

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 2022, 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 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 2022, 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.

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 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.

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 paragraph (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) We did not audit the financial statements of four subsidiaries, whose condensed interim financial statements reflect total assets (before consolidation adjustments) of INR 1,100.55 million as at 30 June 2022, total revenues (before consolidation adjustments) of INR 9.26 million and net cash outflows (before consolidation adjustments) amounting to INR 3.33 million for the quarter then ended, as considered in the condensed consolidated interim financial statements. We also did not audit the financial statements of one subsidiary, whose condensed interim financial statements reflect total assets (before consolidation adjustments) of INR 347.10 million as at 30 June 2022, total revenues (before consolidation adjustments) of INR 0.15 million for the period 1 June 2022 to 30 June 2022 and net cash outflows (before consolidation adjustments) amounting to INR 338.59 million for the period 1 June 2022 to 30 June 2022, 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 income) 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 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 income) of INR 69.66 million for the quarter ended 30 June 2022, as considered in the condensed consolidated interim financial statements, in respect of seven 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

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Kanika Kohli

Partner

Membership No: 511565

ICAI UDIN:22511565ANIUHX6253

Place: Gurugram

Date: 21 July 2022

IndiaMART InterMESH Limited
Condensed Consolidated Interim Balance Sheet as at 30 June 2022
(Amounts in INR million, unless otherwise stated)

	Notes	As at 30 June 2022	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	5A	75.35	30.62
Capital work in progress	5A	1.77	1.77
Right-of-use assets	5B	504.90	528.43
Goodwill	6A	4,557.63	-
Other intangible assets	6B	531.48	1.59
Investment in associates	7	2,597.89	2,490.27
Financial assets			
(i) Investments	9	1,826.46	1,719.05
(ii) Loans	9	0.84	0.82
(iii) Other financial assets	9	142.25	39.22
Non-current tax assets (net)	19	246.01	233.96
Other non-current assets	10	64.93	40.95
Total Non-current assets		10,549.51	5,086.68
Current assets			
Inventories	8	1.30	-
Financial assets			
(i) Investments	9	18,295.35	23,007.65
(ii) Trade receivables	11	69.12	13.26
(iii) Cash and cash equivalents	12	300.69	495.47
(iv) Bank balances other than (iii) above	12	125.67	272.77
(v) Loans	9	7.27	448.39
(vi) Other financial assets	9	57.03	118.50
Other current assets	10	33.96	45.79
Total current assets		18,890.39	24,401.83
Total Assets		29,439.90	29,488.51
Equity and Liabilities			
Equity			
Share capital	13	303.93	305.53
Other equity	14	17,734.11	18,435.00
Total Equity		18,038.04	18,740.53
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	16 (a)	442.18	462.39
(ii) Other financial liabilities	16 (b)	321.27	-
Contract liabilities	18	3,639.72	3,316.20
Provisions	17	241.49	230.60
Deferred tax liabilities (net)	29	62.43	156.42
Total Non-current liabilities		4,707.09	4,165.61
Current liabilities			
Financial liabilities			
(i) Lease liabilities	16 (a)	100.48	100.41
(ii) Trade payables	15	-	-
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		244.01	183.57
(iii) Other financial liabilities	16 (b)	134.77	203.00
Contract liabilities	18	5,967.39	5,754.18
Other current liabilities	18	154.94	290.93
Provisions	17	44.94	50.28
Current tax liabilities (net)		48.24	-
Total Current liabilities		6,694.77	6,582.37
Total Liabilities		11,401.86	10,747.98
Total Equity and Liabilities		29,439.90	29,488.51

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

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Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram

Date: 21 July 2022

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

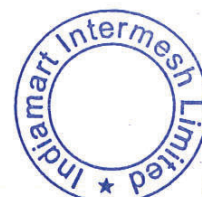
Dinesh Chandra Agarwal
(Managing Director and CEO)
DIN:00191800

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

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 21 July 2022



IndiaMART InterMESH Limited
Condensed Consolidated Interim Statement of Profit and Loss for the period ended 30 June 2022

(Amounts in INR million, unless otherwise stated)

	Notes	For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
Income:			
Revenue from operations	20	2,245.81	1,816.39
Other income, net	21	10.03	293.95
Total income		2,255.84	2,110.34
Expenses:			
Purchase of stock in trade	22	1.55	-
Changes in inventories of Stock-in-Trade	23	(0.18)	-
Employee benefits expense	24	925.27	550.67
Finance costs	25	12.32	14.11
Depreciation and amortisation expense	26	63.12	31.82
Other expenses, net	27	677.10	379.59
Total expenses		1,679.18	976.19
Net profit before share of loss in associates and tax		576.66	1,134.15
Share in net loss of associates		(69.66)	(14.82)
Profit before tax		507.00	1,119.33
Income tax expense			
Current tax	29	215.33	287.03
Deferred tax	29	(175.32)	(46.78)
Total tax expense		40.01	240.25
Net profit for the period		466.99	879.08
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(losses) on defined benefit plans		3.88	(5.92)
Income tax effect		(0.98)	1.49
Other comprehensive income/(loss) for the year, net of tax		2.90	(4.43)
Total comprehensive income for the period		469.89	874.65
Earnings per equity share:	28		
Basic earnings per equity share (INR) - face value of INR 10 each		15.29	28.99
Diluted earnings per equity share (INR) - face value of INR 10 each		15.20	28.61

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

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Kanika Kohli

Partner

Membership No.: 511565

Place: Gurugram

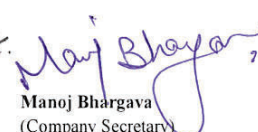
Date: 21 July 2022

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


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

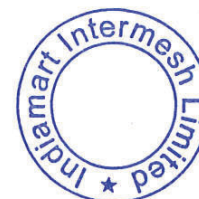
Brijesh Kumar Agrawal
(Whole-time director)
DIN:00191760


Prateek Chandra
(Chief Financial Officer)


Manoj Bhargava
(Company Secretary)

Place: Noida

Date: 21 July 2022



(a) Equity share capital (Refer Note 13)

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
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
As at 1 April 2022	305.53
Equity shares issued to Indiamart Employee Benefit Trust during the period (refer note 13(a))	2.10
Equity shares issued during the period and held by Indiamart Employee Benefit Trust as at quarter end (refer note 13(a))	(2.10)
Equity shares extinguished on buy back during the period (Refer Note 13)	(1.60)
As at 30 June 2022	303.93

(b) Other equity (Refer Note 14)

Particulars	Reserves and surplus					Total other equity
	Securities premium	General reserve	Employee share based payment reserve	Capital Redemption Reserve	Retained earnings	
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 24)	-	-	9.90	-	-	9.90
Balance as at 30 June 2021	15,315.25	8.45	104.69	-	1,263.73	16,692.12
Balance as at 1 April 2022	15,383.23	8.45	130.16	-	2,913.16	18,435.00
Profit for the period	-	-	-	-	466.99	466.99
Other comprehensive loss for the period	-	-	-	-	2.90	2.90
Total comprehensive income	-	-	-	-	469.89	469.89
Employee share based payment expense (Refer Note 24)	-	-	73.06	-	-	73.06
Buy-back of equity shares	-	-	-	1.60	(1,000.00)	(998.40)
Tax on buy-back of equity shares	-	-	-	-	(232.59)	(232.59)
Expenses for buy-back of equity shares	-	-	-	-	(12.85)	(12.85)
Balance as at 30 June 2022	15,383.23	8.45	203.22	1.60	2,137.61	17,734.11

Profit of INR 2.90 and loss of INR 4.43 on remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings for quarter ended 30 June 2022 and 30 June 2021 respectively.

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

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Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram

Date: 21 July 2022

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

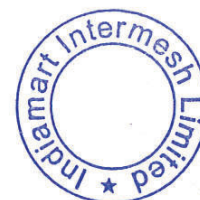
Dinesh Chandra Agarwal
Managing Director and CEO
DIN:00191800

Brijesh Kumar Agrawal
(Whole-time director)
DIN:00491760

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 21 July 2022



IndiaMART InterMESH Limited
Condensed Consolidated Interim Statement of Cash Flows for the period ended 30 June 2022
(Amounts in INR million, unless otherwise stated)

Particulars	Notes	For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
Profit before tax		507.00	1,119.33
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation and amortisation expense	26	63.12	31.82
Interest, dividend and other income	21	(10.50)	(17.94)
Gain on de-recognition of Right-of-use assets	21	(2.35)	(1.05)
Provisions and liabilities no longer required written back		(0.77)	(2.13)
Gain/(loss) on investments carried at fair value through profit and loss	21		
-Fair value gain on measurement and income from sale of mutual funds, bonds, debentures, units of investment trust and alternative investment funds		41.31	(262.43)
-Fair value gain on measurement of Investment in other entities		(33.33)	-
Gain on disposal of property, plant and equipment	21	(2.63)	(0.05)
Finance costs	25	12.32	14.11
Allowances for doubtful debts		0.18	-
Share-based payment expense	24	73.06	9.90
Share of net loss of associates		69.66	14.82
		717.07	906.38
Changes in:			
Trade receivables		28.64	2.66
Other financial assets		85.05	21.56
Inventory		(0.14)	-
Other assets		14.58	6.81
Other financial liabilities		(83.02)	(85.06)
Trade payables		25.27	(0.07)
Contract liabilities		293.43	(110.08)
Provisions and other liabilities		(163.29)	(38.13)
Cash generated from operations		917.59	704.07
Income tax paid (net)		(169.03)	(89.45)
Net cash generated from operating activities		748.56	614.62
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		7.85	0.17
Purchase of property, plant and equipment, other intangible assets and capital advances		(75.44)	(0.06)
Purchase of current investments		(4,562.02)	(3,984.46)
Inter-corporate deposits placed with financial institutions		-	(412.06)
Redemption of inter-corporate deposits placed with financial institutions and body corporates		448.95	-
Proceeds from sale of current investments		9,573.07	3,706.11
Interest and dividend received		113.90	52.66
Payment for acquisition (net of cash acquired)		(5,080.53)	-
Investment in bank deposits (includes earmarked balances with bank) (having original maturity of more than three months)		(105.38)	(254.61)
Redemption of bank deposits		262.20	377.97
Investment in associates and other entities		(252.28)	(305.00)
Net cash generated from (used in) investing activities		330.32	(819.28)
Cash flow from financing activities			
Repayment of lease liabilities		(19.35)	(17.66)
Interest paid on lease liabilities		(12.32)	(14.11)
Expenses for buy-back of equity shares (Refer Note 12)		(9.40)	-
Tax on buy-back of equity shares (Refer Note 12)		(232.59)	-
Buy-back of equity shares (Refer Note 12)		(1,000.00)	-
Proceeds from issue of equity shares on exercise of share based awards		-	2.09
Net cash used in from financing activities		(1,273.66)	(29.68)
Net decrease in cash and cash equivalents		(194.78)	(234.34)
Cash and cash equivalents at the beginning of the period	12	495.47	401.19
Cash and cash equivalents at the end of the period	12	300.69	166.85

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

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Kanika Kohli
Partner
Membership No.: 511565
Place: Gurugram

Date: 21 July 2022

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

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

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

Prateek Chandra
Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava
Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 21 July 2022



IndiaMART Intermesh Limited**Notes to condensed consolidated interim financial statements for the period ended 30 June 2022**

(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 21 July 2022.

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

The condensed consolidated interim financial statements for the quarter ended 30 June 2022 have been prepared in accordance with Indian Accounting Standard (referred to as "Ind AS") 34, Interim Financial Reporting and other Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act, 2013 ("the Act") (as amended from time to time). These condensed consolidated interim financial statements must be read in conjunction with the consolidated financial statements for the year ended 31 March 2022. They do not include all the information required for a complete set of Ind AS financial statements. However, selected explanatory notes are included to explain events and transactions that management believes are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

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

(b) Basis of Preparation

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

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

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

(c) Basis of consolidation

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

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

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



IndiaMART Intermesh Limited**Notes to condensed consolidated interim financial statements for the period ended 30 June 2022**

(Amounts in INR million, unless otherwise stated)

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

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

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

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

Rendering of services

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

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

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

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

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

Contract balances*Trade receivables*

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section m) Financial instruments.

Contract liabilities

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



IndiaMART Intermesh Limited**Notes to condensed consolidated interim financial statements for the period ended 30 June 2022**

(Amounts in INR million, unless otherwise stated)

Other incomeInterest income

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

Dividends

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

(f) Business combinations, goodwill and Intangibles

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

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

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

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

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

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

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 2022.



Measurement of fair values

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

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

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

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

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

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

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

4. Segment Information

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

Pursuant to acquisition of Busy Infotech Private Limited and Finlite Technologies Private Limited in the quarter ended 30 June 2022, the Group has identified two business segments namely "Web and related Services" and "Accounting Software Services" as reportable segments based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems.

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

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

(a) Segment revenue and expenses

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

(b) Segment assets and liabilities

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



5A Property, plant and equipment

	Computers	Office equipment	Furniture and fixtures	Motor vehicles	Total Property, plant and equipment	Capital work in progress (Refer Note below)
Gross carrying amount						
As at 01 April 2021	113.02	49.09	4.03	3.80	169.94	1.77
Additions for the year	20.28	0.14	-	-	20.42	-
Disposals for the year	(17.72)	(0.55)	-	(0.02)	(18.29)	-
As at 31 March 2022	115.58	48.68	4.03	3.78	172.07	1.77
Acquisitions through business combinations (refer note 34)	1.73	1.29	1.61	4.42	9.05	-
Additions for the period	43.68	0.15	0.07	7.18	51.08	-
Disposals for the period	(0.37)	(0.63)	-	(8.11)	(9.11)	-
As at 30 June 2022	160.62	49.49	5.71	7.27	223.09	1.77
Accumulated depreciation						
As at 01 April 2021	103.79	38.29	2.96	2.59	147.63	-
Charge for the year	6.31	4.87	0.30	0.38	11.86	-
Disposals during the year	(17.59)	(0.43)	-	(0.02)	(18.04)	-
As at 31 March 2022	92.51	42.73	3.26	2.95	141.45	-
Charge for the period	8.86	0.81	0.18	0.32	10.17	-
Disposals during the period	(0.32)	(0.60)	-	(2.96)	(3.88)	-
As at 30 June 2022	101.05	42.94	3.44	0.31	147.74	-
Net book value						
As at 01 April 2021	9.23	10.80	1.07	1.21	22.30	1.77
As at 31 March 2022	23.07	5.95	0.77	0.83	30.62	1.77
As at 30 June 2022	59.57	6.55	2.27	6.96	75.35	1.77

Note:

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



5B Right-of-use asset

	Leasehold land (Refer Note 1 below)	Buildings	Total
Gross carrying amount			
As at 01 April 2021	37.12	834.55	871.67
Additions for the year	-	20.25	20.25
Disposals for the year	-	(20.20)	(20.20)
As at 31 March 2022	37.12	834.60	871.72
Acquisitions through business combinations (refer note 34)	-	2.79	2.79
Additions for the period	-	13.16	13.16
Disposals for the period	-	(24.65)	(24.65)
As at 30 June 2022	37.12	825.90	863.02
Accumulated depreciation			
As at 01 April 2021	2.30	243.72	246.02
Depreciation for the year	0.46	106.00	106.46
Disposals for the year	-	(9.19)	(9.19)
As at 31 March 2022	2.76	340.53	343.29
Depreciation for the period	0.35	25.02	25.37
Disposals for the period	-	(10.54)	(10.54)
As at 30 June 2022	3.11	355.01	358.12
Net book value			
As at 01 April 2021	34.82	590.83	625.65
As at 31 March 2022	34.36	494.07	528.43
As at 30 June 2022	34.01	470.89	504.90

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 and is in the process of obtaining further extension.



IndiaMART InterMESH Limited**Notes to Condensed Consolidated Interim Financial Statements for the period ended 30 June 2022**

(Amounts in INR million, unless otherwise stated)

6A Goodwill**As at
30 June 2022**

Acquisitions through business combinations

4,557.63

Carrying value of goodwill was allocated to "Accounting Software services" cash generating unit in the period ended 30 June 2022 as follows :

	Accounting Software services
Opening balance as at 1 April, 2022	-
Acquisitions through business combination (refer note 34)	4,557.63
Closing balance as at 30 June, 2022	4,557.63

The Group tests goodwill for impairment on March 31, or more frequently when there is indication for impairment.



6B Other Intangible assets

	Software	Unique telephone numbers	Technology	Channel Network	Total
Gross carrying amount					
As at 01 April 2021	15.05	4.70	-	-	19.75
Additions	0.02	-	-	-	0.02
As at 31 March 2022	15.07	4.70	-	-	19.77
Acquisitions through business combinations (refer note 34)	0.77	-	191.08	365.62	557.47
Additions	-	-	-	-	-
As at 30 June 2022	15.84	4.70	191.08	365.62	577.24
Accumulated depreciation					
As at 01 April 2021	12.70	4.34	-	-	17.04
Amortisation for the year	0.99	0.15	-	-	1.14
As at 31 March 2022	13.69	4.49	-	-	18.18
Amortisation for the period	0.31	0.02	8.97	18.28	27.58
As at 30 June 2022	14.00	4.51	8.97	18.28	45.76
As at 01 April 2021	2.35	0.36	-	-	2.71
As at 31 March 2022	1.38	0.21	-	-	1.59
As at 30 June 2022	1.84	0.19	182.11	347.34	531.48



7 Investment in associates- Unquoted

(Accounted under equity method)	As at 30 June 2022		As at 31 March 2022	
	No. of units	Amount	No. of units	Amount
Fully paid up - at cost				
Investments in Simply Vyapar Apps Private Limited				
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
Compulsory convertible preference shares of INR 100 each (at premium of INR 2,90,261 each) in Simply Vyapar Apps Private Limited	1,809	525.26	1,809	525.26
Equity shares of INR 10 each (at premium of INR 2,03,242 each) in Simply Vyapar Apps Private Limited	444	90.24	444	90.24
Add: Investment made during the current period (Equity shares of INR 10 each and premium of INR 2,90,351 each) in Simply Vyapar Apps Private Limited	137	39.78	-	-
Less: Share of loss of associate		(167.65)		(139.91)
Investments in Ten Times Online Private Limited				
Equity shares of INR 10 each (at premium of INR 40 each) in Ten Times Online Private Limited		0.93		0.93
Less: Share of loss of associate		(0.93)		(0.93)
Investments in Truckhall Private Limited				
Compulsory convertible preference shares of INR 10 each (at premium of INR 7,467 each) in Truckhall Private Limited	12,846	96.05	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	1,879	14.05
Less: Share of loss of associate		(110.10)		(110.10)
Investments in Shipway Technology Private Limited				
Compulsory convertible preference shares of INR 10 each (at premium of INR 43,446 each) in Shipway Technology Private Limited	4,088	177.65	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	100	4.35
Less: Share of loss of associate		(182.00)		(182.00)
Investments in Agillos E-Commerce Private Limited				
Compulsory convertible preference shares of INR 10 each (at premium of INR 60,311 each) in Agillos E-Commerce Private Limited	2,694	162.50	2,694	162.50
Equity shares of INR 10 each (at premium of INR 43,497 each) in Agillos E-Commerce Private Limited	2,241	97.50	2,241	97.50
Less: Share of loss of associate		(260.00)		(260.00)
Investments in Edgewise Technologies Private Limited				
Compulsory Convertible Preference Shares of INR 10 each (at premium of INR 27,314 each) in Edgewise Technologies Private Limited	4,784	130.72	4,784	130.72
Equity Shares of INR 10 each (at premium of INR 27,314 each) in Edgewise Technologies Private Limited	100	2.73	100	2.73
Less: Share of loss of associate		(133.45)		(133.45)
Investments in IB Monotaro Private Limited				
Equity shares of INR 10 each (at premium of INR 1,274.15 each) in IB Monotaro Private Limited	811,250	1,041.77	811,250	1,041.77
Less: Share of loss of associate		(27.73)		(4.17)
Investments in Adansa Solutions Private Limited				
Equity shares of INR 1000 each (at premium of INR 10,28,411.76 each) in Adansa Solutions Private Limited (Refer Note 1 below)	20	20.60	-	-
Compulsory Convertible Preference shares of INR 10 each (at premium of INR 14,696 each) in Adansa Solutions Private Limited (Refer Note 1 below)	7,950	116.90	-	-
Less: Share of loss of associate		(137.50)		-
		(1.21)		-
		2,597.89		2,490.27

Notes:

1. During the period ended 30 June 2022, the Group has invested INR 137.50 in Adansa Solutions Private Limited. Considering the percentage of ownership and board representation rights of the group, this investment was classified an associate.

8 Inventories

	As at 30 June 2022	As at 31 March 2022
Stock in trade	1.30	-
	1.30	-



9 Financial assets

	As at 30 June 2022	As at 31 March 2022
i) Investments		
Non-current		
a) Investment in other entities at FVTPL	1,826.46	1,719.04
	<u>1,826.46</u>	<u>1,719.04</u>
Current		
Investment in mutual funds and exchange traded funds at FVTPL	10,031.17	15,744.84
Investment in bonds and debentures at FVTPL	7,750.52	6,832.57
Investments in Investment Trust- Quoted (measured at FVTPL)	410.00	327.63
Investments in Alternative investment funds at FVTPL	103.66	102.61
	<u>18,295.35</u>	<u>23,007.65</u>

	As at 30 June 2022		As at 31 March 2022	
	No. of units	Amount	No. of units	Amount
a) Non-current investments				
Investment in others entities				
<i>Unquoted (measured at FVTPL)</i>				
Instant Procurement Services Private Limited				
Equity shares held of INR 10 each in Instant Procurement Services Private Limited	4,850	-	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	-
Fair value gain recognised through profit and loss till date		32.41		-
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
Compulsory convertible preference shares of INR 1 each (at premium of INR 836 each)	119,474	100.00	119,474	100.00
Equity shares of INR 1 each (at premium of INR 837 each)	17,750	14.86	17,750	14.86
Fair value gain recognised through profit and loss till date		7.72		7.72
Legistify Services Private Limited				
Compulsory convertible preference shares of INR 10 each (at premium of INR 5,132.68 each)	1,146	5.89	1,146	5.89
Compulsory convertible preference shares of INR 10 each (at premium of INR 4,104.14 each)	1,580	6.50	1,580	6.50
Equity shares of INR 10 each (at premium of INR 5,132.68 each)	100	0.51	100	0.51
Compulsory convertible debentures of INR 1000 each	75,000	75.00	75,000	75.00
Mynd Solutions Private Limited				
Equity shares of INR 10 each (at premium of INR 87.21 each)	3,336,489	324.34	3,336,489	324.34
Zimyo Consulting Private Limited				
Compulsory convertible preference shares of INR 10 each (at premium of INR 86,306.32/- each)	1,870	161.41	1,870	161.41
Equity shares of INR 10 each (at premium of INR 86,306.32/- each)	100	8.63	100	8.63
Fleets Technologies Private Limited				
Compulsory convertible preference shares of INR 10 each (at premium of INR 67,420/- each)	10,323	696.08	10,323	696.08
Equity shares of INR 10 each (at premium of INR 57,315/- each)	3,805	218.12	3,805	218.12
Investment in debt instruments				
Investment made in 0.0001% Compulsory convertible debentures of INR 1000 each in Truckhall Private Limited (Refer Note 1. below)	75,000	75.00		75.00
Total non-current investments		<u>1,826.46</u>		<u>1,719.04</u>
		<u>1,826.46</u>		<u>1,719.04</u>

1. During the period ended 30 June 2022, the Group has further invested INR 75.00 in Truckhall Private Limited in Compulsory Convertible Debentures.

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



b) Current investments

	As at 30 June 2022		As at 31 March 2022	
	No. of units	Amount	No. of units	Amount
<i>Investment in mutual funds and exchange traded funds - Quoted (measured at FVTPL)</i>				
Aditya Birla Sunlife Short-Term Fund-Growth-Direct Plan	-	-	5,765,040	233.71
Aditya Birla Sunlife Corporate Bond Fund - Growth-Regular Plan	-	-	6,508,526	587.00
Aditya Birla Sun Life Corporate Bond Fund-Growth-Direct Plan	10,264,505	931.84	10,264,505	936.18
Aditya Birla Sun Life Overnight fund-Direct Growth	57,796	67.11	369,604.50	424.93
ABSL Crisil AAA Jun 2023 Index Fund Reg G	3,999,365	40.15	-	-
ABSL Arbitrage Fund - Growth	930,405	20.30	-	-
Bharat Bond ETF April-2023	400,000	468.98	400,000	467.94
Bharat Bond ETF April-2025	379,992	403.94	379,992	411.48
Bharat Bond FOF - April 2023 - DIRECT PL	2,570,501	30.07	-	-
DSP Overnight Fund - Direct Growth	39,140	45.00	-	-
DSP Liquidity Fund - Direct Plan - Growth	32,547	100.04	-	-
Edelweiss Arbitrage Fund Direct- Growth	45,390,394	756.29	43,664,568	719.74
Edelweiss NIFTY PSU Bond Plus SDL Index F 2026 Direct Growth	47,476,047	499.42	47,476,047.26	509.92
HDFC Short Term Debt Fund-Direct Growth Plan	104,887	2.69	5,205,920	136.49
HDFC Short Term Debt Fund - Regular Plan	-	-	693,662	17.82
HDFC Low Duration Fund - Direct Plan-Growth	24,968,530	1,247.09	24,968,530	1,243.14
HDFC Money Market Fund - Direct Growth	-	-	257,730	1,199.68
HDFC Ultra Short Term Fund - Direct Growth	-	-	100,961,709	1,253.22
ICICI Prudential Banking & PSU Debt	412,300	10.78	-	-
ICICI Prudential Corporate Bond - Growth	664,641	15.73	-	-
ICICI Prudential Savings Fund- Direct Plan-Growth	3,860,607	1,689.11	3,860,607	1,689.84
ICICI Prudential Short-Term Fund - Direct	4,282,021	219.20	14,101,249	719.80
ICICI Prudential Short-Term Fund - Regular	488,807	23.38	393,503	18.80
ICICI Prudential Equity Arbitrage Fund-Direct Growth	38,446,387	1,137.29	37,337,769	1,093.64
ICICI Prudential Liquid D Plan - Growth	189,210	60.17	-	-
IDFC Low Duration Fund-Growth- Direct Plan	-	-	15,216,251	484.79
IDFC Bond Fund - Short-Term Plan- Direct Growth Plan	115,739	5.33	7,006,559	343.30
IDFC Banking & PSU Debt Fund - Direct - Growth	1,205,754	24.13	-	-
IDFC Corporate Bond Fund - Direct - Growth Plan	1,007,188	15.68	-	-
Kotak Bond Short Term Fund	844,872	35.71	-	-
Kotak Corporate Bond Fund - Direct Growth Plan	-	-	198,665	622.39
Kotak Equity Arbitrage Fund-Direct Growth	43,956,051	1,408.34	42,749,473	1,353.83
Nippon India Floating Rate Fund Direct Growth	-	-	26,960,878.56	1,017.62
NIPPON INDIA LIQUID FUND - DIRECT PLAN GROWTH PLAN	16,167	85.04	-	-
SBI Corporate Bond Fund - Direct - Growth Plan	2,519,354	32.09	-	-
SBI ETF Nifty 50 - Direct	1,450,000	235.65	1,450,000	259.58
SBI Savings Fund - Direct Growth	75,292	2.70	-	-
SBI Banking & PSU Fund - Direct Growth	11,026	29.25	-	-
SBI ETF SENSEX Scheme - Direct	400,000	225.51	-	-
Tata Arbitrage Fund	1,097,832	12.95	-	-
UTI NIFTY Exchange Traded Fund	30,000	50.19	-	-
UTI Liquid Cash Plan - Direct Plan - Growth	28,395	100.04	-	-
Total		10,031.17		15,744.84
<i>Investment in bonds and debentures- Quoted (measured at FVTPL)</i>				
Axis Bank Perpetual Bond	-	-	150.00	161.08
Bajaj Finance bond	200	199.61	200.00	201.02
Canara Bank perpetual bond	20	206.87	20.00	202.46
Cholamandalam Investment and Finance Com Ltd Bond	100	100.02	-	-
Export Import Bank Of India Bond	200	193.49	200.00	200.14
HDFC bank Perpetual Bond	-	-	400	432.94
HDFC 2023 Coupon Bond	900	907.31	650.00	661.72
India Infra debt fund NCD	100	101.22	100.00	100.72
IRFC Perpetual Bond	250	256.00	250.00	255.97
LIC Housing Finance Bond	500	515.23	500.00	515.77
NABARD Bond	1,500	1,500.02	1,150.00	1,159.17
Piramal Enterprise Debentures (Market linked)	180	190.89	180.00	187.79
PNB perpetual Bond	10	106.13	10.00	101.85
Power Grid Corporation of India Limited Bond	55	74.74	55.00	75.14
Power Finance Corporation Ltd - Bond	308	311.73	-	-
REC Bond	980	998.17	595.00	643.83
SBI Perpetual Bond	165	688.60	50.00	515.16
Shriram Transport Debentures (Market linked)	100	109.98	100.00	107.81
SBI Coupon Bond	500	497.29	500.00	508.15
SIDBI Bond	650	635.34	650.00	650.74
Union Bank Perpetual Bond	15	157.88	15.00	151.11
Total		7,750.52		6,832.57
<i>Investments in Investment Trust- Quoted (measured at FVTPL)</i>				
Powergrid Infrastructure InvIT	3,177,574	410.00	2,446,824	327.63
<i>Investments in Alternative investment funds- Quoted (measured at FVTPL)</i>				
ICICI Prudential Long Short Fund - Series I	999,950	103.66	999,950	102.61
Total current investments		18,295.35		23,007.65
Aggregate book value of quoted investments		18,295.35		23,007.65
Aggregate market value of quoted investments		18,295.35		23,007.65
Aggregate carrying value of unquoted investments		1,826.46		1,719.04



c) Loans (measured at amortised cost)		
	As at	As at
	30 June 2022	31 March 2022
(i) Loans		
Non-current (unsecured, considered good unless stated otherwise)		
Loans to employees**	0.84	0.82
	0.84	0.82
Current (unsecured, considered good unless stated otherwise)		
Inter-corporate deposits*		
-LIC Housing Finance Limited	-	417.35
Loans to employees**	7.27	31.04
	7.27	448.39
Total loans	8.11	449.21
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.		
d) Others (measured at amortised cost)		
Non-current (unsecured, considered good unless stated otherwise)		
Security deposits	41.77	39.22
Deposits with remaining maturity for more than twelve months (Refer Note 12)	100.48	-
Total	142.25	39.22
Current (unsecured, considered good unless stated otherwise)		
Security deposits	2.83	3.25
Amount recoverable from payment gateway	52.92	115.05
Other receivables	1.28	0.20
Total	57.03	118.50
Total other financial assets	57.03	118.50
Notes:		
Security deposits are non-interest bearing and are generally on term of 3 to 9 years.		
10 Other assets		
	As at	As at
	30 June 2022	31 March 2022
Non-current (unsecured, considered good unless stated otherwise)		
Prepaid expenses	1.11	1.23
Indirect taxes recoverable	15.72	15.98
Capital advance	48.10	23.74
Total	64.93	40.95
Current (Unsecured, considered good unless stated otherwise)		
Advances recoverable	10.51	13.17
Indirect taxes recoverable	9.44	10.79
Prepaid expenses	13.98	21.80
Others	0.03	0.03
Total	33.96	45.79



11 Trade receivables

	As at 30 June 2022	As at 31 March 2022
Unsecured, considered good unless stated otherwise		
<i>Considered good</i>		
Trade receivables	69.12	13.26
<i>Considered doubtful</i>		
Trade Receivables credit- impaired	0.03	-
Less: Loss allowance	(0.03)	-
Total	69.12	13.26

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.

12 Cash and bank balances

	As at 30 June 2022	As at 31 March 2022
a) Cash and cash equivalents		
Cheques on hand	77.46	207.87
Cash on hand	0.09	-
Balance with bank		
- On current accounts	198.06	287.60
- Deposits with original maturity of less than three months	25.08	-
Total Cash and cash equivalents	300.69	495.47

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	125.25	270.27
- remaining maturity for more than twelve months	100.48	-
	225.73	270.27
Less: Amount disclosed under Other financial assets non-current	100.48	-
	125.25	270.27
(ii) Earmarked balances with banks*	0.42	2.50
Amount disclosed under current bank deposits	125.67	272.77

* Earmarked balances include unclaimed/unpaid dividends of INR 0.12 (31 March 2022: INR 0.12) and bank balance with Indiamart Employee Benefit Trust of INR 0.30 (31 March 2022: INR 2.38)



13 Share capital

Authorised equity share capital (INR 10 per share)

As at 01 April 2021
As at 31 March 2022
As at 30 June 2022

Number of shares	Amount
99,442,460	994.42
99,442,460	994.42
99,442,460	994.42

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

As at 01 April 2021
As at 31 March 2022
As at 30 June 2022

Number of shares	Amount
3	0.00
3	0.00
3	0.00

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

As at 01 April 2021

Number of shares	Amount
30,316,294	303.16

Equity shares issued on exercise of ESOP during the year
Equity shares issued to Indiamart Employee Benefit Trust during the year (refer note (a) below)
Equity shares issued during the earlier period to Indiamart Employee Benefit Trust and transferred to employees pursuant to SAR exercised during the period (refer note (a) below)
Equity shares issued during the year and held by Indiamart Employee Benefit Trust as at year end (refer note (a) below)

27,846	0.28
173,000	1.73
47,434	0.48
(11,584)	(0.12)

As at 31 March 2022

30,552,990	305.53
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Equity shares issued to Indiamart Employee Benefit Trust during the period (refer note (a) below)
Equity shares issued during the period and held by Indiamart Employee Benefit Trust as at quarter end (refer note (a) below)
Equity shares extinguished on buy back during the period (refer note 1 below)

210,000	2.10
(210,000)	(2.10)
(160,000)	(1.60)

As at 30 June 2022

30,392,990	303.93
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Notes:

- 1 The Board of Directors at its meeting held on April 28, 2022, approved a proposal to buy-back upto 160,000 equity shares of the Company for an aggregate amount not exceeding INR 1,000, being 0.52% of the total paid up equity share capital at 6,250 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 160,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on June 29, 2022. Capital redemption reserve was created to the extent of share capital extinguished of INR 1.60. The excess cost of buy-back of INR 1,012.85 (including INR 12.85 towards transaction cost of buy-back) over par value of share and corresponding tax on buy-back of INR 232.59 were offset from retained earnings.

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

	As at 30 June 2022		As at 31 March 2022	
	Number	Amount	Number	Amount
Opening balance	11,584	0.12	47,434	0.48
Purchased during the period	210,000	2.10	173,000	1.73
Transfer to employees pursuant to SAR/ESOP exercised	-	-	(208,850)	(2.09)
Closing balance	221,584	2.22	11,584	0.12

14 Other equity

	As at 30 June 2022	As at 31 March 2022
Securities premium	15,383.23	15,383.23
General reserve	8.45	8.45
Employee share based payment reserve	203.22	130.16
Capital redemption reserve	1.60	-
Retained earnings	2,137.61	2,913.16
Total other equity	17,734.11	18,435.00

Nature and purpose of reserves and surplus:

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



15 Trade payables

	As at 30 June 2022	As at 31 March 2022
Payable to micro, small and medium enterprises	-	-
Other trade payables	-	-
- outstanding dues to related parties (Refer Note 33)	-	-
- outstanding dues to others	6.71	3.98
Accrued expenses	237.30	179.59
Total	244.01	183.57

16 Lease and other financial liabilities

	As at 30 June 2022	As at 31 March 2022
(a) Lease liabilities (Refer Note 5B)		
Current	100.48	100.41
Non-current	442.18	462.39
	542.66	562.80
(b) Other financial liabilities		
Non-current		
Deferred Consideration (refer note 34)	321.27	-
Total	321.27	-
Current		
Payable to employees	121.00	192.95
Security deposits	0.78	-
Other payable*	12.99	10.05
Total	134.77	203.00

*Includes unclaimed/Unpaid dividend of INR 0.12 (31 March 2022: INR 0.12), and buy back expense of INR 3.44 (31 March 2022 : INR nil).

17 Provisions

	As at 30 June 2022	As at 31 March 2022
Non-current		
Provision for employee benefits*		
Provision for gratuity	174.61	166.95
Provision for leave encashment	66.88	63.65
Total	241.49	230.60
Current		
Provision for employee benefits*		
Provision for gratuity	20.02	23.34
Provision for leave encashment	9.54	11.56
Provision-others**	15.38	15.38
Total	44.94	50.28

* Refer Note 30

** Contingency provision towards indirect taxes. There is no change in this provision during the period ended 30 June 2022.

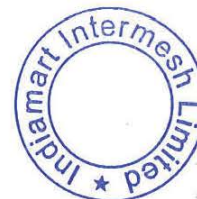
18 Contract and other liabilities

	As at 30 June 2022	As at 31 March 2022
Contract liabilities*		
Non-current		
Deferred revenue	3,639.72	3,316.20
	3,639.72	3,316.20
Current		
Deferred revenue	5,572.51	5,110.80
Advances from customers	394.88	643.38
	5,967.39	5,754.18
Total	9,607.11	9,070.38
Other liabilities- current		
Statutory dues		
Tax deducted at source payable	23.48	32.89
GST payable	122.45	250.20
Others	9.01	7.84
Total	154.94	290.93

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

19 Income tax assets and liabilities

	As at 30 June 2022	As at 31 March 2022
Income tax assets (net of provisions)		
Non current		
Income tax assets	1,863.03	1,849.80
Less: Provision for income tax	(1,617.02)	(1,615.84)
Total Non Current Tax assets (net)	246.01	233.96



20 Revenue from operations

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

Sale of services

Income from web services
Income from accounting software services
Advertisement and marketing services
Total

For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
2,096.29	1,797.35
105.33	-
44.19	19.04
2,245.81	1,816.39

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

Opening balance at the beginning of the period
Acquisition through business combinations
Less: Revenue recognised from contract liability balance at the beginning of the period
Add: Amount billed from customers during the period
Less: Revenue recognised from amounts billed during the period
Closing balance at the end of the period

For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
9,070.38	7,261.01
241.71	-
(1,826.75)	(1,442.61)
2,540.83	1,706.30
(419.06)	(373.78)
9,607.11	7,150.90

21 Other income

Gain on investments carried at fair value through profit and loss
-Fair value loss (net) on measurement and income from sale of mutual funds, exchange traded funds, bonds, debentures, units of alternative investment funds and investment trust
-Fair value gain on measurement and sale of Investment in other entities
Interest income from financial assets measured at amortised cost
- on bank deposits
- on corporate deposits and loans
- on security deposits
Other interest income
Dividend Income
Gain on de-recognition of Right-of-use assets
Provisions and liabilities no longer required written back
Net gain on disposal of property, plant and equipment
Miscellaneous income
Total

For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
(41.31)	262.43
33.33	-
4.87	5.24
2.29	12.01
0.65	0.68
0.04	9.93
2.69	-
2.35	1.05
0.77	2.13
2.63	0.05
1.72	0.43
10.03	293.95

22 Purchase of stock in trade

Purchases of stock in trade

For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
1.55	-
1.55	-

23 Changes in inventories of finished goods, Stock-in -Trade

Inventory at the end of the period
Inventory at the beginning of the period
Increase in inventories

For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
1.29	-
1.11	-
(0.18)	-

24 Employee benefits expense

Salaries, allowance and bonus
Gratuity expense
Leave encashment expense
Contribution to provident and other funds
Employee share based payment expense
Staff welfare expenses
Total

For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
818.58	514.37
15.89	12.39
3.59	1.34
10.83	5.37
73.06	9.90
3.32	7.30
925.27	550.67

25 Finance costs

Interest cost of lease liabilities
Total

For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
12.32	14.11
12.32	14.11



26 Depreciation and amortization expense

	For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
Depreciation of property, plant and equipment (Refer Note 5A)	10.17	2.82
Depreciation of Right-of-use assets (Refer Note 5B)	25.37	28.71
Amortisation of intangible assets (Refer Note 6B)	27.58	0.29
Total	63.12	31.82

27 Other expenses

	For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
Content development expenses	61.90	35.23
Buyer engagement expenses	35.29	37.11
Customer support expenses	45.00	44.49
Commission on Sales	0.90	-
Outsourced sales cost	315.45	131.31
Internet and other online expenses	100.98	69.24
Rates and taxes	1.44	1.46
Outsourced support cost	3.94	2.99
Advertisement expenses	2.52	2.43
Communication costs	0.19	0.18
Power and fuel	3.99	1.51
Repair and maintenance:		
- Plant and machinery	1.34	0.43
- Others	7.41	5.92
Printing and stationery	1.05	0.16
Travelling and conveyance	7.00	0.79
Recruitment and training expenses	4.62	1.68
Legal and professional fees	54.62	14.87
Directors' sitting fees	1.42	0.80
Insurance expenses	11.38	6.77
Collection charges	10.51	10.10
Corporate social responsibility activities expenses	1.10	12.01
Rent	4.84	0.04
Miscellaneous expenses	0.21	0.07
Total	677.10	379.59

28 Earnings per share (EPS)

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

	For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
Basic		
Net profit as per the statement of profit and loss for computation of EPS (A)	466.99	879.08
Weighted average number of equity shares used in calculating basic EPS (B)	30,549,474	30,319,977
Basic earnings per equity share (A/B)	15.29	28.99
Diluted		
Weighted average number of equity shares used in calculating basic EPS	30,549,474	30,319,977
Potential equity shares	178,503	410,210
Total no. of shares outstanding (including dilution) (C)	30,727,977	30,730,187
Diluted earnings per equity share (A/C)	15.20	28.61

There are potential equity shares for the quarter ended 30 June 2022 and 30 June 2021 in the form of share based awards granted to employees which have been considered in the calculation of diluted earnings per share. For the period ended 30 June 2022 : 115,470 (30 June 2021: Nil) SAR units of employees share based awards were excluded from the calculation of diluted weighted average number of ordinary shares as their effect would have been anti-dilutive.



29 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 2022	For the quarter ended 30 June 2021
Current tax expense		
Current tax for the period	215.33	287.03
	215.33	287.03
Deferred tax benefit		
Relating to origination and reversal of temporary differences	(175.32)	(46.78)
	(175.32)	(46.78)
Total income tax expense	40.01	240.25

The effective tax rate has been reduced from 21.18% for the quarter ended 30 June 2021 to 6.94% for the quarter ended 30 June 2022, primarily on account of long term capital gain realised on sale of mutual funds units and investments taxed at lower rate.

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

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

Particulars	For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
Net loss on remeasurements of defined benefit plans	0.98	(1.49)

c) Reconciliation of Deferred tax liabilities (Net):

Particulars	As at 30 June 2022	As at 31 March 2022
Opening balance as of 1 April	(156.42)	(207.20)
Tax benefit during the period recognised in Statement of profit and loss	175.32	52.22
Net Deferred tax liabilities recognised pursuant to business combinations (refer note 34)	(80.35)	-
Tax impact during the period/year recognised in OCI	(0.98)	(1.44)
Closing balance at the end of the period/year	(62.43)	(156.42)

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 deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



30 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 2022	As at 31 March 2022
Present value of defined benefit obligation	349.85	336.31
Fair value of plan assets	(155.22)	(146.02)
Net liability arising from defined benefit	194.63	190.29

Leave encashment - other long term employee benefit plan

	As at 30 June 2022	As at 31 March 2022
Present value of other long term employee benefit	76.42	75.21



31 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 2022	As at 31 March 2022
Financial assets			
a) Measured at fair value through profit or loss (FVTPL)			
- Investment in mutual funds (Refer Note b(iii) below)	Level 1	10,031.17	15,744.84
- Investments in Investment Trust (Refer Note b(iii) below)	Level 1	410.00	327.63
- Investments in Alternative investment funds (Refer Note b(iii) below)	Level 1	103.66	102.61
- Investment in bonds & debentures (Refer Note b(v) and b(vi) below)	Level 2	7,750.52	6,832.57
- Investment in equity/preference instruments of other entities (Refer Note b(iv) below)	Level 3	1,826.46	1,719.05
		20,121.81	24,726.70
b) Measured at amortised cost (refer note (b)(i) and (ii) below)			
- Trade receivables		69.12	13.26
- Cash and cash equivalents		300.69	495.47
- Loans to employees		8.11	31.86
- Inter-corporate deposits		-	417.35
- Security deposits		44.60	42.47
- Deposits with Banks		226.15	272.77
- Other financial assets		54.20	115.25
		702.87	1,388.43
Total financial assets (a+b)		20,824.68	26,115.13
Financial liabilities			
a) Measured at amortised cost (refer note (b)(i) and (ii))			
- Trade payables		244.01	183.57
- Security deposits		0.78	-
- Other financial liabilities		455.26	203.00
- Lease liabilities		542.66	562.80
Total financial liabilities		1,242.71	949.37

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

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

c) Following table describes the valuation techniques used and key inputs thereto for the level 3 financial assets as of 30 June 2022 and 31 March 2022 :

Financial assets	Valuation technique(s)	Significant Unobservable input range	Inter-relationship between significant unobservable input and fair value measurement
Investment in equity/preference instruments of other entities			
Mobisy Technologies Private Limited, Legistify Services Private Limited, Mynd Solutions Private Limited, Zunyo Consulting Private Limited and Fleetx Technologies Private Limited	Market multiple approach	0.7x-8.3x	The estimated fair value of Investment in Other entities will Increase/ (decrease) if the Market multiple is higher/ (lower)

Sensitivity

For the fair value of investment in other entities, reasonably possible changes in Market Multiple by 250 basis points at the reporting date being a significant unobservable inputs, would have the following effect*

	For the year ended 31 March 2022
+2.5% change in Market Multiple	32.48
-2.5% change in Market Multiple	(20.15)

* For the quarter ended 30 June 2022, there is no significant change in the sensitivity analysis disclosed above for investment made in other entities.

d) Reconciliation of level 3 fair value measurements

	Investment in equity/preference instruments of other entities	
	For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
Opening balance	1,719.05	99.99
Gain recognised in profit or loss	33.33	-
Additions	75.00	12.90
Disposals/Extinguishment	(0.92)	-
Closing balance	1,826.46	112.89

e) During the quarter ended 30 June 2022 and 30 June 2021, there were no transfer due to re-classification into and out of Level 3 fair value measurements.



32 Segment information

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

Pursuant to acquisition of Busy Infotech Private Limited and Finlite Technologies Private Limited, in the current quarter, the Group has identified two business segments namely "Web and related Services" and "Accounting Software Services" as reportable segments based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems.

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

Segment accounting Policies

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

(a) Segment revenue and expenses

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

(b) Segment assets and liabilities

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

Financial information about the business segments for the period ended 30 June 2022 and 30 June 2021 is as follows:

	Web and related services	Accounting Software services	Total	Web and related services	Total
	For the quarter ended 30 June 2022	For the quarter ended 30 June 2022	For the quarter ended 30 June 2022	For the quarter ended 30 June 2021	For the quarter ended 30 June 2021
Revenue from operations from external customers	2,140.48	105.33	2,245.81	1,816.38	1,816.38
Inter-segment revenue	-	-	-	-	-
Segment revenues	2,140.48	105.33	2,245.81	1,816.38	1,816.38
Segment results	597.38	44.68	642.06		886.13
Finance Cost			(12.32)		(14.11)
Depreciation and Amortization			(63.12)		(31.82)
Other income			10.03		293.95
Profit before share of loss of associate and tax			576.65		1,134.15
Share of loss of an associate			(69.66)		(14.82)
Profit before tax			506.99		1,119.33
Tax expense			40.01		240.25
Profit for the period			466.98		879.08

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	Web and related services	Accounting Software services	Total	Web and related services	Total
	For the quarter ended 30 June 2022	For the quarter ended 30 June 2022	For the quarter ended 30 June 2022	For the quarter ended 30 June 2021	For the quarter ended 30 June 2021
India	2,118.10	99.95	2,218.05	1,799.10	1,799.10
Others	22.37	5.39	27.76	17.29	17.29
	2,140.47	105.34	2,245.81	1,816.39	1,816.39

Non-Current Assets*	Web and related services	Accounting Software services	Total	Web and related services	Total
	As at 30 June 2022	As at 30 June 2022	As at 30 June 2022	As at 31 March 2022	As at 31 March 2022
India	638.39	5,097.67	5,736.06	603.36	603.36
Others	-	-	-	-	-
	638.39	5,097.67	5,736.06	603.36	603.36

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

No single customer represents 10% or more of the Group's total revenue for the period ended 30 June 2022 and for the period ended 30 June 2021, respectively.

Segment assets and liabilities

	Web and related services	Accounting Software services	Unallocable	Total
Segment assets	17,963.82	6,206.73	5,269.35	29,439.90
Segment liabilities	10,673.62	728.24	-	11,401.86



33 Related party transactions

i) Names of related parties and related party relationship:

a) Entity's subsidiaries

Hello Trade Online Private Limited
Tradezeal Online Private Limited
Televo Online Private Ltd
Pay With Indiamart Private Limited
Busy Infotech Private Limited (with effect from 06 April 2022)
Finlite Technologies Private Limited (with effect from 23 May 2022)
Livekeeping Private Limited (Subsidiary of Finlite Technologies Private Limited, with effect from 23 May 2022)

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 (administered Trust to manage employees share based payment plans of the company)
Indiamart InterMesh Employees Group Gratuity Assurance Scheme (administered Trust to manage post-employment defined benefits of employees of the company)
Simply Vyapar Apps Private Limited (Associate)
Ten Times Online Private Limited (Associate)
Trucklull Private Limited (Associate)
Shipway Technology Private Limited (Associate)
Agillos E-Commerce Private Limited (Associate)
Edgewise Technologies Private Limited (Associate)
IB Monotaro Private Limited (Associate)
Adansa Solutions Private Limited (Associate)

ii) Key management personnel compensation

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

	For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
Short-term employee benefits	38.51	37.71
Post-employment benefits	-	0.03
Employee share based payment	3.92	0.82
	42.43	38.56



33 Related party transactions (Cont'd)

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

Particulars	For the quarter ended 30 June 2022	For the quarter ended 30 June 2021
Entities where KMP and Individuals exercise Significant influence		
<u>Expenses for rent</u>		
Mansa Enterprises Private Limited	0.46	0.53
Director's sitting fees	1.26	0.80
Associates		
<u>Investment in associates</u>		
Truckhall Private Limited	75.00	110.10
Shipway Technology Private Limited	-	182.00
Simply Vyapar Apps Private Limited	39.78	-
Adansa Solutions Private Limited	137.50	-
<u>Web & Advertisement services provided to</u>		
Simply Vyapar Apps Private Limited	2.96	0.25
<u>Internet and online services availed</u>		
Ten Times Online Private Limited	-	0.10
<u>Miscellaneous services provided to</u>		
Simply Vyapar Apps Private Limited	-	0.43

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 for the quarter 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

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

Balance Outstanding at the period end	As at 30 June 2022	As at 31 March 2022
<u>Loans</u>		
Manoj Bhargava	-	1.50
<u>Investment in associates (At cost)*</u>		
Simply Vyapar Apps Private Limited	967.30	927.52
Ten Times Online Private Limited	0.93	0.93
Truckhall Private Limited	110.10	110.10
Shipway Technology Private Limited	182.00	182.00
Agillos E-Commerce Private Limited	260.00	260.00
Edgewise Technologies Private Limited	133.45	133.45
IB MonotaRO Private Limited	1,041.77	1,041.77
Adansa Solutions Private Limited	137.50	
<u>Deferred Revenue</u>		
Simply Vyapar Apps Private Limited	-	1.01

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



Indiamart Intermesh Limited**Notes to Condensed Consolidated Interim Financial Statements for the period ended 30 June 2022**

(Amounts in INR million, unless otherwise stated)

34 Business Combination**a) Acquisition of Busy Infotech Private Limited ("Busy Infotech")**

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

The acquisition has been consummated on April 6, 2022 and the Group has paid INR 5,000 million in cash.

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

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

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

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

Goodwill is non tax deductible and has been allocated to the Accounting Software Services segment.

Acquisition- related costs

The Group has incurred INR 38.79 million towards acquisition related costs. These amounts have been included in other expenses in the condensed consolidated interim statement of profit or loss for the period ended June 30, 2022.

The operations of Busy Infotech have been consolidated in the condensed consolidated financial statements of the Group from April 1, 2022 for convenience purposes as the transactions between April 1, 2022 and April 5, 2022 were not material. In the period ended June 30, 2022, Busy Infotech contributed revenue of INR 105.15 million and Profit of INR 40.01 million to the Group's result.

The Group is in the process of making a final determination of the fair value of certain assets and liabilities. Finalization of the purchase price allocation may result in certain adjustments to the above allocations.

In addition to the purchase consideration, INR 28 million is payable to certain Business Advisors over a two-year period. Payment of this amount is contingent upon these service providers continuing to be the advisors of the Group during the stipulated period mentioned in the agreement. This consideration is being accounted for as post acquisition expense.



Indiamart Intermesh Limited**Notes to Condensed Consolidated Interim Financial Statements for the period ended 30 June 2022**

(Amounts in INR million, unless otherwise stated)

b) Acquisition of Finlite Technologies Private Limited ("Finlite Technologies")

On March 25, 2022, the Group has signed Share subscription and Share purchase agreement (SSSPA) for acquiring 51.01% equity interest in Finlite Technologies Private Limited ('Finlite') by way of purchase of 2,147 equity shares from existing shareholder of Finlite for a consideration of INR 110 million and by subscribing 6,843 fresh Compulsory Convertible Preference Shares (CCPS) for INR 350 million. Finlite is engaged in the business of providing technology related services, web development and mobile applications along with other services. Company is the owner of 'Live keeping', a mobile application that allows users to access their Tally data. This investment is in line with the Company's long term objective of offering various Software as a Service ('SAAS') based solutions for businesses.

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

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

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

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

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

Goodwill is non tax deductible and has been allocated to the Accounting Software Services segment.

Acquisition-related costs

The Group has incurred INR 1.91 million towards acquisition related costs. These amounts have been included in other expenses in the condensed consolidated interim statement of profit or loss for the period ended June 30, 2022.

The operations of Finlite Technologies have been consolidated in the condensed financial statements of the Group from May 31, 2022. In the period ended June 30 2022, Finlite Technologies contributed revenue of INR 0.18 million and Loss of INR (4.00) million to the Group's result.

The Group is in the process of making final determination of the fair value of certain assets and liabilities. Finalization of the purchase price allocation may result in certain adjustments to the above allocations.



35 Contingent liabilities and commitments

a) Contingent liabilities

	As at 30 June 2022	As at 31 March 2022
(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 Toleso 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 believes that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the consolidated financial statements for tax demand raised.		
(b) In respect of Assessment year 2017-18, a demand of INR 242.99 million was raised on Toleso Online Private limited due to addition of income relating to receipts of securities premium against share allotment made to IndiaMART InterMESH Limited. The Company is contesting the demand and the management believes that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the consolidated financial statements for tax demand raised.		
(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 2022.		
(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 2022, the Group has Nil capital commitment (31 March 2022: Nil).

36 Investment in associates

The Group has investment in associates as on 30 June 2022 (Refer Note 7). The aggregate summarised financial information in respect of the Group's associates accounted for using the equity method is as below:

	30 June 2022	31 March 2022
Carrying value of the Group's interest in associates	2,597.89	2,490.27
The Group's share in loss for the period in associates	(69.66)	(122.49)

37 Events after the reporting period

a) The Group has evaluated all the subsequent events through 21 July 2022, which is the date on which these condensed consolidated financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the condensed consolidated financial statements.

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: 2022.07.21
15:26:10 +05'30'

Kanika Kohli

Partner

Membership No.: 511565

Place: Gurugram

Date: 21 July 2022

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

Dinesh Chandra Agarwal

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

Brijesh Kumar Agrawal

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

Prateek Chandra

Prateek Chandra
(Chief Financial Officer)

Manoj Bhargava

Manoj Bhargava
(Company Secretary)

Place: Noida
Date: 21 July 2022

