

# BSR & 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 associate, which comprise the condensed consolidated interim balance sheet as at 30 June 2020, and the condensed consolidated interim statement of profit and loss (including other comprehensive income), condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the quarter then ended, and notes to the condensed consolidated interim financial statements, including a summary of significant accounting policies (hereinafter referred to as "the condensed consolidated interim financial statements") and other explanatory information as required by Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" and other accounting principles generally accepted in India.

In our opinion and to the best of our information and according to the explanations given to us, 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 2020, of consolidated profit and other comprehensive income, 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.

BSR & Co. (a partnership firm with Registration No. BA61223) converted into BSR & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-B1B1) with effect from October 14, 2013

Registered Office  
5th Floor, Lodha Excelus  
Apollo Mills Compound  
N.M. Joshi Marg, Mahalakshmi  
Mumbai - 400 011

**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, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with Ind AS 34 prescribed under section 133 of the Act and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate 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 Directors of the Holding Company, as aforesaid.

In preparing the condensed consolidated interim financial statements, the respective management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 associate are responsible for overseeing the financial reporting process of the Group and of its associate.

**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.

## **BS R & Co. LLP**

- 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.
- Conclude on the appropriateness of management's 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 associate 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 associate 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 associate 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 (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**

- (a) (i) We did not audit the financial statements of five subsidiaries, whose condensed interim financial statements, net of consolidation adjustments, reflect total assets of INR 138.60 million as at 30 June 2020, and total revenues of INR 19.41 million and net cash outflows amounting to INR 5.78 million for the quarter then ended, as considered in the condensed consolidated interim financial statements. These condensed interim financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the condensed consolidated interim financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of the other auditors.

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- (a) (ii) The condensed consolidated interim financial statements also include the Group's share of net loss (and other comprehensive income (loss)) of INR 3.50 million for the quarter ended 30 June 2020, as considered in the condensed consolidated interim financial statements, in respect of one associate, whose condensed interim financial information has not been audited by us or by other auditors. This unaudited condensed interim financial information has 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 this associate, is based solely on such unaudited interim financial information. In our opinion and according to the information and explanations given to us by the Management, this condensed interim financial information is not material to the Group.

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

- (b) Attention is drawn to the fact that the corresponding figures for the quarter ended 30 June 2019 are based on the previously issued consolidated interim financial statements of the Group that were audited by the predecessor auditor who expressed an unmodified opinion on those consolidated financial statements on 31 July 2019.

Our opinion on the condensed interim consolidated financial statements is not modified in respect of this matter.

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

*Chartered Accountants*

ICAI Firm registration No: 101248W/W-100022

**KANIKA**

**KOHLI**

**Kanika Kohli**

*Partner*

Membership No: 511565

ICAI UDIN: 20511565AAAAAU7543

Digitally signed by KANIKA  
KOHLI

Date: 2020.07.21 15:17:59  
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Place: Gurugram  
Date: 21 July 2020

**IndiaMART InterMESH Limited**  
**Condensed Consolidated Interim Balance Sheet as at 30 June 2020**  
(Amounts in INR million, unless otherwise stated)

	Notes	As at 30 June 2020	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5A	45.20	51.76
Capital work in progress	5A	1.77	1.77
Right-of-use asset	5B	763.04	799.71
Intangible assets	6	4.35	4.83
Investment in associates	7	292.11	295.61
Financial assets			
(i) Investments	8	99.99	-
(ii) Loans	8	1.98	0.73
(iii) Others financial assets	8	55.41	400.83
Deferred tax assets (net)	26	2.56	245.70
Non-current tax assets (net)	18	254.05	211.60
Other non-current assets	9	17.28	17.22
<b>Total Non-current assets</b>		<b>1,537.74</b>	<b>2,029.76</b>
<b>Current assets</b>			
Financial assets			
(i) Investments	8	9,021.20	8,718.78
(ii) Trade receivables	10	10.04	16.82
(iii) Cash and cash equivalents	11	109.02	169.38
(iv) Bank balances other than (iii) above	11	410.08	69.26
(v) Loans	8	6.93	12.99
(vi) Others financial assets	8	76.69	79.83
Current tax assets (net)	18	76.97	79.34
Other current assets	9	32.34	53.13
<b>Total current assets</b>		<b>9,743.27</b>	<b>9,199.53</b>
<b>Total assets</b>		<b>11,281.01</b>	<b>11,229.29</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	12	288.77	288.77
Other equity	13	3,211.27	2,461.80
<b>Equity attributable to equity holders of the parent</b>		<b>3,500.04</b>	<b>2,750.57</b>
Non-controlling interests		-	-
<b>Total Equity</b>		<b>3,500.04</b>	<b>2,750.57</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	16 (a)	591.72	612.49
Provisions	16	289.60	265.40
Deferred tax liabilities (net)	26	11.68	-
Contract liabilities	17	2,374.86	2,697.21
<b>Total Non-current liabilities</b>		<b>3,267.86</b>	<b>3,575.10</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) 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		195.23	179.42
(ii) Lease liabilities	16 (a)	147.15	152.61
(iii) Other financial liabilities	16 (b)	158.02	259.97
Provisions	16	41.64	40.47
Contract liabilities	17	3,902.63	4,155.58
Other current liabilities	17	68.44	115.57
<b>Total Current liabilities</b>		<b>4,513.11</b>	<b>4,903.62</b>
<b>Total Liabilities</b>		<b>7,780.97</b>	<b>8,478.72</b>
<b>Total Equity and Liabilities</b>		<b>11,281.01</b>	<b>11,229.29</b>
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: 2020.07.21 15:33:36 +05'30'

**Kanika Kohli**  
Partner  
Membership No.: 511565  
Place: Gurugram  
Date: 21 July 2020

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

**DINESH CHANDRA AGARWAL** Digitally signed by DINESH CHANDRA AGARWAL  
Date: 2020.07.21 13:46:07 +05'30'

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

**PRATEEK CHANDRA** Digitally signed by PRATEEK CHANDRA  
Date: 2020.07.21 13:44:17 +05'30'

**Prateek Chandra**  
(Chief Financial Officer)

Place: Noida  
Date: 21 July 2020

**BRIJESH KUMAR AGRAWAL** Digitally signed by BRIJESH KUMAR AGRAWAL  
Date: 2020.07.21 13:51:03 +05'30'

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

**MANOJ BHARGAVA** Digitally signed by MANOJ BHARGAVA  
Date: 2020.07.21 13:55:19 +05'30'

**Manoj Bhargava**  
(Company Secretary)

**IndiaMART InterMESH Limited**  
**Condensed Consolidated Interim Statement of Profit and Loss for the period ended 30 June 2020**  
(Amounts in INR million, unless otherwise stated)

	Notes	For the period ended 30 June 2020	For the period ended 30 June 2019
<b>Income:</b>			
Revenue from operations	19	1,531.12	1,473.03
Other income	20	337.16	143.37
<b>Total income</b>		<b>1,868.28</b>	<b>1,616.40</b>
<b>Expenses:</b>			
Employee benefits expense	21	475.23	606.95
Finance costs	22	18.44	4.45
Depreciation and amortisation expense	23	44.03	44.12
Other expenses	24	322.76	498.73
<b>Total expenses</b>		<b>860.46</b>	<b>1,154.25</b>
<b>Net profit before share of profit/(loss) in associates and tax</b>		<b>1,007.82</b>	<b>462.15</b>
Share in net profit/ (loss) of associates		(3.50)	-
<b>Profit before tax</b>		<b>1,004.32</b>	<b>462.15</b>
<b>Income tax expense</b>			
Current tax	26	3.75	67.43
Deferred tax	26	259.38	71.14
<b>Total tax expense</b>		<b>263.13</b>	<b>138.57</b>
<b>Net profit for the period</b>		<b>741.19</b>	<b>323.58</b>
<b>Attributable to:</b>			
Equity holders of the parent		741.19	323.58
Non-controlling interests		-	-
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss and its related income tax effects</b>			
Re-measurement losses on defined benefit plans		(18.25)	(14.90)
Income tax effect		4.56	5.18
		(13.69)	(9.72)
<b>Other comprehensive income(loss) for the period, net of tax</b>		<b>(13.69)</b>	<b>(9.72)</b>
<b>Total comprehensive income for the period</b>		<b>727.50</b>	<b>313.86</b>
<b>Attributable to:</b>			
Equity holders of the parent		727.50	313.86
Non-controlling interests		-	-
<b>Earnings per equity share:</b>	25		
Basic earnings(loss) per equity share (INR) - face value of INR 10 each		25.63	11.29
Diluted earnings(loss) per equity share (INR) - face value of INR 10 each		25.20	11.09
<b>Summary of significant accounting policies</b>	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**

**Kanika Kohli**

Partner

Membership No.: 511565

Place: Gurugram

Date: 21 July 2020

Digitally signed by KANIKA

KOHLI

Date: 2020.07.21 15:35:27

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

**DINESH CHANDRA AGARWAL**

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DINESH CHANDRA

AGARWAL

Date: 2020.07.21

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**Dinesh Chandra Agarwal**

(Managing Director and CEO)

DIN:00191800

**BRIJESH KUMAR AGRAWAL**

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BRIJESH KUMAR

AGRAWAL

Date: 2020.07.21

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**Brijesh Kumar Agrawal**

(Whole-time director)

DIN:00191760

**PRATEEK CHANDRA**

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PRATEEK CHANDRA

Date: 2020.07.21

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**Prateek Chandra**

(Chief Financial Officer)

**MANOJ BHARGAVA**

Digitally signed by

MANOJ BHARGAVA

Date: 2020.07.21

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**Manoj Bhargava**

(Company Secretary)

Place: Noida

Date: 21 July 2020

**IndiaMART InterMESH Limited**  
**Condensed Consolidated Interim Statement of Cash Flows for the period ended 30 June 2020**  
(Amounts in INR million, unless otherwise stated)

Particulars	Notes	For the period ended 30 June 2020	For the period ended 30 June 2019
<b>Profit before tax</b>		1,004.32	462.15
<i>Adjustments to reconcile profit/(loss) before tax to net cash flows:</i>			
Depreciation and amortisation expense	23	44.04	44.12
Interest and other income	20	(8.53)	(11.40)
Provisions and liabilities no longer required written back		(14.93)	(0.03)
Foreign exchange fluctuation		0.11	-
Fair value change on financial assets at FVTPL	20	(313.67)	(131.29)
Gain on disposal of property, plant and equipment	20	(0.03)	(0.65)
Finance costs	22	18.44	4.45
Share-based payment expense	21	21.12	21.45
Share of net loss of associates		3.50	-
<b>Operating profit before working capital changes</b>		<b>754.37</b>	<b>388.80</b>
<b>Movement in working capital</b>			
(Increase)/decrease in trade receivables		6.68	(0.50)
(Increase)/decrease in other financial assets		(19.27)	29.83
(Increase)/decrease in other assets		20.77	20.37
Increase/(decrease) in other financial liabilities		(86.57)	(133.94)
Increase/(decrease) in trade payables		15.81	48.48
Increase/(decrease) in contract and other liabilities		(622.42)	189.47
Increase/(decrease) in provisions		7.12	16.99
<b>Cash generated from operations</b>		<b>76.49</b>	<b>559.49</b>
Income tax paid (net)		(43.84)	(16.78)
<b>Net cash generated from operating activities</b>		<b>32.65</b>	<b>542.71</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		0.03	0.81
Purchase of property, plant and equipment and other intangible assets		(0.36)	(16.32)
Purchase of current investments		(370.00)	(877.50)
Proceeds from sale of current investments		381.24	306.00
Interest received		7.66	7.39
Advances received from/(paid for) selling shareholders (net)		0.00	(8.76)
Refund/(payment) of refundable security deposits for listing on stock		23.78	(24.76)
Investments/(redemption) in bank deposits (includes earmarked balances with bank)		8.90	(10.67)
Investment in associates and other entities		(99.99)	-
<b>Net cash used in investing activities</b>		<b>(48.74)</b>	<b>(623.81)</b>
<b>Cash flow from financing activities</b>			
Share application money pending allotment		0.85	-
Repayment of lease liabilities		(11.75)	(40.36)
Interest paid on lease liabilities		(18.44)	(4.45)
Dividend paid (including Dividend Distribution Tax)		(14.93)	-
Proceeds from issue of equity shares on exercise of stock option plans		-	18.28
<b>Net cash generated from (used in) financing activities</b>		<b>(44.27)</b>	<b>(26.53)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(60.36)</b>	<b>(107.63)</b>
Cash and cash equivalents at the beginning of the period	11	<b>169.38</b>	<b>401.96</b>
<b>Cash and cash equivalents at the end of the period</b>	11	<b>109.02</b>	<b>294.33</b>

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: 2020.07.21 15:38:21 +05'30'

**Kanika Kohli**

Partner

Membership No.: 511565

Place: Gurugram

Date: 21 July 2020

For and on behalf of the Board of Directors of

**IndiaMART InterMESH Limited**

**DINESH CHANDRA AGARWAL** Digitally signed by DINESH CHANDRA AGARWAL  
Date: 2020.07.21 13:47:24 +05'30'

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

**PRATEEK CHANDRA** Digitally signed by PRATEEK CHANDRA  
Date: 2020.07.21 13:45:39 +05'30'

**Prateek Chandra**  
(Chief Financial Officer)

**BRIJESH KUMAR AGRAWAL** Digitally signed by BRIJESH KUMAR AGRAWAL  
Date: 2020.07.21 13:52:42 +05'30'

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

**MANOJ BHARGAVA** Digitally signed by MANOJ BHARGAVA  
Date: 2020.07.21 13:58:13 +05'30'

**Manoj Bhargava**  
(Company Secretary)

Place: Noida

Date: 21 July 2020

(a) Equity share capital (Refer Note 12)

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
As at 1 April 2019	285.92
Equity share capital issued on exercise of ESOP during the period	1.83
As at 30 June 2019	287.75
As at 1 April 2020	288.77
As at 30 June 2020	288.77

(b) Other equity (Refer Note 13)

Particulars	Attributable to the equity holders of parent Reserves and surplus						Share application money pending allotment	Total other equity
	Securities premium	General reserve	Employee share based payment reserve	Capital reserve	Retained earnings	Total reserve and surplus		
Balance as at 1 April 2019	4,686.54	8.45	88.48	(2.04)	(3,468.47)	1,312.96	-	1,312.96
Impact of adoption of Ind AS 116 (net of taxes)	-	-	-	-	(16.33)	(16.33)	-	(16.33)
Net profit/ (loss) for the period	-	-	-	-	323.58	323.58	-	323.58
Other comprehensive income (loss) for the period	-	-	-	-	(9.72)	(9.72)	-	(9.72)
Total comprehensive income/(loss)	-	-	-	-	297.53	297.53	-	297.53
Transactions with owners in their capacity as owners:								
Issue of equity shares on exercise of ESOP during the period	25.22	-	(8.77)	-	-	16.45	-	16.45
Employee share based payment expense	-	-	21.45	-	-	21.45	-	21.45
Balance as at 30 June 2019	4,711.76	8.45	101.16	(2.04)	(3,170.94)	1,648.39	-	1,648.39
Balance as at 1 April 2020	4,753.90	8.45	116.16	(2.04)	(2,414.67)	2,461.80	-	2,461.80
Profit for the year	-	-	-	-	741.19	741.19	-	741.19
Other comprehensive income (loss) for the period	-	-	-	-	(13.69)	(13.69)	-	(13.69)
Total comprehensive income/(loss)	-	-	-	-	727.50	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	-	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)	3,210.42	0.85	3,211.27

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: 2020.07.21 15:40:17 +05'30'

Kanika Kohli  
Partner  
Membership No.: 511565  
Place: Gurugram  
Date: 21 July 2020

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

DINESH  
CHANDRA  
AGARWAL Digitally signed by  
DINESH CHANDRA  
AGARWAL  
Date: 2020.07.21  
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Dinesh Chandra Agarwal  
(Managing Director and CEO)  
DIN:00191800

PRATEEK  
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Date: 2020.07.21  
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Prateek Chandra  
(Chief Financial Officer)

Place: Noida  
Date: 21 July 2020

BRIJESH  
KUMAR  
AGRAWAL  
L Digitally signed by  
BRIJESH KUMAR  
AGRAWAL  
Date: 2020.07.21  
13:53:34 +05'30'

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

MANOJ  
BHARGA  
VA Digitally signed  
by MANOJ  
BHARGAVA  
Date: 2020.07.21  
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Manoj Bhargava  
(Company Secretary)

**IndiaMART Intermesh Limited****Notes to condensed consolidated interim financial statements for the period ended 30 June 2020**

(Amounts in INR million, unless otherwise stated)

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**1. Corporate Information**

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

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 21 July 2020.

**2. Summary of Significant Accounting Policies****(a) Statement of compliance**

The condensed consolidated interim financial statements for the period ended 30 June 20 have been prepared in accordance with Indian Accounting Standards (referred to as “Ind AS”) 34, Interim Financial Reporting and other 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). These condensed consolidated interim financial statements must be read in conjunction with the consolidated financial statements for the year ended 31 March 2020. 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 have 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.

**IndiaMART Intermesh Limited****Notes to condensed consolidated interim financial statements for the period ended 30 June 2020**

(Amounts in INR million, unless otherwise stated)

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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 2020.

In view of the COVID-19 pandemic, the Group has considered internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, right-of-use assets, investment in associate & other entities, and other financial assets, for possible impact on the condensed consolidated interim financial statements. However, the actual impact of COVID-19 on the Group's condensed consolidated interim financial statements may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.

**4. 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 debt instruments, equity instruments and preference instruments measured at fair value.

The Group's management determines the policies and procedures for recurring fair value measurement, such as investment in debt instruments, equity and preference instruments measured at fair value.

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

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

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

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

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

## 5A Property, plant and equipment

	Leasehold land (Refer Note 5B)	Computers	Office equipment	Furniture and fixtures	Motor vehicles	Total Property, plant and equipment	Capital work in progress (Refer Note below)
<b>Gross carrying amount</b>							
As at 1 April 2019	37.12	102.59	38.39	6.01	3.80	187.91	1.77
Transition impact of Ind AS 116	(37.12)	-	-	-	-	(37.12)	-
Additions	-	27.82	15.95	0.77	-	44.54	-
Disposals	-	(2.54)	(1.71)	(1.03)	-	(5.28)	-
As at 31 March 2020	-	127.87	52.63	5.75	3.80	190.05	1.77
Additions	-	0.11	0.01	0.20	-	0.32	-
As at 30 June 2020	-	127.98	52.64	5.95	3.80	190.37	1.77
<b>Accumulated depreciation</b>							
As at 1 April 2019	1.38	73.11	24.46	3.14	1.02	103.11	-
Transition impact of Ind AS 116	(1.38)	-	-	-	-	(1.38)	-
Charge for the year	-	30.38	8.79	0.86	1.01	41.04	-
Disposals during the year	-	(2.42)	(1.51)	(0.55)	-	(4.48)	-
As at 31 March 2020	-	101.07	31.74	3.45	2.03	138.29	-
Charge for the year	-	4.22	2.36	0.16	0.14	6.88	-
As at 30 June 2020	-	105.29	34.10	3.61	2.17	145.17	-
<b>Net book value</b>							
As at 1 April 2019	35.74	29.48	13.93	2.87	2.78	84.80	1.77
As at 31 March 2020	-	26.80	20.89	2.30	1.77	51.76	1.77
As at 30 June 2020	-	22.69	18.54	2.34	1.63	45.20	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).

**5B Right-of-use asset**

	Leasehold land (Refer Note 1 below)	Buildings (Refer Note 2 below)	Total
<b>Gross carrying amount</b>			
<b>As at 1 April 2019</b>	-	-	-
Transition impact of Ind AS 116	37.12	204.39	241.51
Additions	-	736.52	736.52
Disposals	-	(11.08)	(11.08)
<b>As at 31 March 2020</b>	<b>37.12</b>	<b>929.83</b>	<b>966.95</b>
Additions	-	-	-
<b>As at 30 June 2020</b>	<b>37.12</b>	<b>929.83</b>	<b>966.95</b>
<b>Accumulated depreciation</b>			
<b>As at 1 April 2019</b>	-	-	-
Transition impact of Ind AS 116	1.38	-	1.38
Amortisation for the period	0.46	167.09	167.55
Disposals for the period	-	(1.69)	(1.69)
<b>As at 31 March 2020</b>	<b>1.84</b>	<b>165.40</b>	<b>167.24</b>
Amortisation for the period	0.12	36.55	36.67
<b>As at 30 June 2020</b>	<b>1.96</b>	<b>201.95</b>	<b>203.91</b>
<b>Net book value</b>			
<b>As at 31 March 2020</b>	<b>35.28</b>	<b>764.43</b>	<b>799.71</b>
<b>As at 30 June 2020</b>	<b>35.16</b>	<b>727.88</b>	<b>763.04</b>

1. As per the terms of the lease arrangement, the Company was required to complete the construction of building within 5 years from the date of handing over the possession. The Company had obtained extensions for construction of building on the leasehold land till 5 October 2019 and is in the process of applying for further extension.

2. The Group had adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases using modified retrospective approach with the cumulative effect of initially applying the Standard (1 April 2019) resulting in recognition of right-of-use asset of INR 204 Million and a corresponding lease liability of INR 224 Million by adjusting retained earnings net of taxes by INR 16 Million [the impact of deferred tax created INR 9 Million] as at 1 April 2019.

**6 Intangible assets**

	Software	Unique telephone numbers	Total
<b>Gross carrying amount</b>			
As at 1 April 2019	13.26	4.70	17.96
Additions	1.88	-	1.88
As at 31 March 2020	15.14	4.70	19.84
Additions	-	-	-
As at 30 June 2020	15.14	4.70	19.84
<b>Accumulated depreciation</b>			
As at 1 April 2019	8.46	3.69	12.15
Amortisation for the period	2.45	0.41	2.86
As at 31 March 2020	10.91	4.10	15.01
Amortisation for the period	0.42	0.06	0.48
As at 30 June 2020	11.33	4.16	15.49
As at 1 April 2019	4.80	1.01	5.81
As at 31 March 2020	4.23	0.60	4.83
As at 30 June 2020	3.81	0.54	4.35

## 7 Investment in associates- Unquoted

	As at 30 June 2020		As at 31 March 2020	
	No. of units	Amount	No. of units	Amount
<b>(Accounted under equity method)</b>				
<b>Fully paid up - at cost (Refer note 32)</b>				
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 profit (loss) of associate		(19.91)		(16.41)
		<b>292.11</b>		<b>295.61</b>

**Note:**

The Group performed an evaluation to test whether there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition considering the likely impact of COVID-19 on future cash flows and growth rates and believes that the carrying value of the investment in associate is recoverable.

## 8 Financial assets

	As at 30 June 2020		As at 31 March 2020	
	No. of units	Amount	No. of units	Amount
<b>a) Non-current investments</b>				
<b>Investment in others</b>				
<b>Investment in debt instruments - Unquoted (measured at FVTPL)</b>				
<b>Instant Procurement Services Private Limited</b>				
0.001% Optionally convertible redeemable preference share of Rs. 10 each	12,446	-	12,446	-
0.001% Compulsorily convertible preference share of Rs. 10 each	3,764	-	3,764	-
<b>Mobisy Technologies Private Limited ( refer note 2 below)</b>				
Compulsory convertible preference shares of INR 1 each (at premium of INR 776 each)	1,28,593	99.91	-	-
Equity shares of INR 1 each (at premium of INR 776 each)	100	0.08	-	-
<b>Total</b>		<b>99.99</b>		<b>-</b>

**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 quarter ended June 30, 2020, the Company has acquired 8.98% interest on fully converted and diluted basis in Mobisy Technologies Private Limited at the aggregate consideration of INR 99.99 Million. This investment has been classified as "Investment at FVTPL" as per Ind-AS 109.

**b) Current investments**

	As at 30 June 2020		As at 31 March 2020	
	No. of units	Amount	No. of units	Amount
<b>Investment in mutual funds - Quoted (measured at FVTPL)</b>				
Aditya Birla Sunlife Short Term Fund-Growth Regular Plan	25,99,874	89.69	25,99,874	86.25
Aditya Birla Sunlife Corporate Bond Fund - Growth-Regular Plan	66,82,469	548.84	66,82,469	522.93
Aditya Birla Sun Life Corporate Bond Fund-Growth-Direct Plan	20,13,531	166.77	20,13,531	158.84
Bharat Bond ETF	4,00,000	427.30	4,00,000	408.08
IDFC Bond Fund - Short Term Plan- DGP	46,20,202	208.49	12,59,265	54.61
HDFC Short Term Debt Fund-Direct Growth Plan	1,97,20,994	468.15	1,97,20,994	451.38
ICICI Prudential Savings Fund -Growth	1,04,147	41.55	1,09,221	42.31
Aditya Birla Sunlife short term fund-Growth-Direct Plan	2,11,81,794	764.48	2,11,81,794	733.87
IDFC Low Duration Fund-Growth (Regular Plan)	1,64,51,049	482.28	1,64,51,049	469.96
HDFC Short Term Debt Fund - Regular Plan	83,80,984	196.68	83,80,984	189.74
IDFC Bond Fund-STP-Regular Fund	56,44,274	243.70	4,08,840	16.98
ICICI Prudential Savings Fund- Direct Plan-Growth	28,99,115	1,165.94	30,49,171	1,194.92
ICICI Prudential Short Term Fund - Growth Option	36,06,276	157.98	36,06,276	152.07
ICICI Prudential Short Term Fund - Direct	2,08,02,151	960.56	2,08,02,151	922.91
HDFC Low Duration Fund -Regular Plan-Growth	37,97,410	163.68	37,97,410	159.78
HDFC Low Duration Fund - Direct Plan-Growth	1,29,02,843	585.21	1,73,80,457	768.36
HDFC Credit Risk Debt Fund - Regular Plan - Growth	-	-	70,19,394	116.85
L&T Short term bond fund-DGP	3,71,22,589	777.39	3,71,22,589	747.51
Kotak Corporate Bond Fund - DGP	3,28,929	940.06	3,28,929	907.95
Kotak Liquid Fund - Direct Growth	24,984	101.46	24,984	100.31
Kotak Liquid Fund - Regular Growth	25,068	101.42	25,068	100.28
HDFC Equity saving fund-regular-growth	1,67,302	5.95	1,67,302	5.52
HDFC Short Term Debt Fund	5,14,032	12.06	5,14,032	11.64
L&T Short Term Bond Fund - Regular Growth	2,00,66,239	405.98	2,00,66,239	390.87
HDFC Hybrid Equity Fund-Regular-Growth	1,14,426	5.58	1,14,426	4.86
<b>Total current investments</b>		<b>9,021.20</b>		<b>8,718.78</b>
<b>Aggregate book value of quoted investments</b>		<b>9,021.20</b>		<b>8,718.78</b>
<b>Aggregate market value of quoted investments</b>		<b>9,021.20</b>		<b>8,718.78</b>
<b>Aggregate carrying value of unquoted investments</b>		<b>99.99</b>		<b>-</b>

<b>c) Loans (measured at amortised cost)</b>		
	<b>As at</b>	<b>As at</b>
	<b>30 June 2020</b>	<b>31 March 2020</b>
<b>(i) Loans to employees</b>		
<b>Non-current (unsecured, considered good unless stated otherwise)</b>		
Loans to employees	1.98	0.73
	<b>1.98</b>	<b>0.73</b>
<b>Current (unsecured, considered good unless stated otherwise)</b>		
Loans to employees	6.93	12.99
	<b>6.93</b>	<b>12.99</b>
<b>(ii) Inter corporate loan</b>		
<b>Non-current (unsecured)</b>		
Loans credit-impaired	5.00	5.00
Less: Loss allowance	(5.00)	(5.00)
	-	-
	<b>8.91</b>	<b>13.72</b>
<b>Total loans</b>		
	<b>8.91</b>	<b>13.72</b>
<b>d) Others (measured at amortised cost)</b>		
<b>Non-current (unsecured, considered good unless stated otherwise)</b>		
Security deposits	55.41	51.11
Bank deposits with remaining maturity for more than twelve months (Refer Note 11)	-	349.72
<b>Total</b>	<b>55.41</b>	<b>400.83</b>
<b>Current (unsecured, considered good unless stated otherwise)</b>		
Security deposits	26.00	52.86
Amount recoverable from payment gateway	50.69	26.97
<b>Total</b>	<b>76.69</b>	<b>79.83</b>
<b>Total other financial assets</b>	<b>132.10</b>	<b>480.66</b>
<b>Notes:</b>		
Security deposits are non-interest bearing and are generally on term of 3 to 9 years.		
<b>9 Other assets</b>		
	<b>As at</b>	<b>As at</b>
	<b>30 June 2020</b>	<b>31 March 2020</b>
<b>Non-current (unsecured, considered good unless stated otherwise)</b>		
Capital advance	0.04	-
Prepaid expenses	0.41	0.44
Indirect taxes recoverable	16.83	16.78
<b>Total</b>	<b>17.28</b>	<b>17.22</b>
<b>Current (Unsecured, considered good unless stated otherwise)</b>		
Advances recoverable	13.44	16.66
Indirect taxes recoverable	9.06	10.57
Prepaid expenses	9.84	25.90
<b>Total</b>	<b>32.34</b>	<b>53.13</b>
<b>10 Trade receivables</b>		
	<b>As at</b>	<b>As at</b>
	<b>30 June 2020</b>	<b>31 March 2020</b>
<b>Unsecured, considered good unless stated otherwise</b>		
<u>Considered good</u>		
Trade receivables	10.04	16.82
<u>Considered doubtful</u>		
Trade Receivables credit- impaired	1.63	1.68
Less: Loss allowance	(1.63)	(1.68)
<b>Total</b>	<b>10.04</b>	<b>16.82</b>
<b>Notes:</b>		
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 2020	As at 31 March 2020
<b>a) Cash and cash equivalents</b>		
Cash on hand	0.17	0.17
Cheques on hand	12.74	39.42
Balance with bank		
- On current accounts	96.11	129.79
<b>Total Cash and cash equivalents</b>	<b>109.02</b>	<b>169.38</b>

**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\*

409.87

52.91

- remaining maturity for more than twelve months\*

-

349.72

**409.87****402.63**

Less: Amount disclosed under Others financial assets- non current

-

349.72

**409.87****52.91**

'ii) Earmarked balances with banks\*\*

0.21

16.35

**Amount disclosed under current bank deposits**

**410.08****69.26**

\*Includes INR 23.78 (31 March 2020: INR 23.78 ) pledged with bank against guarantee given to stock exchange.

\*\* Earmarked balances includes unclaimed/unpaid dividends of INR 0.04 (31 March 2020: INR 14.97) and bank balance with Indiamart Employee Benefit Trust of INR 0.17 (31 March 2020: INR 1.37).

## 12 Share capital

### Authorised equity share capital (INR 10 per share)

	Number of shares	Amount
As at 1 April 2019	3,00,00,000	300.00
As at 31 March 2020	3,00,00,000	300.00
As at 30 June 2020	3,00,00,000	300.00

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

	Number of shares	Amount
As at 1 April 2019	14,93,903	490.00
As at 31 March 2020	14,93,903	490.00
As at 30 June 2020	14,93,903	490.00

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

	Number of shares	Amount
As at 1 April 2019	18,94,254	189.43
As at 31 March 2020	18,94,254	189.43
As at 30 June 2020	18,94,254	189.43

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

	Number of shares	Amount
As at 1 April 2019	2,85,92,006	285.92
Equity share capital issued on exercise of ESOP during the period	1,82,814	1.83
Equity share capital issued during the period to Indiamart Employee Benefit Trust	1,45,000	1.45
Equity share capital held by Indiamart Employee Benefit Trust	(42,573)	(0.43)
As at 31 March 2020	2,88,77,247	288.77
As at 30 June 2020	2,88,77,247	288.77

## 13 Other equity

	As at 30 June 2020	As at 31 March 2020
Securities premium	4,753.90	4,753.90
General reserve	8.45	8.45
Employee share based payment reserve	111.45	116.16
Capital reserve	(2.04)	(2.04)
Share application money pending allotment	0.85	-
Retained earnings	(1,661.34)	(2,414.67)
<b>Total other equity</b>	<b>3,211.27</b>	<b>2,461.80</b>

### **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.
- Share application money pending allotment: Share application money pending allotment represent the amount received by the Company for issue of shares, but allotment is pending as on balance sheet date.
- 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 2020	As at 31 March 2020
Payable to micro, small and medium enterprises	-	-
Other trade payables*	195.23	179.42
<b>Total</b>	<b>195.23</b>	<b>179.42</b>

\*Trade payables are non-interest bearing and are normally settled on 30-day terms.

**15 Lease and other financial liabilities**

	As at 30 June 2020	As at 31 March 2020
<b>(a) Lease liabilities</b>		
Current	147.15	152.61
Non current	591.72	612.49
	<b>738.87</b>	<b>765.10</b>
<b>(b) Other financial liabilities</b>		
<b>Current</b>		
Payable to employees	152.41	244.55
Security deposits	0.14	0.14
Unpaid / Uncalimed dividend*	0.04	14.97
Other advances	5.43	0.31
<b>Total</b>	<b>158.02</b>	<b>259.97</b>

\* Unclaimed/Unpaid dividend represents the interim dividend amount declared during the previous year ended 31 March 2020 and remaining to be paid to shareholders.

**16 Provisions**

	As at 30 June 2020	As at 31 March 2020
<b>Non-current</b>		
Provision for employee benefits*		
Provision for gratuity	224.33	199.61
Provision for leave encashment	65.27	65.79
<b>Total</b>	<b>289.60</b>	<b>265.40</b>
<b>Current</b>		
Provision for employee benefits*		
Provision for gratuity	12.08	10.76
Provision for leave encashment	14.18	14.33
Provision-others**	15.38	15.38
<b>Total</b>	<b>41.64</b>	<b>40.47</b>

\* Refer Note 27

\*\* Contingency provision towards indirect taxes.

**17 Contract and other liabilities**

	As at 30 June 2020	As at 31 March 2020
<b>Contract liabilities*</b>		
<b>Non-current</b>		
Deferred revenue	2,374.86	2,697.21
	<b>2,374.86</b>	<b>2,697.21</b>
<b>Current</b>		
Deferred revenue	3,723.19	4,013.44
Advances from customers	179.44	142.14
	<b>3,902.63</b>	<b>4,155.58</b>
<b>Total</b>	<b>6,277.49</b>	<b>6,852.79</b>
<b>Other liabilities- current</b>		
Statutory dues		
Tax deducted at source payable	9.52	27.79
Contribution to provident fund payable	3.34	4.41
Contribution to ESI payable	0.07	0.10
Indirect tax payable	54.83	82.78
Professional tax payable	0.38	0.25
Payable for labour welfare fund	0.09	0.05
Others	0.21	0.19
<b>Total</b>	<b>68.44</b>	<b>115.57</b>

\*Contract liabilities includes consideration received in advance to render web services in future periods.

**18 Income tax assets and liabilities**

	As at 30 June 2020	As at 31 March 2020
<b>Income tax assets (net of provisions)</b>		
Current	76.97	79.34
Non Current	254.05	211.60
	<b>331.02</b>	<b>290.94</b>

**19 Revenue from operations**

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

	For the period ended 30 June 2020	For the period ended 30 June 2019
<b>Sale of services</b>		
Income from web services	1,515.94	1,462.65
Advertisement and marketing services	15.18	10.38
<b>Total</b>	<b>1,531.12</b>	<b>1,473.03</b>

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

	For the period ended 30 June 2020	For the period ended 30 June 2019
Opening balance at the beginning of the period	6,852.79	5,859.82
Less: Revenue recognised from contract liability balance at the beginning of the period	(1,269.20)	(1,153.08)
Add: Amount received from customers during the period	955.82	1,712.31
Less: Revenue recognised from amounts received during the period	(261.92)	(319.95)
Closing balance at the end of the period	<b>6,277.49</b>	<b>6,099.10</b>

We earn revenue in Group majorly through sale of subscription packages (available on a monthly, annual and multi-year basis) to suppliers. We foresee that our revenue and deferred revenue would be impacted due to COVID-19 as the customers may not opt for renewals or for more premium packages in short term due to COVID-19, particularly in case of monthly packages. As of 30 June 2020, the Company has not changed the terms/period over which services are to be provided to its customers for the contracted business.

The impact assessment of COVID-19 is an ongoing process due to the high degree of uncertainty associated and our assertions might change in future due to this.

**20 Other income**

	For the period ended 30 June 2020	For the period ended 30 June 2019
Fair value gain on financial assets measured at FVTPL		
- Investment in mutual funds	313.67	131.29
Interest income from financial assets measured at amortised cost		
- on bank deposits	7.66	7.39
- on security deposits	0.87	4.01
Provisions no longer required written back	0.45	0.03
Liabilities no longer required written back	14.48	-
Net gain on disposal of property, plant and equipment	0.03	0.65
<b>Total</b>	<b>337.16</b>	<b>143.37</b>

**21 Employee benefits expense**

	For the period ended 30 June 2020	For the period ended 30 June 2019
Salaries, allowance and bonus	441.71	538.92
Gratuity expense	7.79	8.04
Leave encashment expense	0.15	10.28
Contribution to provident and other funds	4.00	3.14
Employee share based payment expense	21.12	21.45
Staff welfare expenses	0.46	25.12
<b>Total</b>	<b>475.23</b>	<b>606.95</b>

**22 Finance costs**

	For the period ended 30 June 2020	For the period ended 30 June 2019
Interest cost of lease liabilities	18.44	4.45
<b>Total</b>	<b>18.44</b>	<b>4.45</b>

**23 Depreciation and amortization expense**

	For the period ended 30 June 2020	For the period ended 30 June 2019
Depreciation of property, plant and equipment (Refer Note 5A)	6.88	7.27
Amortisation of Right-of-use assets (Refer Note 5B)	36.67	36.24
Amortisation of intangible assets (Refer Note 6)	0.48	0.61
<b>Total</b>	<b>44.03</b>	<b>44.12</b>

	For the period ended 30 June 2020	For the period ended 30 June 2019
<b>24 Other expenses</b>		
Content development expenses	23.49	65.02
Buyer engagement expenses	42.12	43.52
Customer support expenses	32.11	59.82
Outsourced sales cost	121.82	151.20
Internet and other online expenses	44.59	61.72
Rent	6.54	3.43
Rates and taxes	0.59	17.40
Communication costs	1.17	2.24
Outsourced support cost	3.52	6.29
Advertisement expenses	1.91	4.95
Power and fuel	2.98	8.56
Printing and stationery	0.05	2.20
Repair and maintenance:		
- Plant and machinery	0.70	3.91
- Others	11.78	18.38
Travelling and conveyance	0.37	16.44
Recruitment and training expenses	1.48	6.37
Legal and professional fees	5.97	10.69
Directors' sitting fees	0.33	0.66
Insurance expenses	8.58	6.40
Foreign exchange fluctuation (net)	0.11	-
Collection charges	8.01	9.31
Corporate social responsibility activities expenses	4.49	-
Miscellaneous expenses	0.05	0.22
<b>Total</b>	<b>322.76</b>	<b>498.73</b>

**25 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the earning/(loss) 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/(loss) 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 period ended 30 June 2020	For the period ended 30 June 2019
<b>Basic</b>		
Earnings for the period	741.19	323.58
Weighted average number of equity shares used in calculating basic EPS	2,89,19,820	2,86,62,319
Basic earnings per equity share	25.63	11.29
<b>Diluted</b>		
Earnings for the period	741.19	323.58
Weighted average number of equity shares used in calculating basic EPS	2,89,19,820	2,86,62,319
Potential equity shares	4,87,344	5,05,055
Total no. of shares outstanding (including dilution)	2,94,07,164	2,91,67,374
Diluted earnings per equity share	25.20	11.09

There are potential equity shares for the period ended 30 June 2020 and 30 June 2019 in the form of stock options 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/(income) recognised in Statement of profit and loss**

Particulars	For the period ended 30 June 2020	For the period ended 30 June 2019
<b>Current tax expense/ (income)</b>		
Current tax for the period	3.75	67.43
	<b>3.75</b>	<b>67.43</b>
<b>Deferred tax expense</b>		
Relating to origination and reversal of temporary differences	259.38	138.54
Relating to minimum alternate tax	-	(67.40)
	<b>259.38</b>	<b>71.14</b>
<b>Total income tax expense/(credit)</b>	<b>263.13</b>	<b>138.57</b>

**b) Income tax recognised in other comprehensive income (OCI)****Deferred tax related to items recognised in OCI during the period**

Particulars	For the period ended 30 June 2020	For the period ended 30 June 2019
Net loss on remeasurements of defined benefit plans	(4.56)	(5.18)

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

Particulars	As at 30 June 2020	As at 31 March 2020
<b>Opening balance as of 1 April</b>	245.70	858.08
Tax (expense)/income during the period recognised in Statement of profit and loss	(259.38)	(325.62)
Tax expense related to change in tax rate/laws	-	(314.08)
Tax impact during the period recognised in OCI	4.56	18.55
Deferred tax on Ind AS 116 impact on retained earning	-	8.77
<b>Closing balance at the end of the period</b>	<b>(9.12)</b>	<b>245.70</b>

The Company 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.

The Group has performed an assessment of COVID-19 pandemic's impact to evaluate recoverability of its net deferred tax assets within the available time period as per tax laws and based on current expectation and projections, believes that there is no impact on recoverability of deferred tax assets as of 30 June 2020.

**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 2020	As at 31 March 2020
Present value of defined benefit obligation	249.73	223.31
Fair value of plan assets	(13.32)	(12.94)
<b>Net liability arising from defined benefit</b>	<b>236.41</b>	<b>210.37</b>

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

	As at 30 June 2020	As at 31 March 2020
Present value of other long term employee benefit plan	79.45	80.12
<b>Net liability arising from other long term employee benefit plan</b>	<b>79.45</b>	<b>80.12</b>

## 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 2020	As at 31 March 2020
<b>Financial assets</b>			
a) Measured at fair value through profit or loss (FVTPL)			
- Investment in mutual funds	Level 1	9,021.20	8,718.78
- Investment in equity/preference instruments of other entities (Refer Note b(iv) below)	Level 3	99.99	-
		9,121.19	8,718.78
b) Measured at amortised cost (refer note (b)(i) and (ii) below)			
- Trade receivables		10.04	16.82
- Cash and cash equivalents		109.02	169.38
- Loans		8.91	13.72
- Security deposits		81.40	103.97
- Bank deposits		410.08	418.97
- Other financial assets		50.70	26.98
		670.15	749.84
<b>Total financial assets</b>		<b>9,791.34</b>	<b>9,468.62</b>
<b>Financial liabilities</b>			
a) Measured at amortised cost (refer note (b)(i) and (ii))			
- Trade payables		195.23	179.42
- Security deposits		0.14	0.14
- Other financial liabilities		157.88	259.83
- Lease liabilities		738.87	765.10
		1,092.12	1,204.49
<b>Total financial liabilities</b>		<b>1,092.12</b>	<b>1,204.49</b>

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

- The carrying value of bank deposits, trade receivables, 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, which factors the impact of COVID-19. 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, considering the impact of COVID-19.

c) Following table describes the valuation techniques used and key inputs thereto for the level 3 financial assets / liabilities as of 30 June 2020 and 31 March 2020:

Financial assets	Valuation technique(s)	Key input(s)	Sensitivity
Investment in equity/preference instruments of other entities Mobisy Technologies 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 financial statements.

d) Reconciliation of level 3 fair value measurements

	Investment in equity/preference instruments of other entities	
	For the period ended 30 June 2020	For the period ended 30 June 2019
Opening balance	-	-
Additions	99.99	-
<b>Closing balance</b>	<b>99.99</b>	<b>-</b>

e) During the period ended 30 June 2020 and 30 June 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and 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 period ended 30 June 2020	For the period ended 30 June 2019	As at 30 June 2020	As at 31 March 2020
India	1,507.95	1,442.50	831.64	875.29
Others	23.17	30.53	-	-
	<b>1,531.12</b>	<b>1,473.03</b>	<b>831.64</b>	<b>875.29</b>

\* 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 in note 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) (with effect from 3 September 2019)

**ii) Key management personnel compensation**

	For the period ended 30 June 2020	For the period ended 30 June 2019
Short-term employee benefits	25.38	27.92
Post-employment benefits	0.28	0.14
Other long-term employee benefits	-	1.10
Employee share based payment expense	0.42	1.63
	<b>26.08</b>	<b>30.79</b>

**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 period:

	For the period ended 30 June 2020	For the period ended 30 June 2019
<b>Entities where KMP and Individuals exercise Significant influence</b>		
<u>Expenses for rent</u>		
Mansa Enterprises Private Limited	0.40	0.74
<b>Key management personnel</b>		
<u>Recruitment and training expenses</u>		
Dhruv Prakash	0.20	0.60
Director's sitting fees	0.33	0.66
<b>Web services provided to</b>		
Simply Vyapar Apps Private Limited	0.01	-
<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 period/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.

During previous period, the above transactions do not includes IPO related expenses, incurred, in trust on behalf of related parties (Managing Director and Whole time Director) as selling shareholders in Offer for Sale.

The following table discloses amounts due to or due from related parties at the relevant period end:

	As at 30 June 2020	As at 31 March 2020
<b>Balance Outstanding at the period end</b>		
<b>Key management personnel</b>		
<u>Recruitment and training expenses payable</u>		
Dhruv Prakash	0.08	0.13
<u>Investment in associates</u>		
Simply Vyapar Apps Private Limited	312.02	312.02
<u>Deferred Revenue</u>		
Simply Vyapar Apps Private Limited	0.02	0.02
<u>Loan given</u>		
Indiamart Employee Benefit Trust	0.30	1.50

### 31 Contingent liabilities and commitments

#### a) Contingent liabilities

	As at 30 June 2020	As at 31 March 2020
(i) Income-tax demand (refer note (a) and (b) below)	303	303
<p>(a) In respect of Assessment year 2016-17, 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 Rs. 719.22 million to Rs. 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 financial statements for tax demand raised.</p> <p>(b) In respect of Assessment year 2017-18, demand of Rs 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 financial statements for tax demand raised.</p> <p>(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 obtaining further clarity on the matter.</p> <p>(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 of the Group, or cash flows with respect to loss contingencies for legal and other contingencies as at 30 June 2020.</p>		

#### b) Capital and other commitments

- As at 30 June 2020, the company has estimated amount of contracts remaining to be executed on capital account not provided for, net of advance is Nil (31 March 2020: Nil).

### 32 Investment in associate

The group has no material associate as on 30 June 2020, The aggregate summarised financial information in respect of the Group's immaterial associate accounted for using the equity method is as below:

	30 June 2020	31 March 2020
Carrying value of the Group's interest in associates	292.11	295.61
Group's share in profit/(loss) for the period in associate	(3.50)	(16.41)

### 33 Events after the reporting period

The Group has evaluated all the subsequent events through 21 July 2020, 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: 2020.07.21 15:42:28 +05'30'

**Kanika Kohli**  
Partner  
Membership No.: 511565  
Place: Gurugram  
Date: 21 July 2020

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

**DINESH CHANDRA AGARWAL** Digitally signed by DINESH CHANDRA AGARWAL  
Date: 2020.07.21 13:48:57 +05'30'

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

**PRATEEK CHANDRA** Digitally signed by PRATEEK CHANDRA  
Date: 2020.07.21 13:48:38 +05'30'

**Prateek Chandra**  
(Chief Financial Officer)

Place: Noida  
Date: 21 July 2020

**BRIJESH KUMAR AGRAWAL** Digitally signed by BRIJESH KUMAR AGRAWAL  
Date: 2020.07.21 13:49:45 +05'30'

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

**MANOJ BHARGAVA** Digitally signed by MANOJ BHARGAVA  
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**Manoj Bhargava**  
(Company Secretary)