings	1,263.73	389.08
Total other equity	16,692.12	15,805.68

Nature and purpose of reserves and surplus:

- 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.
- 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.
- 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.
- Capital reserve:** The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve. The capital reserve pertains to acquisition of non-controlling interest by the parent company.
- Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Group, and re-measurement gains/losses on defined benefit plans.

14 Trade payables

	As at 30 June 2021	As at 31 March 2021
Payable to micro, small and medium enterprises	-	-
Other trade payables		
- outstanding dues to related parties (Refer Note 30)	-	0.05
- outstanding dues to others	154.19	154.23
Total	154.19	154.28

15 Lease and other financial liabilities

	As at 30 June 2021	As at 31 March 2021
(a) Lease liabilities		
Current	101.64	108.57
Non-current	504.96	525.67
	606.60	634.24
(b) Other financial liabilities		
Current		
Payable to employees	102.67	195.94
Security deposits	0.14	0.14
Other payable*	8.50	0.06
Other advances	5.03	5.26
Total	116.34	201.40

*Includes unclaimed/Unpaid dividend of INR 0.06 (31 March 2021: INR 0.06) with regard to the interim dividend amount declared during the year ended 31 March 2020 and remaining to be paid to shareholders.

16 Provisions

	As at 30 June 2021	As at 31 March 2021
Non-current		
Provision for employee benefits*		
Provision for gratuity	228.95	212.19
Provision for leave encashment	62.67	63.17
Total	291.62	275.36
Current		
Provision for employee benefits*		
Provision for gratuity	21.69	20.14
Provision for leave encashment	12.80	12.91
Provision-others**	15.38	15.38
Total	49.87	48.43

* Refer Note 27

** Contingency provision towards indirect taxes. There is no change in this provision during the period ended 30 June 2021.

17 Contract and other liabilities

	As at 30 June 2021	As at 31 March 2021
Contract liabilities*		
Non-current		
Deferred revenue	2,728.06	2,584.75
	2,728.06	2,584.75
Current		
Deferred revenue	4,189.14	4,198.18
Advances from customers	233.72	478.08
	4,422.86	4,676.26
Total	7,150.92	7,261.01
Other liabilities- current		
Statutory dues		
Tax deducted at source payable	78.23	37.66
Indirect tax payable	90.34	181.19
Others	5.35	4.97
Total	173.92	223.82

* Contract liabilities include consideration received in advance to render web services in future periods. Refer Note 30 for outstanding balances pertaining to related parties.

18 Income tax assets and liabilities

	As at 30 June 2021	As at 31 March 2021
Income tax assets (net of provisions)		
Non current		
Income tax assets	823.68	821.96
Less: Provision for income tax	(635.36)	(635.36)
	188.32	186.60
Current		
Income tax assets	2.80	56.62
	2.80	56.62
Total	191.12	243.22

19 Revenue from operations

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

	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Sale of services		
Income from web services	1,797.35	1,515.94
Advertisement and marketing services	19.04	15.18
Total	1,816.39	1,531.12

Significant changes in the contract liability balances during the period are as follows:

	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Opening balance at the beginning of the period	7,261.01	6,852.79
Less: Revenue recognised from contract liability balance at the beginning of the period	(1,437.95)	(1,269.20)
Add: Amount received from customers during the period	1,701.64	955.82
Less: Revenue recognised from amounts received during the period	(373.78)	(261.92)
Closing balance at the end of the period	7,150.92	6,277.49

20 Other income

	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Gain on investments carried at fair value through profit and loss		
-Fair value gain on measurement and income from sale of mutual funds and bonds	262.43	313.67
Interest income from financial assets measured at amortised cost		
- on bank deposits	5.24	7.66
- on corporate deposits	12.01	-
- on security deposits	0.68	0.87
Other interest income	9.93	0.00
Gain on de-recognition of Right-of-use assets	1.05	-
Provisions and liabilities no longer required written back	2.13	14.93
Net gain on disposal of property, plant and equipment	0.05	0.03
Miscellaneous income	0.43	-
Total	293.95	337.16

21 Employee benefits expense

	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Salaries, allowance and bonus	514.37	441.71
Gratuity expense	12.39	7.79
Leave encashment expense	1.34	0.15
Contribution to provident and other funds	5.37	4.00
Employee share based payment expense	9.90	21.12
Staff welfare expenses	7.30	0.46
Total	550.67	475.23

22 Finance costs

	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Interest cost of lease liabilities	14.11	18.44
Total	14.11	18.44

23 Depreciation and amortization expense

	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Depreciation of property, plant and equipment (Refer Note 5A)	2.82	6.88
Depreciation of Right-of-use assets (Refer Note 5B)	28.71	36.67
Amortisation of intangible assets (Refer Note 6)	0.29	0.48
Total	31.82	44.03

24 Other expenses

	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Content development expenses	35.23	23.49
Buyer engagement expenses	37.11	42.12
Customer support expenses	44.49	32.11
Outsourced sales cost	131.31	121.82
Internet and other online expenses	69.24	44.59
Rent	0.04	6.54
Rates and taxes	1.46	0.59
Communication costs	0.18	1.17
Outsourced support cost	2.99	3.52
Advertisement expenses	2.43	1.91
Power and fuel	1.51	2.98
Printing and stationery	0.16	0.05
Repair and maintenance:		
- Plant and machinery	0.43	0.70
- Others	5.92	11.78
Travelling and conveyance	0.79	0.37
Recruitment and training expenses	1.68	1.48
Legal and professional fees	14.87	5.97
Directors' sitting fees	0.80	0.33
Insurance expenses	6.77	8.58
Collection charges	10.10	8.01
Corporate social responsibility activities expenses	12.01	4.49
Miscellaneous expenses	0.07	0.16
Total	379.59	322.76

25 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the earnings for the year 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 income and share data used in the basic and diluted EPS computations:

	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Basic		
Net profit as per the statement of profit and loss for computation of EPS	879.08	741.19
Weighted average number of equity shares used in calculating basic EPS	30,319,977	28,919,820
Basic earnings per equity share	28.99	25.63
Diluted		
Weighted average number of equity shares used in calculating basic EPS	30,319,977	28,919,820
Potential equity shares	410,210	487,344
Total no. of shares outstanding (including dilution)	30,730,187	29,407,164
Diluted earnings per equity share	28.61	25.20

There are potential equity shares for the period ended 30 June 2021 and 30 June 2020 in the form of share based awards granted to employees which have been considered in the calculation of diluted earnings

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 quarter ended 30 June 2021	For the quarter ended 30 June 2020
Current tax expense		
Current tax for the period	287.03	3.75
	287.03	3.75
Deferred tax expense/(income)		
Relating to origination and reversal of temporary differences	(46.78)	259.38
	(46.78)	259.38
Total income tax expense	240.25	263.13

The effective tax rate has been reduced from 26.10% for the period ended 30 June 2020 to 21.20% for the period ended 30 June 2021, substantially on account of long term capital gain realised on sale of mutual funds units.

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

Deferred tax related to items recognised in OCI during the period

Particulars	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Net loss on remeasurements of defined benefit plans	(1.49)	(4.56)

Reconciliation of Deferred tax asset/(liabilities) (Net):

Particulars	As at 30 June 2021	As at 31 March 2021
Opening balance as of 1 April	(207.20)	245.70
Tax (expense)/ income during the period recognised in Statement of profit and loss	46.78	(347.32)
Tax (expense)/income related to change in tax law	-	(109.22)
Tax impact during the period recognised in OCI	1.49	6.21
Adjustment for loss of control in Subsidiary	-	(2.57)
Closing balance at the end of the period	(158.93)	(207.20)

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 30 June 2021	As at 31 March 2021
Present value of defined benefit obligation	312.44	289.63
Fair value of plan assets	(61.80)	(57.30)
Net liability arising from defined benefit	250.64	232.33

Leave encashment - other long term employee benefit plan

	As at 30 June 2021	As at 31 March 2021
Present value of other long term employee benefit	75.47	76.08
Net liability arising from other long term employee benefit	75.47	76.08

28 Fair value measurements

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

	Level	As at 30 June 2021	As at 31 March 2021
Financial assets			
a) Measured at fair value through profit or loss (FVTPL)			
- Investment in mutual funds (Refer Note b(iii) below)	Level 1	21,860.37	21,703.80
- Investment in bonds (Refer Note b(v) below)	Level 1	-	470.56
- Investment in bonds (Refer Note b(v) below)	Level 2	819.40	-
- Investment in equity/preference instruments of other entities (Refer Note b(iv) below)	Level 3	112.89	99.99
		<u>22,792.66</u>	<u>22,274.35</u>
b) Measured at amortised cost (refer note (b)(i) and (ii) below)			
- Trade receivables		9.80	12.46
- Cash and cash equivalents		166.85	401.19
- Loans to employees		9.20	9.71
- Inter-corporate deposits		1,113.97	701.91
- Security deposits		42.36	41.90
- Deposits with Banks		252.71	376.08
- Other financial assets		52.74	73.57
		<u>1,647.63</u>	<u>1,616.82</u>
Total financial assets (a+b)		<u>24,440.29</u>	<u>23,891.16</u>
Financial liabilities			
a) Measured at amortised cost (refer note (b)(i) and (ii))			
- Trade payables		154.19	154.28
- Security deposits		0.14	0.14
- Other financial liabilities		116.20	201.26
- Lease liabilities		606.60	634.24
		<u>877.13</u>	<u>989.92</u>
Total financial liabilities		<u>877.13</u>	<u>989.92</u>

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

- The carrying value of deposits with Banks, Inter-corporate deposits with Financial institutions, trade receivables, loans to employees, cash and cash equivalents, trade payables, security deposits, lease liabilities and other financial assets and other financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments. These have been assessed basis counterparty credit risk.
- The fair value of non-current financial assets and financial liabilities measured are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.
- Fair value of quoted mutual funds is based on quoted market prices at the reporting date. We do not expect material volatility in these financial assets.
- Fair value of equity/preference instruments of other entities is estimated based on discounted cash flows valuation technique using the cash flow projections, discount rate and credit risk.
- During the period ended 30 June 2021, with effect from 1 April 2021, the fair value of quoted bonds is determined using observable market's inputs and is classified as Level 2 as against earlier classification of Level 1.

c) Following table describes the valuation techniques used and key inputs thereto for the level 3 financial assets as of 30 June 2021 and 31 March 2021:

Financial assets	Valuation technique(s)	Key input(s)	Sensitivity
Investment in equity/preference instruments of other entities			
Mobisy Technologies Private Limited and Legistify Services Private Limited	Refer Note below*	i) Discount rate ii) Growth rate for long term cash flow projections. iii) Future cash flow projections based on budgets approved by the management.	Refer Note below**

* The fair values of financial assets included in level 3 have been determined in accordance with generally accepted valuation models based on a discounted cashflow analysis, with one of the most significant inputs being the discount rate that reflects the credit risk of counter parties.

** Sensitivity to changes in unobservable inputs: The fair value of the financial assets is directly proportional to the estimated future cash flow projections based on the budgets approved by the management. Change in significant unobservable input of discount rate by 100 bps and growth rate by 100 bps in the valuation does not have a significant impact on the carrying value of the assets in the consolidated financial statements.

d) Reconciliation of level 3 fair value measurements

	Investment in equity/preference instruments of other entities	
	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Opening balance	99.99	-
Additions	12.90	99.99
Closing balance	<u>112.89</u>	<u>99.99</u>

e) During the period ended 30 June 2021 and 31 March 2021, there were no transfer into and out of Level 3 fair value measurements.

29 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has only one business segment which is business-to-business e-marketplace, which acts as an interactive hub for domestic and international buyers and suppliers and operates in a single business segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence the Group falls within a single operating segment "Business to business e-marketplace".

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:

	Revenue from external customers		Non-current assets*	
	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020	As at 30 June 2021	As at 31 March 2021
India	1,799.10	1,507.95	631.16	669.90
Others	17.29	23.17	-	-
	1,816.39	1,531.12	631.16	669.90

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

30 Related party transactions

i) Names of related parties and related party relationship:

a) Individuals owning directly or indirectly, an interest in the voting power of the Group that gives them Significant Influence over the Group and Key Management Personnel (KMP)

Name	Designation
Dinesh Chandra Agarwal	Managing director and CEO
Brijesh Kumar Agrawal	Whole time director
Prateek Chandra	Chief financial officer
Manoj Bhargava	Company Secretary
Dhruv Prakash	Non-executive director
Rajesh Sawhney	Independent director
Elizabeth Lucy Chapman	Independent director
Vivek Narayan Gour	Independent director

b) Entities where Individuals and Key Management Personnel (KMP) as defined above exercise significant influence.

Mansa Enterprises Private Limited

c) Other related parties

Indiamart Employee Benefit Trust (separately administered Trust to manage employees share based payment plans of the company)
Indiamart Intermesh Employees Group Gratuity Assurance Scheme (separately administered Trust to manage post-employment defined benefits of employees of the company)
Simply Vyapar Apps Private Limited (Associate)
Ten Times Online Private Limited (Associate) (with effect from 1 September 2020)
Truckhall Private Limited (Associate)
Shipway Technology Private Limited (Associate)

ii) Key management personnel compensation

	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Short-term employee benefits	37.71	25.38
Post-employment benefits	0.03	0.28
Employee share based payment	0.82	1.26
	38.56	26.92

30 Related party transactions (Cont'd)

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

Particulars	For the quarter ended 30 June 2021	For the quarter ended 30 June 2020
Entities where KMP and Individuals exercise Significant influence		
<u>Expenses for rent</u>		
Mansa Enterprises Private Limited	0.53	0.40
Key management personnel		
<u>Recruitment and training expenses</u>		
Dhruv Prakash	-	0.20
Director's sitting fees	0.80	0.33
Associates		
<u>Investment in associates</u>		
Truckhall Private Limited	110.10	-
Shipway Technology Private Limited	182.00	-
<u>Web services provided to</u>		
Simply Vyapar Apps Private Limited	0.25	0.01
<u>Internet and online services availed</u>		
Ten Times Online Private Limited (from 1 September 2020)	0.10	-
<u>Miscellaneous services (working space facility) provided to</u>		
Simply Vyapar Apps Private Limited	0.43	-
<u>Indiamart Employee Benefit Trust</u>		
Repayment of loan given	-	1.20

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 at the year 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 amounts due to or due from related parties at the relevant period end:

Balance Outstanding at the period end	As at 30 June 2021	As at 31 March 2021
Key management personnel		
<u>Recruitment and training expenses payable</u>		
Director's sitting fees	-	0.05
<u>Investment in associates</u>		
Simply Vyapar Apps Private Limited	312.02	312.02
Ten Times Online Private Limited	0.93	0.93
Truckhall Private Limited	110.10	-
Shipway Technology Private Limited	182.00	-
<u>Deferred Revenue</u>		
Simply Vyapar Apps Private Limited	0.22	0.47
<u>Other receivables</u>		
Simply Vyapar Apps Private Limited	0.51	-
<u>Loan given</u>		
Indiamart Employee Benefit Trust	1.50	1.50

31 Contingent liabilities and commitments

a) Contingent liabilities

	As at 30 June 2021	As at 31 March 2021
(i) Income-tax demand (refer notes (a) and (b) below)	302.68	302.68

(a) In respect of Assessment year 2016-17, a demand was raised on Tolexo Online Private limited due to addition of income relating to receipts of securities premium against share allotment made to IndiaMART InterMESH Limited and accordingly the losses to be carried forward by the Company have been reduced from INR 719.22 million to INR 482.07 million (Tax impact @25.17%- INR 59.69 Million) . The matter is pending with CIT(Appeals). The Company is contesting the demand and the management believe 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 million 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 believe 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.

(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 is not 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 there being further clarity on the matter.

(iii) The Group is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, the outcome of which is inherently uncertain. Some of these matters include speculative and frivolous claims for substantial or indeterminate amounts of damages. The Group records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Management reviews these provisions and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Management believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results or cash flows of the Group, with respect to loss contingencies for legal and other contingencies as at 30 June 2021.

(iv) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company 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 framed. The Company 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 published.

b) Capital and other commitments

- As at 30 June 2021, the Group has no capital commitment (31 March 2021: 13 millions).

32 Investment in associates

The Group has no material associate as on 30 June 2021, The aggregate summarised financial information in respect of the Group's immaterial associates accounted for using the equity method is as below:

	30 June 2021	31 March 2021
Carrying value of the Group's interest in associates	547.22	269.94
The Group's share in loss for the period in associates	(14.82)	(26.60)

33 Events after the reporting period

The Group has evaluated all the subsequent events through 22 July 2021, which is the date on which these Condensed Consolidated Interim Financial Statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the Condensed Consolidated Interim Financial Statements.

As per our report of even date attached

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

KANIKA KOHLI Digitally signed by KANIKA KOHLI
Date: 2021.07.22 15:14:29 +05'30'

Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram

Date: 22 July 2021

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

Dinesh Chandra Agarwal Digitally signed by Dinesh Chandra Agarwal
Date: 2021.07.22 13:21:21 +05'30'

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

Prateek Chandra Digitally signed by Prateek Chandra
Date: 2021.07.22 12:42:16 +05'30'

Prateek Chandra
(Chief Financial Officer)
Place: Lucknow

Brijesh Kumar Agrawal Digitally signed by Brijesh Kumar Agrawal
Date: 2021.07.22 13:26:11 +05'30'

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

MANOJ BHARGAVA Digitally signed by MANOJ BHARGAVA
Date: 2021.07.22 13:38:49 +05'30'

Manoj Bhargava
(Company Secretary)
Place: Noida