

# WHAT'S INSIDE...



## COMPANY OVERVIEW

| 01-18

2019-20 Key Highlights	01
IndiaMART – An Entity Designed to Transform	03
Our Transformational Approach	05
Promoting Ease of Doing Business	06
How we are Enabling Transformation	08
Driving Empowering Change	09
Financial Highlights	12
Letter to Stakeowners	13
Impact of Transformation	14
Board of Directors	16
Management Team	17
Corporate Information	18



Page# 05  
Our Transformational Approach



## STATUTORY REPORTS

| 19-86

Management Discussion & Analysis	19
Board's Report	21



Page# 13  
Letter to Stakeowners



## FINANCIAL STATEMENTS

| 88-207

Standalone	88
Consolidated	148



Page# 14  
Impact of Transformation



To learn more about the Company, visit: <http://investor.IndiaMART.com/index.htm>

To download the IndiaMART app on your phone, scan the QR code:

IOS



ANDROID



# 2019-20 KEY HIGHLIGHTS



## Total Income

₹ 7,074 million  
29% ↻



## Deferred Revenue

₹ 6,853 million  
17% ↻



## EBIT

₹ 1,478 million  
89% ↻  
23% EBIT Margin



## Cash & Investments

₹ 9,307 million  
36% ↻



## Total Revenue from Operations

₹ 6,389 million  
26% ↻



## EBITDA

₹ 1,689 million  
105% ↻  
26% EBITDA Margin



## Cash Generation

₹ 2,606 million  
2% ↻



## Net Profit

₹ 1,474 million  
635% ↻

(y-o-y growth)  
(On consolidated basis)

**IndiaMART, the first and largest B2B digital marketplace in the country, today stands out as a game-changer on the B2B landscape.**

Led by our vision of a new and more empowered tomorrow, we are at the forefront of an all-encompassing transformation in the way businesses function – across verticals, segments and geographies.

With ease of doing business emerging as a key index of growth in the ever-expanding digital landscape, we are strategically focussed on catalysing a continuous and impactful shift in the marketplace.

Driven by our sustained focus on integrating the Small and Medium Businesses (SMEs) into the new paradigm with speed and ease, we are constantly pushing the frontiers of innovation to make the online marketplace more accessible, visible and engaging to them.

At IndiaMART, we believe not just in propelling change but in creating a transformational eco-system, and facilitating the seamless shift of businesses from offline to online. We are committed to equipping businesses to embrace the power of digitalisation – thus empowering them to become equal partners in the nation's progressive journey!



# INDIAMART – AN ENTITY DESIGNED TO TRANSFORM

**‘BADA AASAAN HAI’ (It’s so easy!) – This new business ethos of IndiaMART captures the essence of our transformational ability. It endorses our strategy of facilitating the digitalisation of businesses, particularly the small and medium enterprises, to help them reap the benefits of the dynamic and fast-paced transformation in the marketplace.**

As an entity structured to transform enterprises, we are continuously endeavouring to create an enabling environment for the digitally marginalised MSMEs to scale up their businesses. In the process, we are scaling up India’s business eco-system to align it

with the transforming global business landscape.

Our deep understanding of the evolving market and consumer trends plays a pivotal role in steering our strategy. By leveraging technology to aid

buyers and suppliers in overcoming the barriers of education, language and geographical borders, we provide them with the ease and convenience needed for transitioning from the traditional physical to the modern digital marketplace.

## TRANSFORMATION IMPACT IN NUMBERS

67million

Product listings

100,000+

Categories

6million

Supplier storefronts

102million

Registered Buyers

748million

Total traffic

(As of March 31, 2020)



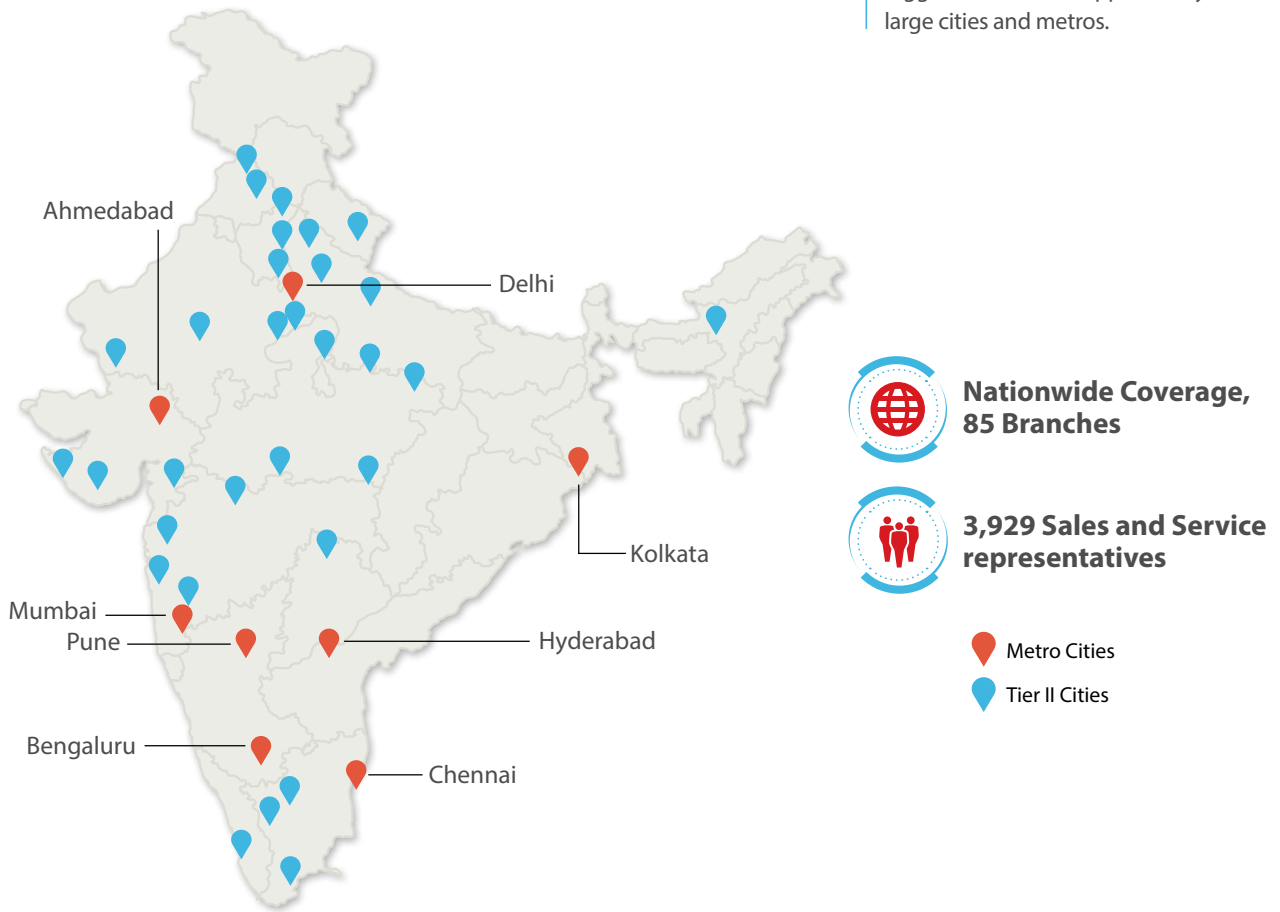
**DE-RISKED GROWTH STRATEGY**

With our diversified presence across Metro Cities, Tier II Cities and the Rest of India, we are able to minimise the impact of region-specific risks on our

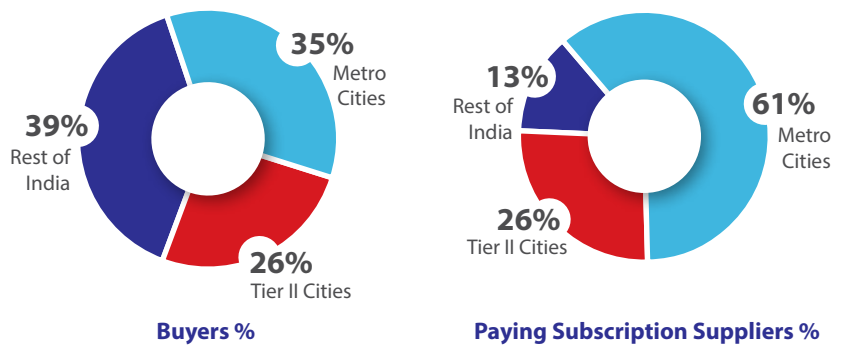
business. We have prudently focussed on deeper penetration in the Tier II and III markets, as a result of which 8 Metro cities now account for just about 35% of our buyer base. The small villages and

tehsils, as well as districts across India, is where we are witnessing greater traction, clearly underlining the fact that buyers across segments and regions repose their trust and confidence in our ability to catapult their businesses to the next level of growth with our exciting mix of product diversity and unmatched price proposition. This is naturally creating a bigger market for suppliers beyond the large cities and metros.

**PAN-INDIA PRESENCE**



**DIVERSIFIED BUYERS ACROSS GEOGRAPHIES**



This de-risked and differentiated business model is helping us in continuously leveraging the existing and emerging market opportunities, led mainly by digitalisation and MSME growth. We have crafted our offerings to meet the demands of the digitalised marketplace in a cost-competitive, transparent and secure environment.

- Metro Cities (8)**  
Delhi NCR, Mumbai, Bengaluru, Hyderabad, Kolkata, Ahmedabad, Pune and Chennai
- Tier II Cities (69)**  
Population > 500,000 excluding the cities covered under Metros
- Rest of India (~4,000)**  
~4,000 cities in India with population <500,000

# OUR TRANSFORMATIONAL APPROACH

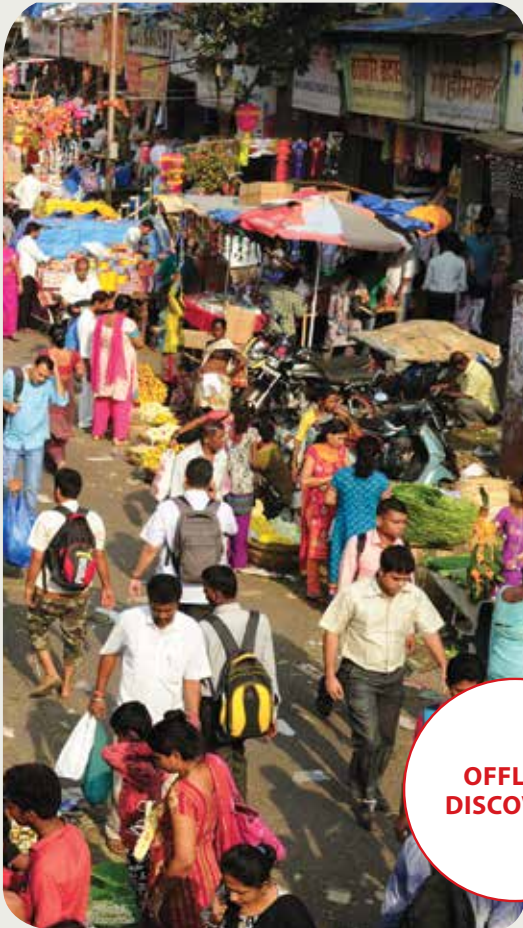
## CHANGING THE PERCEPTION – FROM TRADITIONAL TO ONLINE MARKETPLACE

Our transformational strategy is rooted in our ability to bring more and more people into the ambit of the digital biosphere, to facilitate their changeover from the traditional offline to the

new online marketplace. We realise that there is no bigger marketing tool than the word of mouth, and the recommendations of our happy and satisfied early users. The SMEs who are already on board our platform are thus our ambassadors, propagating the new digital medium vis-à-vis the traditional

mercantile business environment. This approach is propelled by a strong focus on persuasion in contrast to hardcore marketing. It has helped us scale growth multi-fold – taking our buyer base to 102 million registered buyers in just over two decades since inception.

At IndiaMART, we have structured our strategic approach around the key drivers of customer persuasion, delivering ease of business, as well as utilisation of industry-leading methodologies and best-in-class tools to facilitate customer empowerment.



**OFFLINE  
DISCOVERY**

**ONLINE  
DISCOVERY,  
ANYTIME,  
ANYWHERE**



# PROMOTING EASE OF DOING BUSINESS

To promote ease of doing business in the new digital business environment, we offer users a diversified bouquet of products and solutions, with uninterrupted 24X7 online access to our platform. We make it easy for buyers to transcend the constraints of the conventional local marketplace, and help them discover the right set

of offerings at the right price and time. We facilitate them in finding the most responsive sellers across India.

For the suppliers, our breakthrough solutions in lead generation, lead management and payment solutions are opening a host of additional avenues to enhance their Return on Investment

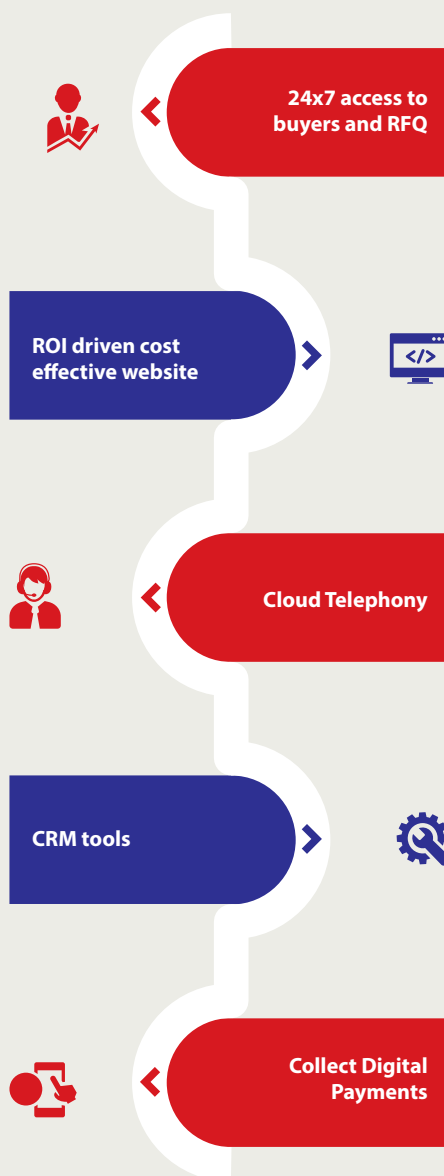
(RoI). By providing them a flawless and smooth buyer interface, we are helping suppliers ingress new markets that offer a ready buyer base, thus helping them take their growth to new levels, that were not possible in the traditional offline business model.

## SERVICES THAT EMPOWER BUSINESSES

### BUYERS



### SUPPLIERS

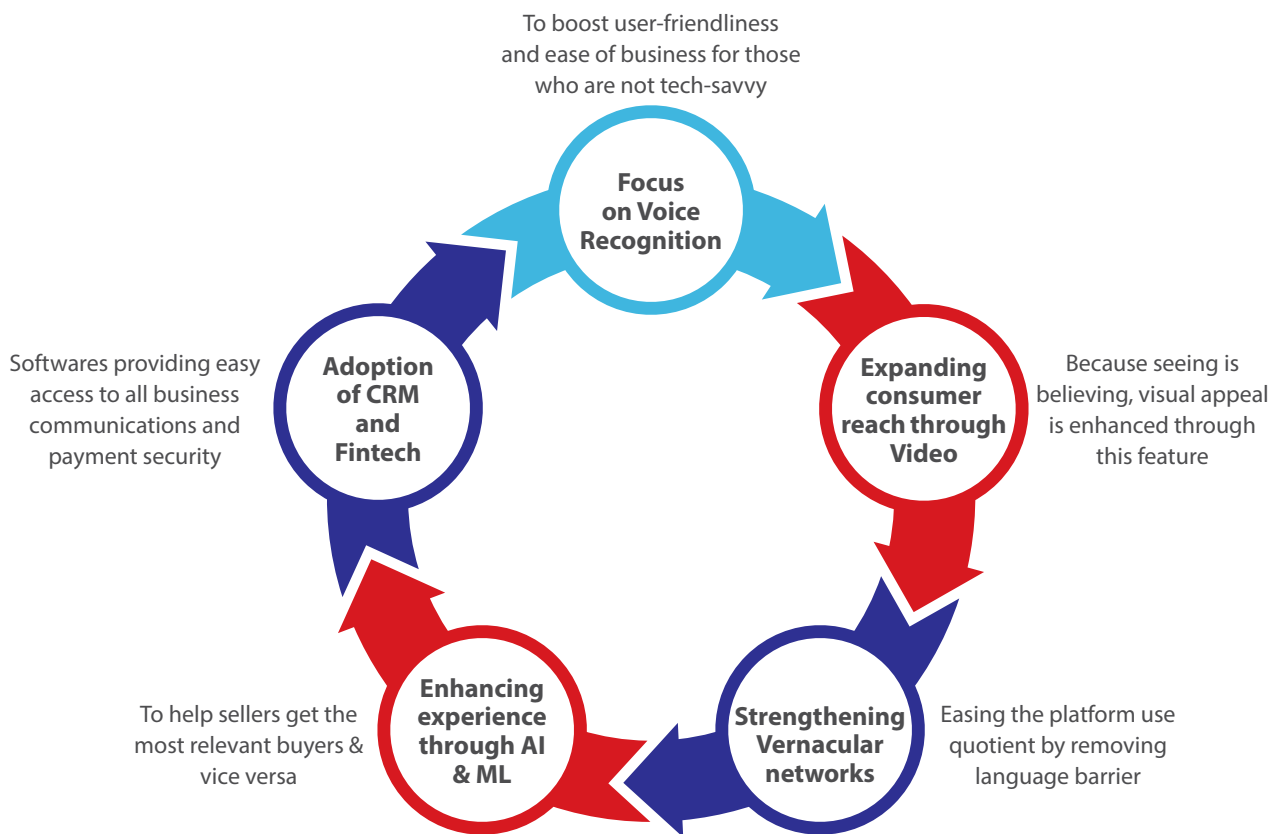


Today, with 1 in every 15th Indian on-board its platform, IndiaMART is one of the largest BPEM (Business Process Enabling Marketplace) players, providing the users with integrated CRM services along with their offerings. This platform offers unprecedented growth opportunities which goes way beyond the traditional business models of entities.

**IT'S EASY TO BECOME BIG WITH INDIAMART!**

Our strategic focus on enabling ease of doing business resonates with our brand promise. With the roll-out of our refreshed brand identity of 'Bada Aasaan Hai' during FY 2019-20, we further augmented the ease of the user quotient of our platform. We made it even easier for both suppliers and buyers to expand their business, underscoring the message that 'Bada banna bhi bada aasaan hai!' (It's very easy to become big with IndiaMART).

Our refreshed brand promise spans multiple layers, underscoring our inclusive and empowering business strategy. Aimed at establishing IndiaMART as a brand that is synonymous with the concept of ease of use, this promise is aligned with our long-term mission to make doing business easy for millions of Indian enterprises – small, medium and large – by empowering them with tech-enabled, easy and cost-effective solutions.



**SIMPLIFYING & SECURING THE PAYMENT INTERFACE**

Besides simplifying the systems and processes involved in facilitating business activity on the IndiaMART platform, we are also continuously enhancing our efforts

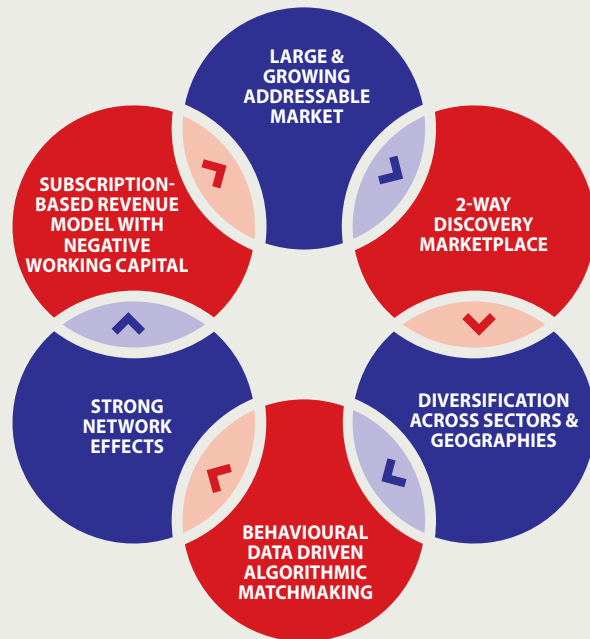
to protect the payment transactions of the users. The financial security and safety of buyers and suppliers is critical to the ease of doing business from the comfort of their homes and offices. With 'IndiaMART Payment Protection' and

'Pay with IndiaMART' combined to give a unified payment experience, the buyer now gets 100% payment protection when making any payment via the latter. The supplier also has the benefit of simplified and safe payment transactions.

# HOW WE ARE ENABLING TRANSFORMATION

## OUR METHODOLOGY

Our business model is founded on multiple cornerstones of holistic change. We have created a 2-way digital discovery marketplace where buyer preferences and needs are easily matched with the seller's products and solutions to achieve the perfect product and market fit.



## OUR TOOLS

Driving our change strategy is a combination of our futuristic vision and our ability to harness disruptive technologies to deliver a seamless digital experience. This translates into an array of products and services for users and suppliers, eventually leading to a multitude of benefits for both with total ease and simplicity.

### 1

A personalised buyer experience and superior behaviour-data based analytics

### 2

A platform for business buyers to discover products & services, and contact suppliers of such business products & services

### 3

An effective and trusted platform to help suppliers leverage the power of Internet to increase market reach and conduct commerce

Cumulatively, these offerings give IndiaMART a highly competitive edge as a trusted partner for an increasing number of users.

# DRIVING EMPOWERING CHANGE

Dinanath of Motihari (Bihar), who has a clothing business, was one of the Top 20 IndiaMART Voice Searchers of 2019. And not without a reason! The platform has helped him expand his fabric sourcing network beyond his small town to places as far as Kolkata (West Bengal) and Ludhiana (Punjab).

Tens of thousands of people like Dinanath are availing the benefit of our technological empowerment to grow their businesses across cities, and also within their own cities. By making it easy for them to take their businesses beyond borders, we have brought about a sweeping and impactful change in the lives of these small businessmen/

entrepreneurs, simply by establishing for them a powerful digital eco-system for conducting business. Digital empowerment is clearly a key imperative of our strategic focus, especially for the SMEs who find it difficult to become a part of the mainstream of India's internet revolution.

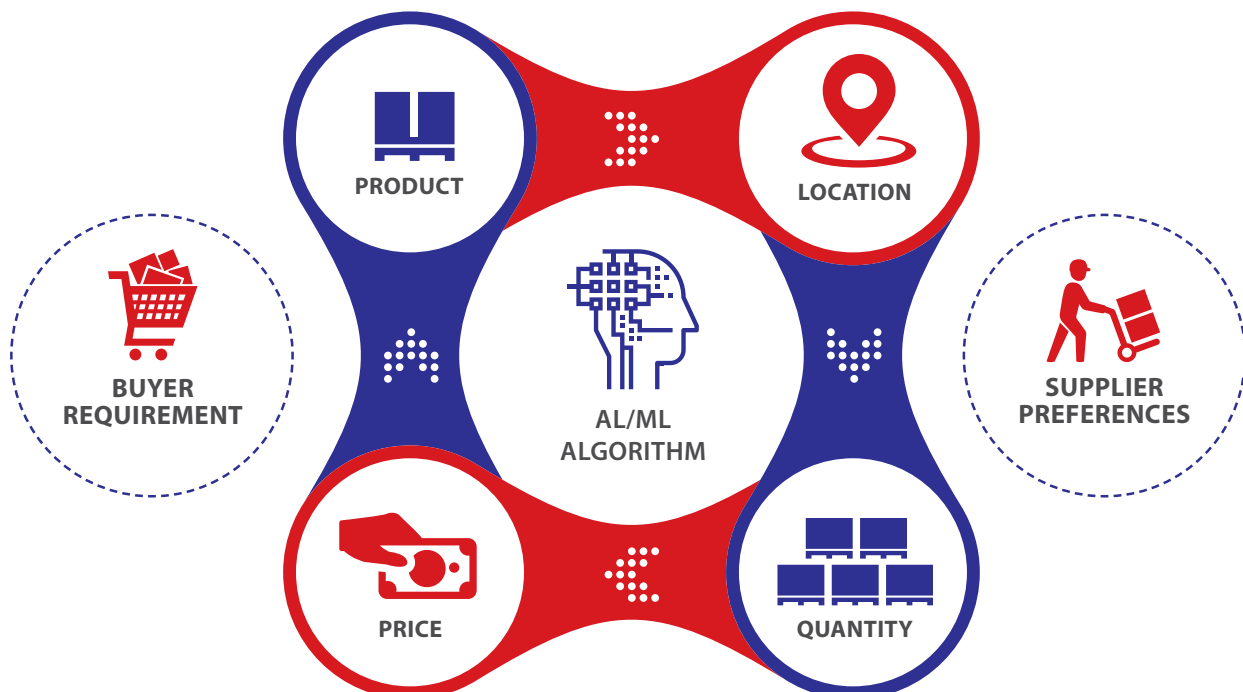
## LEVERAGING TECHNOLOGY TO EMPOWER

Armed with the latest Artificial Intelligence (AI) and Machine Learning (ML) tools, we successfully map buyer needs and match them with the most appropriate suppliers. We connect the buyers with those who we find to be

the most active and responsive to their queries and requirements, irrespective of their location and size. We use the latest technologies to assist buyers in finding the right product match, and aid the suppliers in getting the right market fit. With our AI-based matchmaking tools, we give them unprecedented scale of choice in finding the most cost-competitive match.

During FY 2019-20, AI/ML tools helped us achieve a whopping 1.3 million buyer-seller matchmakings every day, with an average of 39 million business enquiries delivered every month – a feat unimaginable in the offline mercantile model.

## BEHAVIOURAL DATA DRIVEN ALGORITHMIC MATCHMAKING



### LEAD MANAGEMENT SYSTEM

To create a more structured and efficient eco-system for ensuring a smooth buyer-seller interface, we have adopted the Lead Management System (LMS) as a one-stop solution for users to manage their leads. The platform is being used by approximately 2/3<sup>rd</sup> of our paying subscription suppliers to steer their journey of "Leads se Deal tak". It has transformed the transactional process from mere lead generation to enabling the buyers and sellers to talk to each other, thus giving them the power to manage their communication

seamlessly. The 10 million odd messages exchanged on the LMS platform every month underpin the extensive and successful adoption of this high-end tool by suppliers/buyers to change the very eco-system of their business operations.

With its ability to track conversations and engagement, LMS continues to facilitate behaviour mapping, trends analysis and identification of best-fit solutions, to speed up the empowerment process. Our decision, a few years ago, to onboard large enterprises, which have since become an important pivot of our

growth, was the result of such mapping and analysis.

During FY 2019-20, we added a host of advanced features to augment our LMS platform. These included: Syncing Email Replies to LMS, Showing Call Logs Data, Smart Reply Templates, Extending Attachment Limit, and Filter Options. These new features have helped businesses achieve significant transformation in their operations, thus enabling them to improve their lives in unforeseen ways.

### AUGMENTING MOBILITY TO EMPOWER

In tandem with our new proposition of 'Bada Aasaan Hai', we continue to invest regularly in the IndiaMART mobile app to bring more and more of our suppliers and buyers on this platform. These investments are aimed at ushering in innovative and effective solutions, such as integrated voice search, instant messaging, GPS location capabilities etc. We believe that investing in our mobile platforms will increase our potential customer base and product choice, while promoting greater ease of doing business – an imperative in the new online market scenario, particularly in the post-COVID regime. Our Mobile platform is giving small businesses a simple way of getting past the hassles of the new work order and revive their business speedily.

76%

Total traffic through Mobile

4.7

Rating for App on Google Play Store

### THE VYAPAR INVESTMENT

As we moved aggressively to further ease the business environment in the post-IPO era, we realised that 24X7 connectivity was essential to transforming the marketplace in the

new regime more effectively. We have invested in Vyapar – a mobile-based accounting software that is designed to make the accounting process completely automated. This tech-enabled and cost-effective solution simplifies solving

of complex billing and accounting problems for SMEs, thus empowering them with a hands-on tool to stay on top of their business operations.

**EMPOWERED NETWORK**

Our empowering tools and processes enable us to drive Strong Network Effects, with faster product discovery and a growing community of buyers resulting in increased traffic inquiries and

more suppliers offering quality products. This, in turn, has the effect of further increasing the buyer base, thus enabling us to ensure sustained profitable growth and consistent value delivery to all our stakeholders.



Note: All figures are as of March 31, 2020, unless specified. 1. Calculated as (Q4 FY20 Quarterly Number)/3.

**464million**

Business inquiries delivered

↑ (Up from 449 million in FY 2018-19)

**₹42.27thousand**

Annualised Revenue per paying subscriber

↑ (Up from ₹ 38.37 thousand in FY 2018-19)

**147thousand**

Paying supplier subscribers

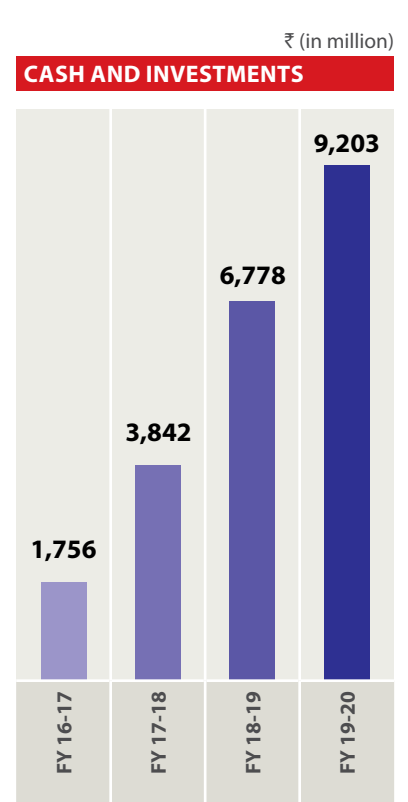
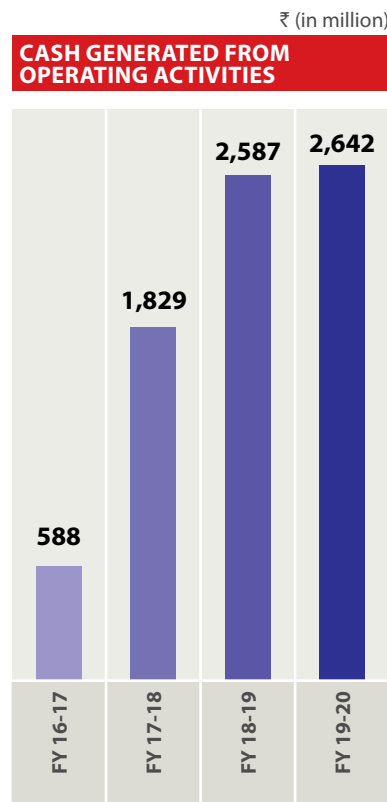
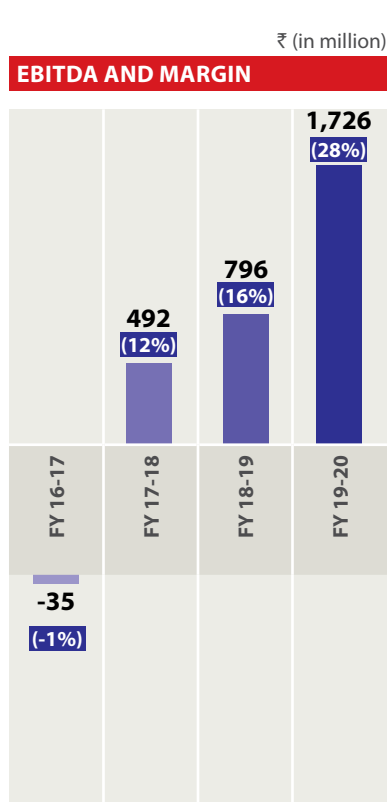
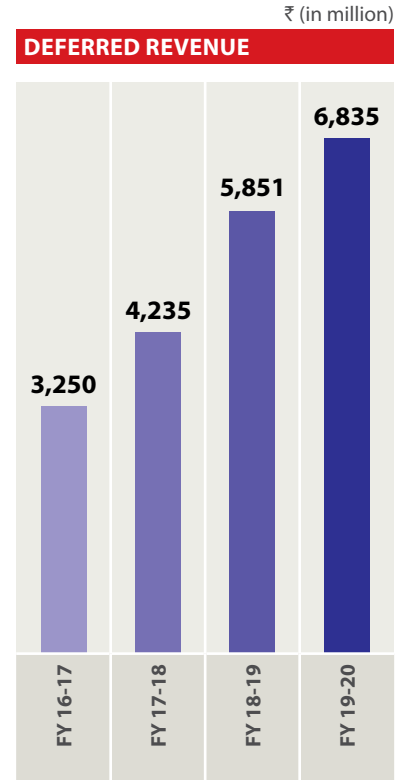
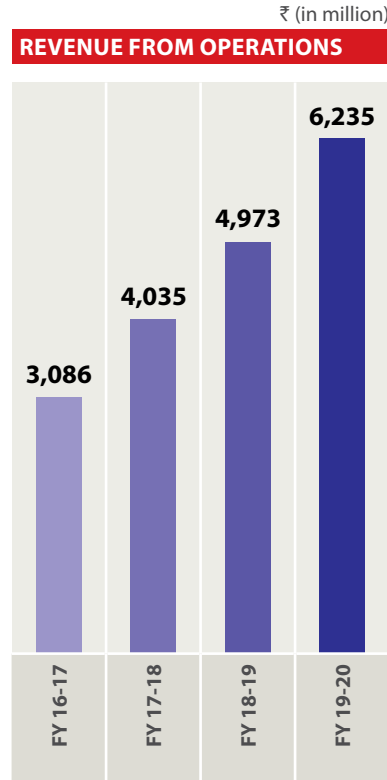
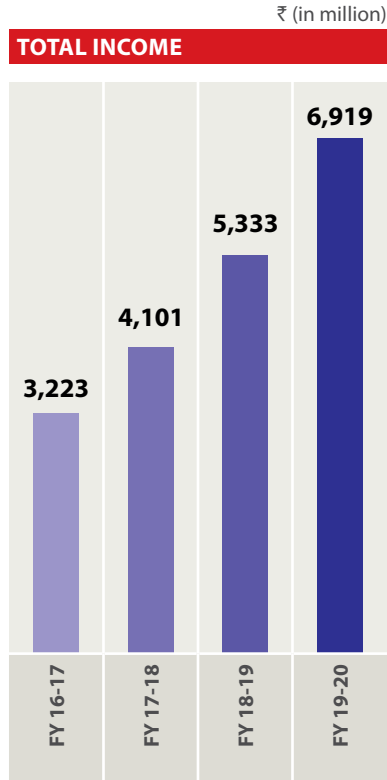
↑ (Up from 130 thousand as on 31<sup>st</sup> March 2019)

**EMPOWERING THE NATION**

As per the KPMG Google report on 'Impact of internet and digitisation of SMBs in India', just 32% SMEs in India were digitally connected in 2017, and 17% used internet for business purposes, as against 54% in the US and 89% in China. We, at IndiaMART, have committed ourselves to plugging this gap by bringing more and more MSMEs on our digital platform for quick and effectual promotion and growth of their businesses. With more than 6 million MSMEs now registered on IndiaMART, we are not only contributing significantly to their technological empowerment but also promoting a digital-ready ecosystem with level playing field for online and offline players. This, in turn, is powering equitable growth opportunities and creation of livelihoods. The force multiplier effect of these interventions is impactfully felt on the country's overall economic growth, of which SMEs/ MSMEs have emerged as a key propeller in recent years.

# FINANCIAL HIGHLIGHTS

(On standalone basis)



# LETTER TO STAKEOWNERS



IndiaMART's successful listing on the National Stock Exchange and Bombay Stock Exchange in 2019 was aligned to this commitment, as we further honed our growth strategy to become stronger and better.

## Dear Friends,

A satisfying journey in a challenging environment – that sums up FY 2019-20 for IndiaMART. Driven by our sustained focus on changing lives, we continued dedicatedly, through the year, to transform our vision for a better India into real, on-ground achievements. A series of notable milestones underscored the success of our concerted efforts to create value for every person whose life we touch, across the stakeholder fabric – from the Shareholders to Customers, to our Employees and the Community at large.

IndiaMART's successful listing on the National Stock Exchange and Bombay Stock Exchange in 2019 was aligned to this commitment, as we further honed our growth strategy to become stronger and better. Our decision to go public was rooted in our sustained focus on generating greater value for our shareholders, and was further motivated by their continued support and trust.

The post-IPO environment led to significant churn in our operational business environment, encouraging us to further enhance our customer proposition of enabling ease of doing business, particularly among small enterprises which have emerged as the backbone of the country's economic growth agenda. With the roll-out of our new brand promise of 'Bada Aasaan Hai', we have further simplified the procession of facilitating the growth of SMEs/MSMEs, to enable them to become big with total ease. In our quest to establish IndiaMART as a brand that is synonymous with the concept of ease of

use, we continued to invest judiciously in advanced technologies across platforms, to make the online digital business environment more affordable and accessible for the enterprises.

While the benefit of this approach percolates to every level of our huge database, the SMEs/MSMEs, with their low Internet penetration, stand out as the biggest beneficiaries of our approach. Our thrust remains on simplifying the business systems and processes for the SMEs to support their on-boarding on the e-commerce platform. Our mission is to create an empowered business ecosystem for the country, and we intend to invest more forcefully in Fintech and SaaS solutions to advance our goals, going forward.

We are fully cognisant of the criticality of our people in furthering our business strategy, and hence remain committed to nurturing the development and progress of our large base of employees. From learning interventions to motivational initiatives, our Human Resource policy is crafted to ensure the sustained growth and well-being of our people in a gender-neutral, transparent and positive environment. The fact that 121 of our employees have been with us for over 10 years validates the success of this approach. The COVID crisis brought in new challenges for employees and we are closely working with them to help them adapt to the new normal of working in the COVID era. We are encouraging them to take up online learning courses and develop new skills while working safely from home.

As a responsible corporate, we also remain steadfastly focussed on serving the bigger Community through our robust and well-formulated Social Responsibility framework. By helping the SMEs/MSMEs explore their unknown capacities and capabilities, we are enabling them to scale up their business and contribute exponentially to the nation's economic progress. We have also contributed to setting up computer centres in Purur and Thakore Schools with solar back-up, since neither of these institutions have power connectivity.

As we move ahead in our journey of collective long-term growth and progress, we shall continue to invest in the development of each of our stakeholders even more proactively, because we believe that their support and trust is vital to IndiaMART's continued success.

The journey ahead seems promising, notwithstanding the short-term pangs caused by the nationwide lockdown triggered by the global COVID pandemic. It is my sense that in the long run, the marketplace will see wider adoption of e-commerce, in particular by a growing expanse of small and medium businesses, amid the new normal that this unprecedented crisis has ushered in.

**Dinesh Agarwal**  
CEO

# IMPACT OF TRANSFORMATION

**At IndiaMART, we believe in measuring success not merely on the indices of financial growth and key numbers, but also through the impact of our business on the lives of people. Our business transformation charter is a multi-enabler that is facilitating far-reaching change in the overall ecosystem. Powerful interventions encompassing the Individual, the Community, the Society and the Nation, are steering this transformation at every step of our business odyssey.**



## **BREAKING BARRIERS TO UNLEASH TRANSFORMATION**

His lack of formal education, and his inability to write or type, may have proved a major hurdle to the growth of Shrikant's kitchenware and utensils business in the physical marketplace, but in the digital world, these have no relevance.

IndiaMART's multi-lingual Voice Search technology made it easy for Shrikant to expand his kitchenware and utensils business beyond the borders of his small town of Berhampur in Odisha, notwithstanding his unfamiliarity with the English language. It made it possible for him to find sellers across the country, through a simple voice search in his preferred languages of Hindi and Oriya – something he had never envisaged in the traditional physical marketplace.

Shrikant says that 90% of the time he gets the results he is looking for on IndiaMART's voice search platform. And with 100% of those orders getting successfully fulfilled, he has found new avenues to grow his business.

And Shrikant is not alone in finding merit in this platform. Our platform-agnostic voice search tool is benefiting millions of buyers expand the wings of their business into new territories, to find fresh vistas of growth, with total ease, cost-effectiveness and transparency.

**Shrikant Kumar**, Berhampur, Odisha  
One of the Top 20 IndiaMART Voice Searchers of 2019



## CHARTING TRANSFORMATION ACROSS BORDERS

Forty years of being in the footwear business did not bring to Kayvee Footwear the kind of growth he saw in IndiaMART's City Mapping within months of onboarding the platform. It made it easy for them to step out of their comfort zone within Delhi, to expand into new markets offering humungous potential for growth.

IndiaMART not only gave them easy and fast access to cities that showed ready presence of bulk buyers but also equipped them with the ability to quickly make inroads into new markets, which were beyond their reach in the old physical marketplace. It offered them new ground for testing their products in new cities, thus minimising the cost, time, effort and risk involved in expanding their business.

With IndiaMART, Kayvee have been empowered to attract customers in distant places, while giving buyers a wider choice in quality footwear. It has enabled them to overcome the barriers of education, language and geographies, in order to find the right market fit for their products in a simple, fast and efficient manner.

### **Kayvee Footwear**

*IndiaMart City Star Service*



## POWERING CONVENIENCE- LED TRANSFORMATION

For Dinesh Kumar, the decision to shift his Inflatable Bounce business from offline to the online model was not an easy one. For eight years, since the inception of his Balaji Inflatable, he had been travelling personally to find new buyers for his goods. But the leap of faith to IndiaMART's City Star Service turned out to be a boon, as it ushered in a new level of ease for his operational and functional activities.

No more running around in search of buyers for Dinesh. Now they contact him on their own, thanks to this affordable and simple service, which he finds easy to use, convenient and time-saving.

With the ease it provides for targetting selected city/area, the service has brought in an unprecedented level of growth opportunity for Dinesh's business. The increasing number of buyers who are now approaching him are not only facilitating greater returns but are also bringing in the promise of more profitability in the times ahead.

### **Dinesh Kumar Singh, Balaji Inflatable**

*IndiaMART City Star Service*

## BOARD OF DIRECTORS



**MR. DINESH CHANDRA AGARWAL**

*Managing Director and  
Chief Executive Officer*

**Education**

Bachelor's degree in Computer Science and Engineering from HBTI, Kanpur University

**Industry experience**

- Founded IndiaMART
- HCL America, Inc., Centre for Development of Telematics (C-Dot), CMC Limited



**MR. BRIJESH KUMAR AGRAWAL**

*Whole-time Director*

**Education**

Master's degree in Management Science from University of Lucknow and a PGDM from New Delhi

**Industry experience**

- Co-founded IndiaMART
- H N Miebach Logistics India Private Limited



**MR. DHRUV PRAKASH**

*Non-executive Director*

**Education**

Master's degree from Meerut University and a PGDM from IIM, Ahmedabad

**Industry experience**

- Korn/Ferry International Private Limited, Helion Ventures Private Limited, Hewitt Associates (India) Private Limited, Amar Dye-Chem Limited, DCM Toyota Limited



**MS. ELIZABETH LUCY CHAPMAN**

*Independent Director*

**Education**

Chartered Financial Analyst and a Bachelor's degree from Edinburgh University, United Kingdom

**Industry experience**

- DBS Bank Limited, Goldman Sachs International, The Welcome Trust Limited, Nahar Credits Private Limited, Wonga, ZestMoney



**MR. VIVEK NARAYAN GOUR**

*Independent Director*

**Education**

Bachelor's degree from the University of Bombay and an MBA from University of Delhi

**Industry experience**

- IL&FS, Tata Finance Limited, Genpact India, GE Capital Services India



**MR. RAJESH SAWHNEY**

*Independent Director*

**Education**

Bachelor's degree in Engineering from University of Delhi and a Master's degree in Management Studies from University of Bombay

**Industry experience**

- Reliance Capital Limited and Reliance Entertainment Limited, Times Internet, InnerChef, GSF Accelerator

# MANAGEMENT TEAM



**MR. DINESH GULATI**

*Chief Operating Officer*

**Education**

Bachelor's degree in Chemical Engineering from Kanpur University and an MBA from FMS, University of Delhi

**Industry experience**

- Kodak India Limited, Bharti Airtel, Reliance Communications, Indian Express



**MR. PRATEEK CHANDRA**

*Chief Financial Officer*

**Education**

Chartered Accountant and a Bachelor's degree from SRCC, Delhi University

**Industry experience**

- KPMG, Exl, HT Media Limited



**MR. AMARINDER SINGH DHALIWAL**

*Chief Product Officer*

**Education**

Bachelor's degree in Textile Technology from IIT Delhi and a PGDM from IIM, Ahmedabad

**Industry experience**

- Micromax, BCCL, Times Internet, SBI Capital Markets
- Founded 'Done by None'



**MR. MANOJ BHARGAVA**

*Senior Vice President (Legal and Secretarial), Company Secretary and Compliance Officer*

**Education**

BCom (H), an LLB from University of Delhi and an LLM from IP University, Delhi; and a Company Secretary from ICSI

**Industry experience**

- HT Media Limited, Varun Beverages Limited, Barista Coffee Company Limited, India Today Group

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Dinesh Chandra Agarwal**  
(DIN: 00191800)  
Managing Director and  
Chief Executive Officer

**Mr. Brijesh Kumar Agrawal**  
(DIN: 00191760)  
Whole-time Director

**Mr. Dhruv Prakash**  
(DIN: 05124958)  
Non-Independent and  
Non-Executive Director

**Ms. Elizabeth Lucy Chapman**  
(DIN: 06459440)  
Independent Director and  
Non-Executive Director

**Mr. Rajesh Sawhney**  
(DIN: 01519511)  
Independent Director and  
Non-Executive Director

**Mr. Vivek Narayan Gour**  
(DIN: 00254383)  
Independent Director and  
Non-Executive Director

## CHIEF FINANCIAL OFFICER

**Mr. Prateek Chandra**

## COMPANY SECRETARY AND COMPLIANCE OFFICER

**Mr. Manoj Bhargava**

## SECRETARIAL AUDITORS

Sanjay Grover & Associates  
Company Secretaries

## STATUTORY AUDITORS

BSR & Co. LLP  
Chartered Accountants

## REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited  
Noble Heights, 1<sup>st</sup> Floor,  
Plot No. NH-2, C-1 Block, LSC,  
Near Savitri Market, Janakpuri,  
New Delhi - 110058  
**Email:** delhi@linkintime.co.in  
**Website:** www.linkintime.co.in  
Tel: +011-49411000

## REGISTERED OFFICE OF THE COMPANY

1<sup>st</sup> Floor, 29-Daryaganj,  
Netaji Subash Marg,  
New Delhi-110002  
Tel: +91-11-49995600

## CORPORATE OFFICE OF THE COMPANY

IndiaMART InterMESH Limited  
6<sup>th</sup> Floor, Tower 2,  
Assotech Business Cresterra,  
Plot No. 22, Sec 135,  
Noida-201305,  
Uttar Pradesh, India

# MANAGEMENT DISCUSSION & ANALYSIS

Our overarching objective is to help transform the businesses, and empower the economy. Being India's largest B2B online marketplace, we make doing business easier for buyers & suppliers through our offerings, which include millions of products and services, convenient price discovery, intelligent connect and easy and secured payments.

Our business largely comes from small and medium enterprises (SMEs), which are among the most significant sustainable economic growth drivers in any country – and definitely so in India.

Our Company commands nearly 60% market share of the online B2B classifieds space in India, according to a 2017 report by KPMG-Google, titled 'Impact of Internet and Digitisation of SMBs in India'. We run one of the country's biggest online marketplaces connecting business products and services to the customers.

We see ourselves as a powerful catalyst of transformation for businesses, and help accelerate the shift from the traditional marketplace to a digitally-empowered new-age platform enabling businesses to grow.

Our business model sets into motion a cycle that begins with more products leading to faster product discovery, resulting in enhanced traffic, enquiries and a growing community of buyers; resulting in more suppliers with quality products listing on the marketplace.

## INTERNET ADOPTION BY MSMEs

In FY 2019-20, the Government of India planned to increase the contribution of micro, small and medium enterprises to 50% of India's GDP over the next five years, close to double from 29% at the time, and make the MSME sector a space for creating 150 million jobs. We see this as a roadmap to the very promising destination of India becoming a USD 5 trillion economy. The sector growth would undoubtedly be driven by digitalisation. The total MSME number in India doubled from 36.18 million in FY 2006-07 to 63.39 million in FY 2016-17.

Internet adoption by MSMEs is being driven by low data cost and higher penetration of low price, and entry level smartphones.

SMEs stand to benefit the most from this trend, as digitalisation pushes down the costs of communication, advertising, and rentals (since these small and medium businesses can set up digital storefronts rather than physical ones), and speeds up payment transactions.

(Source: <https://economictimes.indiatimes.com/small-biz/sme-sector/msmes-to-contribute-50-to-indias-gdp-provide-15-cr-jobs-in-5-years-gadkari/articleshow/70092226.cms>)

## DIGITALISATION IN THE TIME OF COVID-19

The huge significance of digitalisation was driven home like never before during the unprecedented global crisis caused by the novel coronavirus disease of 2019 (COVID-19), which felled national economies across continents in the first half of 2020. The COVID-induced lockdown badly hurt businesses that could not be categorised as 'essential services'. With work-from-home and social distancing measures possibly to stay in place throughout 2020, going online to increase their visibility is the need of the hour for SMEs, and we are at the forefront of giving them that visibility.

## GROWTH IN CLASSIFIEDS AND SEARCH MARKET

India's digital classifieds market is estimated to reach ₹ 77.1 billion by FY 2022. The B2B digital classifieds contribution is estimated to be ₹ 11.9 billion by FY 2022. With less than 20% India's MSMEs using the Internet for business purposes, against 54% in the US and 89% in China, there is substantial growth potential for the e-classifieds market. Online classifieds offer businesses a chance to connect with consumers at a low cost and get a measurable return on investment.

## DIVERSE CUSTOMER BASE AND REVENUE CHANNELS

We have a registered buyer base of ~100 million with 2/3<sup>rd</sup> of them coming from Tier 2, 3 & 4 cities, towns and villages of India. Our platform thus offers registered sellers the benefit of reaching out to a more diverse, newer customer base all across India. As physical activity may remain subdued after COVID-19, digital activity is likely to take its place, and Tier II, III, and IV cities offer a lot of promise.

Our online marketplace is free for buyers, and we earn the majority of our revenue through the sale of subscription packages to suppliers. These packages, offered on a monthly, yearly and multi-year basis, provide benefits like:

- Digital supplier storefront
- Priority listing
- Access to enquiries & requests for quotes (RFQs)
- Lead management system
- Online payment gateway

The subscription model offers huge benefits both to us and to our paying customers. For us, it ensures steady revenues & cash flow; and for sellers, the cost of doing business through our online platform is fixed, with no risk of sudden rise in costs and business loss due to market shut down.

(Source: <https://www.financialexpress.com/money/growth-of-tier-2-tier-3-cities-giving-a-big-boost-to-retail/1786372/>)

## OUR OPERATIONAL PERFORMANCE

### Our Financial Scorecard

Traffic grew to 748 million in FY 2019-20 from 723 million in FY 2018-19, an increase of 3% YoY. Total business enquiries delivered grew to 464 million from 449 million, a growth of 3%. Supplier Storefronts grew to 6 million in FY 2019-20, an increase of 8% YoY and paying subscription suppliers grew to 147 thousand, a growth of 14%.

The Company continued its growth despite the challenging business environment. Our focus on operational efficiency helped us improve our profitability in these times. During the year, our consolidated Total Revenue from Operations stood at ₹ 6,389 million, a growth of 26% growth YoY primarily due to an increase in number of paying subscribers as well as higher realisation from existing customers. Consolidated Deferred Revenue grew by 17% from ₹ 5,860 million in FY 2018-19 to ₹ 6,853 million in FY 2019-20 million, leading to much better visibility for revenues in future. Deferred revenue represents service fees received in advance and is generally non-refundable. However, due to COVID-19, we may foresee an increase in suppliers' refunds, going forward, leading to lesser growth in deferred revenue.

Consolidated EBITDA for FY 2019-20 was ₹ 1,689 million, representing margin expansion from 16% in FY 2018-19 to 26% in FY 2019-20, partly due to increase in revenues and adoption of Ind AS 116. Consolidated EBIT for FY 2019-20 was ₹ 1,478 million, representing a margin expansion from 15% in FY 2018-19 to 23% in FY 2019-20. Profit before tax for the year was ₹ 2,114 million, representing a Profit before tax margin of 30%. Net Profit was at ₹ 1,474 million. The Company generated consolidated Cash Flow from Operations of ₹ 2,606 million leading to Cash and Investments of ₹ 9,307 million as on March 31, 2020 as compared to ₹ 6,852 million on March 31, 2019, an increase of 36% YoY.

The Board has approved an interim dividend of 100% during the year on a face value of ₹ 10 per share, amounting to a net outgo of ₹ 10 per share excluding dividend distribution tax.

Going forward, we are hopeful to witness an improvement in macro economy, we remain committed to strengthen our business model and enhance value proposition for our customers.

### DIGITAL ECOSYSTEM INITIATIVES

During the year, we acquired a 26% stake in Vyapar, a mobile-based accounting software for small businesses. We led the Series A investment round in Simply Vyapar Apps Private Limited, the owner of Vyapar, of ₹ 360 million along with the participation of existing investors India Quotient and Axilor. This investment in Vyapar, which is solving complex billing and accounting needs of MSMEs in a simplified manner, is aligned with our long-term vision to make 'doing business' easy for millions of businesses by providing them with tech-enabled, fluid, and cost-effective solutions.

To further improve our core business of connecting buyers and sellers, we are using Machine Learning and Artificial Intelligence. With the help of data on buyer - supplier behaviour and preferences, we have managed to deploy algorithmic matchmaking. This ensures superior and efficient discovery of products and services and leads to enhanced buyer-supplier satisfaction and a consistently rising share of repeat buyers on the platform.

### PROCESS AUTOMATION AND COST SAVINGS

The IndiaMART.com search engine is optimised and personalised, and our Website is equipped with features such as predictive auto-suggest, multi-lingual voice search, and behavioural data-driven algorithm, which leads to user-friendly, precise, and efficient product discovery. Our mobile website and apps caters to substantial traffic on the mobile platform, which currently is at 76% of the total marketplace traffic.

We aim to focus on accomplishing our twin goals of cost optimisation and emphasising on customer retention to sustain revenue and profitability. We are taking number of initiatives to optimise cost by renegotiating contracts and adopting such other measures. We have made investments in bank fixed deposits and debt-oriented mutual funds to protect cash.

### GROWTH OUTLOOK

FY 2019-20 was a challenging year even for highly organised, lean, and tech-forward businesses such as ours. There was a slowdown in the global economy, mirrored by the Indian economy, the problem compounded by a related liquidity crisis and the difficulties faced by the SME segment in obtaining loans.

We saw a slower growth rate in net customer addition and average revenue per user. Overall user traffic remained flat, as the overall buyer sentiment across the nation remained cautious.

However, with small and large businesses increasingly adopting digital means to support business growth, we foresee a higher demand for B2B online classifieds. As MSMEs face huge challenges in transacting with offline counterparts, owing to a highly fragmented and unorganised B2B market, coupled with an under-developed commerce infrastructure, the market potential of this service is significant.

We will continue to focus on strengthening our cash position, looking for synergistic investments or acquisitions for bolstering our competitive position, and will look for partnerships with Fintech or SaaS opportunities to augment our value offerings. To capture the growing opportunity, we aim to increase the size of the marketplace, attract larger suppliers and leading brands, improve buyer experience, improve supplier engagement and invest in mobile platform and capabilities.

While our business has been impacted by external factors in the year under review and will very likely remained subdued in FY 2020-21 following the COVID-19 contagion, we foresee eventual recovery and significant success because digitisation of trade and transactions is an unstoppable phenomenon, and we have the business model, technology, and market positioning to optimise the gains from it.

# BOARD'S REPORT

Dear Member(s),

The Board of Directors of your Company take pleasure in presenting the 21st Annual Report on the business and operations of the Company together with audited Standalone & Consolidated Financial Statements and the Auditor's Report thereon for the financial year ended March 31, 2020.

## FINANCIAL PERFORMANCE

The financial performance of the Company for the year under review is detailed below:

(Amount in ₹ Million)

Particulars	Standalone		Consolidated	
	FY 2020	FY 2019	FY 2020	FY 2019
Revenue from Operations	<b>6,235.13</b>	4,972.75	<b>6,388.54</b>	5,074.17
Other Income	<b>684.12</b>	360.17	<b>685.91</b>	409.72
<b>Total Income</b>	<b>6,919.25</b>	5,332.92	<b>7,074.45</b>	5,483.89
Employee Benefit Expenses	<b>2,548.35</b>	2,217.24	<b>2,666.69</b>	2,299.83
Financial Cost	<b>32.83</b>	-	<b>32.83</b>	-
Depreciation and amortisation expenses	<b>209.15</b>	39.98	<b>211.45</b>	41.27
Net Loss on financial liability designated at FVTPL	-	652.63	-	652.63
Other Expenses	<b>1,960.28</b>	1,959.78	<b>2,032.88</b>	1,950.93
<b>Total Expenses</b>	<b>4,750.61</b>	4,869.63	<b>4,943.85</b>	4,944.66
Exceptional items	<b>68.79</b>	-	-	-
Share in Net Profit/(loss) of Associate	-	-	<b>(16.41)</b>	-
Profit/(Loss) before tax	<b>2,099.85</b>	463.29	<b>2,114.19</b>	539.23
Total Tax Expenses	<b>637.77</b>	337.36	<b>640.37</b>	338.79
Profit/(Loss) for the year	<b>1,462.08</b>	125.93	<b>1,473.82</b>	200.44
Other Comprehensive loss for the financial year	<b>(54.17)</b>	(6.81)	<b>(55.47)</b>	(7.36)
<b>Total Comprehensive income/(loss) for the financial year</b>	<b>1,407.91</b>	<b>119.12</b>	<b>1,418.35</b>	193.08
Earnings per Equity Share (INR) - Face value of Rs. 10/- each	<b>50.73</b>	4.87	<b>51.14</b>	7.75

Note: The above figures are extracted from the standalone and consolidated financial statements prepared in compliance with Indian Accounting Standards (IND AS). The Financial Statements of the Company complied with all aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act.

## REVIEW OF OPERATIONS

Your Company's revenue from operations reached ₹ 6,235.13 million during the year under review as against ₹ 4,972.75 million during the previous financial year, a growth of around 25.39% year on year. The total income increased by around 29.75% from ₹ 5,332.92 million in FY 2019 to ₹ 6,919.25 million in FY 2020.

Operating EBITDA, for the year, recorded an increase of around 117% over previous year and stood at ₹ 1,726.50 million in comparison with ₹ 795.73 million in FY 2019. Profit before tax (PBT) from ordinary activities (before exceptional items) is ₹ 2,168.64 million in FY 2020 as against ₹ 463.29 million in FY 2019.

## DIVIDEND

The Board of Directors (the "Board") has not recommend any final dividend for this financial year. The interim dividend of ₹ 10/- i.e. (100%) per Equity Share of face value of ₹ 10/- each on 28,919,820 Equity Shares declared by Board at its meeting held on March 03, 2020 shall be considered as final dividend for the financial year 2019-20.

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the top 500 listed entities based on market capitalization, calculated as on 31st March of every financial year, are required to formulate a Dividend Distribution Policy which shall be disclosed in their annual reports and on their websites. Accordingly, the Dividend Distribution Policy of the Company is enclosed as 'Annexure - 1'.

The Dividend Distribution Policy of the Company can also be accessed on the Company's website i.e. <http://investor.indiamart.com>

## TRANSFER TO RESERVES

The Company did not transfer any amount to reserves during the year.

## MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of your Company between the end of the financial year and date of this report.

As required under Section 134(3) of the Companies Act, 2013 ('the Act'), the Board of Directors informs the members that during the financial year, there have been no material changes, except as disclosed elsewhere in report:

- In the nature of Company's Business, and
- In the Company's Subsidiaries or in the nature of business carried out by them.

## INITIAL PUBLIC OFFER (IPO)

During the year the Company successfully made its Initial Public Offer (IPO) through offer for sale of 4,887,862 Equity Shares of ₹10/- each @ ₹ 973/- (including a share premium of ₹ 963/-) per Equity share, (with a discount of ₹ 97/- per share to employees at an offer price of ₹ 876/- per share on 10,000 Equity Shares) aggregating to ₹ 4,755.89 Million.

The Company's IPO saw overwhelming response. It was fully subscribed by the second day; and was oversubscribed by over 36 times by the end of the final day of bidding.

## SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on March 31, 2020, the Company has five Subsidiary Companies and one Associate Company:

### Subsidiaries:

- Tolexo Online Private Limited (TOPL)
- Ten Times Online Private Limited (TTOPL)
- Pay With Indiamart Private Limited (PWIPL)
- Tradezeal International Private Limited (TIPL)
- Hello Trade Online Private Limited (HTOPL)

### Associates:

- Simply Vyapar Apps Private Limited (Vyapar)

### Joint ventures: None

During the year, the Board of Directors ('the Board') reviewed the affairs of its subsidiaries and associates. In accordance with Section 129(3) of the Act, your Company has prepared the Consolidated Financial Statements of the Company and all its subsidiaries and associates.

Performance and Financial Position of the Subsidiary(s) and Associate Companies

- Tolexo Online Private Limited was incorporated on May 28, 2014. The Company is primarily engaged in the

business of building a cloud-based solution for SME businesses to help them manage their business with increased efficiency. During the year under the review, its total income was ₹ 3.04 million. The net losses after taxation were ₹ 68.76 million.

- Ten Times Online Private Limited was incorporated on February 26, 2014, it is currently engaged in the business of operating www.10times.com, a platform for business events discovery and networking. During the year under the review, its total income was ₹ 128.28 million and the net profits after taxation was ₹ 8.81 million.
- Pay With Indiamart Private Limited was incorporated on February 07, 2017. The Company is engaged in the business of electronic payment facilitation mechanisms through internet based solutions & products, financial intermediation and services in connection with electronic payments and receipts, products, technologies, markets. During the year under the review, its total revenue was ₹ 29.27 million and net losses after taxation was ₹ 2.56 million.
- Tradezeal International Private Limited was incorporated on May 31, 2005. The Company is currently not actively engaged in any business; however, it is authorized to engage in certain business, including conducting domestic trade and international business facilitation, including sales, marketing, operational, technological, information processing and other trade and business related services.
- Hello Trade Online Private Limited was incorporated on July 03, 2008. The Company is currently not actively engaged in any business; however, it is authorized to engage in certain business, including conducting domestic trade and international business facilitation, including sales, marketing, operational, technological, information processing and other trade and business related services.
- Simply Vyapar Apps Private Limited was incorporated on March 08, 2018. The Company is engaged in the business of selling 'Vyapar' a Business Accounting Software made for Indian Small Businessmen to deal with invoicing, inventory, accounting needs, and much more. During the year under the review, its total revenue was ₹ 56.05 million and net losses after taxation was ₹ 54.22 million.

Pursuant to Section 129 (3) of the Act, 2013 and Ind - AS 110 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its subsidiaries and associates.

A statement containing the salient features of the financial statement of Subsidiaries and Associates in the prescribed format AOC-1 is attached as 'Annexure - 2' to this report. Further, the Company doesn't have any Joint Ventures, hence no information in this regard required to be furnished.

The Policy for determining material subsidiaries is available on the Company website i.e. <http://investor.indiamart.com>

In terms of provisions of Section 136 of the Act, 2013, separate audited accounts of the subsidiary Companies shall be available on website of the Company at <http://investor.indiamart.com>.

## PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public, during the year under review, within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, and no amount of principal or interest on deposits from the public was outstanding as on the date of Balance Sheet.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Board Diversity

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. Your Board comprises of experts in the field of Finance, Corporate Governance, technology in financial inclusion, Enterprise Management, People Management and Leadership skills. Your Company has also appointed a Woman Director on the Board.

In terms of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and under Part D, Schedule II to the said Regulation, a Board Diversity Policy has to be framed, and duly approved by Nomination and Remuneration Committee of the Board of Directors (NRC).

The Board Diversity Policy of the Company can be accessed on the Company's website i.e. <http://investor.indiamart.com>

### Details of Directors & Key Managerial Personnel (KMP)

S. No.	Name of Director/ KMP	Designation	Date of initial Appointment
1.	Mr. Dinesh Chandra Agarwal	Managing Director & Chief Executive Officer	September 13, 1999
2.	Mr. Brijesh Kumar Agrawal	Whole-Time Director	September 13, 1999
3.	Mr. Dhruv Prakash	Non-Executive Director	October 28, 2015
4.	Ms. Elizabeth Lucy Chapman	Independent Director	January 27, 2015
5.	Mr. Rajesh Sawhney	Independent Director	January 27, 2011
6.	Mr. Vivek Narayan Gour	Independent Director	April 30, 2018
7.	Mr. Prateek Chandra	Chief Financial Officer	April 30, 2015
8.	Mr. Manoj Bhargava	Senior Vice President (Legal & Secretarial), Company Secretary & Compliance Officer	June 04, 2018

Pursuant to Section 152 and other applicable provisions of the Act, read with the Articles of Association of the Company, one-third of the Directors, as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting (AGM). Consequently, Mr. Brijesh Kumar Agrawal (DIN: 00191760), is liable to retire by rotation at the ensuing AGM and being eligible may offer himself for re-appointment in accordance with provisions of the Act.

Mr. Rajesh Sawhney (DIN: 01519511) and Ms. Elizabeth Lucy Chapman (DIN: 06459440), the Independent Directors of the Company were appointed for a period of five years on September 23, 2015. Such term of appointment of the Independent Directors shall come to an end on September 23, 2020.

In view of the same, the Board of Directors on basis the recommendation of the Nomination and Remuneration Committee proposed to re-appoint Mr. Rajesh Sawhney and Ms. Elizabeth Lucy Chapman and as the Independent Directors of the Company for a second term of five years at the ensuing Annual General Meeting for the approval of the Members by way of special resolution. Brief details of Directors proposed to be appointed/re-appointed as required under Regulation 36 of the Listing Regulations are provided in the Notice of the Annual General Meeting.

None of the Directors of the Company have resigned from the office of Director of the Company during the year.

The Company has received necessary declaration from all the Independent Directors confirming that they meet the criteria of independence as laid down in Section 149(6) of the Act, 2013 and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

Mr. Dinesh Chandra Agarwal, Managing Director & Chief Executive Officer, Mr. Brijesh Kumar Agrawal, Whole-time Director, Mr. Prateek Chandra, Chief Financial Officer and Mr. Manoj Bhargava, Senior Vice President (Legal & Secretarial), Company Secretary & Compliance Officer are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force). During the year, there was no change (appointment or cessation) in the office of KMP.

### Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

### Board Evaluation

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors.

The annual performance evaluation of the Board, its Committees and each Director has been carried out in accordance with the framework. The details of evaluation process of the Board, its Committees and individual Directors, including Independent Directors have been provided in the Corporate Governance Report which forms part of this Report.

### Familiarization Programme for Independent Directors

The Company familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programme at periodic intervals.

As a part of the ongoing familiarization process of the Company's Independent Directors were apprised, during and/or after quarterly Board Meetings, by the Managing Director and Chief Executive Officer and/or Whole-time Director about the operations of the Company, market scenario, governance, internal control processes and other relevant matters including strategy, important developments and new initiatives undertaken by the Company.

Further, the Senior Management Personnel made presentations on relevant topics including business, markets, controls, changes in the regulatory framework and business environment having an impact on the Company. The Directors also generally meet for reviewing the business of the Company prior to the official Board Meetings.

The details pertaining to Familiarization Programme for Independent Directors has been incorporated in 'Corporate Governance Report'.

### Independent Directors Meeting

As stipulated under Section 149(8) read with Schedule IV of the Act and Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors was held on May 11, 2019, without the attendance of Non-Independent Directors and members of the management, to review the performance of the Non-Independent Directors, various committees of the Board and the Board as a whole. The Independent Directors also review the quality, content, and timeliness of the flow of information from the management to the Board and its committees which is necessary to perform reasonably and discharge their duties. All the Independent Directors of the Company were present in the meeting.

### DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 134 of the Act your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, confirm that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the March 31, 2020 and of the profit and loss of the Company for the year ended March 31, 2020;
- c) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2019-20, 9 (Nine) Board meetings were held. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this report.

### NOMINATION AND REMUNERATION POLICY

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Act read with the Rules issued thereunder and the Listing Regulations. The Nomination and Remuneration Policy of the Company is enclosed as 'Annexure - 3' and the same can also be accessed on the Company's website i.e. <http://investor.indiamart.com>

### SHARE CAPITAL

During the year under review, the Company issued & allotted 182,814 Equity Shares of the Company pursuant to exercise of Employee Stock Options on May 27, 2019 and 145,000 Equity shares at an issue price of ₹10/- each to Indiamart Employee Benefit Trust on September 30, 2019. Pursuant to the above allotment, the issued & paid-up equity share capital of the Company increased to & stood, as on March 31, 2020, at ₹ 289,198,200/- divided into 28,919,820 Equity Shares of ₹ 10/- each.

The Company has not issued any sweat equity shares to its Directors or employees, during the year under review.

## LISTING OF SHARES

The Company's shares are listed on BSE Ltd. (BSE) & National Stock Exchange of India Ltd. (NSE) with effect from July 04, 2019, post its initial public offering (IPO). The annual listing fees for the financial year 2020-21 to BSE and NSE has been paid.

## COMMITTEES OF THE BOARD

The Company has several committees, which have been established as part of best corporate governance practices and comply with the requirements of the relevant provisions of applicable laws and statutes:

The Committees and their Composition are as follows:

### Audit Committee

- |    |                             |          |
|----|-----------------------------|----------|
| 1. | Mr. Vivek Narayan Gour:     | Chairman |
| 2. | Mr. Rajesh Sawhney:         | Member   |
| 3. | Mr. Dhruv Parkash:          | Member   |
| 4. | Ms. Elizabeth Lucy Chapman: | Member   |

### Nomination and Remuneration Committee

- |    |                             |             |
|----|-----------------------------|-------------|
| 1. | Ms. Elizabeth Lucy Chapman: | Chairperson |
| 2. | Mr. Rajesh Sawhney:         | Member      |
| 3. | Mr. Dhruv Parkash:          | Member      |

### Stakeholders' Relationship Committee

- |    |                            |          |
|----|----------------------------|----------|
| 1. | Mr. Vivek Narayan Gour:    | Chairman |
| 2. | Mr. Brijesh Kumar Agrawal: | Member   |
| 3. | Mr. Dhruv Parkash:         | Member   |

### Corporate Social Responsibility Committee

- |    |                             |        |
|----|-----------------------------|--------|
| 1. | Mr. Vivek Narayan Gour:     | Member |
| 2. | Mr. Rajesh Sawhney:         | Member |
| 3. | Ms. Elizabeth Lucy Chapman: | Member |

### Investment and Finance Committee

- |    |                             |        |
|----|-----------------------------|--------|
| 1. | Mr. Dinesh Chandra Agarwal: | Member |
| 2. | Mr. Brijesh Kumar Agrawal:  | Member |
| 3. | Mr. Dhruv Parkash:          | Member |

### Share Allotment Committee

- |    |                             |        |
|----|-----------------------------|--------|
| 1. | Mr. Dinesh Chandra Agarwal: | Member |
| 2. | Mr. Brijesh Kumar Agrawal:  | Member |
| 3. | Mr. Dhruv Parkash:          | Member |

### \*IPO Committee

- |    |                             |        |
|----|-----------------------------|--------|
| 1. | Mr. Dinesh Chandra Agarwal: | Member |
| 2. | Mr. Brijesh Kumar Agrawal:  | Member |
| 3. | Mr. Dhruv Parkash:          | Member |
| 4. | Mr. Vivek Narayan Gour:     | Member |

\*After successful listing of Equity Shares of the Company of Stock Exchanges on July 04, 2019. The IPO Committee was dissolved by the Board on July 31, 2019

Pursuant to recent amendment in Listing Regulations the powers, roles and terms of reference etc. of the relevant committees of the Board have been aligned and same are given in detail in the Corporate Governance Report of the Company, which forms part of this Report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted Corporate Social Responsibility (CSR) Committee in accordance with the provisions of the Act. The CSR Committee was constituted comprising of members of the Board of Directors of the Company. The Committee presently consists of three (3) Directors.

In accordance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formulated and posted CSR Policy on its website which may be viewed at <http://investor.indiamart.com>.

The Annual Report on CSR Activities undertaken by the Company, during the year under consideration, in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as 'Annexure – 4' to this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a separate section, forming part of the Annual Report.

## CORPORATE GOVERNANCE REPORT

Your Company always places a major emphasis on managing its affairs with diligence, transparency, responsibility and accountability. The Company continues to focus on building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz. integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values.

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Practicing Company Secretaries conforming compliance to the conditions of Corporate Governance as stipulated under Regulation 34(3) of the Listing Regulations, is also annexed to the Corporate Governance Report which forms part of this Report as 'Annexure – 5'.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a robust Vigil Mechanism and adopted a Whistle Blower Policy in accordance with provisions of the Act and Listing Regulations, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. In terms of the Policy of the Company, no employee of the Company has been denied access to the Chairman of the Audit Committee of the Board. During the year under review, no concern from any whistle-blower has been received by the Company. The Whistle Blower Policy is available on Company's Intranet along with other policies for easy access and information of Employees. It can also be accessed at the Company's website at <http://investor.indiamart.com>

## INTERNAL FINANCIAL CONTROLS

The Company's internal control systems are supplemented by an extensive internal audit program conducted by an independent professional agency. The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements and for maintaining accountability of assets. During the year, such controls were tested and no reportable material weaknesses in controls were observed.

## RISK MANAGEMENT

The Company has an effective risk management procedure, which is governed at the highest level by the Board of Directors. The Risk Management Policy identifies elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

The Audit Committee and the Board of Directors periodically review the risks involved, from time to time, and take appropriate measures to minimize the same.

Further, Regulation 21 of Listing Regulations, requires the Board of Directors of top 500 Companies determined based on market capitalisation, as at the end of the immediate previous financial year to constitute a Risk Management Committee.

In Compliance with the above provisions, at its meeting held on May 12, 2020, constituted Risk Management Committee of the Board as the Company falls under the list of top 500 Companies based on the market capitalisation as on March 31, 2020.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has not given any loan or provided any Guarantees or security to any person or entity as per in Section 186 of the Act, apart from investment made by the Company in securities of Simply Vyapar Apps Private Limited which was duly approved by the Audit Committee and Board. Please refer Note No. 7 of standalone financial statements.

Apart of the above, the Company has invested the surplus funds available in the units of mutual funds, tax-free bonds and debt securities, the details of which are provided in the standalone financial statement. Please refer Note No. 8 of standalone financial statements.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

With reference to Section 134(3)(h) of the Act, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year under review were on arm's length basis and in the ordinary course of business.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in Form AOC-2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Act, is appended as 'Annexure – 6' to this Report.

The statement showing the disclosure of transactions with related parties, such as payment of Directors' remuneration in compliance with applicable IND AS, the details of the same are provided in Note No. 34 of the Standalone Financial Statement. All related party transactions were placed before the Audit Committee and the Board for their approval.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available at <http://investor.indiamart.com>

## PARTICULARS OF EMPLOYEES

Disclosure pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) Ratio of the remuneration of each Director to the median remuneration of the employee's (MRE) and other details pursuant to Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: The aforesaid disclosure is annexed and forms part of this report as 'Annexure – 7'.
- b) Detail of every employee of the Company as required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: The aforesaid disclosure is annexed and forms part of this report as 'Annexure – 8'.
- c) No Director of the Company, including its Managing Director or Whole-Time Director, is in receipt of any commission from the Company or its Subsidiary Company.

## AUDITORS

### Statutory Auditor

During the year under review, B S R & Co. LLP, Chartered Accountants, (Firm Registration No: 101248W/W-100022)

were appointed as statutory Auditors of the Company at the Annual General Meeting of the Company held on September 25, 2019, for a term of 5 (Five) consecutive years, i.e. to hold office from the conclusion of the 20th Annual General Meeting till the conclusion of the 25th Annual General Meeting of the Company.

The report of the Statutory Auditor forms part of the Annual Report. The said report does not contain any qualification, reservation, adverse remarks or disclaimer.

#### Internal Auditor

Grant Thornton LLP who were appointed as the internal auditors of the Company for the financial Year 2019-20. They have conducted the internal audits periodically. Significant observations, if any, and follow-up actions thereon are reported by the Internal Auditor to the Audit Committee from time to time. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening the Company's risk management policies and systems. Grant Thornton LLP has been re-appointed as Internal Auditor for the financial year 2019-20.

#### Secretarial Auditor

M/s Sanjay Grover & Associates, Practicing Company Secretaries were appointed to conduct the Secretarial Audit of the Company for the Financial Year 2019-20, as required under Section 204 of the Act and Rules made thereunder. The Secretarial Audit Report for Financial Year 2019-20 is attached as 'Annexure - 9' to this Report. The report of Secretarial Auditor is self-explanatory and does not contain any qualification, reservation or adverse remark.

#### REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Auditors of the Company have not reported to the audit committee, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

#### EXTRACTS OF ANNUAL RETURN

Pursuant to Sub-Section 3(a) of Section 134 and Sub-Section (3) of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as on March 31, 2019 forms part of this report as 'Annexure - 10'.

The Company has uploaded the Annual Return referred to in Section 92(3), for the financial year ended March 31, 2020 on its website, which may be viewed at <http://investor.indiamart.com>.

#### PREVENTION OF SEXUAL HARASSMENT

Your Company is fully committed to uphold and maintain the dignity of women working in the Company and has

zero tolerance towards any actions which may fall under the ambit of sexual harassment at workplace. An Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been constituted and it presently comprises of six members out of which four members are women as on the date of this report.

The Company has framed the policy for Prevention of Sexual Harassment of Women at Workplace.

The following is a summary of sexual harassment complaints received and disposed-off during period under review:

No. of Complaints received	: 1
No. of complaints disposed-off	: 1
No. of cases pending for more than 90 days	: Nil
No. of Workshops or Awareness Programmes	: 147
Nature of action taken by the Company	: As the complaint was reported after 8 (Eight) months of the impugned incident. Therefore, it was not maintainable.

#### BUSINESS RESPONSIBILITY REPORT

Listing Regulations mandates, the top 1000 listed companies by market capitalization, to make Business Responsibility Report ("BR Report") part of their Annual Report describing the initiatives taken by the Company from an Environmental, Social and Governance perspective in the format specified by the SEBI.

The concept of Business Responsibility Report lays down nine (9) core principles which a Listed Company shall follow while undertaking its business operations. In terms of aforesaid Regulations, a separate section on "Business Responsibility Report" with a detailed compliance report forms part of this Annual Report and is given in 'Annexure - 11'.

#### EMPLOYEES STOCK OPTIONS & STOCK APPRECIATION RIGHTS

Your Company has always believed in motivating employees and rewarding them for their continuous hard work, dedication and support, which has led the Company on the growth path. In view of the above, the Company currently has the following two schemes:

##### i. Indiamart Employee Stock Option Scheme 2015 ("Indiamart ESOS 2015")

Pursuant to a resolution of Board of Directors dated June 8, 2015 and shareholders resolution dated September 23, 2015, the Company adopted the IndiaMART Employees Stock Option Scheme - 2015 ("IndiaMART ESOS 2015"), which governs all previous stock option schemes of our

Company, including Grant 2010, Grant 2012 and Grant 2013. The maximum Equity Shares that may be issued upon exercising of grants under the IndiaMART ESOS, 2015 should not exceed the aggregate of 5% of the expanded share capital of our Company and the existing pool of 15,16,216 options that were approved pursuant to the shareholder resolutions dated November 10, 2008 and October 27, 2012. However, pursuant to a resolution of our Board of Directors dated April 30, 2018, the IndiaMART ESOS 2015 was discontinued with respect to future grants of options.

Further, the shareholders at their meeting held on May 07, 2018 passed a resolution that 3,72,746 options, comprising the options under IndiaMART ESOS 2015 that had not been granted to eligible employees, will henceforth be governed by the IndiaMART ESBS 2018 (defined below). At the same meeting, the shareholders also approved Bonus of (1:1) to all Equity shareholders of the Company with appropriate adjustments on issue of bonus, to the outstanding options granted but not exercised by the option holders as on record date under IndiaMART ESOS 2015 and their respective exercise price so that such option holder gets the same shareholding to which they would have been entitled to as if, all such options had been exercised before the issue of such bonus shares.

Nomination and Remuneration Committee is authorized to administer the IndiaMART ESOS 2015 and is entitled to determine the terms of the stock options at the time of their grant. Accordingly, our Company issued stock options to eligible employees in 2015 ("Grant 2015"), 2016 ("Grant 2016") and 2017 ("Grant 2017").

## ii. Indiamart Employee Stock Benefit Scheme 2018 ("Indiamart ESBS 2018")

Pursuant to a resolution of Board of Directors dated April 30, 2018 and the Shareholders approval dated May 7, 2018, the Company instituted an employee stock benefit scheme ("IndiaMART ESBS 2018"). In terms of the IndiaMART ESBS 2018, eligible employees may be granted options and/or stock appreciation rights ("SARs"). Pursuant to a trust deed dated June 14, 2018, a trust by the name "IndiaMART Employee Benefit Trust" ("EBS Trust") has been set up in connection with the implementation of IndiaMART ESBS 2018. The current trustees of the ESOP Trust are Mr. Madhup Agrawal, Mr. Sudhir Gupta and Mr. Vikas Aggarwal. The EBS Trust has been set up to implement equity-based incentive schemes of our Company, including the IndiaMART ESBS 2018, whereby the Company will initially issue and allot the Equity Shares to the EBS Trust, which will subsequently, transfer the Equity Shares to our employees when they exercise their stock options or SAR units.

In terms of the IndiaMART ESBS 2018 and resolutions passed by the Board of Directors on June 4, 2018 and

by Shareholders on June 11, 2018 a maximum of 45,492 stock options resulting into 45,492 Equity Shares and 1,400,000 SAR units resulting into not more than 7,00,000 Equity Shares in aggregate. may be granted to eligible employees, identified in accordance with the IndiaMART ESBS 2018. The IndiaMART ESBS 2018 is administered and monitored by Nomination and Remuneration Committee.

The Committee granted 800,740 SAR units to eligible employees at ₹ 500/- per unit on October 01, 2018.

During the year 149,816 Stock Appreciation Rights were vested on October 01, 2019. The Nomination and Remuneration Committee opened exercise window from October 01, 2019 to October 30, 2019 wherein vested 149,816 Stock Appreciation Rights were exercised into 1,02,427 Equity Shares of the Company.

The details of the Employee Stock Options /Stock Appreciation Rights as per Rule 8 of The Companies (Share Capital and Debentures) Rules, 2014 and is attached as 'Annexure- 12' to this Report.

The Schemes are in line with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"). A Certificate from Statutory Auditors of the Company that the Schemes are implemented in accordance with the SBEB Regulations shall be obtained and the same would be available at the Annual General Meeting for inspection by members. The applicable disclosures as stipulated under SBEB Regulations with regard to Employees Stock Option Plan of the Company are available on the website of the Company at <http://investor.indiamart.com>.

## DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

No orders have been passed by any Regulators or Courts or Tribunals which has been received by the Company which can have impact on the going concern status and the Company's operation in future.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company does not have any unpaid/unclaimed amount which is required to be transferred, under the provisions of the Act into the Investor Education and Protection Fund (IEPF) of the Government of India.

## DISCLOSURE UNDER SECTION 43(A)(II) & SECTION 54(1)(D) OF THE COMPANIES ACT, 2013

During the financial year under review, the Company has not issued any shares with differential voting rights and sweat equity shares and hence, no information as required under Section 43(a)(ii) & Section 54(1)(d) of the Act read with applicable rules is required to be disclosed.

## SECRETARIAL STANDARD OF ICSI

The Company has complied with the Secretarial Standards on Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) specified by the Institute of Company Secretaries of India (ICSI).

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is attached as 'Annexure- 13' to this Report.

## ACKNOWLEDGEMENT

The Board of Directors of the Company take on record their sincere appreciation to the contributions made by the employees through their hard work, dedication, competence, support and co-operation towards the success of your Company. Last but not the least, your Directors are also thankful for consistent co-operation and assistance received from its shareholders, investors, business associates, customers, vendors, bankers, regulatory and government authorities.

On behalf of the Board  
For **IndiaMART InterMESH Limited**

**Place:** Noida

**Date:** May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

## DIVIDEND DISTRIBUTION POLICY

This policy applies to the distribution of dividend by IndiaMART InterMESH Limited (the “Company”) in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations).

The Policy is approved and adopted by the Board of Directors on July 31, 2019 and shall be applicable in accordance with the provisions of SEBI Regulations.

### Definitions

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder, and the SEBI Regulations.

### Background

SEBI has, through its notification dated July 8, 2016, released the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, incorporating Regulation 43 A – Dividend Distribution Policy requiring the top five hundred listed entities based on market capitalization (calculated as on March 31 of the previous financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

This Policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company while balancing the objectives of rewarding the shareholders through dividends and retaining capital to invest in the growth of Company. The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

This policy shall cover all types of dividend including but not limited to interim dividend and final dividend.

#### a) **The shareholders may or may not expect dividend:**

The Company shall comply with the relevant statutory requirements that are applicable to the Company in relation to the declaration of dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy.

#### b) **The financial /internal parameters that shall be considered while declaring dividend:**

The Board of Directors of the Company shall consider the following financial parameters while declaring dividend or recommending dividend to shareholders:

- Capital allocation plans including:
  - o Expected cash requirements of the Company towards working capital, capital expenditure in technology and Infrastructure etc.;
  - o Investments required towards execution of the Company’s strategy;
  - o Funds required for any acquisitions that the Board of Directors may approve;
  - o Fresh investments in subsidiaries and external businesses; and
  - o Any share buy-back plans.
- Minimum cash required for contingencies or unforeseen events;
- Funds required to service any outstanding loans;
- Liquidity and return ratios;
- Any other significant developments that require cash investments.

**c) External factors that shall be considered for declaration of dividend:**

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to shareholders:

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.

**d) Circumstances under which a Dividend may not be paid out:**

Some conceivable circumstances under which shareholders may not expect a dividend are:

- Adverse market conditions and business uncertainty;
- Inadequacy of profits earned during the fiscal year;
- Inadequacy of cash balance; and
- Large forthcoming capital requirement which are best funded through internal accruals, etc.

**e) Policy as to how the retained earnings shall be utilized:**

The consolidated profits earned by the Company can either be retained in the business or used for various purposes as outlined in clause (b) above or it can be distributed to the shareholders.

**f) Provisions in regard to various classes of shares:**

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has currently issued only one class of shares, namely, Equity Shares.

**Review**

This policy will be reviewed and amended as and when required by the Board.

**Limitation and Amendment**

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment/modification in the Regulations, in this regard shall automatically apply to this policy.

On behalf of the Board  
For **IndiaMART InterMESH Limited**

**Place:** Noida

**Date:** May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

## FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on March 31, 2020**

**Part "A": Subsidiaries**

	Amount ₹ in Million				
1. Name of Subsidiaries	Tolexo Online Pvt. Ltd.	Ten Times Online Pvt. Ltd.	Tradezeal International Pvt. Ltd.	Hello Trade Online Pvt. Ltd.	Pay With Indiamart Pvt. Ltd.
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Co.	Same as of Holding Co.	Same as of Holding Co.	Same as of Holding Co.	Same as of Holding Co.
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
4. Share capital	70.02	0.62	1.10	0.30	1.00
5. Reserves & surplus	(330.88)	43.38	(24.01)	(0.24)	(22.30)
6. Total assets (including investments)	45.92	69.79	0.19	0.09	35.57
7. Total Liabilities (other than equity)	213.72	25.79	23.08	0.02	28.77
8. Investments	-	46.33	-	-	16.98
9. Turnover (excluding other income)	2.78	127.75	-	-	28.29
10. Profit/Loss before taxation	(68.76)	11.42	(3.25)	(0.04)	(2.55)
11. Provision for taxation	-	2.61	-	-	0.01
12. Profit after taxation	(68.76)	8.81	(3.25)	(0.04)	(2.56)
13. Proposed Dividend	-	-	-	-	-
14. % of Shareholding	100.00%	100.00%	100.00%	100.00%	100.00%

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associates/Joint Ventures	Simply Vyapar Apps Private Limited (Associate Company)
1.	Latest Audited Balance Sheet Date	May 11, 2020
2.	Shares of Joint Ventures/Associates held by the company on the year end:	March 31, 2020
	No.	5,954 (Five Thousand Nine Hundred and Fifty Four) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCPS) and 10 Equity Shares
	Amount of Investment in Joint Venture/ Associates	₹ 31.20 Crores
	Extend of Holding %	26% on fully converted and diluted basis
3.	Description of how there is significant influence	The Company holds 26% on fully converted and diluted basis.
4.	Reason why the joint venture/associate is not consolidated	Not Applicable
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 94.28 million
6.	Loss for the year	₹ 54.22 million
	Considered in Consolidation	₹ 9.12 million
	Not Considered in Consolidation	₹ 45.10 million

\*The loss of associate appearing in the consolidated statement of profit and loss is ₹ 16.41 Mn which is after the consolidation adjustment and depreciation on identified intangible assets as per Ind AS 28- "Investments in Associates"

On behalf of the Board  
For **IndiaMART InterMESH Limited**

Place: Noida  
Date: May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

## Annexure – 3

## NOMINATION AND REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

## INTRODUCTION

The Board of Directors of IndiaMART InterMESH Limited (“the Company”) constituted the “Nomination and Remuneration Committee” at the Meeting held on January 27, 2015 with immediate effect, consisting of three (2) Non-Executive Directors and one Executive Director of which one is an Independent Director.

## 1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan.

## 2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means:
  - 2.4.1. Chief Executive Officer or the Managing Director or the Manager
  - 2.4.2. Whole-time director
  - 2.4.3. Chief Financial Officer
  - 2.4.4. Company Secretary; and
  - 2.4.5. Such other officer as may be prescribed.
- 2.5. **Senior Management** means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

## 3. ROLE OF COMMITTEE

## 3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

## 3.2. Policy for appointment and removal of Director, KMP and Senior Management

## 3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

## 3.2.2. Term / Tenure

- a) **Managing Director/Whole-time Director:**  
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:**  
An Independent Director shall hold office for a term up to five consecutive years on the

Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### 3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### 3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### 3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

### 3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior

Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### 3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

#### a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

#### b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and rules made thereunder and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration

any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he /she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### 3.3.3. Remuneration to Non- Executive / Independent Director:

#### a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

#### b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board of Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

## 4. MEMBERSHIP

- 4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

## 5. CHAIRPERSON

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## 6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

## 7. COMMITTEE MEMBERS' INTERESTS

- 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## 8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

## 9. VOTING

- 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## 10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- 10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an

employee of the Company subject to the provision of the law and their service contract.

- 10.9** Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.10** Recommend any necessary changes to the Board; and
- 10.11** Considering any other matters, as may be requested by the Board.

## **11. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- 11.1** to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

**11.2** to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

**11.3** to delegate any of its powers to one or more of its members or the Secretary of the Committee.

**11.4** to consider any other matters as may be requested by the Board.

**11.5** Professional indemnity and liability insurance for Directors and senior management.

## **12. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minutised and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

On behalf of the Board  
For **IndiaMART InterMESH Limited**

**Place:** Noida  
**Date:** May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

## PERFORMANCE EVALUATION POLICY

### INTRODUCTION

The Company conducts its operations under the directions of Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013, the Articles of Association, and policies formulated by the Company for its internal execution. The Company's Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis, in the best interest of the company and its stakeholders. Accordingly, the present policy for performance evaluation is being put into place in accordance with the requirements of Section 178 of the Companies Act, 2013 which provides for a policy to be formulated and recommended to the Board, setting the criteria, based on which the performance of each and every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

The Act, under clause VIII of Schedule IV, casts an obligation on part of the Board of Directors for evaluating the performance of Independent Directors. All the directors on the board of a company, except the Independent Director whose performance is being evaluated, will assess the performance of the Independent Director. Accordingly, a report of performance evaluation of each Independent Director of the company would be prepared, which would determine whether to extend or continue the term of appointment of the concerned Independent Director or not.

With an aim to maintain an energized, proactive and effective Board, the Board is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the entire Board of the Company.

As one of the most important functions of the Board of Directors is to oversee the functioning of Company's top management, this Board Performance Evaluation process aims to ensure individual directors ("Directors") and the Board of Directors of the Company ("Board") as a whole work efficiently and effectively in achieving their functions. This policy aims at establishing a procedure for conducting periodical evaluation of its own performance and of its committees and individual directors. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

### EFFECTIVENESS OF THE BOARD

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company. For this reason, based on the fore stated criteria of evaluation the remuneration of the Directors and Key Managerial Personnel shall be determined and reviewed from time to time.

### RESPONSIBILITY OF BOARD / INDEPENDENT DIRECTORS

It shall be the duty of the Board, who shall be supported by the Management to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

*The Board of Directors shall undertake the following activities on an annual basis:*

- I. Review the various strategies of the Company and accordingly set the performance objectives for directors, in consistency with varying nature and requirements of Company's business.
- II. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

In conformity with the requirement of the Act, the performance evaluation of all the directors shall be done by the entire Board of Directors, excluding the director being evaluated.

Independent Directors are duty bound to evaluate the performance of non - independent directors and board as a whole. The independent directors of the Company shall hold at least one meeting in a year to review the performance of the non- independent directors, performance of chairperson of the Company and board as a whole, taking into account the views of executive directors and non-executive directors.

### EVALUATION FACTORS

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular director:

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors as, such evaluation factors may vary in accordance with their respective functions and duties.

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated

Appraisal of Directors/Committees and Board of the Company shall be based on the criteria as mentioned herein below:

#### Rating Scale

Performance	Rating
Satisfactory	1
Un-Satisfactory	0

The Company has chosen to adopt the following Board Performance Evaluation Process:

### INDEPENDENT DIRECTORS

Some of the specific issues and questions that should be considered in a performance evaluation of Independent Director, in which the concerned director being evaluated shall not be included, are set out below:

Name of Director being assessed: \_\_\_\_\_

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Attendance and participations in the meetings		
2.	Raising of concerns to the Board		
3.	Safeguard of confidential information		
4.	Rendering independent, unbiased opinion and resolution of issues at meetings		
5.	Initiative in terms of new ideas and planning for the Company		
6.	Safeguarding interest of whistle-blowers under vigil mechanism.		
7.	Timely inputs on the minutes of the meetings of the Board and Committee's, if any		
8.	Disclosure of Interest & Disclosure of Independence		
9.	Compliance with Companies Act, Ethical Standards & Code of Conduct of the Company		
10.	Interpersonal Relations with other Directors & Management.		
11.	Understanding of the Company and the external Environment in with the Company Operates and Contribution in Strategic Decisions.		

### NON – INDEPENDENT DIRECTORS / EXECUTIVE DIRECTORS

Some of the specific issues and questions that should be considered in a performance evaluation of Chairperson/Non-Independent Director / Executive Director by Independent Directors, in which the concerned director being evaluated shall not be included, are set out below:

Name of Director being assessed: \_\_\_\_\_

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	Leadership initiative		
2.	Attendance and participations in the meetings		
3.	Initiative in terms of new ideas and planning for the Company		
4.	Team work Attributes & supervision and Training staff members.		
5.	Contribution towards growth of the Company including actual visa-vis budgeted Performance		
6.	Professional skills, problem solving, and decision-making		

S. No.	Assessment Criteria	Rating	Remarks/ Comments
7.	Compliance with policies of the Company, ethics, code of conduct, etc.		
8.	Strategic Planning-Financial and Business and implementation of Internal Financial Controls.		
9.	Reporting of frauds, violation etc.		
10.	Safeguarding of interest of whistle blowers under vigil mechanism		
11.	Timely inputs on the minutes of the meetings of the Board and Committee, if any		
12.	Disclosure of Interest		
13.	Compliance with Companies Act, Ethical Standards & Code of Conduct of the Company		

### BOARD OF DIRECTORS

Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by Independent Directors are set out below:

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	The Board of Directors of the company is effective in decision making.		
2.	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.		
3.	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.		
4.	The Board reviews the organization's performance in carrying out the stated mission on a regular basis.		
5.	The Board of Directors is effective in providing necessary advice and suggestions to the company's management.		
6.	Is the board as a whole up to date with latest developments in the regulatory environment and the market.		
7.	The information provided to directors prior to Board meetings meets your expectations in terms of length and level of detail.		
8.	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.		
9.	The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the board.		

S. No.	Assessment Criteria	Rating	Remarks/ Comments
10.	The Board appropriately considers internal audit reports, management's responses, and steps towards improvement.		
11.	The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance.		

#### COMMITTEES OF BOARD

The Board has constituted the following committees:

1. Audit Committee; and
2. Nomination, Remuneration and Compensation Committee;

For evaluating the performance of each committee, the Board of Directors shall pay regards to the following aspects as set out in the annexure below:

S. No	Audit Committee (for Audit Committee members only)	Rating	Remarks/ Comments
1.	The Composition and size of the Committee are appropriate		
2.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues		
3.	Timely inputs on the minutes of the meetings		

S. No.	Nomination, Remuneration and Compensation Committee (For Nomination, Remuneration and Compensation Committee members only)	Rating	Remarks/ Comments
1.	The Composition and size of the Committee are appropriate		
2.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues		
3.	Timely inputs on the minutes of the meetings		

#### REVIEW

The performance evaluation process will be reviewed annually by the "Nomination and Remuneration Committee".

Subject to the approval of Board of Directors, the Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

#### DISCLOSURE

Company will disclose details of its Board Performance Evaluation processes in its Board's Report. The Board's report containing such statement shall indicate the manner in which formal evaluation has been made by the Board of its own performance and that of the committees of the Board and individual directors of the Company.

On behalf of the Board  
For **IndiaMART InterMESH Limited**

Place: Noida

Date: May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

## Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1. A brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Your Company is committed to contribute towards Corporate Social Responsibility (CSR) which forms an integral part of IndiaMART's activities. The Company's objective is to pro-actively support meaningful socio-economic development. It works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life.

Detailed below are the brief focus areas:

1. Hunger, Poverty, Malnutrition, Sanitation and Health;
2. Education and Employment;
3. Women, Children & Senior Citizens;
4. Environment & Sport;
5. National Heritage, Art and Culture;
6. Armed Forces;
7. Slum Development & Rural Development Project
8. Disaster Management; and
9. Donations & Contribution in the areas permissible under the Act.

With this idea of shared growth, the Company focused its CSR initiatives primarily in the field of education during the year. The Company has taken various steps to meet society's expectations by focusing on education and welfare of under privileged children.

The Company has constituted the Corporate Social Responsibility (CSR) Committee as per the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The CSR Policy has been framed by the Committee which can be accessed from the website of the Company. Web link to the CSR Policy: <http://investor.indiamart.com>

#### Details of the Projects under IndiaMART CSR initiatives:

- a) Providing technology based learning solution to underprivileged children through setting up of Computer Centers in schools: The Company has made contribution to Help Educate a Child (HEAC), a registered non-profit trust, which is primarily engaged in activities for promoting education including providing educational support and aid to economically underprivileged children in remote areas in and around Male Mahadeshwara Hills (MM Hills), Karnataka.

IndiaMART contributed ₹ 3,46,380/- to HEAC for setting up of Computer Centers in 2 MM Hills schools (with solar back up) i.e. Schools located in Thokere & Pudur villages, where there is no power, for supplementing teaching and dissemination of quality education to economically underprivileged children. Contribution includes providing for Solar Back Up Facilities, Desktops, Projectors, Tables, Chairs, Tripods with screens, Educational CD's and other incidental equipment, installations, etc. Setting up of Computer Centers in MM Hills. Setting of Computer Centers not only enables the much-sought power at the School but also enables computer and other technical education which these underprivileged children may not have access to otherwise.

- b) **Providing notebooks to school children:** The Company has also made contribution to HEAC to provide notebooks and other stationary requirements for 25 schools & 19 Anganwadis, i.e. a total of around 2000 underprivileged children in remote areas in and around Male Mahadeshwara Hills (MM Hills), Karnataka at the beginning of the new academic year. The parents in these regions are very poor and cannot afford to get a single notebook for the child, hence were not sending the children to school. The provision of atleast these notebooks would motivate them or enable them to send their children to school.

IndiaMART contributed ₹ 1,00,000/- as part contribution to the project of providing notebooks to poor and under privileged school children for the academic year 2020-21.

- c) **Enhanced parental & community engagement to improve learning outcomes:** Saajha, is a non-profit organisation registered under Section 8 of the Companies Act, 2013, working towards enabling greater parental and community participation in Government schools. Government schools cater to the marginalized sections of the society and are marked by poor learning of children. Saajha's interventions focus on building capabilities of parents, teachers and community members to facilitate greater parental participation in learning and school governance.

Indiamart has identified as its CSR project the initiative of improving learning of children in **three municipal schools** under the South Delhi Municipal corporation though the interventions of Saajha during the academic year 2020-21.

During the year under review IndiaMART has contributed ₹ 5,28,000/- to Saajha for executing the above project.

The interventions to be undertaken by Saajha as part of the CSR Project would be designed to eventually benefit the Children (ultimate beneficiary) studying in Government schools, enabling them to learn better. To achieve this, they will design and deliver the interventions focusing on parents (intermediate beneficiary) of children studying in Government schools.

The interventions aim to achieve the following:

- (i) End Outcome, Ultimate Beneficiaries – Children
  - Children are able to learn better inside the schools and in the community.
- (ii) Intermediate Outcome, End beneficiaries – Children
  - Children are less likely to be absent in the schools and have increased attendance;
  - More children are enrolling in the schools and are less likely to drop-out from the schools;
  - Children are able to get involved in activities outside schools facilitating better learning.
- (iii) End outcome, Intermediate beneficiaries – Parents
  - Parents are confident & capable of undertaking learning related activities with children at home, and in community and with school-staff in class and schools.
  - Parents, and school-staff are jointly able to undertake activities related to improve school facilities by using School Management Committee (SMC) fund, and undertaking small joint initiatives.
  - Community members are able to collaborate with each other for activities to improve learning like setting up libraries, create awareness about admissions etc.
  - SMC members are able to collect necessary data and create and implement plans leading to betterment of schools and faster resolution of grievances

Saajha would undertake the following activities as part of the Project to achieve the above objectives:

1. Training of parents and School Management Committee (SMC) members through school visits;
2. Training of parents in community through community visits;
3. Events to be organized for learning audit of children;
4. Supporting SMCs with effective formation and SMC meetings;
5. Supporting teachers & parents in jointly implementing annual plans;
6. Support SMCs to organize parent-teacher meetings;
7. Organizing events for parents and community in schools;
8. Providing support to parents via calls for relevant issues.

**d) Contribution to Prime Minister's National Relief Fund (PMNRF):** IndiaMART also contributed ₹ 75,620/- to PMNRF with the intent of supporting the nation in its fight against COVID 19 on March 27, 2020.

## 2. The Composition of the CSR Committee

The CSR Committee, constituted under Companies Act, 2013, comprised of three directors as on March 31, 2020 as per the details given below:

S. No.	Name	Status	Designation
1	Mr. Brijesh Kumar Agrawal	Promoter/ Executive	Member
2	Ms. Elizabeth Lucy Chapman	Non-Executive/ Independent	Member
3	Mr. Vivek Narayan Gour	Non-Executive/ Independent	Member

**3. Average net profit of the Company for last three financial years : ₹ 52.48 million**

**4. Prescribed CSR Expenditure (2% of the amount as in 3 above): ₹ 1.05 million**

**5. Detail of CSR spent during the financial year:**

- a) Total amount to be spent for the financial year : ₹ 1.05 million
- b) Amount spent for 2019-20: ₹ 1.05 million

c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project/ Programs	Sector in which the Project/ Programs is covered	Projects or programs 1) Local area or other 2) Specify the State and District where the Project or programs was undertaken	Amount outlay (budget) project/ programs wise (₹ in Million)	Amount spent on the project/ program's Direct expenditure on project/ programs (₹ in Million)	Cumulative expenditure upto reporting period (₹ in Million)	Amount spent: Direct or through implementing Agency
1	2	3	4	5	6	7	8
1.	Technology based learning solution to children in school through installation of Computers	Primary Education	Other - MM Hills, Chamarajanagara, Karnataka	0.35	0.35	0.35	Implementing agency – Help Educate a Child
2.	Providing Notebooks to School Children	Primary Education	Other - MM Hills, Chamarajanagara, Karnataka	0.1	0.1	0.1	Implementing agency – Help Educate a Child
3.	Supporting learning for Children in three (3) Municipal Schools	Primary Education	Local Area - South Delhi, New Delhi	0.53	0.53	0.53	Implementing agency – Saajha
4.	Contribution to Prime Minister National Relief Fund	For Socio-Economic Development & Relief	Local Area - South Delhi, New Delhi	0.07	0.07	0.07	Direct
<b>TOTAL</b>				<b>1.05</b>	<b>1.05</b>	<b>1.05</b>	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof the company shall provide the reasons for not spending the amount in its Board report: **Not Applicable**
7. **Responsibility Statement:** We hereby confirm that implementation and monitoring of the CSR policy are in compliance with the CSR objectives and policy of the Company.

On behalf of the Board  
For **IndiaMART InterMESH Limited**

**Place:** Noida  
**Date:** May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole-Time Director & Member of CSR Committee)  
DIN: 00191760

## REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forming part of the Boards' Report for the year ended March 31, 2020]

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Corporate Governance philosophy of IndiaMART InterMESH Limited ('Company') is based on strong foundations of ethical values and professionalism which over the past 20 years of the Company's existence has become a part of its culture. The Company's philosophy aims at establishing and practicing a system of good Corporate Governance to assist in the management of the Company's business in an efficient and transparent manner in all facets of its operations and its interactions with stakeholders. In keeping view with its commitment to the principles of good Corporate Governance, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings. The Company continuously endeavours to review, strengthen and upgrade its systems and processes to bring in transparency and efficiency in its various business segments. As a part of its Corporate Governance measures, the Company aims to maintain transparency in its financial reporting and keep all its stakeholders informed about its policies, performance, and developments.

Your Company always strives to adopt best global practices in Corporate Governance and remains abreast with the continuous developments in the industry's Corporate Governance systems. The entire framework is governed by a strong Board of Directors and executed by a committed team of management and employees.

### BOARD OF DIRECTORS

#### Composition of the Board as on March 31, 2020

The composition of Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and provisions of the Companies Act, 2013 ('Act'), as amended from time to time. The Board has optimum combination of Executive and Non-Executive Directors alongwith a Woman Director, although there is no designated Chairman of the Board. The Board consists of six (6) Directors including two (2) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Executive Director.

Pursuant to the provisions of Section 149, 152, 161 and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the Listing Regulations, as amended or re-enacted from time to time, the Company has appointed Ms. Elizabeth Lucy Chapman (DIN: 06459440) as a Woman Director (Independent) on the Board.

#### Composition of Board of Directors as on March 31, 2020

S. No.	Name of Director	Position & Category	Age	No of Equity Shares (As on March 31, 2020)
1.	Mr. Dinesh Chandra Agarwal	Managing Director & CEO Promoter & Executive Director	51	86,30,747
2.	Mr. Brijesh Kumar Agrawal	Whole-time Director Promoter & Executive Director	43	58,48,544
3.	Mr. Dhruv Prakash	Non- Independent Non-Executive Director	68	40,064
4.	Ms. Elizabeth Lucy Chapman	Independent Non-Executive Director	39	-
5.	Mr. Rajesh Sawhney	Independent Non-Executive Director	54	10,818
6.	Mr. Vivek Narayan Gour	Independent Non-Executive Director	57	9,000

The Company has received necessary declaration from each Independent Director that he/she meets the criteria of independence laid down in Section 149(6) & (7) of the Act and Regulation 16 & 25(8) of Listing Regulations.

During the Financial Year 2019-20, 9 (nine) Board meetings were held on May 11, 2019, June 03, 2019, June 16, 2019, June 20, 2019, June 27, 2019, July 31, 2019, October 22, 2019, January 21, 2020 and March 03, 2020.

**Details of Attendance and Directorship/Committee Memberships/ Chairmanships of Board of Directors of the Company:**

S. No.	Name of Director	Position & Category	Attendance Particulars			Other Directorships		Committee Memberships/ Chairmanships <sup>2</sup>	
			No. of Board Meetings		Last AGM Held on September 25, 2019	Number of other Directorships	Name of the listed entity and Category of Directorship	Committee Memberships	Committee Chairmanships
			Held	Attended					
1.	Mr. Dinesh Chandra Agarwal	Managing Director & CEO - Promoter & Executive Director	9	9	Yes	0	-	0	0
2.	Mr. Brijesh Kumar Agrawal	Whole-time Director - Promoter & Executive Director	9	9	Yes	1	-	1	0
3.	Mr. Dhruv Prakash	Non-Independent Non-Executive Director	9	7	Yes	2	-	3	0
4.	Mr. Vivek Narayan Gour	Independent Non-Executive Director	9	7	Yes	3	Cyient Limited - Independent Affle (India) Limited - Independent	5	5
5.	Ms. Elizabeth Lucy Chapman	Independent Non-Executive Director	9	3	No	3	-	1	0
6.	Mr. Rajesh Sawhney	Independent Non-Executive Director	9	6	No	7	-	1	0

**Note:**

- There is no designed Chairperson of the Board.
- Excluding private limited companies, foreign companies, and companies under Section 8 of the Act
- Chairpersonship/Committee Membership of Audit Committee & Stakeholders' Relationship Committee of other Public Limited Companies only has been considered.

As mandated under Regulation 26 of the Listing Regulations, none of the Directors of the Company are members of more than ten Board level committees nor are they Chairpersons of more than five Board level committees across Public Limited Companies in which they are directors.

**Relationships between Directors inter-se**

There is no other inter-se relationship between the Directors of the Company except that Mr. Dinesh Chandra Agarwal and Mr. Brijesh Kumar Agrawal are cousins.

**Skills/Expertise/Competence of Board of Directors**

- a) Following chart sets out the core skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:



b) Following are the name of Directors who have aforesaid such skills / expertise / competence:

S. No.	Skills / Expertise / Competence	Name of Directors
1.	Expertise and knowledge in the field of Information Technology, Telecom, Database and Digitalisation and Business Environment	a) Mr. Dinesh Chandra Agarwal
		b) Mr. Brijesh Kumar Agrawal
		c) Mr. Vivek Narayan Gour
		d) Mr. Rajesh Sawhney
		e) Ms. Elizabeth Lucy Chapman
		f) Mr. Dhruv Prakash
2.	Expertise and knowledge in the field of Finance, Taxation, Compliance and Corporate Governance	a) Mr. Dinesh Chandra Agarwal
		b) Mr. Brijesh Kumar Agrawal
		c) Mr. Vivek Narayan Gour
		d) Mr. Rajesh Sawhney
		e) Ms. Elizabeth Lucy Chapman
		f) Mr. Dhruv Prakash
3.	Knowledge of Interpersonal Skills and Human Resource Management	a) Mr. Dinesh Chandra Agarwal
		b) Mr. Rajesh Sawhney
		c) Ms. Elizabeth Lucy Chapman
		d) Mr. Dhruv Prakash
4.	Knowledge of Sales, Marketing, Corporate Strategy and Planning	a) Mr. Dinesh Chandra Agarwal
		b) Mr. Brijesh Kumar Agrawal
		c) Ms. Elizabeth Lucy Chapman
		d) Mr. Rajesh Sawhney

### Independent Directors Meeting

As stipulated under Section 149(8) read with Schedule IV of the Act and Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors was held on May 11, 2019, without the attendance of Non-Independent Directors and members of the management, to review the performance of the Non-Independent Directors, various committees of the Board and the Board as a whole. The Independent Directors also review the quality, content, and timeliness of the flow of information from the management to the Board and its committees which is necessary to perform reasonably and discharge their duties. All the Independent Directors of the Company were present in the meeting.

### Confirmation in respect of Independence

The Board of Directors of the Company hereby confirm that in the opinion of Board, the Independent Directors of the Company fulfil the condition specified in Listing Regulations and are independent of the management.

### Detailed reason of resignation of Independent Directors

During the year, none of the Independent Directors of the Company have resigned from the Directorship of the Company.

### Familiarisation Programme for Independent Directors

In accordance with Section 149 read with Schedule IV of the Act and Regulation 25 of Listing Regulations, the Company familiarises its Independent Directors with regard to their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The Company has put in place a system to

familiarise the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

As a part of the ongoing familiarization process of the Company's Independent Directors were apprised, during and/or after **quarterly** Board Meetings, by the Managing Director and Chief Executive Officer and/or Whole-time Director about the operations of the Company, market scenario, governance, internal control processes and other relevant matters including strategy, important developments and new initiatives undertaken by the Company.

Further, the Senior Management Personnel made presentations on relevant topics including business, markets, controls, changes in the regulatory framework and business environment having an impact on the Company. The Directors also generally meet for reviewing the business of the Company prior to the official Board Meetings

The details of familiarisation programme have been posted on the website of the Company and the same may be viewed at <http://investor.indiamart.com>.

## COMMITTEES OF THE BOARD

### 1. Audit Committee

The Company has a duly constituted Audit Committee, as per the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. The terms of reference of the Audit Committee includes the matters specified under Regulation 18 and Part C of Schedule II of the Listing Regulations and Section 177 of the Act, as amended from time to time, and other matters referred by Board. The Audit Committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditors and Independent Auditors.

#### a) Terms of reference:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;

- iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the listed entity with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the whistle blower mechanism;
  19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
  21. Shall review the report on Compliances with Code of Conduct on quarterly basis.
  22. Shall review compliance with the Institutional Mechanism for Prevention of Insider Trading as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
  23. Reviewing the utilisation of loans and/or advances from/investments by the Company in its subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of the provisions.
- The Audit Committee shall also mandatorily review the following information:**
1. Management discussion and analysis of financial condition and results of operations;
  2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses;
  5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
  6. Statement of deviations:
    - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

**b) Composition of the Committee:**

The Audit Committee of the Company constitutes four members namely:

Mr. Vivek Narayan Gour (Independent Director):	Chairman
Mr. Rajesh Sawhney (Independent Director):	Member
Mr. Dhruv Prakash (Non-Executive Director):	Member
Ms. Elizabeth Lucy Chapman (Independent Director):	Member

The Company Secretary of the Company acts as Secretary to this Committee.

Further, the Audit Committee was re-constituted on July 31, 2019, to include Ms. Elizabeth Lucy Chapman, Independent Director in the Committee.

**c) Meetings and attendance during the year:**

During the period under review, four (4) meetings were held i.e. on May 11, 2019, July 31, 2019, October 22, 2019 and January 21, 2020. The attendance of members was as follows:

S. No.	Name	Designation	Category	No. of meetings held during the year	Attendance
1.	Mr. Vivek Narayan Gour	Chairman	Non-Executive Independent Director	4	4
2.	Mr. Rajesh Sawhney	Member	Non-Executive Independent Director	4	4
3.	Mr. Dhruv Prakash	Member	Non-Executive Director	4	4
4.	Ms. Elizabeth Lucy Chapman	Member	Non-Executive Independent Director	2	1

As per Regulation 18(1) of the Listing Regulations, Section 177 of the Act and the Secretarial Standards, Mr. Vivek Narayan Gour, the Chairman of the Committee was present at the last Annual General Meeting (AGM) of the Company, held on September 25, 2019, to answer shareholder queries.

**2. Nomination and Remuneration Committee**

The Company has a duly constituted Nomination & Remuneration Committee. The Committee's constitution and terms of reference are in compliance with the provisions of Regulation 19 and Part D of Schedule II of the Listing Regulations and Section 178 of the Act, as amended from time to time and other matters referred by the Board. The primary role of the Nomination & Remuneration Committee includes the formulation of the criteria for determining qualifications, positive attributes and independence of a Director, formulation of criteria for evaluation of performance of Directors, devising a policy on diversity of board and identifying persons who are qualified to become Directors.

**a) The terms of reference of the 'Nomination & Remuneration Committee':**

The Nomination and Remuneration Committee shall, among other things, be responsible for the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the

remuneration of the directors, key managerial personnel and other employees;

2. Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
3. Devising a Policy on diversity of Board of Directors;
4. directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

**b) Composition of the Committee:**

The members of the Nomination and Remuneration Committee are:

Ms. Elizabeth Lucy Chapman (Independent Director):	Chairperson
Mr. Rajesh Sawhney (Independent Director):	Member
Mr. Dhruv Prakash (Non-Executive Director):	Member

The Company Secretary of the Company acts as Secretary to this Committee.

**c) Meetings and attendance during the year:**

During the financial year under review, two (2) meetings were held, i.e. on May 11, 2019 and July 31, 2019. The attendance of members was as follows:

S. No.	Name	Designation	Category	No. of meetings held during the year	Attendance
1.	Ms. Elizabeth Lucy Chapman	Chairperson	Non-Executive Independent Director	2	1
2.	Mr. Rajesh Sawhney	Member	Non-Executive Independent Director	2	2
3.	Mr. Dhruv Prakash	Member	Non-Executive Director	2	2

As per Regulation 19(3) of the Listing Regulations, Section 178(7) of the Act and the Secretarial Standards, Mr. Dhruv Prakash, member of Nomination and Remuneration Committee was present, on behalf of the Chairperson of the Committee, at the last AGM of the Company, held on September 25, 2019, to answer shareholder queries.

**d) Evaluation of the Board's Performance**

Pursuant to the provisions of the Act and Listing Regulations the annual performance evaluation of the Board and its Committees was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues, etc. A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as Attendance, Leadership Initiative, Contribution at the meetings and otherwise, Independent Judgment, Strategic Planning, Professional Skills, Problem Solving, Decision-Making, etc.

The evaluation of Directors was carried out by the entire Board, excluding the Director being evaluated. Both Nomination and Remuneration Committee and Board were satisfied with the evaluation process, which reflected the overall engagement of the Board and its Committees with the Company.

**3. Stakeholders Relationship Committee**

The Company's Stakeholders' Relationship Committee's constitution and terms of reference are in compliance with the provisions of Regulation 20 and Part D of Schedule II of Listing the Regulations and Section 178 of the Act, as amended from time to time, and other matters referred by Board. Mr. Vivek Narayan Gour, Non-Executive, Independent Director is heading the Committee as its Chairman.

**a) Composition of the Committee:**

The members of the Stakeholder's Relationship Committee are:

Mr. Vivek Narayan Gour (Independent Director):	Chairman
Mr. Brijesh Kumar Agrawal (Whole Time Director):	Member
Mr. Dhruv Prakash (Non-Executive Director):	Member

The Company Secretary of the Company acts as Secretary to this Committee.

**b) Terms of Reference for the Stakeholders Relationship Committee:**

The Stakeholders' Relationship Committee shall, among other things, be responsible for the following:

1. Considering and resolving grievances of and looking into various aspects of interest of shareholders, debenture holders and other security holders;
2. Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of equity shares of the Company (the "Equity Shares"), transfer of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
4. Carrying out any other functions required to be undertaken by the Stakeholders' Relationship Committee under applicable law.

**c) Meetings and attendance during the year:**

During the financial year under review, three (3) meetings were held, i.e. on July 31, 2019, October 22, 2019 and January 21, 2020. The attendance of members was as follows:

S. No.	Name	Designation	Category	No. of meetings held during the year	Attendance
1.	Mr. Vivek Narayan Gour	Chairman	Non-Executive Independent Director	3	3
2.	Mr. Brijesh Kumar Agrawal	Member	Non-Executive Independent Director	3	3
3.	Mr. Dhruv Prakash	Member	Non-Executive Director	3	3

**d) Compliance Officer**

Mr. Manoj Bharagava, Senior Vice President (Legal & Secretarial) and Company Secretary, has been designated as the Compliance Officer, as defined in the Listing Regulations.

**e) Investor Grievance Redressal**

The details of investor complaints received and resolved during the year under review and their break-up are as under:

Type of Complaints	Number of Complaints received	Number of Complaints resolved	Number of Complaints not solved to the satisfaction of the shareholders	Number of Complaints Pending as on March 31, 2020
Non-Receipt of refund	18	18	Nil	Nil
Request for Annual Report	7	7	Nil	Nil
Non- Receipt of Divided Warrant Through SEBI (SCORES)	2	2	Nil	Nil
Cash/Sale of offer for purchase of Securities	Nil	Nil	Nil	Nil
Clarification regarding Buy-Back of Securities	Nil	Nil	Nil	Nil
Non-receipt of offer document	Nil	Nil	Nil	Nil
Reason for rejection of non- allotment	Nil	Nil	Nil	Nil
Others	1	0	Nil	1*

\*As on March 31, 2020, there was 1 (one) Investor Complaint/Grievance pending with the Company which was received on March 25, 2020 and was resolved subsequently within the statutory timelines

As per Section 178(7) of the Act read with Regulation 20 of the Listing Regulations and the Secretarial Standards, Mr. Vivek Narayan Gour, the Chairman of the Committee was present at the last AGM of the Company to answer shareholder queries.

**4. Corporate Social Responsibility (CSR) Committee**

The Corporate Social Responsibility Committee was constituted by Board at its meeting dated August 23, 2017. The Committee's constitution and terms of reference are in compliance with the provisions of Section 135 of the Act and rules framed thereunder, as amended from time to time. During the year the Board of Director on October 22, 2019 had approved and adopted revised CSR Policy based on the recommendations of Corporate Social Responsibility Committee.

**a) Terms of Reference for the Corporate Social Responsibility Committee:**

The Corporate Social Responsibility Committee, inter-alia, shall:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken and its implementation by the Company as per Schedule VII of the Companies Act, 2013;

2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (1); and
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

**b) Composition of the Committee:**

The members of the Corporate Social Responsibility Committee are:

Mr. Vivek Narayan Gour (Independent Director):  
Member

Mr. Brijesh Kumar Agrawal (Whole Time Director):  
Member

Ms. Elizabeth Lucy Chapman (Independent Director):  
Member

The Company Secretary of the Company acts as Secretary to this Committee.

**c) Meetings and attendance during the year:**

During the financial year under review, one meeting of the Corporate Social Responsibility Committee was held on October 22, 2019. The attendance of members was as follows:

S. No.	Name	Designation	Category	No. of meetings held during the year	Attendance
1.	Mr. Vivek Narayan Gour	Chairman	Non-Executive Independent Director	1	1
2.	Mr. Brijesh Kumar Agrawal	Member	Executive- Whole-time Director	1	1
3.	Ms. Elizabeth Lucy Chapman	Member	Non-Executive Independent Director	1	1

**5. Investment and Finance Committee**

Investment and Finance Committee was constituted by Board at its meeting dated October 17, 2017 for the purposes of giving/providing Loans/Investments/Guarantee to its existing wholly owned subsidiaries pursuant to section 179(3) of Act, as may be required from time to time.

**a) Composition of the Committee:**

The members of the Investment and Finance Committee are:

Mr. Dinesh Chandra Agarwal (Managing Director) : Member

Mr. Brijesh Kumar Agrawal (Whole Time Director): Member

Mr. Dhruv Prakash (Non-Executive Director): Member

The Company Secretary of the Company acts as Secretary to this Committee.

**b) Meetings and attendance during the year:**

The Share Allotment Committee met Two (2) times during the financial year i.e. on May 27, 2019, September 30, 2019. The attendance of members was as follows:

S. No.	Name	Designation	Category	No. of meetings held during the year	Attendance
1.	Mr. Dinesh Chandra Agarwal	Member	Executive- Managing Director & CEO	2	1
2.	Mr. Brijesh Kumar Agrawal	Member	Executive- Whole- time Director	2	2
3.	Mr. Dhruv Prakash	Member	Non-Executive Director	2	2

**7. IPO Committee**

The Board of Directors at its meeting held on June 04, 2018 constituted IPO Committee for the purpose of taking necessary actions for the Initial Public offer of the Company and to prepare various documents and execute various agreements, as applicable.

**a) Composition of the Committee:**

The members of the IPO Committee are:

Mr. Dinesh Chandra Agarwal (Managing Director): Member

No, meeting of Investment and Finance Committee was during the financial year ended March 31, 2020

**6. Share Allotment Committee**

The Share Allotment Committee was constituted by Board at its meeting dated February 09, 2018 for doing all compliances related to allotment of shares by the Company.

**a) Composition of the Committee:**

The members of the Share Allotment Committee are:

Mr. Dinesh Chandra Agarwal (Managing Director): Member

Mr. Brijesh Kumar Agrawal (Whole Time Director): Member

Mr. Dhruv Prakash (Non-Executive Director): Member

The Company Secretary of the Company acts as Secretary to this Committee

Mr. Brijesh Kumar Agrawal (Whole Time Director): Member

Mr. Dhruv Prakash (Non-Executive Director): Member

Mr. Vivek Narayan Gour (Independent Director): Member

The Company Secretary of the Company acts as Secretary to this Committee.

**b) Meetings and attendance during the year:**

The IPO Committee met four (4) times during the financial year on June 17, 2019, June 18, 2019, June 21, 2019 and July 02, 2019. The attendance of members was as follows:

S. No.	Name	Designation	Category	No. of meetings held during the year	Attendance
1.	Mr. Dinesh Chandra Agarwal	Member	Executive- Managing Director & CEO	4	4
2.	Mr. Brijesh Kumar Agrawal	Member	Executive- Whole- time Director	4	4
3.	Mr. Dhruv Prakash	Member	Non-Executive Director	4	1
4.	Mr. Vivek Narayan Gour	Member	Non-Executive Independent Director	4	1

After successful listing of Equity Shares of the Company of Stock Exchanges on July 04, 2019. The IPO Committee was dissolved by the Board on July 31, 2019.

**REMUNERATION TO DIRECTORS:**

The Company has a well-defined Nomination and Remuneration Policy for Directors, Key Managerial Personnel (KMP) and other Employees of the Company as formulated by Nomination and Remuneration Committee, pursuant to provisions of Section 178 of the Act and Para A of Part D of Schedule II of the Listing Regulations, which lays down the criteria for determining, inter-alia, qualifications, positive attributes and independence of a Director and matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, including Non-Executive Directors, Key Managerial Personnel and other employees.

The detailed policy formulated by Nomination and Remuneration Committee is annexed to the Directors Report of the Company as **Annexure-3** and can be accessed at: <http://investor.indiamart.com>.

**a) Pecuniary Relationship of Non-Executive Directors:** Non-Executive Directors the Company, other than Mr. Dhruv Prakash, has no pecuniary relationship or transaction with the Company, expect the payment of sitting fees to them for attending meetings of the Board and its Committees.

**Details of Pecuniary Relationship of Mr. Dhruv Prakash, Non-Executive Director:**

The Company has entered into a Service Agreement with Mr. Dhruv Prakash, for availing professional services including but not limited to a) Executive Coaching; b) Assessment and Development of Senior Management; c) Advice on Business Strategy and Management, at a professional fee of ₹ 1,00,000/- (Rupees One Lakh Only) for each full day of coaching.

Subsequent to the listing of the Company, on July 04, 2019, the members of the Company, at the Annual General Meeting held on September 25, 2019, approved the payment of professional fees to Mr. Dhruv Prakash, from the Financial Year 2019-20 onwards, on such terms and conditions as may be determined by the Board

(including any Committee thereof), from time to time, in terms of the Regulation 17(6) of the Listing Regulations.

Further, the Audit Committee on January 21, 2020 approved the renewal of the Service Agreement for another tenure of 3 years at a revised professional fee of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) towards each full day of coaching.

**b) Criteria of making Payment to Non-Executive Directors:**

As per Nomination and Remuneration Policy of the Company remuneration to Non-Executive Directors and Independent Director is paid as per the following criteria:

- 1. Remuneration / Commission:** The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- 2. Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board of Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- 3. Commission:** Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- 4. Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

The above Criteria of making Payment to Non-Executive Directors is also detailed in Nomination and Remuneration Policy of the Company which can be accessed at: <http://investor.indiamart.com>.

**c) Details with respect to Remuneration:** As on date the Company has not granted any options to the Directors of the Company under Employee Stock Option Schemes.

Details of remuneration disbursed to Executive and Non-Executive Directors, during the period under review:

Name	Fixed Component/ Salary (₹)	Benefits (₹)	Sitting Fees (₹)	Performance Linked Incentive/ Commission (₹)	Total (₹)
Mr. Dinesh Chandra Agarwal	28,320,660	480,264	-	17,388,000	46,188,924
Mr. Brijesh Kumar Agrawal	20,411,004	480,264	-	12,573,792	33,465,060
Mr. Dhruv Prakash	-	-	680,000	-	680,000
Mr. Rajesh Sawhney	-	-	600,000	-	600,000
Mr. Elizabeth Lucy Chapman	-	-	250,000	-	250,000
Mr. Vivek Narayan Gour	-	-	560,000	-	560,000

The tenure of Independent and Executive Directors of the Company is 5 (Five) years. Mr. Brijesh Kumar Agrawal and Mr. Dhruv Prakash, are the Directors liable to retire by rotation. Notice period shall be as per the terms of appointment of Director, while there are no service contracts or separate provision for payment of severance fees.

Performance-based incentive is part of the overall compensation structure of Executive Directors which is paid to them on annual basis, based on their performance measured by their Balance Score Card (BSC) for the previous Financial Year by the Nomination and Remuneration Committee.

The Company has not provided any other benefits such as Bonus and pension to its Directors. No, Employee Stock Options/ Stock Appreciation Rights were granted to any of the Directors during the Financial Year 2019-20.

None of the Directors has received any Loans and advances from the Company during the year under consideration.

## GENERAL BODY MEETINGS

The General Body Meetings of the Company were held in accordance with the requirements of Listing Regulations and the Act.

### Details of last three Annual General Meetings (AGMs):

Financial Year	Date	Time	Venue	No. of Special Resolutions passed	Detail of Special Resolutions passed
2018-19	September 25, 2019	9:30 AM	The Executive Club Resort, 439, Kharak Road, Shahoorpur Extension, Sat Bari, New Delhi -110074	5 (Five)	<ol style="list-style-type: none"> <li>1. Re-appointment of Managing Director &amp; CEO</li> <li>2. Re-appointment of Whole-time Director</li> <li>3. Ratification of the Indiamart Employee Stock Benefit Scheme – 2018</li> <li>4. Ratification of the approval for Grants to the Employees of present and future Subsidiary (ies) under Indiamart Employee Stock Benefit Scheme – 2018</li> <li>5. Variation in the terms of Indiamart Employee Stock Benefit Scheme – 2018</li> </ol>
2017-18	August 29, 2018	11:00 A.M.	The Hindi Bhawan, 11, Vishnu Digamber Marg, Rouse Avenue, Near Bal Bhavan, Mata Sundari Railway Colony, Mandi House, New Delhi-110002	0	Not Applicable
2016-17	November 17, 2017	11:30 A.M.	1st Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi-110002	1	<ol style="list-style-type: none"> <li>1. Variation in the terms of Indiamart Employee Stock Option Scheme – 2015</li> </ol>

### Postal Ballot:

No Special Resolution was passed or required to be passed, during the period under review, through postal ballot. Further, no Special Resolution is proposed to be conducted through postal ballot.

## MEANS OF COMMUNICATION

### A. Quarterly Results:

Quarterly Results are published in 'Mint (English), newspaper having substantial circulation Pan-India and 'Hindustan' (Hindi), vernacular newspaper and are also posted on the Company's website i.e. <http://investor.indiamart.com>.

### B. New Releases and Presentations to institutional investors / analysts:

Official press releases and presentations are made to Institutional Investors and financial analysts on the Company's Quarterly, Half - Yearly as well as Annual Financial Results. These press releases, presentations and schedule of analyst or institutional investors meet are also put on the Company's website and can be accessed at <http://investor.indiamart.com> as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in meeting / presentation with institutional investors and financial analysts.

### C. Website:

The Company's website contains a separate dedicated section on 'Investor Relations'. It contains comprehensive database of information for the investors including the financial results, Annual Reports of the Company, any price sensitive information disclosed to the regulatory authorities from time to time, official news releases, presentations made to institutional investors or to the analyst, business activities and the services rendered/ facilities extended by the Company to our investors, in

a user friendly manner. The basic information about the Company as required in terms of Listing Regulations is also provided on the Company's website and the same is updated regularly.

### D. NSE – Corporate Compliance and National Electronic Application Processing System (“NEAPS”):

The NEAPS is a web based system designed by NSE for corporates. The shareholding pattern, corporate governance report, corporate announcements, financial results, etc. are also filed electronically on NEAPS. Details of which can be accessed at [www.nseindia.com](http://www.nseindia.com).

### E. BSE Corporate Compliance and Listing Centre (“Listing Centre”):

The Listing Centre is web based application designed by BSE for corporate. The shareholding pattern, corporate governance report, corporate announcements, financial results, etc. are filed electronically on the Listing Centre. Details of which can be accessed at [www.bseindia.com](http://www.bseindia.com).

### F. Designated e-mail-ID:

The Company has designated e-mail-ID: [cs@indiamart.com](mailto:cs@indiamart.com) exclusively for investors servicing.

### G. SEBI Complaint Redressal System (SCORES):

The investors' complaints are also being processed through the centralised web based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints.

## 1. GENERAL SHAREHOLDER INFORMATION

a)	Date, Time and Venue of Annual General Meeting (AGM)	In view of Country wide lockdown due to COVID19 pandemic the Company is not able to finalise the date, time and venue of 21st Annual General Meeting (AGM) of the Company.		
b)	Financial Year	April 01, 2019 to March 31, 2020		
c)	Dividend Payment Date	Not Applicable as the Company has not declared any Final Dividend. The Interim Dividend of ₹ 10/- per share is Final Dividend for the Financial year 2019-20.		
d)	Stock Exchanges	<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051 <b>BSE Limited (BSE)</b> Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Listing fees for the year 2019-20 has been duly paid to NSE & BSE.		
e)	Stock code	<b>NSE</b>		<b>BSE</b>
		<b>Symbol</b>	INDIAMART	<b>Scrip Code</b>
		<b>ISIN No.</b>	INE933S01016	<b>ISIN No.</b>
				542726
				INE933S01016
f)	Registrar and Share Transfer Agents (RTA)	<b>Link Intime India Pvt. Ltd.</b> Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 <b>Email:</b> <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a> <b>Tel. :</b> +91-11-49411000		

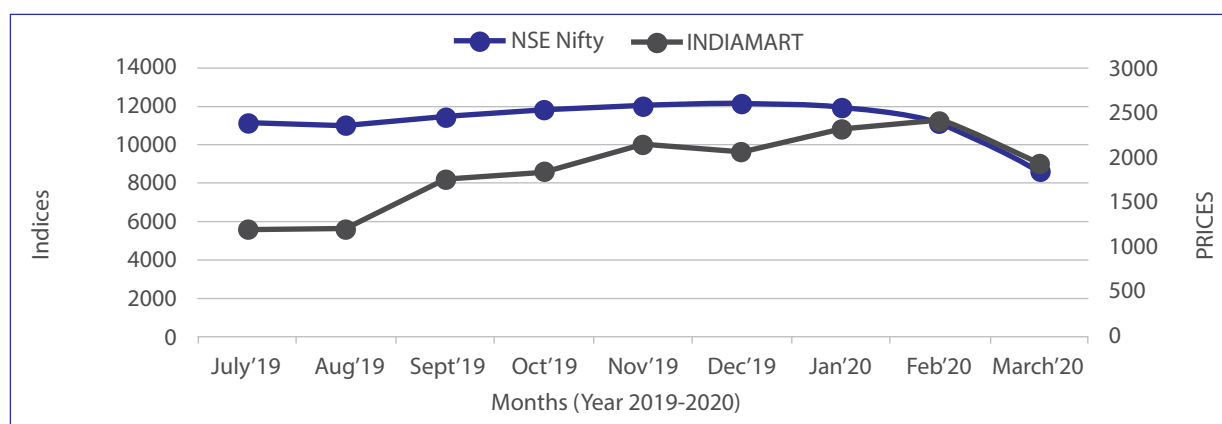
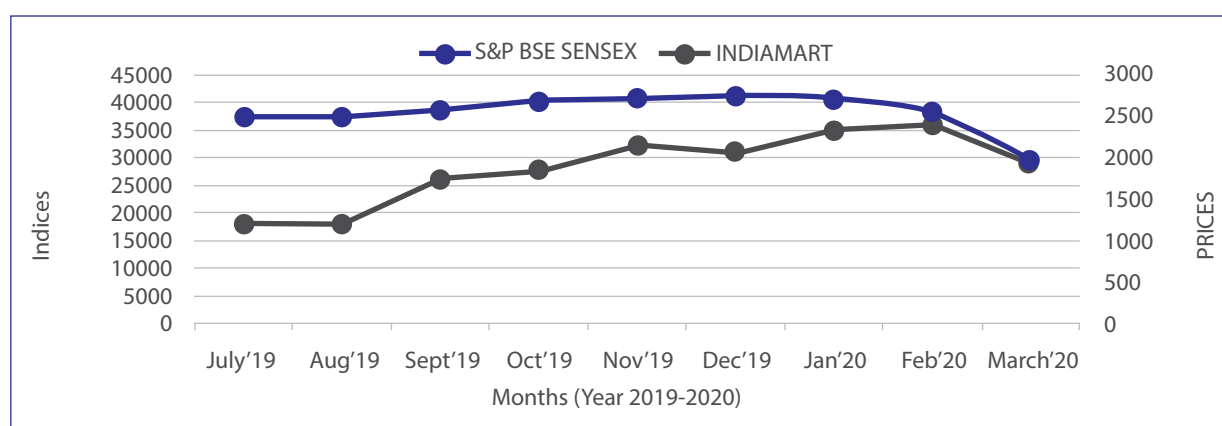
g) Share Transfer System	<p>Share Transfer System of the Company is computerized and Link Intime India Private Limited (LIPL) is the Company's Registrar and Share Transfer Agent (RTA) for equity shares (kept in physical as well as electronic mode). The requests, if any, for share transfer, transmission, sub-division, consolidation, renewal, re-mat, duplicate etc. are processed and share certificates duly endorsed/issued are dispatched within the prescribed time period, subject to documents being valid and complete in all respects.</p> <p>In compliance with the Regulation 7(3) of the Listing Regulations, the Company submits a Compliance Certificate duly signed by the Compliance Officer of the Company and the authorised representative of the Share Transfer Agent, within one month of each half of the financial year, stating that all activities in relation to both physical and electronic share transfer facilities are maintained by the Company's Registrar and Share Transfer Agent (RTA) Link Intime India Private Limited.</p> <p>Further, the Share Transfer system is audited by a firm of Practicing Company Secretaries and a half-yearly certificate of compliance, issued by it, with regard to the issuance of share certificates within 30 days of lodgement for transfer, sub-division, consolidation, renewal etc., is submitted to the stock exchanges pursuant to Regulation 40(9) &amp; (10) of the Listing Regulations.</p>
h) Dematerialization of Shares and Liquidity	<p>The Equity Shares of the Company are in compulsory de-mat segment and are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. The ISIN Number of Company on both the NSDL and CDSL is INE933S01016. As on March 31, 2020, 2,89,19,820 Equity Shares of ₹ 10/- each (100%) are held in electronic/de-mat form.</p>
i) Commodity price risk or foreign exchange risk and hedging activities	<p>The Company is not engaged in commodity trading, hedging or exchange risk management activities.</p>
k) Address for correspondence	<p><b>Registered Office:</b>  Indiamart InterMesh Limited  1st Floor, 29-Daryaganj, Netaji Subash Marg,  New Delhi - 110002  Tel No.: +91-11-49995600  Email id: <a href="mailto:cs@indiamart.com">cs@indiamart.com</a>;</p> <p><b>Corporate Office:</b>  6th Floor, Tower 2,  Assotech Business Cresterra,  Plot No.22, Sec 135,  Noida-201305, Uttar Pradesh,  Tel No.: +91-120-6777777  Email id: <a href="mailto:cs@indiamart.com">cs@indiamart.com</a>;</p> <p><b>Investor Correspondence (RTA):</b>  Link Intime India Pvt. Ltd.  Noble Heights, 1st Floor,  Plot No NH-2, C-1 Block, LSC,  Near Savitri Market, Janakpuri,  New Delhi - 110058  <b>Email:</b> <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a>  <b>Tel. :</b> +91-11-49411000</p>
l) Plant locations	Not Applicable
m) List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	Not Applicable
n) Outstanding GDRS/ ADRS/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity	Not Applicable

## o) Market Price Data:

Month	BSE		NSE	
	High	Low	High	Low
July, 2019	1367.00	1173.45	1368.70	1180.00
August, 2019	1273.70	952.00	1275.85	1102.95
September, 2019	1970.70	1189.2	1970.00	1160.00
October, 2019	2310.00	1736.60	2304.05	1737.25
November, 2019	2194.90	1730.00	2199.00	1728.00
December, 2019	2226.00	1966.00	2225.00	1961.90
January, 2020	2477.65	2000.00	2478.00	2000.00
February, 2020	2862.00	2221.10	2862.50	2222.00
March, 2020	2696.35	1641.20	2698.00	1641.05

(Source: Official website of BSE &amp; NSE)

## p) Performance of IndiaMART Share Price in comparison to broad based indices such as BSE Sensex and NSE-Nifty 50:



## q) Distribution of shareholding as on March 31, 2020:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Total Shareholding
1 - 5,000	18,183	99.01	10,34,937	3.58
5,001 - 10,000	57	0.31	4,11,158	1.42
10,001 - 20,000	39	0.21	5,50,930	1.91
20,001 - 30,000	22	0.12	5,33,081	1.84
30,001 - 40,000	9	0.05	3,10,404	1.07
40,001 - 50,000	11	0.06	4,70,818	1.63
50,001 - 1,00,000	19	0.10	14,11,176	4.88
1,00,001 and above	25	0.14	2,41,97,316	83.67
<b>Total</b>	<b>18,365</b>	<b>100.00</b>	<b>2,89,19,820</b>	<b>100.00</b>

**Categories of shareholders as on March 31, 2020**

Category	No. of shareholders	No. of shares held	Shareholding (%)
<b>A. PROMOTERS HOLDINGS</b>			
Indian Promoters	20	1,51,37,091	52.34
<b>B. NON- PROMOTERS HOLDINGS</b>			
a) Mutual Fund	20	7,06,314	2.44
b) Alternate Investment Funds	7	1,80,447	0.62
c) Foreign Companies	5	47,19,701	16.32
d) Foreign Portfolio Investors	40	35,42,533	12.25
e) Non Resident (Repatriable & Non -repatriable)	408	1,23,141	0.43
f) Foreign Nationals	1	100	0.00
g) Other Bodies Corporates	312	3,07,106	1.06
h) Financial Institutions / Banks	1	3,650	0.01
i) Others (Individual, Clearing Members, HUF, Employee Welfare Trust/ESOP Trust, Foreign Nationals, Trust (Employees) etc.)	17,551	41,99,737	14.52
<b>Total</b>	<b>18,365</b>	<b>2,89,19,820</b>	<b>100.00</b>

**DEPOSITORY SERVICES**

Shareholders may write to the Company or to the respective Depositories for any guidance on depository services:

<b>National Securities Depository Ltd.</b>	<b>Central Depository Services (India) Ltd.</b>
Trade World, 4th Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013	Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023
Telephone : 022 - 24972964-70	Telephone : 022 - 2272 3333-3224
Fax : 022 - 24972993 022-24976351	Fax : 022 - 2272 3199

**OTHER DISCLOSURES****a) Disclosure on Material Related Party Transactions**

During the financial year ended March 31, 2020, there were no material related party transactions that may have potential conflict with the interests of the Company at large. i.e. transactions of the Company of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives, etc.

The Company has formulated and adopted a Policy on Dealing with Related Party Transactions and the web-link for the policy is <http://investor.indiamart.com>

The Company has made requisite disclosure with respect to related party transaction in the significant accounting policies and note to accounts to the financial statements. Transactions with the related parties as per the requirements of Ind AS 24 are disclosed in Note no. 33. to the Financial Statements of the Company for the year ended March 31, 2020 forming part of this Annual Report.

**b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

The Company is in full compliance with the matters related to capital market and there are no penalties imposed on the Company by Stock Exchange or SEBI or

any statutory authority, on any matter related to capital markets, during the last three years.

**c) Whistle-Blower Policy and affirmation that no personnel has been denied access to the Chairman of the Audit Committee.**

Your Company has in place Whistle-Blower Policy ("the Policy"), which provides formal mechanism to its employees for communicating instances of breach of any statute, actual or suspected fraud on the accounting policies and procedures adopted for any area or item, acts resulting in financial loss or loss of reputation, leakage of information in the nature of Unpublished Price Sensitive Information (UPSI), misuse of office, suspected/actual fraud and criminal offences. The Policy enables the reporting of such concerns to the Ombudspersons and/or to the Chairman of the Audit Committee through specified channels. The framework of the Policy strives to foster responsible and secure whistle blowing. In terms of the Policy of the Company, no employee of the Company has been denied access to the Chairman of the Audit Committee of the Board.

**d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.**

**Mandatory requirements:** The Company is fully compliant with the applicable mandatory requirements of the Listing Regulations.

**Adoption of Non-Mandatory requirements:** The Company has complied with all mandatory requirements of Regulation 34 of the Listing Regulations. The Company has adopted following non-mandatory requirements of Regulation 27 and Regulation 34 of the Listing Regulations

#### Discretionary Requirements

1. **The Board** – There is no designated Chairperson of the Company. The Non-Executive Directors are entitled to use Office Premises as and when required at the Company's expenses and also allowed reimbursement of expenses incurred in performance of their duties towards the Company.
  2. **Shareholders Rights** – The Quarterly, Half-yearly and Yearly results are published in the newspapers with adequate disclosures for information and knowledge of the shareholders /public at large and also uploaded on the Company's Website. Company does not have a system of intimating shareholders individually about financial results, but, queries, if any, are replied immediately.
  3. **Modified Opinion(s) in Audit Report** – The Company confirms that its financial statements are with unmodified audit opinion.
  4. **Reporting of Internal Auditor** – The Internal Auditor Reports directly to the Audit Committee of the Board.
- e) **Web-links**  
All the requisite policies including policy for
- i. The Policy of determining material subsidiaries is available on the 'Investors Relation' section of the Company's website which can be accessed at <http://investor.indiamart.com>.
  - ii. The Policy on dealing with related party transactions is available on the 'Investors Relation' section of the Company's website which can be accessed at <http://investor.indiamart.com>.

#### CORPORATE GOVERNANCE COMPLIANCE

The Company complies with the Corporate Governance Requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation 2 of Regulation 46 of the Listing Regulations.

Particulars	Regulation Number	Compliance Status
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes

#### f) Details of Utilization of funds raised through preferential Allotment or qualified institutions placement

During the, year the Company has not raised any fund through preferential Allotment or qualified institutions placement.

#### g) Recommendation of Committee

During the year, there are no such cases where the recommendation of any Committee of **Board, have not been accepted by the Board, which is mandatorily required to be accepted as** per the law.

#### h) Total fees paid to the Statutory Auditors

The Details of fees paid by the Company and its subsidiaries to the Statutory Auditor and all entities in the network firm/network of entity which Statutory Auditor is a part, are as under:

S. No.	Particulars	Amount (In ₹ million)
1.	Statutory Audit Fee	6.31
2.	Other Certification Fees	0.03

#### i) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013)

S. No.	Particulars	Details
1.	Number of Complaints filed during the financial year	1
2.	Number of Complaints disposed of during the financial year	1
3.	Number of Complaints pending as on end of the financial year	Nil

#### Non-compliance of Corporate Governance

There is no Non-Compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the Listing Regulations.

Particulars	Regulation Number	Compliance Status
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and Role of Risk Management Committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	NA
Composition of Board of Directors of unlisted material subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Disclosure on the website of the Company	46(2)	Yes

#### CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES:

In compliance with the SEBI regulations on prevention of Insider Trading, the Company has instituted a comprehensive Code of Conduct to regulate, monitor and report trading by Insiders for Prevention of Insider Trading for its Designated Persons and Insiders. The basic intention of the Code of Conduct is to prohibit employees or any other person from dealing in the Equity Shares of the Company while they are in possession of price sensitive information.

#### DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any Demat Suspense/ Unclaimed Suspense Account.

#### CODE OF CONDUCT

The Board has approved and adopted a Code of Conduct for all Board Members and senior management of the Company, which has been posted on available on Company's website at [www.indiamart.com](http://www.indiamart.com) at <http://investor.indiamart.com>.

On behalf of the Board  
For **IndiaMART InterMESH Limited**

**Place:** Noida  
**Date:** May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

## DECLARATION PURSUANT TO PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

### The Declaration of the Managing Director and CEO

To the members of IndiaMART InterMESH Limited

#### Sub: Compliance with Code of Conduct

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company as adopted by the Board of Directors.

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#### Dinesh Chandra Agarwal

Managing Director & CEO

DIN: 00191800

Place: Noida

Date: May 12, 2020

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## CEO/CFO CERTIFICATE PURSUANT TO PART B OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

**The Board of Directors/Audit Committee**  
IndiaMART InterMESH Limited

We, Dinesh Chandra Agarwal, Managing Director & CEO and Mr. Prateek Chandra, Chief Financial Officer, of IndiaMART InterMESH Limited, hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2020 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. There are no significant changes in accounting policies during the year except adoption of IND AS 116, 'leases' and that the same has been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Noida

Date: May 12, 2020

**Dinesh Chandra Agarwal**

(Managing Director & CEO)

**Prateek Chandra**

(Chief Financial Officer)

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE PURSUANT TO PART E OF SCHEDULE V OF SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To**  
**The Members**  
**IndiaMART InterMESH Limited**

We have examined the compliance of conditions of Corporate Governance by IndiaMART InterMESH Limited ("the Company"), for the financial year ended March 31, 2020 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Sanjay Grover & Associates**  
Company Secretaries  
Firm Registration No. P2001DE052900

**Devesh Kumar Vasisht**  
Partner  
CP No. 13700  
FCS No. F 8488  
UDIN: F008488B000230941

**Place:** Delhi  
**Date:** May 12, 2020

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

**To,**  
**The Members of**  
**INDIAMART INTERMESH LIMITED**

1st Floor, 29-Daryagang, Netaji Subash  
Marg, New Delhi-110002.

1. That Indiamart Intermesh Limited (CIN: L74899DL1999PLC101534) is having its registered office at 1st Floor, 29-Daryagang, Netaji Subash Marg, New Delhi-110002 (hereinafter referred as "the Company"). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
2. We have examined the relevant disclosures received from the Directors, registers, records, forms, and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. In our opinion and to the best of our information and according to the verifications and examination of the disclosures under section 184/189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN status at the portal, www.mca.gov.in, as considered necessary and explanations furnished to us by the Company and its officers, we certify that none of the below named Directors on the Board of the Company as on March 31, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in Company
1.	Mr. Brijesh Kumar Agrawal	00191760	13/09/1999
2.	Mr. Dinesh Chandra Agarwal	00191800	13/09/1999
3.	Mr. Vivek Narayan Gour	00254383	30/04/2018
4.	Mr. Rajesh Sawhney	01519511	27/01/2011
5.	Mr. Dhruv Prakash	05124958	28/10/2015
6.	Ms. Elizabeth Lucy Chapman	06459440	27/01/2015

4. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
5. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

**For Sanjay Grover & Associates**  
Company Secretaries  
Firm Registration No. P2001DE052900

**Place:** Delhi  
**Date:** May 12, 2020

**Devesh Kumar Vasisht**  
Partner  
CP No. 13700  
FCS No. F 8488  
UDIN: F008488B000230941

## FORM AOC - 2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:**

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2020 are as follows: -

- (a) Name(s) of the related party and nature of relationship:
  - i. Mansa Enterprises Private Limited – Common Promoter Shareholder above 10 percent.
  - ii. Mr. Dhruv Prakash – A Non-Executive Director on the Board of the Company.
  - iii. Pay With Indiamart Private Limited- Wholly owned subsidiary of the Company.
- (b) Nature of contracts/arrangements/transactions:
  - i. Mansa Enterprises Private Limited – Lease Agreement dated September 30, 2016. By virtue of both the Rent Agreement, the Company acquired the right to use and possess the property bearing number E-75, Ground Floor, Sector 63, Noida – 201301.
  - ii. Training Fees Paid to Mr. Dhruv Prakash, Non-Executive Director - Service Agreement dated January 21, 2020 for period of 3 years.
  - iii. Pay With Indiamart Private Limited (PWIM) – The Company has entered into "Memorandum of Understanding (MOU) for Services" dated May 05, 2017. As per MOU, to allow PWIM to put a tag/link on selected products and/or service available on its platform through which the user(s) of the Company will be able to undertake secured online payment transactions, the Company is entitled to receive 0.25% of transaction amount.

Both the companies entered into fresh agreement on February 01, 2019, with the following major modifications to the existing arrangement:

- Sharing of surplus earned, if any, by PWIM on each transaction executed by the User(s) of IndiaMART, using the payment facility of PWIM,

in the ratio of 50:50. In case the services are being offered by PWIM to the users of IM under any of the promotional scheme(s) of IndiaMART at special rates, below cost or without charges, then IndiaMART shall reimburse the shortfall, if any, in the transaction cost borne by PWIM.

- Since, IndiaMART would be referring its User(s) to PWIM, it agrees to provide indemnity to PWIM against any losses, liabilities, damages, claims, costs and expenses, etc. which it may suffer in relation to the transaction of the User(s) of IndiaMART except in case of any negligence, omission, commission, misconduct, etc. attributable to PWIM.
- (c) Duration of the contracts / arrangements/ transactions –
    - i. Mansa Enterprises Private Limited – The Company has entered into a fresh Agreement dated September 30, 2016 with Mansa Enterprises Private Limited for taking on lease the property bearing number E-75, Ground Floor, Sector 63, Noida – 201301 for a tenure of 9 years.
    - ii. Service Agreement - The said Arrangement is valid for the period of 3 years starting from January 21, 2020.
    - iii. Pay With Indiamart Private Limited - From the date of execution the agreement unless terminated in accordance with the provisions stated in the agreement.
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
    - i. Mansa Enterprises Private Limited – As per the Lease Agreement, a monthly rent of ₹ 1,15,000/- was agreed for taking on lease the said premises, subject to an increase in monthly rent by 15% after every three years.
    - ii. Service Agreement – Mr. Dhruv Prakash to provide specific executive training to senior Management of the Company from time to time. In consideration, he shall be paid ₹ 1,25,000 for every day of coaching apart from the reimbursement of the expenses.
    - iii. Pay With Indiamart Private Limited (PWIM) – Sharing of surplus earned, if any, by PWIM on each transaction executed by the User(s) of IndiaMART, using the payment facility of PWIM, in the ratio of 50:50. In case the services are being offered by PWIM to the users of IM under

- any of the promotional scheme(s) of IndiaMART at special rates, below cost or without charges, then IndiaMART shall reimburse the shortfall, if any, in the transaction cost borne by PWIM.
- (e) Date(s) of approval by the Board/Committee, if any:
- i. Mansa Enterprises Private Limited:  
July 25, 2015
  - ii. Service Agreement – Mr. Dhruv Prakash:  
January 21, 2020
  - iii. Pay With Indiamart Private Limited (PW IPL):  
January 31, 2019
- (f) Amount paid as advances, if any: During the Financial year no, advance payments were made to any of the aforementioned related parties.

On behalf of the Board  
For **IndiaMART InterMESH Limited**

**Place:** Noida

**Date:** May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

## Annexure - 7

**Details of Remuneration Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- A. Ratio of the remuneration of each Director to the Median remuneration of the employees of the Company and Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year:

Name of the Director/KMP	Remuneration of Director/KMP (in ₹)	% increase of remuneration in F.Y. 2019-20#	Ratio of Remuneration of each Director to median Remuneration of employee
<b>Executive Director</b>			
Mr. Dinesh Chandra Agarwal#	46,188,924	12.5%	113
Mr. Brijesh Kumar Agrawal#	33,465,060	12.5%	82
<b>Non-Executive Director</b>			
Mr. Dhruv Prakash*	680,000	-30.61%	1.67
Ms. Elizabeth Lucy Chapman*	250,000	-16.67%	0.61
Mr. Vivek Narayan Gour*	560,000	-20.00%	1.37
Mr. Rajesh Sawhney*	600,000	-29.41%	1.47
<b>Chief Financial Officer</b>			
Mr. Prateek Chandra	52,759,864	12.5%	
<b>Company Secretary &amp; Compliance Officer</b>			
Mr. Manoj Bhargava	10,210,691	14%	

Note:

\*The increase/decrease in % of Remuneration of Independent Director and Non- Executive Directors is due to increase/decrease in sitting fees for attending the meeting of Committees of the Board.

# Based on Annualized Remuneration

- B. the percentage increase in the median remuneration of employees in the financial year:**

The median remuneration of employees of the Company during the financial year was ₹ 408,000/-. In the financial year, there was an increase of 6% in the median remuneration of employees.

- C. the number of permanent employees on the rolls of the Company:**

As on March 31, 2019, the Company has 3171 permanent employees on its rolls.

- D. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in the salaries of the employees other than the managerial personnel in the financial year 2019-20 was 13 % while increase in Managerial remuneration was 12.5%.

**It is hereby affirmed that the remuneration is as per Remuneration Policy of the Company.**

On behalf of the Board  
For **IndiaMART InterMESH Limited**

Place: Noida  
Date: May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

## Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on March 31, 2020

S. No.	Name of the Employees	Designation	Remuneration Paid (in INR million)	Educational Qualification	Date of Joining	Exp. (Yrs.)	Age (Yrs.)	Previous Employment	Nature of Employment	% of Equity share of the Company
1.	Dinesh Gulati	Chief Operating Officer (COO)	82.42	Bachelor of Technology (Chemical Engineering), Post Graduate Program in Management	March 12, 2012	29	52	Indian Express Limited	Permanent	1.70
2.	Prateek Chandra	Chief Financial Officer (CFO)	52.76	Bachelor of Commerce, CA (Chartered Accountant)	February 16, 2015	19	39	Hindustan Times Media Limited	Permanent	0.35
3.	Dinesh Chandra Agarwal	Managing Director & Chief Executive Officer	46.19	Bachelor of Technology (Computer Science)	Since Incorporation	27	51	HCL Technologies (USA)	Permanent	29.84
4.	Brijesh Kumar Agrawal	Whole -Time Director	33.47	Bachelor Business Management, Post Graduate Diploma in Business Management	Since Incorporation	22	43	Miebach Logistics Gmbh	Permanent	20.22
5.	Amarinder Singh Dhaliwal	Chief Product Officer (CPO)	28.30	Bachelor of Technology (Textile Technology), Post Graduate Diploma in Management	June 27, 2016	24	48	Micromax Informatics Ltd	Permanent	0.04
6.	Sudhir Gupta	Senior Vice President	20.63	Bachelor of Commerce, Chartered Accountant	August 06, 2012	24	47	Videocon Tele-communications Ltd.	Permanent	0.08
7.	Vikas Aggarwal	National Head	18.13	Bachelor of Engineering (Computer Technology), Post Graduate Diploma in Business Management	Since Incorporation	21	42	-	Permanent	0.69
8.	Parag Agarwal	Senior Vice President	16.25	Bachelor of Technology, Post Graduate Diploma in Business Management	April 16, 2018	17	42	Aakash Educational Services Private Limited	Permanent	0.02
9.	Vikas Deep Verma	Senior Vice President	13.85	Bachelor of Engineering, Post Graduate Diploma in Business Management	May 02, 2017	15	40	Times Internet Limited	Permanent	0.01
10.	Devendra Singh	Senior Vice President	13.53	Bachelor of Science	October 07, 2009	28	53	Monster India Private Limited	Permanent	0.08
11.	Vivek Agrawal	Senior Vice President	13.28	Bachelor of Technology, Master in Business Administration	December 20, 2010	11	36	Creative Lipi	Permanent	0.02
12.	Sunil Parolia	Senior Vice President	11.10	Bachelor of Technology, Master in Engineering	March 15, 2017	22	52	One97 Communications Limited	Permanent	0.02
13.	Abhishek Bhartia	Senior Vice President	10.76	Bachelor of Commerce, Master of Business Administration	Since Incorporation	21	42	-	Permanent	0.37
14.	Amit Jain	Senior Vice President	10.60	Post Graduate Diploma in Business Administration	March 10, 2000	20	41	-	Permanent	0.11
15.	*Sumit Maheshwari	Chief Human Resources Officer	10.26	Bachelor of Commerce, Master of Human Resource and Organisational Development	September 18, 2018	18	43	Rattan India Finance Private Limited	Permanent	0.00
16.	Manoj Bhargava	Senior Vice President	10.21	Bachelor of Law, Bachelor of Commerce (H), Master in Law & Company Secretary	December 28, 2017	19	44	Varun Beverages Limited	Permanent	0.002

## Note:

- As per the provisions of the Act none of the employees are relatives of Directors and managers, except Mr. Dinesh Chandra Agarwal and Brijesh Kumar Agrawal, Directors of the Company.
- All the aforesaid employees are on the payroll of the Company.
- Mr. Sumit Maheshwari left the organisation on January 07, 2020 so, he was employed for part of the year.

Place: Noida

Date: May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

On behalf of the Board  
For **IndiamART InterMESH Limited**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**IndiaMART InterMESH Limited**  
(CIN: L74899DL1999PLC101534)  
1st Floor, 29-Daryaganj, Netaji Subash Marg,  
New Delhi- 110002.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IndiaMART InterMESH Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**We report that:-**

- a) Maintenance of secretarial records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred as "PIT Regulations");
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;&
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 (herein after referred as "SEBI LODR");

\* No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

- (vi) The Company is primarily engaged in the business-to-business e-marketplace, which acts as an interactive hub for domestic and international buyers and suppliers. There is no sector specific law applicable on the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors of the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with majority consent and, no dissenting views were required to be captured and recorded as part of the minutes.

**We further report that there** are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and to ensure compliance with applicable laws, rules, regulations and guidelines.

#### **We further report that during the audit period-**

- The IPO Committee in its meeting held on July 2, 2019 has given its approval for allotment and Transfer of 4,887,862 (Forty Eight Lakhs Eighty Seven Thousand Eight Hundred and Sixty Two) equity shares of face value of ₹ 10 (Rupees Ten) each at an offer price of ₹ 973 (Rupees Nine Hundred and Seventy Three) per equity shares aggregating to ₹ 4,755,889,726 (Four Hundred Seventy Five Crores Fifty Eight Lakhs Eighty Nine Thousand Seven Hundred and Twenty Six Only) through an offer for sale.

**For Sanjay Grover & Associates**  
Company Secretaries  
Firm Registration No. P2001DE052900

**Devesh Kumar Vasisht**  
Partner  
CP No. 13700  
FCS No. F 8488  
UDIN: F008488B000230941

**Place:** Delhi  
**Date:** May 12, 2020

**EXTRACT OF ANNUAL RETURN  
FORM NO. MGT 9**

As on financial year ended on March 31, 2020

Pursuant to Section 92 of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1. CIN	L74899DL1999PLC101534
2. Registration Date	September 13, 1999
3. Name of the Company	INDIAMART INTERMESH LIMITED
4. Category/Sub-Category of the Company	Public Company Limited by Shares
5. Address of the Registered office and contact details	IndiaMART InterMESH Limited, 1st Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi- 110002 Contact No. 011- 49995600 {Reg. Office} Contact No. 0120-6777777 {Cor. Office} Email- cs@indiamart.com Website- www.indiamart.com
6. Whether listed Company	Yes
7. Name, Address and Contact details of Registrar and Transfer Agent, if, any	Link Intime India Pvt. Ltd Address: Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi – 110058 Contact No. 011 – 4141 0592/93/94 Fax No: 011 – 4141 0591 Email id: delhi@linkintime.co.in Website- <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main Products / Services	NIC Code of Product/service	% to total turnover of the company
1.	Information Services Activity	6311	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name of the Company	Address of Company	CIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1.	Tolexo Online Private Limited	1 <sup>st</sup> Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi-110002	U72200DL2014 PTC267665	Wholly owned Subsidiary	100%	Section 2(87) of the Companies Act, 2013
2.	Ten Times Online Private Limited	1 <sup>st</sup> Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi-110002	U72300DL2014 PTC265480	Wholly owned Subsidiary	100%	Section 2(87) of the Companies Act, 2013
3.	Tradezeal International Private Limited	1 <sup>st</sup> Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi-110002	U72200DL2005 PTC136907	Wholly owned Subsidiary	100%	Section 2(87) of the Companies Act, 2013
4.	Hello Trade Online Private Limited	1 <sup>st</sup> Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi-110002	U51909DL2008 PTC180430	Wholly owned Subsidiary	100%	Section 2(87) of the Companies Act, 2013
5.	Pay With Indiamart Private Limited	1 <sup>st</sup> Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi-110002	U74999DL2017 PTC312424	Wholly owned Subsidiary	100%	Section 2(87) of the Companies Act, 2013
6.	Simply Vyapar Apps Private Limited	Flat No 223, Wings 2 DSR Eden Green Aparts, Bangalore, Karnataka, 560035	U72900KA2018 PTC110858	Associate Company	26%	Section 2(6) of the Companies Act, 2013

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### A. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual/ HUF	1,65,67,200	-	1,65,67,200	57.94	1,51,37,091	-	1,51,37,091	52.34	-5.60
b) Central Govt	-	-	-	0.00	-	-	-	0.00	0.00
c) State Govt(s)	-	-	-	0.00	-	-	-	0.00	0.00
d) Bodies Corp.	-	-	-	0.00	-	-	-	0.00	0.00
e) Banks / FI	-	-	-	0.00	-	-	-	0.00	0.00
f) Any other	-	-	-	0.00	-	-	-	0.00	0.00
<b>Sub-Total (A)(1)</b>	<b>1,65,67,200</b>	<b>-</b>	<b>1,65,67,200</b>	<b>57.94</b>	<b>1,51,37,091</b>	<b>-</b>	<b>1,51,37,091</b>	<b>52.34</b>	<b>-5.60</b>
<b>2. Foreign</b>									
a) NRIs - Individuals	-	-	-	0.00	-	-	-	0.00	0.00
b) Other - Individuals	-	-	-	0.00	-	-	-	0.00	0.00
c) Bodies Corp.	-	-	-	0.00	-	-	-	0.00	0.00
d) Banks / FI	-	-	-	0.00	-	-	-	0.00	0.00
e) Any Other	-	-	-	0.00	-	-	-	0.00	0.00
Sub-Total (A)(2)	-	-	-	0.00	-	-	-	0.00	0.00
<b>Total shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	<b>1,65,67,200</b>	<b>-</b>	<b>1,65,67,200</b>	<b>57.94</b>	<b>1,51,37,091</b>	<b>-</b>	<b>1,51,37,091</b>	<b>52.34</b>	<b>-5.60</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00	7,06,314	-	7,06,314	2.44	2.44
b) Banks / FI	-	-	-	0.00	3,650	-	3,650	0.01	0.01
c) Central Govt	-	-	-	0.00	-	-	-	0.00	0.00
d) State Govt(s)	-	-	-	0.00	-	-	-	0.00	0.00
e) Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
f) Insurance Companies	-	-	-	0.00	-	-	-	0.00	0.00
g) FIs	-	-	-	0.00	-	-	-	0.00	0.00
h) Foreign Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
i) Others									
(i) Alternate Investment Funds	-	-	-	0.00	1,80,447	-	1,80,447	0.62	0.62
(ii) Foreign Portfolio Investment (Corporate)	-	-	-	0.00	35,39,894	-	35,39,894	12.24	12.24
<b>Sub-total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>44,30,305</b>	<b>-</b>	<b>44,30,305</b>	<b>15.32</b>	<b>15.32</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.								0.00	0.00
(i) Indian	2,15,746	-	2,15,746	0.75	3,07,106	-	3,07,106	1.06	0.31
(ii) Overseas	-	-	-	0.00	-	-	-	0.00	0.00
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs 1 lakh	3,63,990	9,640	3,73,630	1.31	11,14,530	-	11,14,530	3.85	2.55
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	31,69,376	-	31,69,376	11.08	29,71,451	-	29,71,451	10.27	-0.81
c) Others									
(i) Foreign Companies	82,66,054	-	82,66,054	28.91	47,19,701	-	47,19,701	16.32	-12.59
(ii) Hindu Undivided Family	-	-	-	0.00	32,643	-	32,643	0.11	0.11
(iii) Non-Resident Indians	-	-	-	0.00	1,23,141	-	1,23,141	0.43	0.43
(iv) Trusts	-	-	-	0.00	724	-	724	0.00	0.00
(v) Foreign National	-	-	-	0.00	100	-	100	0.00	0.00
(vi) Foreign Portfolio Investors (Individual)	-	-	-	0.00	2,639	-	2,639	0.01	0.01
(vii) Clearing Members	-	-	-	0.00	37,816	-	37,816	0.13	0.13
(viii) Employee Benefit Trust	-	-	-	0.00	42,573	-	42,573	0.15	0.15
<b>Sub-total (B)(2):</b>	<b>1,20,15,166</b>	<b>9,640</b>	<b>1,20,24,806</b>	<b>42.06</b>	<b>93,52,424</b>	<b>-</b>	<b>93,52,424</b>	<b>32.34</b>	<b>-9.72</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1,20,15,166</b>	<b>9,640</b>	<b>1,20,24,806</b>	<b>42.06</b>	<b>1,37,82,729</b>	<b>-</b>	<b>1,37,82,729</b>	<b>47.66</b>	<b>5.60</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00	-	-	-	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>2,85,82,366</b>	<b>9,640</b>	<b>2,85,92,006</b>	<b>100.00</b>	<b>2,89,19,820</b>	<b>-</b>	<b>2,89,19,820</b>	<b>100.00</b>	<b>0</b>

**B. Promoter's Shareholding:**

S. No.	Shareholder's	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Dinesh Chandra Agarwal	94,83,200	33.17	Nil	86,30,747	29.84	Nil	-3.32
2.	Brijesh Kumar Agrawal	64,26,200	22.48	Nil	58,48,544	20.22	Nil	-2.25
3.	Chetna Agarwal	1,55,000	0.54	Nil	1,55,000	0.53	Nil	-0.01
4.	Pankaj Agarwal	1,51,000	0.53	Nil	1,51,000	0.52	Nil	-0.01
5.	Anand Kumar Agrawal	70,000	0.24	Nil	70,000	0.24	Nil	0.00
6.	Meena Agrawal	69,800	0.24	Nil	69,800	0.24	Nil	0.00
7.	Dinesh Chandra Agarwal (HUF)	60,000	0.21	Nil	60,000	0.21	Nil	0.00
8.	Prakash Chandra Agrawal	40,200	0.14	Nil	40,200	0.14	Nil	0.00
9.	Naresh Chandra Agrawal	40,200	0.14	Nil	40,200	0.14	Nil	0.00
10.	Gunjan Agarwal	20,000	0.07	Nil	20,000	0.07	Nil	0.00
11.	Keshar Devi Agrawal	19,800	0.07	Nil	19,800	0.07	Nil	0.00
12.	Naresh Chandra Agrawal HUF	9,000	0.03	Nil	9,000	0.03	Nil	0.00
13.	Anand Kumar Agrawal HUF	6,000	0.02	Nil	6,000	0.02	Nil	0.00
14.	Prakash Chandra Agrawal HUF	6,000	0.02	Nil	6,000	0.02	Nil	0.00
15.	Ishwar Prasad Jalan	5,000	0.02	Nil	5,000	0.02	Nil	0.00
16.	Vijay Jalan	5,000	0.02	Nil	5,000	0.02	Nil	0.00
17.	Pankaj Agarwal (Hamirwasia Family Trust)	200	0.00	Nil	200	0.00	Nil	0.00
18.	Pankaj Agarwal (Hamirwasia Business Trust)	200	0.00	Nil	200	0.00	Nil	0.00
19.	Dinesh Chandra Agarwal (Nanpara Family Trust)	100	0.00	Nil	100	0.00	Nil	0.00
20.	Dinesh Chandra Agarwal (Nanpara Business Trust)	100	0.00	Nil	100	0.00	Nil	0.00
	<b>Total</b>	<b>1,65,67,000</b>	<b>57.94</b>	<b>Nil</b>	<b>1,51,36,891</b>	<b>52.33</b>	<b>Nil</b>	<b>-5.61</b>

**C. Change in Promoters' Shareholding**

S. No.	Promoters	Shareholding at the beginning of the year		Date of Change	Reason of Changes	Cumulative Share-holding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company*
1.	<b>Dinesh Chandra Agarwal</b>	<b>94,83,200</b>	<b>33.17</b>				
	Increase/(Decrease) in Shareholding during the year	(852,453)	(3.32)	July 02, 2019	Sale of Shares in Initial Public Offer of the Company (though Offer for Sale)	86,30,747	29.84
	<b>At the end of the year</b>	<b>86,30,747</b>	<b>29.84</b>				
2.	<b>Brijesh Kumar Agrawal</b>	<b>64,26,200</b>	<b>22.48</b>				
	Increase/(Decrease) in Shareholding during the year	(5,77,656)	(2.25)	July 02, 2019	Sale of Shares in Initial Public Offer of the Company (though Offer for Sale)	58,48,544	20.22
	<b>At the end of the year</b>	<b>58,48,544</b>	<b>20.22</b>				
3.	Chetna Agarwal	1,55,000	0.54		No Change	1,55,000	0.53
4.	Pankaj Agarwal	1,51,000	0.53		No Change	1,51,000	0.52
5.	Anand Kumar Agrawal	70,000	0.24		No Change	70,000	0.24
6.	Meena Agrawal	69,800	0.24		No Change	69,800	0.24
7.	Dinesh Chandra Agarwal (HUF)	60,000	0.21		No Change	60,000	0.21
8.	Prakash Chandra Agrawal	40,200	0.14		No Change	40,200	0.14
9.	Naresh Chandra Agrawal	40,200	0.14		No Change	40,200	0.14
10.	Gunjan Agarwal	20,000	0.07		No Change	20,000	0.07
11.	Keshar Devi Agrawal	19,800	0.07		No Change	19,800	0.07
12.	Naresh Chandra Agrawal HUF	9,000	0.03		No Change	9,000	0.03
13.	Anand Kumar Agrawal HUF	6,000	0.02		No Change	6,000	0.02

S. No.	Promoters	Shareholding at the beginning of the year		Date of Change	Reason of Changes	Cumulative Share-holding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company*
15.	Ishwar Prasad Jalan	5,000	0.02		No Change	5,000	0.02
16.	Vijay Jalan	5,000	0.02		No Change	5,000	0.02
17.	Pankaj Agarwal (Hamirwasia Family Trust)	200	0.00		No Change	200	0.00
18.	Pankaj Agarwal (Hamirwasia Business Trust)	200	0.00		No Change	200	0.00
19.	Dinesh Chandra Agarwal (Nanpara Family Trust)	100	0.00		No Change	100	0.00
20.	Dinesh Chandra Agarwal (Nanpara Business Trust)	100	0.00		No Change	100	0.00

\* % of Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

#### D. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	*Name of Shareholders (Top 10 Shareholders)	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company
2.	Westbridge Crossover Fund, LLC	15,44,154	5.40	-	-	15,44,154	5.34
3.	Amadeus IV DPF Limited	11,36,570	3.98	-	2,55,753	8,80,817	3.05
4.	Accion Frontier Inclusion Mauritius	11,36,570	3.98	-	4,75,000	6,61,570	2.29
5.	Madhup Agrawal	7,93,000	2.77	-	1,08,431	6,84,569	2.37
6.	Amadeus EIII LP	5,97,014	2.09	-	-	5,97,014	2.06
7.	Dinesh Gulati	5,29,500	1.85	-	37,625	4,91,875	1.70
8.	Vikas Aggarwal	2,11,920	0.74	-	13,155	1,98,765	0.69
9.	Chetna Agarwal	1,55,200	0.54	-	-	1,55,200	0.54
10.	Pankaj Agarwal	1,51,000	0.53	-	-	1,51,000	0.52
11.	Steadview Capital Mauritius Limited	-	-	7,34,806	-	7,34,806	2.54
12.	Saif India VI FII Holdings Limited	-	-	6,22,479	-	6,22,479	2.15
13.	Kuwait Investment Authority Fund 225	-	-	3,42,842	-	3,42,842	1.19

#### E. Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Change	Reason of Change	Increase/Decrease in share-holding during the year	Cumulative Shareholding during the year	
		No. of Shares	% of Total Share				No. of Shares	% of Total Share
2	Brijesh Kumar Agrawal, Whole-time Director	64,26,200	22.48	June 03, 2019	Shares sale in Initial Public Offer	-5,77,656	58,48,544	20.22
3	Dhruv Prakash, Non-Executive Director	40,000	0.14	July 03, 2019	Buy Shares in Initial Public Offer	56	40,056	0.14
4	Vivek Narayan Gour, Non-Executive Independent Director	9,000	0.03	-	-	-	9,000	0.03
5	Elizabeth Lucy Chapman, Non-Executive Independent Director	0	0	-	-	-	-	-

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of Change	Reason of Change	Increase/Decrease in share-holding during the year	Cumulative Shareholding during the year	
		No. of Shares	% of Total Share				No. of Shares	% of Total Share
6	Rajesh Sawhney, Non-Executive Independent Director	40,000	0.14	September 30, 2019	Sale	-1,000	39,000	0.13
				November 07, 2019	Sale	-1,000	38,000	0.13
				November 11, 2019	Sale	-1,000	37,000	0.13
				November 13, 2019	Sale	-2,000	35,000	0.12
				November 21, 2019	Sale	-2,000	33,000	0.11
				November 22, 2019	Sale	-3,000	30,000	0.10
				December 27, 2019	Sale	-1,000	29,000	0.10
				February 04, 2020	Sale	-1,334	27,666	0.10
				February 05, 2020	Sale	-216	27,450	0.09
				February 10, 2020	Sale	-1,200	26,250	0.09
				February 20, 2020	Sale	-800	25,450	0.09
				March 25, 2020	Sale	-1,632	23,818	0.08
				March 26, 2020	Sale	-2,000	21,818	0.08
				March 27, 2020	Sale	-1,000	20,818	0.07
March 30, 2020	Sale	-7,902	12,916	0.04				
March 31, 2020	Sale	-2,098	10,818	0.04				
7	Prateek Chandra, Chief Financial Officer	76,432	0.27	May 27, 2019	ESOP Exercise	35,252	1,11,684	0.39
				October 11, 2019	SAR Exercise	7,173	1,18,857	0.41
				November 15, 2019	Sale	-250	1,18,607	0.41
				November 19, 2019	Sale	-250	1,18,357	0.41
				November 20, 2019	Sale	-250	1,18,107	0.41
				November 22, 2019	Sale	-1,000	1,17,107	0.40
				November 26, 2019	Sale	-750	1,16,357	0.40
				December 02, 2019	Sale	-300	1,16,057	0.40
				December 03, 2019	Sale	-1,000	1,15,057	0.40
				December 17, 2019	Sale	-500	1,14,557	0.40
				December 23, 2019	Sale	-1,500	1,13,057	0.39
				January 24, 2020	Sale	-1,000	1,12,057	0.39
				January 27, 2020	Sale	-814	1,11,243	0.38
				January 31, 2020	Sale	-1,500	1,09,743	0.38
				February 03, 2020	Sale	-223	1,09,520	0.38
				February 07, 2020	Sale	-1,000	1,08,520	0.38
				February 12, 2020	Sale	-5,000	1,03,520	0.36
February 14, 2020	Sale	-2,500	1,01,020	0.35				
8	Manoj Bhargava, Company Secretary	0	0.00	July 03, 2019	Buy Shares in Initial Public Offer	34	34	0.00
				October 11, 2019	SAR Exercise	1,147	1,181	0.00
				October 29, 2019	Sale	-500	681	0.00

## V. INDEBTEDNESS

(Indebtedness of the Company including interest outstanding/accrued but not due for payment)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in INR Million)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Dinesh Chandra Agarwal, Managing Director & CEO	Mr. Brijesh Kumar Agrawal, Whole-time Director	Manager*	
1.	Gross salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	45.71	32.98	-	78.69
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961	0.48	0.48	-	0.96
(c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission -as % of profit -others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>46.19</b>	<b>33.46</b>	<b>-</b>	<b>79.65</b>
	Ceiling as per the Act	76.43	76.43		152.86

\* The Company does not have Manager.

### B. Remuneration to other directors

(Amount in INR Million)

S. No.	Particulars of Remuneration	Name of Directors			Total
		Mr. Vivek Narayan Gaur	Mr. Rajesh Sawhney	Ms. Elizabeth Lucy Chapman	
1.	<b>Independent Directors</b>				
	Fee for attending Board & Committee meetings	0.56	0.60	0.25	1.41
	Remuneration by way of Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>0.56</b>	<b>0.60</b>	<b>0.25</b>	<b>1.41</b>
2.	<b>Other Non-Executive Directors</b>	<b>Mr. Dhruv Prakash</b>			
	Fee for attending board committee meetings			0.68	0.68
	Commission			-	-
	Others, - Training Fee			3.09	3.09
	<b>Total (2)</b>			<b>3.77</b>	<b>3.77</b>
	<b>Total (B) = (1+2)</b>				<b>5.18</b>
	<b>Total Managerial Remuneration Total=(A+B)</b>				<b>84.83</b>
	<b>Overall Ceiling as per the Act (Within the limit)</b>				<b>168.15</b>

**C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager WTD**

(Amount in INR Million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Prateek Chandra (Chief Financial Officer)	Manoj Bhargava (Company Secretary)	
	Gross salary			
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.37	8.14	30.51
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.03	0.03	0.06
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	30.35	2.04	32.39
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit -others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>52.75</b>	<b>10.21</b>	<b>62.96</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On behalf of the Board  
For **IndiaMART InterMESH Limited**

Place: Noida  
Date: May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

## Annexure 11

## BUSINESS RESPONSIBILITY REPORT 2019-20

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L74899DL1999PLC101534
2	Name of the Company	INDIAMART INTERMESH LIMITED
3	Registered address	IndiaMART InterMESH Limited, 1st Floor, 29-Daryaganj, Netaji Subash Marg, New Delhi- 110002
4	Website	www.indiamart.com
5	E-mail id	cs@indiamart.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code wise)	Information Services Activity NIC Code: 6311
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	a) Listings of businesses, products and services. b) Search Service of businesses, products and services. c) Advertisements on the Company platform.
9	Total number of locations where business activity is undertaken by the Company (a) No. of National Locations (b) No. of International Locations	a) The Company has 85 offices as on March 31, 2020 spread across India b) NA
10	Markets served by the Company - Local/State/ National/ International	National

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (₹)	₹ 289,198,200/-
2	Total Turnover (₹)	₹ 6,235.13 million
3	Total profit after taxes (₹)	₹ 1,428.14 million
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 1.05 million i.e. 0.07% of Profit after Tax for the financial year 2019-20 has been spent on CSR Activities being 2% of the average net profits of the Company for the last three financial years.
5	List of activities in which expenditure in 4 above has been incurred:	Through its CSR initiatives, the Company strives to provide equitable opportunities for sustainable growth. With this idea of shared growth, the Company has focused its CSR initiatives in the field of education in this reporting year. The Company has also contributed to Prime Ministers National Relief Fund (PMNRF) during the year.

For detailed information relating to list of activities in which expenditure in 4 above has been incurred, please refer the Annual Report on CSR Activities annexed as Annexure 4 to the Board's Report.

## SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has the following Subsidiary Companies: a. Tolexo Online Private Limited b. Ten Times Online Private Limited c. Pay With Indiamart Private Limited d. Hello Trade Online Private Limited e. Tradezeal International Private Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	There is no direct participation by the Subsidiary Companies.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

#### a) Details of the Director / Directors responsible for implementation of the BR policy / policies

DIN	Name	Designation
00191800	Mr. Dinesh Chandra Agarwal	Managing Director & Chief Executive Officer
00191760	Mr. Brijesh Kumar Agrawal	Whole-time Director
00254383	Mr. Vivek Narayan Gour	Independent Director
05124958	Mr. Dhruv Prakash	Non-Executive Director
01519511	Mr. Rajesh Sawhney	Independent Director
06459440	Ms. Elizabeth Lucy Chapman	Independent Director

#### b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN (if applicable)	NA
2.	Name	Mr. Prateek Chandra
3.	Designation	Chief Financial Officer
4.	Telephone number	+91-120-6777777
5.	e-mail id	<a href="mailto:cfo@indiamart.com">cfo@indiamart.com</a>

### 2. Principle-wise (as per NVGs) BR Policy/policies

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3	Businesses should promote the well-being of all employees.
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect, protect, and make efforts to restore the environment.
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

#### a) Details of Compliance (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify?	Yes, IndiaMART's policies are in line with respective principles of National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business as issued by Ministry of Corporate Affairs, Government of India, in July 2011.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	All the policies are approved by the Board/Management Committee. All the policies are signed by the concerned Director.								
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed online?	All Policies which are statutorily required to be placed on the Company's website can be accessed through the following link: <a href="http://investor.indiamart.com">http://investor.indiamart.com</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to employees through the Intranet and to external stakeholders through the Company's website: <a href="http://www.indiamart.com">www.indiamart.com</a>								
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	The Whistle Blower Mechanism provides Employees, Customers, Vendors, Contractors, and other Stakeholders to report any concerns or grievances pertaining to any potential or actual violation of Company's Code of Conduct or any unethical behavior. The Company has dedicated complaints section on its website wherein the concerned stakeholders can raise their concerns.								
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	While the Company has not carried out independent audit of the policies, the Statutory/Internal and Secretarial Audit function of the Company periodically looks at the implementation of these policies.								

b) **The Company is not engaged in Business Activity which influences the public and regulatory policies; hence, the Company is not required to prepare any policy pertaining to Principle 7.**

### 3. Governance related to BR

S. No.	Particulars	Details
a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company (Within 3 months, 3-6 months, Annually, More than 1 year).	The formulation of Business Responsibility Report has become applicable to the Company for the first time at the end of March 31, 2020.  The Management shall periodically monitor the BR initiatives and BR performance of the Company to be compiled in the BR report, which shall form part of Annual Report and shall be placed before the Board for their approval, every year.
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The formulation of Business Responsibility Report has become applicable to the Company for the first time at the end of March 31, 2020.  Business Responsibility Report is made part of the Annual Report from FY 2019-20 onwards. The same is available on website of the Company at: <a href="http://investor.indiamart.com">http://investor.indiamart.com</a> after approval from the Board of Directors.

### Section E: Principle-wise Performance

#### Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?**

The Company has in place the Policy relating to ethics, bribery titled as Code of Conduct which is applicable to all the Employees of the Company. Further, a separate Code of Conduct for Board of Directors and Senior Management is also in place.

The Business Ethics and Code of Conduct serves as the guiding philosophy for all employees, suppliers, customers, NGOs, and others who have dealings with the Company. Fair and just business dealings free from any extraneous consideration ought to be followed by all employees in their day to day work life.

Further all internal & external stakeholders are expected to work within the framework of the Code of the Company.

The Company also has in place a Whistle Blower Policy which seeks to empower Employees, Directors and other Stakeholders to raise any genuine concerns within the group. Employees can utilise any mode of communication to which they can communicate their concern to the addressee(s) listed in the Whistle Blower Policy.

Further the Audit Committee of the Company oversees Whistle Blower/Vigil Mechanism of the Company pursuant to the provisions of the Companies Act, 2013. The Chairman of the Audit Committee has exclusive access to designated email ID viz. [chairmanauditcommittee@indiamart.com](mailto:chairmanauditcommittee@indiamart.com)
- How many Stakeholders Complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.**

During the year, the Company has not received any complaint from any Stakeholder related to ethics, bribery, transparency etc. under Whistle Blower Policy by either Ombudsperson or by the Chairman of Audit Committee at their dedicated email id for the purpose.

However, the Company has in place mechanisms for receiving and dealing with regular grievance/complaints from different stakeholder's viz. investors, customers, employees, vendors, etc. There are dedicated resources to respond to the complaints within a time bound manner.

The Company being in service industry does receive customer queries/ feedback which are duly attended to and properly addressed to ensure customer satisfaction.

For details of investor complaints, please refer Corporate Governance Report in the Annual Report.

**Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

<p><b>1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities</b></p>	<p>The Company aims to have negligible negative impact on the environment by identifying ways to optimise resource consumption in its operations, although the very nature of the businesses of the Company has limited impact on environment.</p> <p>Indiamart is a B2B marketplace Platform wherein it offers the following services to its customers namely a) Listings of businesses, products and services; b) Search Service of businesses, products and services; c) Advertisements on the Company platform.</p> <p>Indiamart's business model gives an opportunity to each small and big business sections in different parts of the country, by providing them a powerful online platform to identify and meet the buyer and seller of the desired products and services using the digital offerings in an environment friendly manner.</p> <p>Further, in accordance with the terms of use of the Indiamart website registered User(s) of the website agrees that they will not use the Email Account to publish, distribute, transmit or circulate any unsolicited advertising or promotional information. User(s) further represent, warrant and agree that any content, material or information submitted for display on the website or transmitted or sought to be transmitted through Indiamart's Services shall at no point be unlawful, obscene, defamatory, fraudulent, misleading or discriminatory.</p> <p>The Business model of Indiamart also helps in identifying business opportunities for SME, MSME and other unemployed youth of the Country leading to employability and social growth of the community at large. It also promotes self-dependence and self-reliance as insisted upon by the Government of India these days as a weapon to fight with atrocities caused by certain uncontrollable circumstances like COVID-19.</p> <p>Services of Indiamart contribute positively to the national growth and that its digital services offer great opportunities for Small and Medium Enterprises (SMEs) that form the backbone of the Indian Economy, through use of internet and telecom, to increase their sales and generate higher income.</p>
<p><b>2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</b></p> <p>a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?</p> <p>b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>Not Applicable</p>
<p><b>3. Does the Company have procedures in place for sustainable sourcing, including transportation?</b></p> <p>a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.</p>	<p>IndiaMART, being a pure internet Company, is relatively less resource intensive in terms of material inputs. However, as a responsible corporate entity the Company endeavours to reduce the environmental impact of its operations.</p> <p>The Company strives to reduce impact on the environment and promote efficient consumption of resources such as Air Conditioning run time monitoring, Cloud Servers, installation of LEDs, CFL &amp; other low energy consuming office equipment, restricted printer and copier usage, etc.</p> <p>As part of the Indiamart 's operations, a small amount of e-waste is generated by the Company which is dealt with as per the laws.</p>
<p><b>4. Has the Company taken any steps to procure goods and services from local &amp; small producers, including communities surrounding their place of work?</b></p> <p>a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>The Business of the Company is service oriented and not material resource intensive. The human resources and other services required for our operations are generally sourced from within the local area to the extent feasible. The products and services offered by the Company are aimed at encouraging entrepreneurship, innovation, and capacity building among the society as well as to enable them to scale up their business operations.</p>
<p><b>5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as &lt;5%, 5-10%, &gt; 10%). Also, provide details thereof.</b></p>	<p>The nature of Company's products is service oriented and not material resource intensive, and hence recycling of products is not applicable for the Company's products. There is negligible waste generation at Company's offices. However, the Company has procedures in place to dispose of e-waste through authorised e-waste vendors.</p> <p>Our initiatives also strive to meet sustainability goals of waste reduction and more efficient resource utilisation.</p>

**Principle 3: Businesses should promote the wellbeing of all employees**

1. Please indicate the Total number of employees.	3151																
2. Please indicate the Total number of employees hired on temporary/contractual/ causal basis.	169																
3. Please indicate the number of permanent women employees.	700																
4. Please indicate the Number of permanent employees with disabilities	Indiamart is an equal opportunity employer and treats all its employees at par and doesn't track specifically number of disabled employees. However, basis on voluntary disclosures by any such employee, the Company has 2 (Two) employees with disabilities.																
5. Do you have an employee association that is recognized by management	No																
6. What percentage of your permanent employees is member of this recognised employee association?	Not Applicable																
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	<p>The Company does not engage in any form of child labour/ forced labour/ involuntary labour and does not adopt any discriminatory employment practices. The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination.</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Category</th> <th>No. of Complaints filed during the financial year</th> <th>No. of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Child labour/forced labour/ involuntary labour</td> <td>0</td> <td>0</td> </tr> <tr> <td>2</td> <td>Sexual Harassment</td> <td>1</td> <td>0</td> </tr> <tr> <td>3</td> <td>Discriminatory employment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	S.No.	Category	No. of Complaints filed during the financial year	No. of complaints pending as on end of the financial year	1	Child labour/forced labour/ involuntary labour	0	0	2	Sexual Harassment	1	0	3	Discriminatory employment	0	0
S.No.	Category	No. of Complaints filed during the financial year	No. of complaints pending as on end of the financial year														
1	Child labour/forced labour/ involuntary labour	0	0														
2	Sexual Harassment	1	0														
3	Discriminatory employment	0	0														
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	<p>The company has institutionalized learning and development processes to create right proficiencies across levels and help employees progress in their career. The learning and development needs are recognized through various processes which include Company's vision and mission, competency frameworks and training needs identified through performance management system on regular basis. All the new employees also undergo mandatory induction training programme 'Shubhaarambh' where they understand about the Company and its Core Values i.e. Teamwork, Responsible, Integrity and Passion (TRIPS) amongst other things.</p> <p>IndiaMART Learning and Education Assist Program (ILEAP) is an initiative from IndiaMART that offers a unique opportunity to employees to enhance their skills by enrolling in educational programs of their choice and getting the reimbursement of the same from the company on successful completion. The education programs can be of their current field of specialization or otherwise that adds value to their existing skills and knowledge, thereby enhancing their ability to perform in the current or future roles.</p> <p>Safety of employees is of utmost importance to the Company and in this regard mock drills are conducted in addition to periodic communication and alerts that are sent to employees on safety related aspects.</p>																
a) Permanent Employees	73%																
b) Permanent Women Employees	75%																
c) Casual/Temporary/Contractual Employees	100%																
d) Employees with Disabilities	100%																

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

1. Has the company mapped its internal and external stakeholders? Yes/ No	Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	It is difficult for the Company to identify the disadvantaged, vulnerable & marginalized stakeholders, which has been done to the extent practically possible.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof.	IndiaMART carries out continuous interaction and engagement with all Internal & External stakeholders including the disadvantaged, vulnerable and marginalized stakeholders by way of user feedback mechanism, customer support mechanisms, HR policies, CSR initiatives, shareholder's grievance mechanisms, etc.

**Principle 5: Businesses should respect and promote human rights**

- |  |   |
|--|---|
| 1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others? | <p>The Company is committed to upholding the dignity of every individual engaged or associated with the Company.</p> <p>The Employee Code of Conduct lays down the acceptable employee behaviour on various aspects including human rights. All employees, with direct interface to customers, are trained to be polite and courteous to customers under all circumstances. This focus on human rights extends towards all its interactions with stakeholders with utmost importance placed on fairness and transparency. The Company also inculcates its Core Values i.e. Team Work, Responsible, Integrity and Passion (TRIPS) in its employees as part of their induction training 'Shubhaarambh'.</p> <p>Policies on Human Rights, including the Code of Conduct of Employee, Prevention of Sexual Harassment, and the Whistle blower policies along with Company's other Policies cover all aspects on Human Rights for the Company and extend to all stakeholders of IndiaMART.</p> |
| 2. How many stakeholders' complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?   | The Company has not received any complaint in respect of human rights.  |

**Principle 6: Businesses should respect, protect, and make efforts to restore the environment**

- |  |  |
|--|--|
| 1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others   | The nature of the businesses of the Company has limited impact on environment; however, the Company complies with applicable environmental regulation in respect of premises and its operation.  |
| 2. Does the Company have strategies/ Initiatives to address global warming issues such as climate change, global warming, etc.? Yes/No. If yes, please give hyperlink for webpage etc. | <p>The Company does not have any specific program or initiatives to address such issues.</p> <p>The Company has taken steps to reduce our energy consumption and therefore has taken various initiatives in this regard such as replacement of convention lights to LED lights in the offices across all the locations, efficient uses of Air conditioners, automatic servers and desktop shut down to reduce the energy consumption, e-wastage disposal mechanism, efficient use of printing papers, etc.</p> |
| 3. Does the Company identify and assess potential environment risks? Yes/No  | <p>The nature of the business of the Company has limited impact on environment; however, the Company continuously aims to reduce even the limited impact on the environment by identifying ways to optimize resource consumption in its operations.</p> <p>Further we comply with applicable environmental regulations, wherever applicable, in respect of its premises and operations.</p>  |
| 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?       | Not Applicable   |
| 5. Has the Company undertaken any initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.                      | Please refer paragraph 2 above   |
| 6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?  | Not Applicable   |
| 7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.                                      | There were no legal notices received during the year that remain outstanding as on March 31, 2020  |

**Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner**

- |   |  |
|---|--|
| 1. Is your company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with.  | Internet and Mobile Association of India (IAMAI), The IndUS Entrepreneurs (TIE) and The Federation of Indian Chambers of Commerce and Industry (FICCI) |
| 2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others) | Not Applicable   |

**Principle 8: Businesses should support inclusive growth and equitable development**

<b>1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.</b>	The Company has HR policy for inclusive growth of its employees and also has a Policy on Corporate Social Responsibility that contributes to inclusive growth and equitable development of the society.
	The Company believes in inclusive growth and equitable developments through its various CSR initiatives. The Information of CSR activities and expenditure incurred for CSR has been provided in the Annual Report on CSR Activities which is annexed as an <b>Annexure 4</b> to the Board's Report.
<b>2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?</b>	The Company engages with NGOs/ other Organizations Trusts and agencies to ensure that the Company achieves its vision of promoting inclusive growth.
<b>3. Have you done any impact assessment of your initiative?</b>	The Company periodically reviews the impact of its initiatives the respective implementing agencies.
<b>4. What is your company's direct contribution to community development projects- Amount in and the details of the projects undertaken?</b>	The Company contributes to growth and equitable development by providing opportunities to small entrepreneurs, SME and MSME's in rural areas by taking various focused initiatives and promoting online way of doing business. As part of its initiatives, the Company identifies certain areas and provides training to small entrepreneurs primarily for the purpose of increasing employability and potential revenue growth for small entrepreneurs and youth in such rural area. These training programs exposes them to possible opportunities to grow by using internet and technology.
	Apart from spending regular expenses on training programs for small entrepreneurs, SME and MSME's, the Company has spent ₹1.05 million towards various CSR initiatives during the year 2019-20. For detailed information relating to list of activities in which expenditure above has been incurred, please refer the Annual Report on CSR Activities annexed as Annexure- 4 to the Board's Report.
<b>5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain.</b>	IndiaMART CSR initiatives are rolled in partnership with non-profit organizations. This helps in increasing reach as well as ensuring the adoption of initiative by communities. Company's Representatives track the reach, impact and take necessary steps to make its various initiatives and programs successful and beneficial for the targeted community/people.  Further, the CSR projects are evaluated by the CSR Committee to ensure maximum impact of their initiatives.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

<b>1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?</b>	There are 32 (Thirty-Two) consumer cases going in consumer courts in different parts of the country.
<b>2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks</b>	Not Applicable
<b>3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anticompetitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof.</b>	There is no case against the Company, during last five years and pending as on end of financial year, relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.
<b>4. Did your company carry out any consumer survey/ consumer satisfaction trends?</b>	The Company on a continuous basis measures satisfaction levels of customers. The Company has a feedback form on their respective portals, where a customer can freely give its feedback on the services being offered by the Company.

On behalf of the Board  
For **IndiaMART InterMESH Limited**

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

Place: Noida  
Date: May 12, 2020

### INFORMATION REGARDING THE EMPLOYEES STOCK OPTION SCHEMES

PARTICULARS	ESOP (Governed as per Indiamart Employee Stock Option Scheme, 2015)	SAR (Governed as Indiamart Employee Stock Benefit Scheme, 2018)
Employee Stock Options (ESOP)/Stock Appreciation Rights (SAR Units) outstanding at beginning of year (April 1, 2019)	1,41,838	7,79,740
ESOP/ SAR Units Granted during the year	-	-
<b>Sub-total 1</b>	<b>1,41,838</b>	<b>7,79,740</b>
ESOP/ SAR Units Exercised	91,407	1,49,816
ESOP/ SAR Units Lapsed/Forfeited	3,160	45,332
ESOP/ SAR Units Expired	-	-
<b>Sub-total 2</b>	<b>94,567</b>	<b>1,95,418</b>
ESOP/ SAR Units outstanding at the end of year (Sub-total 1-2)	47,271	5,84,592
ESOP/ SAR Units exercisable at the end of year (March 31, 2020)	-	-
Total number of shares arising as a result of exercise of ESOP/ SAR Units	91,407	1,02,427
Money realised by exercise of ESOP/ SAR Units (Amount in Rupees)	1,82,81,400	10,24,270

#### OPTIONS/SAR VESTED:

During the year 2019-20, an aggregate of 91,407 stock options vested and 1,49,816 SAR units vested in the respective grantees.

#### VARIATION OF TERMS OF OPTIONS/SAR:

At the Annual General Meeting of the shareholders held on September 25, 2019, the shareholders approved variation under Indiamart Employee Stock Benefit Scheme, 2018 (ESBS 2018).

Under ESBS 2018 the grantees of Stock Appreciation Right (SAR Units) upon vesting of SAR Units are eligible to receive 'Appreciation' in the shares of the company by allotment of shares equivalent to the Appreciation. The Appreciation herein is the difference between Exercise Date Price and the SAR Price. Since the vesting period is 4 years and the exercise period subsequent to vesting is 10 years the determination of the value to be received by employees upon exercise remains unascertained for an extended period of time. Such a lengthy period increases the risk of the return to be received based on Equity Shares due to various market factors and the unascertained benefit makes the rights less attractive to the employees. Thus, to extend the benefit that they have discovered based on the price of Equity Shares of the Company in a more favourable & less risky manner, to reduce the uncertainty of return due to market factors and to increase the attractiveness of the rights it was approved to calculate the Appreciation in favour of the employees (grantees) on the Vesting Date instead of Exercise Date.

#### DETAILS OF VARIATIONS IN THE SCHEME:

The details of the variations in the Scheme are as under:

Article No.	New Provision	Existing Provision
<b>Definitions</b>		
4.2	"Appreciation" means the difference between the Vesting Date Price and SAR Price, to be payable in terms of Cash and Equity Shares of the Company in specified percentage as defined in Article 15 of the scheme.	"Appreciation" means the difference between the Existing Date Price and SAR Price, to be payable in terms of Cash and Equity Shares of the Company in specified percentage as defined in Article 15 of the scheme.
4.11	"Exercise Date Price" means the price which is calculated in terms of Article 16 of the scheme.	"Exercise Date Price" means the price which is calculated by the Committee at the time of exercise of SAR units by the Grantees. The Exercise Date Price shall be calculated in terms of Article 15 of the scheme.
4.33	"Vesting Date Price" means the price which is calculated in terms of Article 15 of the scheme.	No such provision in original scheme
<b>Exercise</b>		
13.4	In case of SAR units: Receive such number of Equity Shares the value of which is equivalent to the amount of Appreciation which shall be calculated on the difference between SAR Price and Vesting Date Price. The SAR Price and Vesting Date Price shall be calculated in accordance with Article 10 and Article 15 of the scheme respectively.	In case of SAR units: Receive such number of Equity Shares the value of which is equivalent to the amount of Appreciation which shall be calculated on the difference between SAR Price and Exercise Date Price. The SAR Price and Exercise Date Price shall be calculated in accordance with Article 10 and Article 15 of the scheme respectively.

Article No.	New Provision	Existing Provision
15.1	Upon duly Exercise of SAR units, the Committee shall calculate the Appreciation occurred on such units. The Appreciation value will be based on the difference between the Vesting Date Price and SAR Price.	Upon duly Exercise of SAR units, the Committee shall calculate the Appreciation occurred on such units. The Appreciation value will be based on the difference between the Exercise Date Price and SAR Price.
15.3	<p>The Vesting Date Price shall be calculated as follow:</p> <p>The Vesting Date Price shall be calculated on the basis of latest available closing price of the of the shares of the Company on recognised Stock Exchange on which the shares of the company are listed on the date immediately prior to the Vesting Date.</p> <p>If such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered for the purpose of calculation of SAR Price.</p>	<p>The Exercise date Price shall be calculated as follow:</p> <ul style="list-style-type: none"> <li>• If shares of the Company are unlisted: The Exercise Date Price shall be calculated on the basis of value determined by an Independent Valuer calculated on the basis of last Audited Results / Provisional Results of the Company as on date of exercise of SAR Units.</li> <li>• If shares of the Company are listed: The Exercise Date Price shall be calculated on the basis of latest available closing price of the of the shares of the Company on recognised Stock Exchange on which the shares of the company are listed on the date immediately prior to the exercise date.</li> </ul> <p>If such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered for the purpose of calculation of SAR Price.</p>
16.2	<p>Payment of Appreciation in Equity:</p> <p>The Appreciation in Equity shall be paid by the Trust to the Grantee in terms of Equity Shares of the Company. The number of Equity Shares will be determined by dividing the Appreciation in Equity Shares by the Exercise Date Price.</p> <p>The Exercise Date Price shall be calculated on the basis of latest available closing price of the of the shares of the Company on recognised Stock Exchange on which the shares of the company are listed on the date immediately prior to the exercise date.</p>	<p>Payment of Appreciation in Equity:</p> <p>The Appreciation in Equity shall be paid by the Trust to the Grantee in terms of Equity Shares of the Company. The number of Equity Shares will be determined by dividing the Appreciation in Equity Shares by the Exercise Date Price.</p>

#### Exercise Price:

During the year 2019-20, ESOPs and SAR units were exercised under the ESOS, 2015 & ESBS, 2018 respectively at the following prices:

Particulars	ESOPs	SARs
Exercise Price (₹)	200	500
No. of options/Units	91,407	1,49,816

#### EMPLOYEE WISE DETAILS OF THE OPTIONS/SAR UNITS GRANTED DURING THE YEAR:

##### (i) Key Managerial Personnel:

KEY MANAGERIAL PERSONNEL	ESOP	SAR
Managing Director	Nil	Nil
Whole-time Director	Nil	Nil
Chief Financial Officer	Nil	Nil
Company Secretary & Compliance Officer	Nil	Nil

\* Managing Director & CEO and Whole-time Director, also being Promoters of the Company are not entitled to participate in the ESOP Scheme of the Company.

##### (ii) Any other employee who received a grant of options in any one year of option amounting to five percent or more of options granted during that year- N/A

##### (iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (including outstanding warrants and conversions) of the Company at the time of grant - Nil

**Other Details of ESOP:**

S. No.	Particulars	ESOP 2010	ESOP 2012	ESOP 2013	ESOP 2015	ESOP 2016	ESOP 2017
1	Earnings Per share (EPS)				50.73		
2	Method of calculation of employee compensation cost				Black Scholes method		
3	Difference, if any, between employee compensation cost (calculated using the intrinsic value of stock options) and the employee compensation cost (calculated on the fair value of the options)				Not Applicable		
4	The impact of this difference on profits and on EPS of the Company				Not Applicable		
5(a)	Weighted-average exercise prices of options whose exercise price	Refer Note 29 of Standalone Financials Statements					
	i) either equals market price; or						
	i) exceeds market price; or						
	ii) is less than the market price of the stock; or						
5(b)	Weighted fair values of options whose exercise price	Refer Note 29 of Standalone Financials Statements					
	i) either equals market price; or						
	ii) exceeds market price; or						
	iii) is less than the market price of the stock						
6	Description of method & significant assumptions used during the year to estimate value of options including the following weighted-average information:	Refer Note 29 of Standalone Financials Statements					
	i) risk-free interest rate;						
	ii) expected life (in years);						
	iii) expected volatility						
	iv) expected dividend yield						
	v) the price of the underlying share in the market at the time of option grant (In ₹)						
7	Impact on the profits and EPS if the Company had followed the accounting policies specified in Clause 13 of the SEBI ESOP Guidelines				Not Applicable		

**Other Details of SAR:**

S. No.	Particulars	SAR 2018
1	Earnings Per share (EPS)	50.73
2	Method of calculation of employee compensation cost	Black Scholes method
3	Difference, if any, between employee compensation cost (calculated using the intrinsic value of stock options) and the employee compensation cost (calculated on the fair value of the options)	Not Applicable
4	The impact of this difference on profits and on EPS of the Company	Not Applicable
5(a)	Weighted-average exercise prices of options whose exercise price	Refer Note 29 of Standalone Financials Statements
	i) either equals market price; or	
	i) exceeds market price; or	
	ii) is less than the market price of the stock; or	
5 (b)	Weighted fair values of options whose exercise price	Refer Note 29 of Standalone Financials Statements
	i) either equals market price; or	
	ii) exceeds market price; or	
	iii) is less than the market price of the stock	
6	Description of method & significant assumptions used during the year to estimate value of options including the following weighted-average information:	Refer Note 29 of Standalone Financials Statements
	i) risk-free interest rate;	
	ii) expected life (in years);	
	iii) expected volatility	
	iv) expected dividend yield	
	v) the price of the underlying share in the market at the time of units grant	
7	Impact on the profits and EPS if the Company had followed the accounting policies specified in Clause 13 of the SEBI ESOP Guidelines	Not Applicable

On behalf of the Board  
For **IndiaMART InterMESH Limited**

Place: Noida  
Date: May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

## Annexure – 13

**The disclosures to be made under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 by the Company are as under:**

**A. CONSERVATION OF ENERGY**

Though business operation of the Company is not energy-intensive, the Company, being a responsible corporate citizen, makes conscious efforts to reduce its energy consumption. Some of the measures undertaken by the Company on a continuous basis, including during the year, are listed below:

**1. Steps taken or impact on conservation of energy:**

- i. Rationalization of usage of electrical equipment's-air conditioning system, office illumination, beverage dispensers, desktops.
- ii. Regular monitoring of temperature inside the building and controlling the air-conditioning system.
- iii. Planned Preventive Maintenance (PPM) schedule put in place for electro-mechanical equipment's.
- iv. Usage of energy efficient illumination fixtures.
- v. Signage timings rationalization.
- vi. Power factor rationalization.

**2. Steps taken by the Company for utilising alternate source of energy:**

The business operation of the Company are not energy-intensive, hence apart from steps mentioned above to conserve energy, the management would also explore feasible alternate sources of energy.

**3. The capital investment on energy conservation equipment:**

There is no capital investment on energy conservation equipment during the year under review.

**B. TECHNOLOGY OF ABSORPTION**

- i. Efforts made towards technology absorption: NIL
- ii. Benefits derived like product improvement, cost reduction, product development or import substitution; NIL
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - (a) the details of technology imported; NIL
  - (b) the year of import; NIL
  - (c) whether the technology been fully absorbed; NIL
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv. Expenditure incurred on Research and Development. NIL

Specific areas in which R&D carried out by the Company: The Company has not carried out R&D in any specific area.

1. Benefits derived as a result of above R&D: Not Applicable
2. Future plan of action: The management of the company has not yet decided to carry out any R&D.
3. Expenditure on R&D: Not applicable

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Foreign Exchange earned in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows, during financial year 2019-20 are as follow:

(‘Amount in INR Million’)

	<b>2019-20</b>	<b>2018-19</b>
Earnings	40.19	32.50
Outgo	101.77	88.67
Net Foreign Earning (NFE)	(61.58)	(56.17)

On behalf of the Board  
For **IndiaMART InterMESH Limited**

**Place:** Noida  
**Date:** May 12, 2020

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

**Brijesh Kumar Agrawal**  
(Whole Time Director)  
DIN: 00191760

# **STANDALONE FINANCIALS**

# INDEPENDENT AUDITORS' REPORT

To  
the Members of  
IndiaMART InterMESH Limited

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

We have audited the standalone financial statements of IndiaMART InterMESH Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income (loss)), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other

comprehensive income (loss), changes in equity and its cash flows for the year 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 Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### DESCRIPTION OF KEY AUDIT MATTER

#### Revenue Recognition (See note 2.3(c) and 20 to the standalone financial statements)

The key audit matter	How the matter was addressed in our audit
<p>The Company generates revenue primarily from web services and follows a prepaid model for its business.</p> <p>Revenue from web services is recognised over the period of the contract as and when the Company satisfies performance obligations by actually rendering the promised services to its customers.</p> <p>These services are delivered using IT systems which manage very high volume on daily basis and generate reports from which the Company recognises revenue, and hence there is inherent risk around the existence and accuracy of revenue recognition.</p> <p>We have identified revenue recognition from web services as a key audit matter because of the significance of web service revenue to the financial statements and its recognition based on high volume of data generated by internal IT systems.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>We assessed the appropriateness of the revenue recognition accounting policy and its compliance with applicable accounting standards.</li> <li>We evaluated the design and implementation of key internal financial controls and operating effectiveness of the relevant key controls with respect to existence and accuracy of revenue recognition on selected transactions.</li> <li>We, with the involvement of IT specialists, evaluated the design, implementation and operating effectiveness of management's general IT controls and key application controls over the Company's IT systems which govern revenue recognition, including access controls, controls over program changes and interfaces between different systems.</li> <li>We selected a sample of transactions using statistical sampling and performed tests of details including reading the contract, identifying performance obligation and its link with actual rendition to assess whether the criteria for revenue recognition are met.</li> <li>We tested completeness and accuracy of web services revenue and collection from underlying relevant source documents generated by IT systems with accounting system.</li> <li>We assessed the adequacy of disclosures in the standalone financial statements.</li> </ul>

## OTHER INFORMATION

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

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

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

## MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income (loss), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability 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 standalone 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### OTHER MATTER

Attention is drawn to the fact that the corresponding figures for the year ended 31 March 2019 are based on the previously issued standalone financial statements of the Company that were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on 11 May 2019.

Our opinion on the standalone financial statements is not modified in respect of this matter.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income (loss)), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March

2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

*Chartered Accountants*

ICAI Firm registration No: 101248W/W-100022

#### **Kanika Kohli**

*Partner*

Membership No: 511565

ICAI UDIN: 20511565AAAAAH5163

Place: Gurugram

Date: 12 May 2020

## Annexure A to the Independent Auditors' report on the standalone financial statements of IndiaMART InterMESH Limited for the year ended 31 March 2020

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the standalone financial statements of the Company for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, whereby all the fixed assets are physically verified once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. As per the programme, all the fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, in respect of immovable properties taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) According to the information and explanations given to us, the Company's business does not involve holding of any inventory. Accordingly, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable.
- (iv) According to the information and explanations given to us, the Company has not entered into any transactions related to loans, investments, guarantees and securities to which the provisions of Section 185 of the Act are applicable. Further, according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of section 186 of the Companies Act, 2013, with respect to investment made by the Company.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the services rendered by the Company. Accordingly, para 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, goods and service tax, cess and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The provisions of sales tax, duty of customs, value added tax and duty of excise are not applicable to the Company.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and service tax, cess and any other statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of any dispute, except for the following: \* Represents amount adjusted with brought forward losses/unabsorbed depreciation in the demand orders.

Name of the Statute	Nature of the Dues	Amount (₹ in million)	Period (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.96*	2009-10	High Court-Delhi
Income Tax Act, 1961	Income Tax	2.39*	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.26*	2012-13	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	0.70*	2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	3.03*	2016-17	Commissioner of Income Tax Appeals
Finance Act, 1994	Service Tax	6.78	2006-07 to 2011-12	CESTAT
Finance Act, 1994	Service Tax	1.30	2013-14 to 2015-16	Commissioner of GST & Central Excise
Finance Act, 1994	Service Tax	15.38	2013-14 to 2017-18	Commissioner of GST & Central Excise

\* Represents amount adjusted with brought forward losses/unabsorbed depreciation in the demand orders.

- (viii) According to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from financial institution or bank or government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

*Chartered Accountants*

ICAI Firm registration No: 101248W/W-100022

**Kanika Kohli**

*Partner*

Membership No: 511565

ICAI UDIN: 20511565AAAAAH5163

Place: Gurugram

Date: 12 May 2020

## Annexure B to the Independent Auditors' report on the standalone financial statements of IndiaMART InterMESH Limited for the year ended 31 March 2020

### REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

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

#### OPINION

We have audited the internal financial controls with reference to standalone financial statements of IndiaMART InterMESH Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

#### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

#### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

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

Chartered Accountants

ICAI Firm registration No: 101248W/W-100022

#### Kanika Kohli

Partner

Membership No: 511565

ICAI UDIN: 20511565AAAAAH5163

Place: Gurugram

Date: 12 May 2020

# STANDALONE BALANCE SHEET

as at 31 March 2020

(Amount in ₹ million, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5A	47.94	82.74
Capital work in progress	5A	1.77	1.77
Right-of-use assets	5B	799.71	-
Intangible assets	6	4.58	5.70
Investment in subsidiaries and associates	7	316.12	4.10
<b>Financial assets</b>			
(i) Investments	8	89.60	90.39
(ii) Loans	8	0.73	1.22
(iii) Others financial assets	8	398.01	33.22
Deferred tax assets (net)	27	243.97	858.06
Non-current tax assets (net)	19	211.43	-
Other non-current assets	11	0.44	7.33
<b>Total Non-current assets</b>		<b>2,114.30</b>	<b>1,084.53</b>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Investments	8	8,655.45	6,042.99
(ii) Trade receivables	9	11.00	3.54
(iii) Cash and cash equivalents	10	129.04	359.13
(iv) Bank balances other than (iii) above	10	68.64	375.48
(v) Loans	8	11.53	16.19
(vi) Others financial assets	8	76.02	152.18
Current tax assets (net)	19	75.45	99.98
Other current assets	11	46.39	53.77
<b>Total Current assets</b>		<b>9,073.52</b>	<b>7,103.26</b>
<b>Total assets</b>		<b>11,187.82</b>	<b>8,187.79</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	12	288.77	285.92
Other equity	13	2,456.17	1,320.90
<b>Total Equity</b>		<b>2,744.94</b>	<b>1,606.82</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Share buyback obligations	14	-	-
(ii) Lease liabilities	16	612.49	-
(iii) Other financial liabilities	16	-	2.84
Provisions	17	258.28	93.85
Contract liabilities	18	2,697.13	2,297.91
<b>Total Non-current liabilities</b>		<b>3,567.90</b>	<b>2,394.60</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) 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		177.07	126.67
(ii) Lease liabilities	16	152.61	-
(iii) Other financial liabilities	16	254.12	297.96
Provisions	17	39.82	66.89
Contract liabilities	18	4,138.07	3,553.49
Other current liabilities	18	113.29	141.36
<b>Total Current liabilities</b>		<b>4,874.98</b>	<b>4,186.37</b>
<b>Total Liabilities</b>		<b>8,442.88</b>	<b>6,580.97</b>
<b>Total Equity and Liabilities</b>		<b>11,187.82</b>	<b>8,187.79</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/ W-100022

**Kanika Kohli**

Partner

Membership No.: 511565

Place: Gurugram

Date: 12 May 2020

For and on behalf of the Board of Directors of

**IndiaMART InterMESH Limited**

**Dinesh Chandra Agarwal**

(Managing Director & CEO)

DIN:00191800

**Pateek Chandra**

(Chief Financial Officer)

Place: Noida

Date: 12 May 2020

**Brijesh Kumar Agrawal**

(Whole-time Director)

DIN:00191760

**Manoj Bhargava**

(Company Secretary)

# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Income:</b>			
Revenue from operations	20	6,235.13	4,972.75
Other income	21	684.12	360.17
<b>Total income</b>		<b>6,919.25</b>	<b>5,332.92</b>
<b>Expenses:</b>			
Employee benefits expense	22	2,548.35	2,217.24
Finance costs	23	32.83	-
Depreciation and amortisation expense	24	209.15	39.98
Net loss on financial liability designated at FVTPL	14	-	652.63
Other expenses	25	1,960.28	1,959.78
<b>Total expenses</b>		<b>4,750.61</b>	<b>4,869.63</b>
<b>Profit before exceptional items and tax</b>		<b>2,168.64</b>	<b>463.29</b>
Exceptional items	37(b)	68.79	-
<b>Profit before tax</b>		<b>2,099.85</b>	<b>463.29</b>
<b>Income tax expense</b>			
Current tax {related to earlier years (3.31) (P.Y-Nil)}	27	(3.31)	36.18
Deferred tax	27	327.00	301.18
Tax expense related to change in tax rate and law	27	314.08	
<b>Total tax expense</b>		<b>637.77</b>	<b>337.36</b>
<b>Net profit for the year</b>		<b>1,462.08</b>	<b>125.93</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss and its related income tax effects</b>			
Re-measurement losses on defined benefit plans		(72.39)	(10.47)
Income tax effect		18.22	3.66
		(54.17)	(6.81)
<b>Other comprehensive loss for the year, net of tax</b>		<b>(54.17)</b>	<b>(6.81)</b>
<b>Total comprehensive income for the year</b>		<b>1,407.91</b>	<b>119.12</b>
Earnings per equity share:	26(a)		
Basic earnings(loss) per equity share (₹) - face value of ₹ 10 each		50.73	4.87
Diluted earnings(loss) per equity share (₹) - face value of ₹ 10 each		49.84	4.78
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements.  
As per our report of even date

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

**Kanika Kohli**  
Partner  
Membership No.: 511565  
Place: Gurugram  
Date: 12 May 2020

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

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

**Prateek Chandra**  
(Chief Financial Officer)

Place: Noida  
Date: 12 May 2020

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

**Manoj Bhargava**  
(Company Secretary)

# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

## (A) EQUITY SHARE CAPITAL (REFER NOTE 12)

(Amount in ₹ million, unless otherwise stated)

Equity shares of ₹ 10 each issued, subscribed and fully paid up	Amount
<b>As at 1 April 2018</b>	<b>99.77</b>
Bonus issue during the year*	99.77
Equity share capital issued on exercise of ESOP during the year	15.66
Equity share capital issued on conversion of convertible preference shares	70.72
<b>As at 31 March 2019</b>	<b>285.92</b>
Equity share capital issued on exercise of ESOP during the year	1.83
Equity share capital issued during the year to Indiamart Employee Benefit Trust	1.45
Equity share capital held by Indiamart Employee Benefit Trust	(0.43)
<b>As at 31 March 2020</b>	<b>288.77</b>

## (B) OTHER EQUITY (REFER NOTE 13)

Particulars	Reserves and surplus				Total other equity
	Securities premium	General reserve	Employee share based payment reserve (Refer Note 29)	Retained earnings	
<b>Balance as at 1 April 2018</b>	<b>279.49</b>	<b>8.45</b>	<b>54.18</b>	<b>(3,564.63)</b>	<b>(3,222.51)</b>
Profit for the year	-	-	-	125.93	125.93
Other comprehensive loss for the year	-	-	-	(6.81)	(6.81)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119.12</b>	<b>119.12</b>
Bonus issue*	(99.77)	-	-	-	(99.77)
Issue of equity shares on exercise of ESOP during the year	195.61	-	(67.29)	-	128.32
Employee share based payment expense	-	-	84.53	-	84.53
Issue of equity shares on conversion of convertible preference shares (Refer Note 14)	4,311.21	-	-	-	4,311.21
<b>Balance as at 1 April 2019</b>	<b>4,686.54</b>	<b>8.45</b>	<b>71.42</b>	<b>(3,445.51)</b>	<b>1,320.90</b>
Impact of adoption of Ind AS 116 (net of taxes) (Refer Note 5B)	-	-	-	(16.33)	(16.33)
Profit for the year	-	-	-	1,462.08	1,462.08
Other comprehensive income/ (loss) for the year	-	-	-	(54.17)	(54.17)
<b>Total comprehensive income/ (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,391.58</b>	<b>1,391.58</b>
Issue of equity shares on exercise of share based awards during the year	67.36	-	(50.91)	-	16.45
Employee share based payment expense (Refer Note 22)	-	-	75.46	-	75.46
Dividend paid F.Y 2019-20 (includes Dividend Distribution Tax of ₹ 59.45 millions)	-	-	-	(348.22)	(348.22)
<b>Balance as at 31 March 2020</b>	<b>4,753.90</b>	<b>8.45</b>	<b>95.97</b>	<b>(2,402.15)</b>	<b>2,456.17</b>

\*The Company has allotted bonus shares on 9 May 2018 in the ratio of 1:1 to the equity shareholders existing on record date of 8 May 2018. The shareholders approved the allotment at general meeting held on 7 May 2018.

The accompanying notes are an integral part of the standalone financial statements.  
As per our report of even date

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

**Kanika Kohli**  
Partner  
Membership No.: 511565  
Place: Gurugram  
Date: 12 May 2020

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

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

**Prateek Chandra**  
(Chief Financial Officer)

Place: Noida  
Date: 12 May 2020

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

**Manoj Bhargava**  
(Company Secretary)

# STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Profit/(loss) before tax</b>		<b>2,099.85</b>	<b>463.29</b>
<i>Adjustments to reconcile profit/(loss) before tax to net cash flows:</i>			
Depreciation and amortization	24	209.15	39.98
Interest and other income	21	(45.24)	(29.43)
Gain from business transfer arrangement	21	-	(6.80)
Exceptional items	37(b)	68.79	-
Fair value change on financial assets at FVTPL	21	(638.45)	(323.86)
Fair value change in share buyback obligations	14	-	652.63
Gain on disposal of property, plant and equipment	21	(0.43)	(0.08)
Share-based payment expense	22	75.46	84.53
Finance costs	23	32.83	-
Impairment allowance on investment in subsidiaries	25	-	70.12
<b>Operating Profit before working capital changes</b>		<b>1,801.96</b>	<b>950.38</b>
<b>Movement in working capital</b>			
Increase in trade receivables		(7.46)	(0.74)
Decrease in other financial assets		12.59	7.88
Decrease/(increase) in other assets		3.94	(8.16)
(Decrease)/increase in other financial liabilities		(58.81)	58.10
(Decrease)/Increase in trade payables		52.38	(46.17)
Increase in other liabilities		955.74	1,630.46
Increase in provisions		64.97	45.06
<b>Cash generated from operations</b>		<b>2,825.31</b>	<b>2,636.81</b>
Income tax paid (net)		(183.59)	(49.55)
<b>Net cash generated from operating activities</b>		<b>2,641.72</b>	<b>2,587.26</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		1.27	0.52
Purchase of property, plant and equipment and other intangible assets		(42.24)	(49.50)
Purchase of current investments		(4,520.00)	(5,189.60)
Investment in subsidiaries and associates		(380.02)	(75.02)
Proceeds from sale of current investments		2,545.99	2,605.56
Interest received		33.68	25.94
Advances received from /(paid for) selling shareholders (net)		69.20	(69.20)
Payment of refundable security deposits for listing on stock exchange.		(23.78)	-
Investments in bank deposits (includes earmarked balances with bank)		(42.87)	(73.28)
<b>Net cash used in investing activities</b>		<b>(2,358.77)</b>	<b>(2,824.58)</b>
<b>Cash flow from financing activities</b>			
Repayment of lease liabilities		(166.27)	-
Interest paid on lease liabilities		(32.83)	-
Dividend paid (including Dividend Distribution Tax)		(333.25)	-
Proceeds from issue of equity shares on exercise of stock option plans		19.31	143.97
<b>Net cash generated from (used in) financing activities</b>		<b>(513.04)</b>	<b>143.97</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(230.09)</b>	<b>(93.35)</b>
Cash and cash equivalents at the beginning of the year	10	359.13	452.48
<b>Cash and cash equivalents at the end of the year</b>	<b>10</b>	<b>129.04</b>	<b>359.13</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

**Kanika Kohli**

Partner

Membership No.: 511565

Place: Gurugram

Date: 12 May 2020

For and on behalf of the Board of Directors of

**IndiaMART InterMESH Limited**

**Dinesh Chandra Agarwal**

(Managing Director & CEO)

DIN:00191800

**Prateek Chandra**

(Chief Financial Officer)

Place: Noida

Date: 12 May 2020

**Brijesh Kumar Agrawal**

(Whole-time Director)

DIN:00191760

**Manoj Bhargava**

(Company Secretary)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

### 1. CORPORATE INFORMATION

IndiaMART Intermesh Limited ("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 Company is an 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-Daryagang, Netaji Subash Marg New Delhi-110002, India. During the year ended 31 March 2020, the Company has completed an Initial Public Offering through an offer for sale of 4,887,862 equity shares. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India on 4 July 2019.

The financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 12 May 2020.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of Compliance

The standalone financial statements for the period ended 31 March 2020 have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act 2013 ("the Act") (as amended from time to time).

The Company applied, for the first time, Ind AS 116 "Leases", beginning 1 April 2019. The nature and effect of the changes required by Ind AS 116 are disclosed in Note 4.

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

#### 2.2 Basis of preparation

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

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

The preparation of these 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 Company's accounting policies. The areas where estimates are

significant to the standalone financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

#### 2.3 Summary of significant accounting policies

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, to all the periods presented in these standalone financial statements except for the adoption of the new lease standard Ind AS 116 Leases, effective as of 1 April 2019. As required by Ind AS 116, the nature and effect of these changes are disclosed in note 4.

##### a) Current versus non-current classification

The Company presents assets and liabilities in balance sheet based on current/non-current classification. An asset is classified as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- (ii) Held primarily for the purpose of trading,
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) A cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (i) It is expected to be settled in normal operating cycle,
- (ii) It is held primarily for the purpose of trading,
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing/servicing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

##### b) Fair value measurement

The Company measures financial instruments, such as Investment in optionally convertible preference

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

shares (OCRPS), investment in mutual funds and share buyback obligation, at fair value at each balance sheet date.

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

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

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

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

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

The Company 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 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 Company's assumptions about pricing by market participants.

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

The Company's management determines the policies and procedures for recurring fair value measurement, such as investment in debt instruments and convertible preference shares issued with share buyback obligation measured at fair value.

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

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

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

- Disclosures for significant estimates and assumptions (Note 3)
- Disclosures for valuation methods and quantitative disclosure of fair value measurement hierarchy (Note 30)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

### c) Revenue from contracts with customers and other income

#### Revenue from contracts with customers

The Company is primarily engaged in providing web 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 Company expects to be entitled in exchange for those services and excluding taxes or duties collected on behalf of the government.

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

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

#### Rendering of services

Revenue from web services is recognised based on output method i.e. pro-rata over the period of the contract as and when the company 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.

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 Company applies the practical expedient to recognize advertising revenue in the amount to which the Company has a right to invoice.

#### Contract balances

##### *Trade receivables*

A receivable represents the Company'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

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

#### Other income

##### *Interest income*

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

##### *Dividends*

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

### d) Property, plant and equipment

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

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

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

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

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

Leasehold improvements are depreciated on a straight line basis over the lease period.

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

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

## e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses (if any). Internally generated intangibles, excluding capitalised development

costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

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

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

Intangibles being Software acquired by the Company are amortised on a written down value basis at 40% annually.

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

## f) Leases (as lessee)

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### for the year ended 31 March 2020

a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any

lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

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

Leasehold land classified as finance lease was amortised over the period of lease to maximum of 90 years.

#### g) Investment in subsidiaries and associates

The Company records the investment in equity instruments of subsidiaries and associate at cost less impairment loss, if any.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

On disposal of investment in subsidiaries and associate, the difference between net disposal proceeds and the carrying amount is recognised in the Statement of profit and loss.

## h) Impairment of non-financial assets

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses are recognised in the statement of profit and loss. For properties previously revalued the

impairment is recognised in OCI up to the amount of any previous revaluation surplus recognised through OCI. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

## i) Taxes

### Current Income tax

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

### Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and

the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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

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

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

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

### j) Provisions and contingent liabilities

#### Provisions

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

## Contingent liabilities

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

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

## k) Retirement and other employee benefits

### Short-term obligations

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

### Post-employment obligations

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

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

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

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

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

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

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

### Other long-term employee benefit obligations

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

### l) Share-based payments

Employees of the Company also receive remuneration in the form of stock options (ESOP) and stock appreciation rights (SAR) as share based payment transactions under the Company's Employee Stock Option Plan and Employee Stock Benefit Scheme. Both of these are equity settled share based payment transactions.

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

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

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

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

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that

increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

### m) Financial Instruments

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

#### Financial assets

##### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### *Subsequent measurement*

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

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

##### *Debt instruments at amortised cost*

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans to employees, trade and other receivables. For more information on receivables, refer to Note 30.

## *Debt instruments at FVTOCI*

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

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

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

## *Debt instrument at FVTPL*

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## *Derecognition*

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

## *Impairment of financial assets*

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

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

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

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

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

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

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

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

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

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

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

### Financial liabilities

#### *Initial recognition and measurement*

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

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

The Company's financial liabilities include, share buyback obligation, trade payables, security deposits and other payables.

#### *Subsequent measurement*

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

#### *Financial liabilities at fair value through Profit or Loss:*

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

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

The company has designated convertible preference shares issued with share buyback obligation, to be measured at fair value through profit or loss. On

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

conversion of the optionally convertible preference shares ("OCRPS") into equity shares, the Company will derecognise the financial liability and recognise the same to equity.

## *Loans and borrowings*

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

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

## *De-recognition*

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

## *Offsetting of financial instruments*

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

## n) Foreign currency transactions

The Company's financial statements are presented in ₹ which is also the Company's functional currency.

### **Transactions and balances**

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

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

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

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

## o) Earnings per share

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

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

## p) Cash and cash equivalents

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

### q) Segment reporting

#### Identification of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's activities of providing e-marketplace services for businesses is considered to be a single business segment. The analysis of geographical segments is based on the areas in which customers are based.

#### Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### r) Share capital

Equity shares are classified as equity. Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity.

### s) Dividends

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

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates. The new significant judgements related to lease accounting under Ind AS 116 are as described in Note 4.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future

developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of assets and liabilities. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the Company, as at the date of approval of the financial statements considered internal and external sources of information. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

### a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability the Company considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

### b) Share based payment

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

value for share-based payment transactions are disclosed in Note 29.

**c) Revenue from contracts with customers**

The Company recognise the activation fee received in advance over the estimated customer churn period of twenty seven months. The estimate is based on the historical trend analysis of the time period over which the customer is expected to be associated with the Company. The company reviews its estimate at each reporting date.

**d) Impairment of Non-financial assets**

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

**e) Defined benefit plans (gratuity benefit)**

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

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

The mortality rate is based on publicly available mortality tables. Those mortality tables tend

to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Further details about gratuity obligations are given in Note 28.

**f) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 30 and 32 for further disclosures.

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

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

## 4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

### Ind AS 116 Leases

#### *Leases (as lessee)*

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. As a result, the comparative information has not been restated. Refer Note 5B for further details

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

The Company's lease asset classes primarily consist of leases for buildings and leasehold land. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered on or after 1 April 2019.

The Company recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership were classified as finance leases. When

acquired, such assets were capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever was lower. Lease payments and receipts under operating leases were recognised as an expense and income respectively, on a straight-line basis in the statement of profit and loss over the lease term except where the lease payments were structured to increase in line with expected general inflation.

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

An asset on finance lease was depreciated over the useful life of the asset. However, if there was no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land classified as finance lease was amortised over the period of lease to maximum of 90 years.

### *Judgement & Estimates*

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

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 5A PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹ million, unless otherwise stated)

	Leasehold land (Refer Note 5B)	Computers	Office equipment	Furniture and fixtures	Motor vehicles	Total Property, plant and equipment	Capital work in progress (refer note 1 below)
<b>Gross carrying amount</b>							
<b>As at 1 April 2018</b>	37.12	59.24	26.66	4.92	3.81	131.75	1.77
Additions	-	36.74	10.00	1.07	-	47.81	-
Disposals	-	(0.71)	(0.25)	-	-	(0.96)	-
<b>As at 31 March 2019</b>	37.12	95.27	36.41	5.99	3.81	178.60	1.77
Transition impact of Ind AS 116	(37.12)	-	-	-	-	(37.12)	-
Additions	-	24.03	15.82	0.75	-	40.60	-
Disposals	-	(2.38)	(1.71)	(1.03)	-	(5.12)	-
<b>As at 31 March 2020</b>	-	116.92	50.52	5.71	3.81	176.96	1.77
<b>Accumulated depreciation</b>							
<b>As at 1 April 2018</b>	0.92	42.57	14.24	2.20	0.03	59.96	-
Charge for the year	0.46	25.37	8.70	0.94	0.98	36.45	-
Disposals during the year	-	(0.39)	(0.16)	-	-	(0.55)	-
<b>As at 31 March 2019</b>	1.38	67.55	22.78	3.14	1.01	95.86	-
Transition impact of Ind AS 116	(1.38)	-	-	-	-	(1.38)	-
Charge for the year	-	28.32	8.64	0.85	1.01	38.82	-
Disposals during the year	-	(2.23)	(1.50)	(0.55)	-	(4.28)	-
<b>As at 31 March 2020</b>	-	93.64	29.92	3.44	2.02	129.02	-
<b>Net book value</b>							
<b>As at 1 April 2018</b>	36.20	16.67	12.42	2.72	3.78	71.79	1.77
<b>As at 31 March 2019</b>	35.74	27.72	13.63	2.85	2.80	82.74	1.77
<b>As at 31 March 2020</b>	-	23.28	20.60	2.27	1.79	47.94	1.77

### Notes:

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

### 5B RIGHT-OF-USE ASSETS

	Leasehold land (Refer Note 1 below)	Buildings (Refer Note 2 below)	Total
<b>Gross carrying amount</b>			
<b>As at 1 April 2019</b>	-	-	-
Transition impact of Ind AS 116	37.12	204.39	241.51
Additions	-	736.52	736.52
Disposals	-	(11.08)	(11.08)
<b>As at 31 March 2020</b>	<b>37.12</b>	<b>929.83</b>	<b>966.95</b>
<b>Accumulated amortisation</b>			
<b>As at 1 April 2019</b>	-	-	-
Transition impact of Ind AS 116	1.38	-	1.38
Amortisation for the year	0.46	167.09	167.55
Disposals for the year	-	(1.69)	(1.69)
<b>As at 31 March 2020</b>	<b>1.84</b>	<b>165.40</b>	<b>167.24</b>
Net book value			
<b>As at 31 March 2020</b>	<b>35.28</b>	<b>764.43</b>	<b>799.71</b>

- As per the terms of the lease arrangement, the Company is required to complete the construction of building within 5 years from the date of handing over the possession. The Company had obtained extension for construction of building on the leasehold land till 5 October 2019 and is in the process of obtaining further extension.
- The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using modified retrospective approach, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has resulted in recognising a right-of-use asset of ₹ 204 Million and a corresponding lease liability of ₹ 224 Million by adjusting retained earnings net of taxes of ₹ 16 Million [the impact of deferred tax created ₹ 9 Million] as at April 1, 2019. The Company has also reclassified its leasehold land amounting to ₹ 36 Million as right-of-use asset. In the statement of profit and loss for the year ended 31 March 2020, the nature of expenses in respect of operating leases has changed from lease rent (in other expenses) into depreciation cost against the right-of-use asset and finance cost against interest accrued on lease liability.

### 5B RIGHT-OF-USE ASSETS (CONT'D)

The impact on the statement of Profit and Loss for the year ended 31 March 2020 is as below:

Particulars	For the year ended 31 March 2020
Rent, rates & taxes expenses are lower by	184.87
Depreciation is higher by	(167.09)
Finance Cost is higher by	(32.83)
Other Income higher by	1.34
<b>Profit Before tax is higher/ (Lower) by</b>	<b>(13.71)</b>
<b>The total cash outflow for leases during the year</b>	<b>199.10</b>

The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 9.75% for measuring the lease liability.

The Company has used hindsight in determining the lease term where the contract contains options to extend or terminate the lease. The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases and reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116.

Variable lease payments and taxes include the rent related to the arrangements which are based on number of seats occupied and the amount paid for short term extensions.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## Details of Rent expenses

Particulars	For the year ended 31 March 2020
Expense relating to low value and short term leases	2.86
Expense relating to variable lease payments & taxes	8.00
<b>Total Rent</b>	<b>10.86</b>

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2020:

Particulars	As at 31 March 2020
Within one year	160.47
Within one - two years	160.33
Within two - three years	140.11
Within three - five years	256.70
Above five years	347.10
<b>Total lease payments</b>	<b>1,064.71</b>

The reconciliation of lease liabilities is as follows:

Particulars	As at 31 March 2020
Balance as at 1 April 2019	-
Transition impact of Ind AS 116	224.00
Additions	718.10
Amounts recognized in statement of profit and loss as interest expense	32.83
Payment of lease liabilities	(199.10)
Derecognition	(10.73)
Balance as at 31 March 2020 (Refer Note 16)	765.10

Most of the leases entered by the Company are long term in nature and the underlying leased properties are being used as offices. The Company doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per current business projections after considering the impact of COVID - 19.

## 6 INTANGIBLE ASSETS

Intangible assets	Software	Unique telephone numbers	Total
<b>Gross carrying amount</b>			
<b>As at 1 April 2018</b>	<b>10.49</b>	<b>4.70</b>	<b>15.19</b>
Additions	1.66	-	1.66
Disposals	(0.08)	-	(0.08)
<b>As at 31 March 2019</b>	<b>12.07</b>	<b>4.70</b>	<b>16.77</b>
Additions	1.66	-	1.66
<b>As at 31 March 2020</b>	<b>13.73</b>	<b>4.70</b>	<b>18.43</b>
<b>Accumulated amortisation</b>			
<b>As at 1 April 2018</b>	<b>4.56</b>	<b>3.01</b>	<b>7.57</b>
Amortisation for the year	2.85	0.68	3.53
Disposals for the year	(0.03)	-	(0.03)
<b>As at 31 March 2019</b>	<b>7.38</b>	<b>3.69</b>	<b>11.07</b>
Amortisation for the year	2.37	0.41	2.78
<b>As at 31 March 2020</b>	<b>9.75</b>	<b>4.10</b>	<b>13.85</b>
<b>Net book value</b>			
<b>As at 1 April 2018</b>	<b>5.93</b>	<b>1.69</b>	<b>7.62</b>
<b>As at 31 March 2019</b>	<b>4.69</b>	<b>1.01</b>	<b>5.70</b>
<b>As at 31 March 2020</b>	<b>3.98</b>	<b>0.60</b>	<b>4.58</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 7 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
<b>Investment in subsidiaries - Unquoted</b>				
<b>Fully paid up - at cost</b>				
Equity shares of ₹ 10 each in Tradezeal International Private Limited	110,000	1.10	110,000	1.10
Equity shares of ₹ 10 each in Ten Times Online Private Limited	62,333	3.10	62,333	3.10
Equity shares of ₹ 10 each in Tolexo Online Private Limited (Refer Note 2 below)	7,001,800	70.02	7,001,800	70.02
Equity shares of ₹ 10 each in Pay With Indiamart Private Limited	100,000	1.00	100,000	1.00
Equity shares of ₹ 10 each in Hello Trade Online Private Limited	30,000	0.30	30,000	0.30
		75.52		75.52
Less: Impairment allowance in value of investments		(71.42)		(71.42)
		4.10		4.10
<b>Investment in associates - Unquoted</b>				
<b>Fully paid up - at cost</b>				
Compulsory convertible preference shares of ₹ 100 each (at premium of ₹ 52,217.90 each) in Simply Vyapar Apps Private Limited	5,954	311.50	-	-
Equity shares of ₹ 10 each (at premium of ₹ 52,307.90 each) in Simply Vyapar Apps Private Limited	10	0.52	-	-
		312.02		-
<b>Total Investment in subsidiaries and associates</b>		316.12		4.10
<b>Aggregate carrying value of unquoted investments</b>		316.12		4.10
<b>Aggregate impairment in value of investments</b>		71.42		71.42

### Note:

- The Company performed an evaluation to test whether there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition considering the likely impact of COVID-19 on future cash flows and growth rates and believes that the carrying value of the investment in subsidiaries and associate is recoverable.
- Management had estimated cash flows projections of benefits accruing over foreseeable future and discounted the same using an appropriate discount rate and determined that discounted value of such expected benefits were in excess of the carrying value of Investment in Tolexo Online Pvt. Ltd. However, during the year ended 31 March 2019, due to certain changes in business and economic conditions, management believes that the expected benefits will take much longer to accrue than anticipated. Therefore, due to uncertainties involved in the market environment the company is not able to determine value of expected benefits with reasonable certainty over the foreseeable future as on 31 March 2019. Accordingly, the Investment in instruments of Tolexo Online Pvt Ltd was impaired by way of recognition of losses in Profit and Loss amounting to ₹ 70.02 millions during the previous year ended 31 March 2019.

## 8 FINANCIAL ASSETS

### a) Investments

	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Investment in subsidiaries at FVTPL	89.60	90.39
	89.60	90.39
<b>Current</b>	8,655.45	6,042.99
<b>Investment in mutual funds at FVTPL</b>	8,655.45	6,042.99

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

### Non-current investments

#### Investment in debt instruments of subsidiaries (fully paid-up)

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
<b>Unquoted (measured at FVTPL)</b>				
Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each in Tolexo Online Private Limited	<b>13,789,275</b>		7,989,275	
Opening balance		<b>39.95</b>		37.39
Add: Investment made during the year		<b>58.00</b>		42.50
Less: Fair value loss recognised through profit and loss during the year		<b>(64.91)</b>		(39.94)
		<b>33.04</b>		39.95
Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (at premium of ₹ 90 each) in Tolexo Online Private Limited	<b>1,298,050</b>		1,298,050	
Opening balance		<b>6.49</b>		12.98
Add: Investment made during the year		-		-
Less: Fair value loss recognised through profit and loss during the year		<b>(3.38)</b>		(6.49)
		<b>3.11</b>		6.49
Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (at premium of ₹ 40 each) in Tolexo Online Private Limited	<b>189,000</b>		189,000	
Opening balance		<b>0.95</b>		1.89
Less: Fair value loss recognised through profit and loss during the year		<b>(0.50)</b>		(0.95)
		<b>0.45</b>		0.95
Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each in Tradezeal International Private Limited	<b>1,870,000</b>		1,870,000	
Opening balance				
Less: Fair value loss recognised through profit and loss during the year				
		-		-
Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each (at premium of ₹ 10 each) in Pay With Indiamart Private Limited	<b>2,650,000</b>		2,150,000	
Opening balance		<b>43.00</b>		13.00
Add: Investment made during the year		<b>10.00</b>		30.00
		<b>53.00</b>		43.00
<b>Total non-current investments</b>		<b>89.60</b>		<b>90.39</b>

#### Notes:

- The company has invested in optionally convertible cumulative redeemable preference shares ('OCCRPS') of its subsidiaries. Based on the terms of OCCRPS, these have been classified as financial instruments in the nature of financial assets to be measured at fair value. Fair value of these instruments has been determined based on replacement cost method / discounted cash flow valuation technique using cash flow projections, discount rate and the credit risk. Gain/loss on subsequent re-measurement had been recognised through Statement of Profit and Loss. Such loss recorded in the current year is related to the subsidiary Tolexo Online Private Limited ('Tolexo') and has been disclosed under "Exceptional items" in the Statement of Profit and Loss, due to the current economic conditions.

#### Current investments

	As at 31 March 2020		As at 31 March 2019	
	No. of units	Amount	No. of units	Amount
<b>Investment in mutual funds - Quoted (measured at FVTPL)</b>				
Aditya Birla Sun Life Short Term Fund-Growth-Regular Plan	<b>2,599,874</b>	<b>86.25</b>	2,599,874	80.37
Aditya Birla Sun Life Banking & PSU Debt Fund-Growth-Direct Plan	-	-	886,783	214.61
Aditya Birla Sunlife short term fund-Growth-Direct Plan	<b>21,181,794</b>	<b>733.87</b>	21,181,794	679.17
Aditya Birla Sunlife Corporate Bond Fund -Growth- Regular Plan	<b>6,508,526</b>	<b>509.32</b>	5,394,585	386.68
Aditya Birla Sun Life Corporate Bond Fund-Growth-Direct plan	<b>2,013,531</b>	<b>158.84</b>	629,851	45.45
Bharat Bond ETF	<b>400,000</b>	<b>408.08</b>	-	-
HDFC Short Term Debt Fund-Direct Growth Plan	<b>19,720,994</b>	<b>451.38</b>	26,794,545	558.15

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

	As at 31 March 2020		As at 31 March 2019	
	No. of units	Amount	No. of units	Amount
HDFC Short Term Debt Fund - Regular Plan	8,380,984	189.74	8,380,984	172.98
HDFC Low Duration Fund - Regular Plan-Growth	3,797,410	159.78	3,797,410	148.58
HDFC Low Duration Fund-Direct Plan-Growth	17,380,457	768.36	2,128,314	86.97
HDFC Credit Risk Debt Fund - Regular Plan - Growth	7,019,394	116.85	7,019,394	107.08
ICICI Prudential Savings Fund -Growth	81,581	31.60	81,581	29.27
ICICI Prudential Savings Fund- Direct Plan-Growth	3,017,480	1,177.93	597,544	215.81
ICICI Prudential Short Term Fund - Direct	20,802,151	922.91	15,854,692	639.65
ICICI Prudential Short Term Fund - Growth Option	3,606,276	152.07	3,606,276	139.33
IDFC Bond Fund - Short Term Plan- DGP	1,259,265	54.61	5,468,770	216.27
IDFC Low Duration Fund-Growth (Regular Plan)	16,451,049	469.96	16,451,049	435.91
IDFC Bond Fund-STP-Regular Fund	408,840	16.98	408,840	15.57
Kotak Corporate Bond Fund - DGP	328,929	907.95	328,929	831.30
Kotak Liquid Fund - Direct Growth	24,984	100.31	-	-
Kotak Liquid Fund - Regular Growth	25,068	100.28	-	-
L&T Short Term Bond Fund-DGP	37,122,589	747.51	37,122,589	681.67
L&T Short Term Bond Fund - Regular Growth	20,066,239	390.87	20,066,239	358.17
<b>Total current investments</b>		<b>8,655.45</b>		<b>6,042.99</b>
<b>Aggregate book value of quoted investments</b>		<b>8,655.45</b>		<b>6,042.99</b>
<b>Aggregate market value of quoted investments</b>		<b>8,655.45</b>		<b>6,042.99</b>
<b>Aggregate carrying value of unquoted investments</b>		<b>89.60</b>		<b>90.39</b>

## b) Loans (measured at amortised cost)

	As at 31 March 2020	As at 31 March 2019
<b>Non current</b>		
Considered good- Unsecured		
Loans to employees	0.73	1.22
	<b>0.73</b>	<b>1.22</b>
<b>Current</b>		
Considered good- Unsecured		
Loans to employees	11.53	16.19
	<b>11.53</b>	<b>16.19</b>

### Notes:

The above loans represent interest free loans to employees, which are recoverable in maximum 24 monthly instalments.

## c) Others (measured at amortised cost)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current (unsecured, considered good unless stated otherwise)</b>		
Security deposits	48.30	33.22
Bank deposits with remaining maturity for more than twelve months (refer note 10)	349.71	-
	<b>398.01</b>	<b>33.22</b>
<b>Current (unsecured, considered good unless stated otherwise)</b>		
Security deposits	52.86	25.90
Amount recoverable from payment gateway banks	23.16	57.08
Other recoverables*	-	69.20
	<b>76.02</b>	<b>152.18</b>

### Notes:

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

\* Represents amount recoverable for IPO expenses incurred in trust on behalf of selling shareholders in Offer for Sale (including the related parties as referred in Note 34(b))

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 9 TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
<b>Unsecured, considered good unless stated otherwise</b>		
Trade receivables	11.00	3.54
<b>Total</b>	<b>11.00</b>	<b>3.54</b>

### Notes:

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

## 10 CASH AND BANK BALANCES

### a) Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.15	0.16
Cheques on hand	39.42	145.42
Balance with bank		
- On current accounts	89.47	213.55
<b>Total Cash and cash equivalents</b>	<b>129.04</b>	<b>359.13</b>

### Note:

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

### b) Bank balances other than cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
(i) Deposits with banks		
- remaining maturity upto twelve months	52.30	375.48
- remaining maturity for more than twelve months*	349.71	-
	<b>402.01</b>	<b>375.48</b>
Less: Amount disclosed under Others financial assets- non current	(349.71)	-
	<b>52.30</b>	375.48
ii) Earmarked balances with banks**	16.34	-
<b>Amount disclosed under current bank deposits</b>	<b>68.64</b>	<b>375.48</b>

\*Includes ₹ 23.78 (P.Y-Nil) pledged with bank against guarantee given to stock exchange.

\*\* Earmarked balances includes unpaid dividends of ₹ 14.97 millions and bank balance with Indiamart Employee Benefit Trust of ₹ 1.37 millions.

## 11 OTHER ASSETS

	As at 31 March 2020	As at 31 March 2019
<b>Non-current (unsecured, considered good unless stated otherwise)</b>		
Capital advance	-	0.03
Prepaid expenses	0.44	0.14
Deferred rent expense (Refer Note 5B)	-	7.16
<b>Total</b>	<b>0.44</b>	<b>7.33</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>Current (unsecured, considered good unless stated otherwise)</b>		
Advances recoverable	16.01	13.73
Indirect taxes recoverable	6.09	17.96
Prepaid expenses	24.29	18.93
Deferred rent expense (Refer Note 5B)	-	3.15
<b>Total</b>	<b>46.39</b>	<b>53.77</b>

## 12 SHARE CAPITAL

Authorised equity share capital (₹ 10 per share)	Number of shares	Amount
<b>As at 1 April 2018</b>	<b>18,277,930</b>	<b>182.78</b>
Increase during the year	11,722,070	117.22
As at 31 March 2019	30,000,000	300.00
<b>As at 31 March 2020</b>	<b>30,000,000</b>	<b>300.00</b>

Issued equity share capital (subscribed and fully paid up) (₹ 10 per share)	Number of shares	Amount
<b>As at 1 April 2018</b>	<b>9,976,805</b>	<b>99.77</b>
Bonus issue during the year <sup>1</sup>	9,976,805	99.77
Equity share capital issued on exercise of ESOP during the year (Refer Note 29)	1,566,630	15.66
Equity share capital issued on conversion of convertible preference shares <sup>2</sup>	7,071,766	70.72
<b>As at 31 March 2019</b>	<b>28,592,006</b>	<b>285.92</b>
Equity share capital issued on exercise of ESOP during the year (Refer Note 29)	182,814	1.83
Equity share capital issued during the year to Indiamart Employee Benefit Trust (refer note (d) below)	145,000	1.45
Equity share capital held by Indiamart Indiamart Employee Benefit Trust (refer note (d) below)	(42,573)	(0.43)
<b>As at 31 March 2020</b>	<b>28,877,247</b>	<b>288.77</b>

### Notes:

#### 1 Bonus issue

The shareholders of the Company at its general meeting held on 7 May 2018, approved the allotment of bonus share in the ratio of 1:1 as on the record date of 8 May 2018 to each of the equity shareholders of the Company. Subsequently, 9,976,805 Bonus Shares of ₹ 10 each amounting to ₹ 99.77 million, were allotted on 9 May 2018 in the ratio of 1:1 to the eligible equity shareholders.

#### 2 Conversion of convertible preference shares

During the previous year ended 31 March 2019, company converted 1,493,903 Series A 0.01% Cumulative Compulsory Preference Shares of ₹ 328 into 3,334,922 Equity Shares of ₹ 10 each, 1,722,047 0.01% Series B Cumulative Compulsory Preference Shares of ₹ 100 into 3,444,094 Equity Shares of ₹ 10 each, 146,375 0.01% Series B1 Cumulative Compulsory Preference Shares of ₹ 100 into 292,750 Equity Shares of ₹ 10 each. (Refer Note 14)

#### a) Terms/ rights attached to equity shares:

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

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

	As at 31 March 2020		As at 31 March 2019	
	Number	% Holding	Number	% Holding
<b>Equity shares of ₹ 10 each fully paid</b>				
Dinesh Chandra Agarwal	8,630,747	29.84%	9,483,200	33.17%
Brijesh Kumar Agrawal	5,848,544	20.22%	6,426,200	22.48%
Westbridge Crossover Fund, LLC	1,544,154	5.34%	1,544,154	5.40%
Intel Capital (Mauritius) Limited*	NA	NA	3,851,746	13.47%

\* Intel Capital (Mauritius) Limited ceased to be a shareholder of more than 5% during the year ended 31 March 2020

## c) Shares reserved for issue under options

Information relating to the Company's share based payment plans, including details of options and SAR units issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 29.

## d) Shares held by Indiamart employee benefit trust against employees share based payment plans (face value: INR 10 each)

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Opening balance	-	-	-	-
Purchased during the year	145,000	1.45	-	-
Transfer to employees pursuant to SAR exercised	102,427	1.02	-	-
<b>Total</b>	<b>42,573</b>	<b>0.43</b>	-	-

## 13 OTHER EQUITY

	As at 31 March 2020	As at 31 March 2019
Securities premium	4,753.90	4,686.54
General reserve	8.45	8.45
Employee share based payment reserve (Refer Note 29)	95.97	71.42
Retained earnings	(2,402.15)	(3,445.51)
<b>Total other equity</b>	<b>2,456.17</b>	<b>1,320.90</b>

### Nature and purpose of reserves and surplus:

- Securities premium:** The Securities premium account is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.
- General reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another.
- Employee share based payment reserve:** The Employee share based payment reserve is used to recognise the compensation related to share based awards issued to employees under Company's Share based payment scheme. Refer Note 29 for further details.
- Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company, and re-measurement gains/losses on defined benefit plans.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 14 SHARE BUYBACK OBLIGATIONS

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
<b>Share buyback obligation of preference shares</b>				
<b>Non-current</b>				
0.01% Series A cumulative convertible preference shares (CCPS) of ₹ 328 each	-	-	-	-
0.01% Series B compulsory convertible preference shares (CCPS) of ₹ 100 each	-	-	-	-
0.01% Series B1 compulsory convertible preference shares (CCPS) of ₹ 100 each	-	-	-	-
<b>Total</b>		-		-

### Notes:

The company had issued 1,493,903 0.01% Series A cumulative convertible preference shares (CCPS) at price of ₹ 328 per share amounting to ₹ 490 million. The Company had further issued 1,722,047 and 146,375 0.01% Series B compulsory convertible preference shares (CCPS) and 0.01% Series B1 compulsory convertible preference shares (CCPS) at price of ₹ 770 per share amounting to ₹ 1,325.98 million and ₹ 112.71 million respectively. As per the terms and conditions of issue of CCPS, Company had given right to the holders of CCPS to require the Company to buyback CCPS held by investors at reasonable approximation of fair market value in the event initial public offering (IPO) do not occur for specified period.

Based on these terms, CCPS had been classified as financial instrument in the nature of financial liability designated to be measured at fair value. Fair value of the instruments had been determined based on discounted cash flow valuation technique using cash flow projections and financial projections/budgets approved by the management. Gain/loss on subsequent re-measurement was recognised through Statement of Profit and Loss and disclosed under "Net loss on financial liability designated at FVTPL".

### Carrying amount of financial liability and gain/loss on subsequent re-measurement is set out below:

	As at 31 March 2020	As at 31 March 2019
<b>At the beginning of the period/year</b>	-	<b>3,729.30</b>
Preference share capital issued during the year	-	-
Security premium received on issue of preference shares	-	-
Loss on re-measurement for the year (recognised through Statement of Profit and Loss)	-	652.63
Conversion of preference shares into equity shares during the year (Refer Note 12(2))	-	(4,381.93)
<b>At the end of the year</b>	-	-

### Authorised preference share capital

	Series A		Series B		Series B1	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>As at 1 April 2018</b>	<b>1,493,903</b>	<b>490.00</b>	<b>1,722,047</b>	<b>172.20</b>	<b>172,207</b>	<b>17.22</b>
<b>As at 31 March 2019</b>	<b>1,493,903</b>	<b>490.00</b>	<b>1,722,047</b>	<b>172.20</b>	<b>172,207</b>	<b>17.22</b>
<b>As at 31 March 2020</b>	<b>1,493,903</b>	<b>490.00</b>	<b>1,722,047</b>	<b>172.20</b>	<b>172,207</b>	<b>17.22</b>

### Issued preference share capital (subscribed and fully paid up)

	Series A		Series B		Series B1	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>As at 1 April 2018</b>	<b>1,493,903</b>	<b>490.00</b>	<b>1,722,047</b>	<b>172.20</b>	<b>146,375</b>	<b>14.64</b>
Shares converted to equity shares	(1,493,903)	(490.00)	(1,722,047)	(172.20)	(146,375)	(14.64)
<b>As at 31 March 2019</b>	-	-	-	-	-	-
<b>As at 31 March 2020</b>	-	-	-	-	-	-

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 15 TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
Payable to micro, small and medium enterprises (Refer Note 39)	-	-
Other trade payables*	177.07	126.67
<b>Total</b>	<b>177.07</b>	<b>126.67</b>

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

## 16 LEASE AND OTHER FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
<b>Lease liabilities</b> (Refer Note 5B)		
Current	152.61	-
Non current	612.49	-
<b>Total</b>	<b>765.10</b>	<b>-</b>
<b>Other financial liabilities</b>		
Non-current		
Lease rent equalisation	-	2.84
<b>Total</b>	<b>-</b>	<b>2.84</b>
<b>Current</b>		
Payable to employees	239.01	297.82
Security deposits	0.14	0.14
Unpaid dividend*	14.97	-
<b>Total</b>	<b>254.12</b>	<b>297.96</b>

\* Unpaid dividend represent the interim dividend amount declared during the current year and remaining to be paid to shareholders.

## 17 PROVISIONS

	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Provision for employee benefits*		
Provision for gratuity	194.82	93.85
Provision for Leave encashment	63.46	-
<b>Total</b>	<b>258.28</b>	<b>93.85</b>
<b>Current</b>		
Provision for employee benefits*		
Provision for gratuity	10.52	8.59
Provision for leave encashment	13.92	42.92
Provision-others**	15.38	15.38
<b>Total</b>	<b>39.82</b>	<b>66.89</b>

\*Refer Note 28.

\*\* Contingency provision towards indirect taxes. There is no movement in this provision in the year ended 31 March 2020.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 18 CONTRACT AND OTHER LIABILITIES

	As at 31 March 2020	As at 31 March 2019
<b>Contract liabilities*</b>		
<b>Non-current</b>		
Deferred revenue	2,697.13	2,297.91
	<b>2,697.13</b>	<b>2,297.91</b>
<b>Current</b>		
Deferred revenue	3,996.30	3,237.29
Advances from customers	141.77	316.20
	<b>4,138.07</b>	<b>3,553.49</b>
<b>Total</b>	<b>6,835.20</b>	<b>5,851.40</b>
<b>Other liabilities-Current</b>		
Statutory dues		
Tax deducted at source payable	25.69	3.97
Contribution to provident fund payable	4.34	2.54
Contribution to ESI payable	0.09	0.10
GST payable	82.69	134.47
Professional tax payable	0.24	0.18
Payable for labour welfare fund	0.05	0.03
Others	0.19	0.07
<b>Total</b>	<b>113.29</b>	<b>141.36</b>

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

## 19 INCOME TAX ASSETS (NET)

	As at 31 March 2020	As at 31 March 2019
<b>Income tax assets (net of provisions)</b>		
Current	75.45	99.98
Non current	211.43	-
<b>Total</b>	<b>286.88</b>	<b>99.98</b>

## 20 REVENUE FROM OPERATIONS

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Sale of services</b>		
Income from web services	6,167.81	4,917.83
Advertisement and marketing services	67.32	54.92
<b>Total</b>	<b>6,235.13</b>	<b>4,972.75</b>

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

	As at 31 March 2020		As at 31 March 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Web services	4,132.78	2,697.13	3,549.32	2,296.25
Advertisement and marketing services	5.29	-	4.17	1.66
	<b>4,138.07</b>	<b>2,697.13</b>	<b>3,553.49</b>	<b>2,297.91</b>

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2020 and 31 March 2019.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## Contract liabilities

	As at 31 March 2020	As at 31 March 2019
Web services	6,829.91	5,845.57
Advertisement and marketing services	5.29	5.83
	<b>6,835.20</b>	<b>5,851.40</b>
Non-current	2,697.13	2,297.91
Current	4,138.07	3,553.49
	<b>6,835.20</b>	<b>5,851.40</b>

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Opening balance at the beginning of the year</b>	<b>5,851.40</b>	4,234.63
Less: Revenue recognised from contract liability balance at the beginning of the year	(3,062.90)	(2,748.08)
Add: Amount received from customers during the year	7,218.93	6,610.33
Less: Transfer of contract liability pertaining to Hello travel business	-	(20.81)
Less: Revenue recognised from amounts received during the year	(3,172.23)	(2,224.67)
Closing balance at the end of the year	<b>6,835.20</b>	5,851.40

We earn revenue in Indiamart through sale of subscription packages (available on a monthly, annual and multi-year basis) to suppliers. We foresee that our revenue and deferred revenue would be impacted due to COVID-19 as the customers may not opt for renewals or for more premium packages in short term due to the current nation-wide lockdown and other considerations related to COVID-19, particularly in case of monthly Packages. However, in the long-term, we believe that our business model remains robust and sustainable and is likely to gain from the ongoing global shift towards online business models. As of 31 March 2020, the Company has not changed the terms/period over which services are to be provided to its customers for the contracted business.

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

## 21 OTHER INCOME

	For the year ended 31 March 2020	For the year ended 31 March 2019
Fair value gain/(loss) on financial assets measured at FVTPL		
- Investment in mutual funds	638.45	371.24
- Investment in debt instruments of subsidiaries	-	(47.38)
Interest income from financial assets measured at amortised cost		
- on bank deposits	29.71	25.87
- on security deposits	10.22	3.48
Other interest income	3.97	0.08
Gain from business transfer arrangement	-	6.80
Gain on de-recognition of Right-of-use assets	1.34	-
Net gain on disposal of property, plant and equipment	0.43	0.08
<b>Total</b>	<b>684.12</b>	<b>360.17</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 22 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, allowance and bonus	2,299.68	1,996.14
Gratuity expense (Refer Note 28)	30.51	25.34
Leave encashment expense (Refer Note 28)	46.21	14.97
Contribution to provident and other funds	15.05	11.98
Employee share based payment expense (Refer Note 29)	75.46	84.53
Staff welfare expenses	81.44	84.28
<b>Total</b>	<b>2,548.35</b>	<b>2,217.24</b>

## 23 FINANCE COSTS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest cost of lease liabilities	32.83	-
<b>Total</b>	<b>32.83</b>	<b>-</b>

## 24 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (Refer Note 5A)	38.82	36.45
Depreciation of Right-of-use assets (Refer Note 5B)	167.55	-
Amortisation of intangible assets (Refer Note 6)	2.78	3.53
<b>Total</b>	<b>209.15</b>	<b>39.98</b>

## 25 OTHER EXPENSES

	For the year ended 31 March 2020	For the year ended 31 March 2019
Content development expenses	227.94	229.64
Buyer Engagement Expenses	163.16	178.47
Customer Support Expenses	230.36	245.78
Outsourced sales cost	724.48	575.64
Internet and other online expenses	227.05	172.01
Rent	10.86	148.03
Rates and taxes	30.96	19.12
Communication costs	7.01	5.43
Outsourced support cost	22.97	18.06
Advertisement expenses	21.34	20.34
Power and fuel	28.78	29.23
Printing and stationery	8.26	8.27
Repair and maintenance:		
- Plant and machinery	12.97	13.43
- Others	74.89	72.54
Travelling and conveyance	50.72	43.88
Recruitment and training expenses	29.15	27.62
Legal and professional fees	29.63	32.38
Directors' sitting fees	2.09	2.93
Auditor's remuneration	5.93	4.78
Insurance expenses	28.64	22.94
Impairment loss for investment in subsidiary	-	70.12
Collection charges	21.50	17.96
Corporate social responsibility activities expenses (Refer Note 37(a))	1.05	-
Miscellaneous expenses	0.54	1.18
<b>Total</b>	<b>1,960.28</b>	<b>1,959.78</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## Payment to Auditors

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>As auditor:</b>		
- Audit fee	5.50	4.11
<b>In other capacity:</b>		
Reimbursement of expenses	0.43	0.67
	<b>5.93</b>	<b>4.78</b>

## 26 (A) EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the earnings/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS are calculated by dividing the earnings/(loss) for the year attributable to the equity holders of the 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 year ended 31 March 2020	For the year ended 31 March 2019
<b>Basic</b>		
Earnings/(Loss) for the year	1,462.08	125.93
Weighted average number of equity shares used in calculating basic EPS	28,819,744	25,868,950
Basic earnings per equity share	50.73	4.87
<b>Diluted</b>		
Weighted average number of equity shares used in calculating basic EPS	28,819,744	25,868,950
Potential equity shares	516,744	456,999
Total no. of shares outstanding (including dilution)	29,336,488	26,325,949
<b>Diluted earnings per equity share</b>	<b>49.84</b>	<b>4.78</b>

There are potential equity shares for the year 31 March 2020 and 31 March 2019 in the form of stock options granted to employees which have been considered in the calculation of diluted earning per share.

## (b) Dividends

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interim dividend for the year ended 31 March 2020 (31 March 2019- Nil) of ₹ 10 per fully paid equity share (excluding the Dividend distribution tax of ₹ 59.45 millions)	289.19	-

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

### 27 INCOME TAX

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Current tax expense/(income)</b>		
Current tax for the period	-	36.18
Adjustments in respect of previous year	(3.31)	-
	<b>(3.31)</b>	<b>36.18</b>
<b>Deferred tax expense/(income)</b>		
Relating to origination and reversal of temporary differences	552.30	337.36
Relating to minimum alternate tax	3.31	(36.18)
Relating to earlier years	(228.61)	-
	<b>327.00</b>	<b>301.18</b>
<b>Tax expense /(income) related to change in tax rate and law *</b>		
- Deferred tax	314.08	-
	<b>314.08</b>	-
<b>Total income tax expense/(credit)</b>	<b>637.77</b>	<b>337.36</b>

\* Tax impact for the year ended 31 March 2020 includes the impact of adoption of Taxation Laws Amendment Ordinance 2019 as applicable to the Company. The deferred tax charge due to change in applicable tax rate is ₹ 277.90 Millions and due to reversal of MAT credit entitlement is ₹ 36.18 Millions.

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

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net loss on remeasurements of defined benefit plans	(18.22)	(3.66)

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/(loss) before tax	2,099.85	463.29
<b>Accounting profit/(loss) before income tax</b>	<b>2,099.85</b>	463.29
Tax expense/(income) at the statutory income tax rate	528.53	144.55
Adjustments in respect of unrecognised deferred tax assets of previous years	(228.61)	-
Adjustments in respect of differences in current tax rates and deferred tax rates	-	36.42
Adjustments in respect of differences taxed at lower tax rates	-	(34.73)
Adjustment in respect of change in carrying amount of investment in subsidiaries	37.02	-
Utilisation of previously unrecognised tax losses	(10.90)	(9.81)
Tax expense /(income) related to change in tax rate/laws	314.08	-
Income non-taxable for tax purposes	-	(1.09)
Non-deductible expenses for tax purposes:		
Loss on fair valuation of share buyback obligation	-	203.62
Other non-deductible expenses and non-taxable income	(2.35)	(1.60)
<b>Tax expense/(income) at the effective income tax rate of 25.17% (31 March 2019: 31.20%)</b>	<b>637.77</b>	<b>337.36</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

d) Breakup of deferred tax recognised in the Balance sheet

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Deferred tax asset</b>		
Property, plant and equipment and other intangible assets	7.46	8.14
Provision for gratuity	51.68	35.79
Provision for compensated absences	19.47	15.00
Provision for diminution of investments in subsidiaries	-	31.49
Investment in subsidiaries measured at fair value	40.01	34.35
Deferred revenue	0.56	11.30
Tax losses	164.19	710.07
Unabsorbed depreciation	27.20	37.26
Goodwill Impairment	109.21	-
Provision for expenses, allowable in subsequent year	45.13	5.37
Ind AS 116 impact	0.17	-
Minimum alternate tax (Refer Note 38 (d))	-	36.18
Others	0.26	2.30
<b>Total deferred tax assets (A)</b>	<b>465.34</b>	<b>927.25</b>
<b>Deferred tax liabilities</b>		
Investment in mutual funds measured at fair value	(214.63)	(66.69)
Accelerated deduction for tax purposes	(1.78)	(2.50)
Others	(4.96)	-
<b>Total deferred tax liabilities (B)</b>	<b>(221.37)</b>	<b>(69.19)</b>
<b>Net deferred tax assets (C) = (A) - (B)</b>	<b>243.97</b>	<b>858.06</b>

e) Breakup of deferred tax expense/(income) recognised in Statement of profit and loss and OCI

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Deferred tax expense/(income) relates to the following:</b>		
Property, plant and equipment and other intangible assets	0.67	(0.71)
Provision for gratuity	(15.89)	(9.60)
Provision for compensated absences	(4.48)	(0.90)
Provision for diminution of investments in subsidiaries	31.49	(24.50)
Investment in subsidiaries measured at fair value	(5.66)	(9.48)
Investment in mutual funds measured at fair value	147.94	37.07
Deferred revenue	10.74	33.62
Tax losses	545.88	292.94
Unabsorbed depreciation	10.06	20.98
Goodwill Impairment	(109.21)	-
Provision for expenses, allowable in subsequent year	(39.75)	(5.37)
Accelerated deduction for tax purposes	(0.72)	0.26
Minimum alternate tax (Refer Note 38 (d))	36.18	(36.18)
Leases	8.60	-
Others	7.01	(0.62)
<b>Deferred tax expense/(income)</b>	<b>622.86</b>	<b>297.51</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

### f) Reconciliation of Deferred tax asset (Net):

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Opening balance as of 1 April</b>	<b>858.06</b>	1,155.58
Tax (expense)/income during the period recognised in Statement of profit and loss	<b>(327.00)</b>	(337.36)
Tax impact related to change in tax rate/laws	<b>(314.08)</b>	-
Tax impact during the year recognised in OCI	<b>18.22</b>	3.66
Deferred tax on Ind AS 116 impact on retained earning	<b>8.77</b>	-
MAT credit entitlement	-	36.18
<b>Closing balance at the end of the period</b>	<b>243.97</b>	<b>858.06</b>

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

The Company has performed an assessment of COVID-19 pandemic's impact to evaluate recoverability of its net deferred tax assets within the available time period as per tax laws and based on current expectation and projections, believes that there is no impact on recoverability of deferred tax assets as of 31 March 2020.

### 28 DEFINED BENEFIT PLAN AND OTHER LONG TERM EMPLOYEE BENEFIT PLAN

The Company 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 plan exposes the Company to actuarial risks, such as longevity risk, interest rate risk and salary risk.

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

#### Gratuity - defined benefit plan

	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation	<b>218.28</b>	123.90
Fair value of plan assets	<b>(12.94)</b>	(21.46)
Net liability arising from defined benefit obligation	<b>205.34</b>	102.44

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

	As at 31 March 2020	As at 31 March 2019
Present value of other long term employee benefit plan	<b>77.38</b>	42.92
Net liability arising from other long term employee benefit plan	<b>77.38</b>	42.92

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

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

Particulars	Gratuity	
	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	123.90	92.20
Employee benefit obligation pursuant to the disposal group held for sale	-	(0.99)
Benefits paid	(9.39)	(5.18)
Current service cost	22.65	20.06
Interest cost	9.51	7.19
Actuarial (gains)/losses		
- changes in demographic assumptions	26.26	14.53
- changes in financial assumptions	29.14	(6.97)
- experience adjustments	16.21	3.06
<b>Balance at the end of the year</b>	<b>218.28</b>	<b>123.90</b>

Particulars	Leave encashment	
	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	42.92	37.58
Employee benefit obligation pursuant to the disposal group held for sale	-	(0.27)
Benefits paid	(11.75)	(9.36)
Current service cost	24.08	11.97
Interest cost	3.29	2.93
Actuarial (gains)/losses		
- changes in demographic assumptions	7.22	7.20
- changes in financial assumptions	4.87	(5.82)
- experience adjustments	6.75	(1.31)
<b>Balance at the end of the year</b>	<b>77.38</b>	<b>42.92</b>

## Movement in fair value of plan assets

Particulars	Gratuity	
	As at 31 March 2020	As at 31 March 2019
Opening fair value of plan assets	21.46	24.57
Interest income	1.65	1.92
Actuarial gains/(losses)	(0.78)	0.15
Benefits paid	(9.39)	(5.18)
<b>Closing fair value of plan assets</b>	<b>12.94</b>	<b>21.46</b>

Each year the management of the Company reviews the level of funding required as per its risk management strategy. The Company expects to contribute to gratuity ₹ 37.22 millions in FY 2020-21 (31 March 2019: ₹ 30.88 million).

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Funds managed by insurer	100%	100%

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

b) *Expense recognised in profit or loss*

Particulars	Gratuity	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	22.65	20.06
Net interest expense	7.86	5.28
Components of defined benefit costs recognised in profit or loss	30.51	25.34
Remeasurement of the net defined benefit liability		
Actuarial (gain)/loss on plan assets	0.78	(0.15)
Actuarial (gain)/loss on defined benefit obligation	71.61	10.62
Components of defined benefit costs recognised in other comprehensive income	72.39	10.47

Particulars	Leave encashment	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	24.08	11.97
Net interest expense	3.29	2.93
Actuarial/(gain) loss on other long term employee benefit plan	18.84	0.07
Components of other long term employee benefit costs recognised in profit or loss	46.21	14.97

c) *Actuarial assumptions*

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

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.25%	7.66%
Expected rate of return on assets	6.25%	7.66%

**Attrition rate:**

	As at 31 March 2020		As at 31 March 2019	
	Upto 4 years of service	Above 4 years of service	Upto 4 years of service	Above 4 years of service
<b>Ages</b>				
Upto 30 years	18.46%	11.54%	34.54%	12.83%
From 31 to 44 years	12.99%	7.94%	30.85%	11.20%
Above 44 years	8.33%	3.03%	0.00%	0.00%
<b>Future salary growth</b>				
Year 1	4.00%	6.00%	7.00%	12.00%
Year 2	12.00%	18.00%	7.00%	12.00%
Year 3 and onwards	8.00%	12.00%	7.00%	12.00%
<b>Mortality table</b>	India Assured Life Morality (2012-14)		India Assured Life Morality (2006-08)	

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## d) Sensitivity analysis

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

### Gratuity

As at 31 March 2020	Increase	Decrease
Impact of change in discount rate by 0.50%	(13.95)	15.46
Impact of change in salary by 0.50%	8.02	(8.28)

As at 31 March 2019	Increase	Decrease
Impact of change in discount rate by 0.50%	(6.45)	7.12
Impact of change in salary by 0.50%	3.58	(3.81)

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
Within one year	10.52	8.59
Within one - three years	21.21	20.43
Within three - five years	21.55	17.05
Above five years	165.00	77.83
<b>Total</b>	<b>218.28</b>	<b>123.90</b>

## 29 SHARE BASED PAYMENT PLANS

### a) Employee Stock Option Plan (ESOP)

The Company has provided various share-based payment schemes to its employees in the preceding financial years. During the year ended 31 March 2020, the following schemes were in operation:

	ESOP 2010	ESOP 2012	ESOP 2015	ESOP 2016	ESOP 2017
Date of grant	January 1, 2010	March 15, 2012	June 08, 2015	July 28, 2016	June 02, 2017
Date of Board Approval	November 24, 2009	January 25, 2012	June 08, 2015	July 28, 2016	May 04, 2017
Date of Shareholder's approval	November 10, 2008	November 10, 2008	September 23, 2015	September 23, 2015	September 23, 2015
Number of options approved	453,420	645,560	539,000	276,980	200,730
Method of Settlement	Equity	Equity	Equity	Equity	Equity
Vesting period (in months)	0 to 48 Months	0 to 48 Months	0 to 48 Months	0 to 48 Months	0 to 48 Months

The details of activity have been summarized below:

### ESOP 2010

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	Nil	100	63,286	100
Granted during the year	Nil	100	Nil	100
Forfeited during the year	Nil	100	9,210	100
Exercised during the year	Nil	100	54,076	100
Expired during the year	Nil	100	Nil	100
Outstanding at the end of the year	Nil	100	Nil	100
Exercisable at the end of the year	Nil	100	Nil	100

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## ESOP 2012

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	Nil	150	150,136	150
Granted during the year	Nil	150	Nil	150
Forfeited/ expired during the year	Nil	150	4,603	150
Exercised during the year	Nil	150	145,533	150
Outstanding at the end of the year	Nil	150	Nil	150
Exercisable at the end of the year	Nil	150	Nil	150

## ESOP 2015

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	62,100	200	354,100	200
Granted during the year	Nil	200	Nil	200
Forfeited/ expired during the year	Nil	200	3,600	200
Exercised during the year	62,100	200	288,400	200
Outstanding at the end of the year	Nil	200	62,100	200
Exercisable at the end of the year	Nil	200	Nil	200

## ESOP 2016

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	41,850	200	194,268	200
Granted during the year	Nil	200	Nil	200
Forfeited/ expired during the year	2,400	200	16,200	200
Exercised during the year	20,025	200	136,218	200
Outstanding at the end of the year	19,425	200	41,850	200
Exercisable at the end of the year	Nil	200	Nil	200

## ESOP 2017

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	37,888	200	197,800	200
Granted during the year	Nil	200	Nil	200
Forfeited/ expired during the year	760	200	824	200
Exercised during the year	9,282	200	159,088	200
Outstanding at the end of the year	27,846	200	37,888	200
Exercisable at the end of the year	Nil	200	Nil	200

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

Figures for current year ended 31 March 2020 and previous year are as follows:

	As at 31 March 2020				
	ESOP 2010	ESOP 2012	ESOP 2015	ESOP 2016	ESOP 2017
Range of exercise prices	100	150	200	200	200
Number of options outstanding	-	-	Nil	19,425	27,846
Weighted average remaining contractual life of options (in years)	NA	NA	-	0.25	0.80
Weighted average exercise price	100	150	NA	200	200
Weighted average share price for the options exercised during the year	NA	NA	NA	300	300

	As at 31 March 2019				
	ESOP 2010	ESOP 2012	ESOP 2015	ESOP 2016	ESOP 2017
Range of exercise prices	100	150	200	200	200
Number of options outstanding	Nil	Nil	62,100	41,850	37,888
Weighted average remaining contractual life of options (in years)	NA	NA	0.25	1.25	1.80
Weighted average exercise price	100	150	200	200	200
Weighted average share price for the options exercised during the year	300	300	300	300	300

### Stock Options granted

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

	As at 31 March 2020				
	ESOP 2010	ESOP 2012	ESOP 2015	ESOP 2016	ESOP 2017
Weighted average share price	NA	NA	200	275.93	280.50
Exercise price	NA	NA	200	200	200
Expected volatility	NA	NA	0.00%	0.00%	0.00%
Historical volatility	NA	NA	0.10%	0.10%	0.10%
Life of the options granted (Vesting and exercise period) in years	NA	NA	7.70	7.70	7.70
Expected dividends	NA	NA	Nil	Nil	Nil
Average risk-free interest rate	NA	NA	7.77%	7.20%	7.20%

	As at 31 March 2019				
	ESOP 2010	ESOP 2012	ESOP 2015	ESOP 2016	ESOP 2017
Weighted average share price	148.39	150	200	275.93	280.50
Exercise price	100	150	200	200	200
Expected volatility	0.00%	0.00%	0.00%	0.00%	0.00%
Historical volatility	0.00%	0.00%	0.10%	0.10%	0.10%
Life of the options granted (Vesting and exercise period) in years	7.50	8.00	7.70	7.70	7.70
Expected dividends	Nil	Nil	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	7.77%	7.20%	7.20%

The Company has provided various share-based payment schemes to its employees in the preceding financial years.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

### Stock appreciation rights (SAR)

The Company has granted stock appreciation rights to its employees during the previous financial year. Details are as follows

	<b>SAR 2018</b>
Date of grant	October 01, 2018
Date of Board Approval	September 22, 2018
Date Of Shareholder's approval	May 07, 2018
Number of units approved	800,740
Method of Settlement	Equity
Vesting year (in months)	0 to 48 Months

The details of activity have been summarized below:

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of SAR units	Weighted Average Exercise Price (₹)	Number of SAR units	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	779,740	500	NA	NA
Granted during the year	Nil	Nil	800,740	500
Lapsed during the year	45,332	500	21,000	500
Exercised during the year	149,816	Nil	Nil	Nil
Expired during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	584,592	500	779,740	500
Exercisable at the end of the year	Nil	Nil	Nil	Nil

Figures for year ended 31 March 2020 are as follows:

	<b>SAR 2018</b>
Range of exercise prices	500
Number of units outstanding	584,592
Weighted average remaining contractual life of units (in years)	2.50
Weighted average exercise price	500

### SAR units granted

The fair value of SAR units is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

	<b>SAR 2018</b>
Weighted average share price	597
Exercise Price	500
Expected Volatility	41%
Historical Volatility	41%
Life of the units granted (Vesting and exercise year) in years	4.00
Expected dividends	Nil
Average risk-free interest rate	7.80%

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Total Employee Compensation Cost pertaining to share-based payment plans	75.46	84.53
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	75.46	84.53

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

	As at 31 March 2020	As at 31 March 2019
Total reserve for employee stock options outstanding as at year end	95.97	71.42

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 30 FAIR VALUE MEASUREMENTS

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

	Level	As at 31 March 2020	As at 31 March 2019
<b>Financial assets</b>			
a) Measured at fair value through profit or loss (FVTPL)			
- Investment in mutual funds (Refer Note b(iii) below)	Level 1	<b>8,655.45</b>	6,042.99
- Investment in debt instruments of subsidiaries (Refer Note b(iv) below)	Level 3	<b>89.60</b>	90.39
		<b>8,745.05</b>	<b>6,133.38</b>
b) Measured at amortised cost (Refer Note b(i) and (ii) below)			
- Trade receivables		<b>11.00</b>	3.54
- Cash and cash equivalents		<b>129.04</b>	359.13
- Loans to employees		<b>12.26</b>	17.41
- Security deposits		<b>101.16</b>	59.12
- Bank deposits		<b>418.35</b>	375.48
- Other financial assets		<b>23.17</b>	126.27
		<b>694.98</b>	<b>940.95</b>
<b>Total</b>		<b>9,440.03</b>	<b>7,074.33</b>
<b>Financial liabilities</b>			
a) Measured at amortised cost (Refer Note b(i) and (ii) below)			
- Trade payables		<b>177.07</b>	126.67
- Security deposits		<b>0.14</b>	0.14
- Other financial liabilities		<b>253.99</b>	300.66
- Lease liabilities		<b>765.09</b>	-
		<b>1,196.29</b>	<b>427.47</b>
<b>Total</b>		<b>1,196.29</b>	<b>427.47</b>

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

- The carrying value of bank deposits, trade receivables, cash and cash equivalents, trade payables, security deposits, lease liabilities and other financial assets and other financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments. These have been assessed basis counterparty credit risk.
- The fair value of non-current financial assets and financial liabilities are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used do not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.
- Fair value of quoted mutual funds is based on quoted market prices at the reporting date, which factors the impact of COVID-19. We do not expect material volatility in these financial assets.
- Fair value of debt instruments of subsidiaries is estimated based on replacement cost method / discounted cash flows valuation technique using the cash flow projections, discount rate and credit risk, considering the impact of COVID-19.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

- c) Following table describes the valuation techniques used and key inputs thereto for the level 3 financial assets / liabilities as of 31 March 2020 and 31 March 2019:

Financial assets	Valuation technique(s)	Key input(s)	Sensitivity
Investment in debt instruments of subsidiaries			
-Pay With Indiamart Private Limited	Refer Note below*	i) Discount rate ii) Growth rate for long term cash flow projections iii) Future cash flow projections based on budgets approved by the management.	Refer note below**
-Tolexo Online Private Limited	Replacement cost method	Replacement cost	NA

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

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

- d) Reconciliation of level 3 fair value measurements

	Investment in debt instruments		Share buy back obligation	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	90.39	65.34	-	3,729.30
Loss recognised in profit or loss	(68.79)	(47.38)	-	652.63
Additions	68.00	72.50	-	-
Disposals/Extinguishment	-	(0.07)	-	-
Conversion of preference shares into equity shares during the year	-	-	-	(4,381.93)
<b>Closing balance</b>	<b>89.60</b>	<b>90.39</b>	<b>-</b>	<b>0.00</b>

- e) During the year ended 31 March 2020 and 31 March 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

### 31 CAPITAL MANAGEMENT

The Company manages its capital to ensure that the company will be able to continue as a going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of no debts and only equity of the company.

The Company is not subject to any externally imposed capital requirements.

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

#### Gearing ratio

The company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total equity (as shown in the

balance sheet). As at 31 March 2020 and 31 March 2019, the outstanding debt was ₹ Nil.

### 32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

## i) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and bank balances, trade receivables, investments in mutual funds, loans and security deposits.

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

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

### Trade receivables

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

### Cash and cash equivalents, bank deposits and investments in mutual funds

The Company maintains its cash and cash equivalents, bank deposits and investment in mutual funds with reputed banks and financial institutions. The credit risk on these instruments is

(Amount in ₹ million, unless otherwise stated)

limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

## Security deposits and Loans

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

## ii) Liquidity risk management

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

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

## 32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### Maturities of financial liabilities

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

#### Contractual maturities of financial liabilities

31 March 2020	Within 1 year	Between 1 and 5 years and thereafter	Total
Trade payables	177.07	-	177.07
Lease liabilities	152.61	612.49	765.10
Other financial liabilities	254.12	-	254.12
	583.80	612.49	1,196.31
31 March 2019	Within 1 year	Between 1 and 5 years and thereafter	Total
Trade payables	126.67	-	126.67
Lease liabilities	-	-	-
Other financial liabilities	297.96	2.84	300.80
	424.63	2.84	427.47

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

### iii) Market risk

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

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company's exposure to unhedged foreign currency risk as at 31 March 2020 and 31 March 2019 has been disclosed in note below. Currency risks related to the principal amounts of the Company's US dollar trade receivables.

#### Unhedged foreign currency exposure

	As at 31 March 2020	As at 31 March 2019
Trade receivable	USD 0.05 (₹ 3.77)	USD 0.03 (₹ 2.40)

Sensitivity	Impact on profit/(loss) before tax	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>USD sensitivity</b>		
₹/USD - increase by 2%	0.08	0.05
₹/USD - decrease by 2%	(0.08)	(0.05)

#### Interest rate risk

Investment of short-term surplus funds of the Company in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives.

Sensitivity	Impact on profit/(loss) before tax	
	For the year ended 31 March 2020	For the year ended 31 March 2019
+ 5% change in NAV of mutual funds	432.77	302.15
- 5% change in NAV of mutual funds	(432.77)	(302.15)

## 33 SEGMENT INFORMATION

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

#### Information about geographical areas:

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

	Revenue from external customers		Non-current assets*	
	For the year ended 31 March 2020	For the year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
India	6,194.94	4,940.25	854.44	97.53
Others	40.19	32.50	-	-
	<b>6,235.13</b>	<b>4,972.75</b>	<b>854.44</b>	<b>97.53</b>

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 34 RELATED PARTY TRANSACTIONS

### i) Names of related parties and related party relationship:

#### a) Entity's subsidiaries & associates

<b>Subsidiaries</b>	Hello Trade Online Private Limited
	Tradezeal International Private Limited
	Ten Times Online Private Limited
	Tolexo Online Private Ltd
	Pay With Indiamart Private Limited
<b>Associates</b>	Simply Vyapar Apps Private Limited

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

Name	Designation
Dinesh Chandra Agarwal	Managing Director & CEO
Brijesh Kumar Agrawal	Whole time director
Prateek Chandra	Chief financial officer
Anil Dwivedi	Company Secretary (resigned w.e.f 30 April 2018)
Manoj Bhargava	Company Secretary (appointed w.e.f 4 June 2018)
Dhruv Prakash	Non-executive director
Mahendra Kumar Chauhan	Independent director (resigned w.e.f 30 April 2018)
Rajesh Sawhney	Independent director
Elizabeth Lucy Chapman	Independent director
Vivek Narayan Gour	Independent director

#### c) Entities where Individuals and Key Management Personnel (KMP) as defined in note above exercise significant influence

Mansa Enterprises Private Limited

#### d) Other related parties

Indiamart Employee Benefit Trust (seperately administered Trust to manage employees share based payment plans of the company)

Indiamart Intermesh Employees Group Gratuity Assurance Scheme (seperately administered Trust to manage post employment defined benefits of employees of the company)

### ii) Key management personnel compensation

	For the year ended 31 March 2020	For the year ended 31 March 2019
Short-term employee benefits	119.15	102.79
Post- employment benefits	1.11	(0.57)
Other long-term employee benefits	3.67	0.47
Employee share based payment expense	32.39	4.85
	156.32	107.54

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Entities where KMP and Individuals exercise Significant influence</b>		
<b>Expenses for rent</b>		
Mansa Enterprises Private Limited	3.07	3.26
<b>Key management personnel</b>		
<b>Recruitment and training expenses</b>		
Dhruv Prakash	3.09	1.85
Director's sitting fees	2.09	2.93
<b>Dividend paid</b>		
Dinesh Chandra Agarwal	86.31	-
Brijesh Kumar Agrawal	58.49	-
Prateek Chandra	1.01	-
Manoj Bhargava	0.01	-
Rajesh Sawhney	0.25	-
Dhruv Prakash	0.40	-
Vivek Narayan Gour	0.09	-
<b>Associates</b>		
<b>Investment in associates</b>		
Simply Vyapar Apps Private Limited	312.02	-
Subsidiary companies		
<b>Investment in subsidiaries</b>		
Tolexo Online Pvt. Ltd	58.00	42.50
Tentimes Online Pvt. Ltd	-	2.50
Hello Trade Online Pvt. Ltd	-	0.10
Pay With Indiamart Pvt. Ltd	10.00	30.00
<b>Loans to subsidiaries</b>		
Tolexo Online Pvt. Ltd	-	2.50
<b>Web services provided to</b>		
Pay With Indiamart Pvt. Ltd	3.94	1.09
Simply Vyapar Apps Private Limited	0.01	-
<b>Support services provided to</b>		
Tentimes Online Pvt. Ltd	-	0.08
<b>Customer support services availed from</b>		
Pay With Indiamart Pvt. Ltd	1.60	1.93
<b>Interest received on Loan to subsidiaries</b>		
Tolexo Online Pvt. Ltd	-	0.02
<b>Indiamart Employee Benefit Trust</b>		
Interest free Loan given	1.50	-
Share capital issued	(1.45)	-
Dividend paid	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 at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Loan given to Tolexo Online Private Limited during the previous year was for operational needs of the subsidiary. The loan was repaid by the subsidiary in the previous year itself.

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

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

Balance Outstanding at the year end	As at 31 March 2020	As at 31 March 2019
<b>Subsidiary companies</b>		
<b>Investment in subsidiaries*</b>		
Tolexo Online Pvt. Ltd	106.62	117.40
Tradezeal International Pvt. Ltd	1.10	1.10
Hello Trade Online Pvt. Ltd	0.30	0.30
Pay With Indiamart Pvt. Ltd	54.00	44.00
Tentimes Online Pvt. Ltd	3.10	3.10
Key management personnel		
<b>Recruitment and training expenses</b>		
Dhruv Prakash	0.13	-
Associates		
<b>Investment in associates</b>		
Simply Vyapar Apps Private Limited	312.02	-
<b>Amount recoverable</b>		
Tolexo Online private limited	-	1.52
<b>Deferred Revenue</b>		
Simply Vyapar Apps Private Limited	0.02	-
<b>Loan given</b>		
Indiamart Employee Benefit Trust	1.50	-

\*Includes investments measured at FVTPL but does not include provision for diminution of investment in equity shares.

## 35 THE COMPANY HAS PROVIDED FOLLOWING FUNCTION WISE RESULTS OF OPERATIONS ON A VOLUNTARY BASIS

The management has presented the below function wise results because it also monitors its performance in the manner explained below and it believes that this information is relevant to understanding the Company's financial performance. The basis of calculation is also mentioned for reference.

	For the year ended 31 March 2020	For the year ended 31 March 2019
A Revenue from operations	6,235.13	4,972.75
B Customer service cost	(1,738.86)	(1,584.23)
<b>C Surplus over customer service cost (A-B)</b>	<b>4,496.27</b>	<b>3,388.52</b>
Selling & Distribution Expenses	1,129.62	1,004.44
Technology & Content Expenses	1,036.40	1,020.95
Marketing Expenses	51.42	47.77
Depreciation & Amortization	209.15	39.98
Other Operating Expenses	552.33	519.64
<b>D Total</b>	<b>2,978.92</b>	<b>2,632.78</b>
<b>E Operating profit (C-D)</b>	<b>1,517.35</b>	<b>755.74</b>
Finance costs	(32.83)	-
Net (loss)/gain on financial liability measured at FVTPL	-	(652.63)
Other income	684.12	360.17
<b>F Total</b>	<b>651.29</b>	<b>(292.46)</b>
<b>G Profit/(Loss) before exceptional items and tax</b>	<b>2,168.64</b>	<b>463.29</b>
Exceptional item	68.79	-
<b>H Profit/(Loss) before tax</b>	<b>2,099.85</b>	<b>463.29</b>
Tax expense/(credit)	323.69	337.36
Tax expense/(income) related to change in tax rate/laws	314.08	-
<b>Profit/(loss) for the year</b>	<b>1,462.08</b>	<b>125.93</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

**Below is the basis of classification of various function wise expenses mentioned above:**

### Customer service cost

Customer service cost primarily consists of employee benefits expense for employees involved in servicing of our clients; website content charges (included in "Content development expenses" in Note 25); PNS charges i.e. rental for premium number service provided to our paying suppliers (included in "Buyer Engagement Expenses" in Note 25); SMS & Email charges i.e. cost of notifications sent to paying suppliers through SMS or email (included in "Buyer Engagement Expenses" in Note 25); Buy Lead Verification & Enrichment i.e. costs incurred in connection with the verification of RFQs posted by registered buyers on Indiamart and provided to our paying suppliers as a part of our subscription packages (included in "Customer Support Expenses" in Note 25); other expenses such as rent, power and fuel, repair & maintenance, travelling & conveyance allocated based on employee count; collection charges; domain registration & renewal charges (included in "Internet and other online expenses" in Note 25) for serving our clients.

### Selling & Distribution Expenses

Selling & Distribution Expenses primarily consists of employee benefits expense for employees involved in acquisition of new paying suppliers; Outsourced sales cost i.e. costs incurred in connection with our outsourced telephone sales team and field sales team, other expenses such as rent, power and fuel, repair & maintenance, travelling & conveyance allocated based on employee count.

### Technology & Content Expenses

Technology and content expenses include employee benefits expense for employees involved in the research and development of new and existing products and services, development, design, and maintenance of our website and mobile application, curation and display of products and services made available on our websites, and digital infrastructure costs; Data Verification & Enrichment i.e. amount paid to third parties to maintain and enhance our database (included in "Content development expenses" in Note 25); PNS charges i.e. rental for premium number service provided to our free suppliers (included in "Buyer Engagement Expenses" in Note 25); SMS & Email charges i.e. cost of notifications sent to buyers and free suppliers through SMS or email (included in "Buyer Engagement Expenses" in Note 25); Buy Lead Verification & Enrichment i.e. costs incurred in connection with the verification of RFQs posted by

(Amount in ₹ million, unless otherwise stated)

registered buyers on Indiamart and provided to our free suppliers (included in "Customer Support Expenses" in Note 25); other expenses such as rent, power and fuel, repair & maintenance, travelling & conveyance allocated based on employee count; Complaint Handling (1-800) Exp. (included in "Customer Support Expenses" in Note 25); Server Exp. (Web Space for Hosting), Software Expenses, Server Exp. (Google Emails-Employees) & Website Support & Maintenance (included in "Internet and other online expenses" in Note 25).

### Marketing Expenses

While most of our branding and marketing is done by our field sales representatives through face to face meetings with potential customers (included in Selling & Distribution Expenses), our branding is aided by our spending on marketing, such as targeted digital marketing, search engine advertisements and offline advertising, and we also engage in advertising campaigns from time to time through television and print media. Employee benefits expense for employees involved in marketing activities are also included in marketing expenses.

### Other Operating Expenses

Other operating expenses primarily include employee benefits expense for our support function employees; expenses such as rent, power and fuel, repair & maintenance, travelling & conveyance allocated basis employee count; browsing & connectivity-branch & employees (included in "Internet and other online expenses" in Note 25); telephone expenses-branch & employees (included in "Communication Costs" in Note 25); recruitment and training expenses; legal and professional fees and other miscellaneous operating expenses.

## 36 CONTINGENT LIABILITIES AND COMMITMENTS

### a) Contingent liabilities

- On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers altered historical understandings of such obligations, extending them to cover additional portions of the employee's income. However, the judgment isn't explicit if such interpretation may have retrospective application resulting in increased contribution for past and future years for certain employees of the Company. The Company, based on an internal assessment, evaluated that there are numerous interpretative challenges on the retrospective application of the judgment

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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 Company is unable to reliably estimate the amount involved. Accordingly, the Company shall evaluate the amount of provision, if any, on obtaining further clarity on the matter.

2. The Company 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 Company records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Company reviews these provisions and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March 2020.

## b) Capital and other commitments

- As at 31 March 2020, the company has estimated amount of contracts remaining to be executed on capital account not provided for, net of advance is Nil (31 March 2019: Nil).
- The company will provide financial support to its wholly owned subsidiaries, so as to meet their liabilities as and when the same is required.

## c) Operating lease commitments

As at previous year ended 31 March 2019, office premises were obtained on operating lease. There were no contingent rents in the lease agreements. The lease term varies from 11 months to 9 years generally and were usually renewable by mutual consent. There were no restrictions imposed by lease agreements. There were no subleases.

Lease payments (for non cancellable lease) for year ended 31 March 2019 are ₹ 74.71 million.

(Amount in ₹ million, unless otherwise stated)

Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at 31 March 2019
Within one year	69.64
After one year but not more than five years	103.74
More than five years	0.81
	174.19

- 37 a) As per section 135 of the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) during the year ended 31 March 2020 is 1.05 millions (31 March 2019: Nil), computed at 2% of its average net profit for the immediately preceding three financial years. The Company incurred an amount of 1.05 millions during the year ended 31 March 2020 (31 March 2019: nil), towards CSR expenditure.
- b) Exceptional item, during the year ended 31 March 2020, amounting to ₹ 68.79 represents fair value change in the carrying value of investment in Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS), held in Tolexo Online Private limited, a wholly owned subsidiary company, due to the current economic conditions.
- 38 a) During the year ended 31 March 2020, the Company modified the classification of amount payable to employees from 'Trade payables' to 'Payable to employees' classified in 'other financial liabilities' to reflect more appropriately the nature of such amounts payable. Comparative amounts in the notes to the standalone financial statements were reclassified for consistency. As a result, ₹ 297.48 as at 31 March 2019 was reclassified from 'Trade payables' to 'Payable to employees'.
- b) During the year ended 31 March 2020, the Company modified the classification of provision for service tax from 'Trade payables' to 'Provision-others' classified in 'Provisions' to reflect more appropriately the nature of such amounts provided in the books of account. Comparative amounts in the notes to the standalone financial statements were reclassified for consistency. As a result, ₹ 15.38 as at 31 March 2019 was reclassified from 'Trade payables' to 'Provision-others'.
- c) During the year ended 31 March 2020, the Company modified the classification of 'Net gain on disposal of current investments' and 'Fair value gain/(loss)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

on financial assets measured at FVTPL' from 'Net gain/(loss) on financial assets measured at FVTPL' to 'Other income' to reflect more appropriately the nature of such amounts. Comparative amounts in the notes to the standalone financial statements were reclassified for consistency. As a result, ₹ 323.86 for the year ended 31 March 2019 were reclassified from 'Net gain/(loss) on financial assets measured at FVTPL' to 'Other income'.

d) Minimum alternative tax (MAT) for the year ended 31 March 2019 of ₹ 36.18 has been reclassified from "Deferred tax" expense to "Current Tax" expense under 'Income tax' expense note in Statement of Profit and Loss to reflect more appropriately the nature of such amounts provided in the books of account. Accordingly Note 27(d) has been modified to show deferred tax assets on MAT as at 31 March 2019.

### 39 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT 2006:

	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period		
- Principal amount due to micro and small enterprises	-	-
- Interest due on above	-	-
	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-
	-	-

40 The standalone financial statements of the company for the year ended 31 March 2019 were audited by another firm of Chartered Accountants, who have expressed unmodified audit opinion on these financial statements.

### 41 EVENTS AFTER THE REPORTING PERIOD

The Company has evaluated all the subsequent events through 12 May 2020, which is the date on which these standalone 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 standalone financial statements.

The accompanying notes are an integral part of the standalone financial statements.  
As per our report of even date

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

**Kanika Kohli**  
Partner  
Membership No.: 511565  
Place: Gurugram  
Date: 12 May 2020

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

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

**Prateek Chandra**  
(Chief Financial Officer)  
Place: Noida  
Date: 12 May 2020

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

**Manoj Bhargava**  
(Company Secretary)

# **CONSOLIDATED FINANCIALS**

# INDEPENDENT AUDITORS' REPORT

To  
the Members of  
IndiaMART InterMESH Limited

## REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the consolidated financial statements of IndiaMART InterMESH Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income (loss)), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associate as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and

its associate as at 31 March 2020, of its consolidated profit and other comprehensive income (loss), consolidated changes in equity and consolidated cash flows for the year then ended.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

## DESCRIPTION OF KEY AUDIT MATTER

### Revenue Recognition (See note 2.3(d) and 20 to the Consolidated financial statements)

The key audit matter	How the matter was addressed in our audit
<p>The Group generates revenue primarily from web services and follows a prepaid model for its business.</p> <p>Revenue from web services is recognised over the period of the contract as and when the Group satisfies performance obligations by actually rendering the promised services to its customers.</p> <p>These services are delivered using IT systems which manage very high volume on daily basis and generate reports from which the Group recognises revenue, and hence there is inherent risk around the existence and accuracy of revenue recognition.</p> <p>We have identified revenue recognition from web services as a key audit matter because of the significance of web service revenue to the financial statements and its recognition based on high volume of data generated by internal IT systems.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>We assessed the appropriateness of the revenue recognition accounting policy and its compliance with applicable accounting standards.</li> <li>We evaluated the design and implementation of key internal financial controls and operating effectiveness of the relevant key controls with respect to existence and accuracy of revenue recognition on selected transactions.</li> <li>We, with the involvement of IT specialists, evaluated the design, implementation and operating effectiveness of management's general IT controls and key application controls over the Group's IT systems which govern revenue recognition, including access controls, controls over program changes and interfaces between different systems.</li> <li>We selected a sample of transactions using statistical sampling and performed tests of details including reading the contract, identifying performance obligation and its link with actual rendition to assess whether the criteria for revenue recognition are met.</li> <li>We tested completeness and accuracy of web services revenue and collection from underlying relevant source documents generated by IT systems with accounting system.</li> <li>We assessed the adequacy of disclosures in the consolidated financial statements.</li> </ul>

## OTHER INFORMATION

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

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

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

## MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis

of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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.

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

## OTHER MATTERS

- (a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 151.56 million as at 31 March 2020, total revenues of ₹ 157.34 million and net cash flows amounting to ₹ 68.03 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income (loss)) of ₹ 16.41 million for the year ended 31 March 2020, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the audit reports of the other auditors.

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

- (b) Attention is drawn to the fact that the corresponding figures for the year ended 31 March 2019 are based on the previously issued consolidated financial statements of the Group that were audited by the predecessor auditor who expressed an unmodified opinion on those consolidated financial statements on 11 May 2019.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Further, the associate company incorporated in India has been exempted from the requirement of its auditor reporting on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associate, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and its associate. Refer Note 37 to the consolidated financial statements.
- ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate company incorporated in India during the year ended 31 March 2020.
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):
- In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The associate company is a private limited company and accordingly the requirements as stipulated by the provisions of section 197 (16) are not applicable to the associate company. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

*Chartered Accountants*

ICAI Firm registration No: 101248W/W-100022

**Kanika Kohli**

*Partner*

Membership No: 511565

ICAI UDIN: 20511565AAAAAI9282

Place: Gurugram

Date: 12 May 2020

## **Annexure A to the Independent Auditors' report on the consolidated financial statements of IndiaMART InterMESH Limited for the year ended 31 March 2020**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013**

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

#### **OPINION**

In conjunction with our audit of the consolidated financial statements of IndiaMART InterMESH Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

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

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

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

### **OTHER MATTERS**

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

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

*Chartered Accountants*

ICAI Firm registration No: 101248W/W-100022

#### **Kanika Kohli**

*Partner*

Membership No: 511565

ICAI UDIN: 20511565AAAAAI9282

Place: Gurugram

Date: 12 May 2020

# CONSOLIDATED BALANCE SHEET

as at 31 March 2020

(Amount in ₹ million, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5A	51.76	84.80
Capital work in progress	5A	1.77	1.77
Right-of-use asset	5B	799.71	-
Intangible assets	6	4.83	5.81
Investment in associates	7	295.61	-
<b>Financial assets</b>			
(i) Investments	8	-	-
(ii) Loans	8	0.73	1.22
(iii) Others financial assets	8	400.83	35.60
Deferred tax assets (net)	27	245.70	858.08
Non-current tax assets (net)	19	211.60	-
Other non-current assets	9	17.22	7.34
<b>Total Non-current assets</b>		<b>2,029.76</b>	<b>994.62</b>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Investments	8	8,718.78	6,074.45
(ii) Trade receivables	10	16.82	5.71
(iii) Cash and cash equivalents	11	169.38	401.96
(iv) Bank balances other than (iii) above	11	69.26	375.48
(v) Loans	8	12.99	16.77
(vi) Others financial assets	8	79.83	157.80
Current tax assets (net)	19	79.34	105.54
Other current assets	9	53.13	75.22
<b>Total current assets</b>		<b>9,199.53</b>	<b>7,212.93</b>
<b>Total assets</b>		<b>11,229.29</b>	<b>8,207.55</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	12	288.77	285.92
Other equity	13	2,461.80	1,312.96
<b>Equity attributable to equity holders of the parent</b>		<b>2,750.57</b>	<b>1,598.88</b>
Non-controlling interests		-	-
<b>Total Equity</b>		<b>2,750.57</b>	<b>1,598.88</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Share buyback obligation	14	-	-
(ii) Lease liabilities	16 (a)	612.49	-
(iii) Other financial liabilities	16 (b)	-	2.84
Provisions	17	265.40	96.00
Contract liabilities	18	2,697.21	2,297.91
<b>Total Non-current liabilities</b>		<b>3,575.10</b>	<b>2,396.75</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) 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		179.42	129.32
(ii) Lease liabilities	16 (a)	152.61	-
(iii) Other financial liabilities	16 (b)	259.97	308.84
Provisions	17	40.47	68.66
Contract liabilities	18	4,155.58	3,561.91
Other current liabilities	18	115.57	143.19
<b>Total Current liabilities</b>		<b>4,903.62</b>	<b>4,211.92</b>
<b>Total Liabilities</b>		<b>8,478.72</b>	<b>6,608.67</b>
<b>Total Equity and Liabilities</b>		<b>11,229.29</b>	<b>8,207.55</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements  
As per our report of even date attached

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

**Kanika Kohli**  
Partner  
Membership No.: 511565  
Place: Gurugram  
Date: 12 May 2020

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

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

**Prateek Chandra**  
(Chief Financial Officer)  
Place: Noida  
Date: 12 May 2020

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

**Manoj Bhargava**  
(Company Secretary)

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Income:</b>			
Revenue from operations	20	6,388.54	5,074.17
Other income	21	685.91	409.72
<b>Total income</b>		<b>7,074.45</b>	<b>5,483.89</b>
<b>Expenses:</b>			
Employee benefits expense	22	2,666.69	2,299.83
Finance costs	23	32.83	-
Depreciation and amortisation expense	24	211.45	41.27
Net loss on financial liability designated at FVTPL	14	-	652.63
Other expenses	25	2,032.88	1,950.93
<b>Total expenses</b>		<b>4,943.85</b>	<b>4,944.66</b>
<b>Net profit before share of profit/(loss) in associates and tax</b>		<b>2,130.60</b>	<b>539.23</b>
Share in net profit/ (loss) of associates		(16.41)	-
<b>Profit before tax</b>		<b>2,114.19</b>	<b>539.23</b>
<b>Income tax expense</b>			
Current tax {related to earlier years (3.31) (P.Y-Nil)}	27	0.67	37.50
Deferred tax	27	325.62	301.29
Tax expense related to change in tax rate and law	27	314.08	-
<b>Total tax expense</b>		<b>640.37</b>	<b>338.79</b>
<b>Net profit for the period</b>		<b>1,473.82</b>	<b>200.44</b>
<b>Attributable to:</b>			
Equity holders of the parent		1,473.82	200.44
Non-controlling interests		-	-
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss and its related income tax effects</b>			
Re-measurement losses on defined benefit plans		(74.03)	(11.17)
Income tax effect		18.56	3.81
		(55.47)	(7.36)
<b>Other comprehensive income(loss) for the period, net of tax</b>		<b>(55.47)</b>	<b>(7.36)</b>
<b>Total comprehensive income for the period</b>		<b>1,418.35</b>	<b>193.08</b>
<b>Attributable to:</b>			
Equity holders of the parent		1,418.35	193.08
Non-controlling interests		-	-
<b>Earnings per equity share:</b>			
Basic earnings(loss) per equity share (₹) - face value of ₹ 10 each	26	51.14	7.75
Diluted earnings(loss) per equity share (₹) - face value of ₹ 10 each		50.24	7.61
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.  
As per our report of even date attached

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

**Kanika Kohli**  
Partner  
Membership No.: 511565  
Place: Gurugram  
Date: 12 May 2020

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

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

**Prateek Chandra**  
(Chief Financial Officer)

Place: Noida  
Date: 12 May 2020

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

**Manoj Bhargava**  
(Company Secretary)

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

## (A) EQUITY SHARE CAPITAL (REFER NOTE 12)

(Amount in ₹ million, unless otherwise stated)

Equity shares of ₹ 10 each issued, subscribed and fully paid up	Amount
<b>As at 1 April 2018</b>	<b>99.77</b>
Bonus issue during the year*	99.77
Equity share capital issued on exercise of ESOP during the year	15.66
Equity share capital issued on conversion of convertible preference shares	70.72
<b>As at 31 March 2019</b>	<b>285.92</b>
Equity share capital issued on exercise of ESOP during the year	1.83
Equity share capital issued during the year to Indiamart Employee Benefit Trust	1.45
Equity share capital held by Indiamart Employee Benefit Trust	(0.43)
<b>As at 31 March 2020</b>	<b>288.77</b>

## (B) OTHER EQUITY (REFER NOTE 13)

Particulars	Attributable to the equity holders of parent					Non-controlling interests	Total other equity	
	Reserves and surplus							
	Securities premium	General reserve	Employee share based payment reserve	Capital reserve	Retained earnings	Total reserve and surplus		
<b>Balance as at 1 April 2018</b>	<b>279.49</b>	<b>8.45</b>	<b>61.15</b>	-	<b>(3,661.55)</b>	<b>(3,312.46)</b>	<b>0.46</b>	<b>(3,312.00)</b>
Profit for the year	-	-	-	-	200.44	200.44	-	200.44
Other comprehensive loss for the year	-	-	-	-	(7.36)	(7.36)	-	(7.36)
<b>Total comprehensive loss</b>	-	-	-	-	<b>193.08</b>	<b>193.08</b>	-	<b>193.08</b>
<b>Transactions with owners in their capacity as owners:</b>								
Bonus issue*	(99.77)	-	-	-	-	(99.77)	-	(99.77)
Issue of equity shares on exercise of ESOP during the period	195.61	-	(67.29)	-	-	128.32	-	128.32
Issue of equity shares on conversion of convertible preference shares (Refer Note 14)	4,311.21	-	-	-	-	4,311.21	-	4,311.21
Acquisition of non-controlling interests (Refer Note 39)	-	-	-	(2.04)	-	(2.04)	(0.46)	(2.50)
Employee share based payment expense	-	-	94.62	-	-	94.62	-	94.62
<b>Balance as at 31 March 2019</b>	<b>4,686.54</b>	<b>8.45</b>	<b>88.48</b>	<b>(2.04)</b>	<b>(3,468.47)</b>	<b>1,312.96</b>	-	<b>1,312.96</b>
Impact of adoption of Ind AS 116 (net of taxes) (Refer Note 5B)	-	-	-	-	(16.33)	(16.33)	-	(16.33)
Profit for the year	-	-	-	-	1,473.82	1,473.82	-	1,473.82
Other comprehensive loss for the year	-	-	-	-	(55.47)	(55.47)	-	(55.47)
<b>Total comprehensive income (loss)</b>	-	-	-	-	<b>1,402.02</b>	<b>1,402.02</b>	-	<b>1,402.02</b>
Issue of equity shares on exercise of ESOP during the year	67.36	-	(50.91)	-	-	16.45	-	16.45
Employee share based payment expense (Refer Note 22)	-	-	78.59	-	-	78.59	-	78.59
Dividend paid F.Y 2019-20 (includes Dividend Distribution Tax of ₹ 59.45 millions)	-	-	-	-	(348.22)	(348.22)	-	(348.22)
<b>Balance as at 31 March 2020</b>	<b>4,753.90</b>	<b>8.45</b>	<b>116.16</b>	<b>(2.04)</b>	<b>(2,414.67)</b>	<b>2,461.80</b>	-	<b>2,461.80</b>

\*The Company has allotted bonus shares on 9 May 2018 in the ratio of 1:1 to the equity shareholders existing on record date of 8 May 2018. The shareholders approved the allotment at general meeting held on 7 May 2018.

The accompanying notes are an integral part of the consolidated financial statements.  
As per our report of even date attached

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

**Kanika Kohli**  
Partner  
Membership No.: 511565  
Place: Gurugram  
Date: 12 May 2020

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

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

**Prateek Chandra**  
(Chief Financial Officer)

Place: Noida  
Date: 12 May 2020

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

**Manoj Bhargava**  
(Company Secretary)

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Profit/ (Loss) before tax</b>		<b>2,114.19</b>	539.23
<i>Adjustments to reconcile profit/(loss) before tax to net cash flows:</i>			
Depreciation and amortization	24	211.45	41.27
Interest and other income	21	(45.69)	(29.65)
Gain from business transfer arrangement	21	-	(6.80)
Fair value change on financial assets at FVTPL	21	(639.77)	(373.20)
Fair value change in share buyback obligations	28	-	652.63
Gain on disposal of property, plant and equipment	21	(0.46)	(0.08)
Finance costs	23	32.83	-
Allowances for doubtful debts	25	1.86	0.81
Share-based payment expense	22	78.59	94.62
Share of net loss of associates		16.41	-
<b>Operating profit before working capital changes</b>		<b>1,769.41</b>	<b>918.83</b>
<b>Movement in working capital</b>			
(Increase)/decrease in trade receivables		(12.98)	0.27
Decrease in other financial assets		13.10	2.14
Decrease/(Increase) in other assets		1.86	(12.18)
(Decrease)/increase in other financial liabilities		(61.86)	68.56
Increase/(decrease) in trade payables		50.10	(49.28)
Increase in other liabilities		965.35	1,628.74
Increase in provisions		67.18	46.23
<b>Cash generated from operations</b>		<b>2,792.16</b>	<b>2,603.31</b>
Income tax paid (net)		(186.05)	(51.90)
<b>Net cash generated from operating activities</b>		<b>2,606.11</b>	<b>2,551.41</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		1.26	0.53
Purchase of property, plant and equipment and other intangible assets		(46.39)	(51.70)
Purchase of current investments		(4,578.18)	(5,199.11)
Proceeds from sale of current investments		2,573.63	2,608.56
Interest received		34.13	26.16
Advances received from/(paid for) selling shareholders (net)		69.20	(69.20)
Payment of refundable security deposits for listing on stock exchange		(23.78)	-
Investments in bank deposits (includes earmarked balances with bank)		(43.50)	(73.28)
Investment in associates		(312.02)	-
<b>Net cash used in investing activities</b>		<b>(2,325.65)</b>	<b>(2,758.04)</b>
<b>Cash flow from financing activities</b>			
Repayment of lease liabilities		(166.27)	-
Interest paid on lease liabilities		(32.83)	-
Dividend paid (including Dividend Distribution Tax)		(333.25)	-
Acquisition of non-controlling interest		-	(2.50)
Proceeds from issues of equity shares on exercise of ESOP		19.31	143.98
<b>Net cash generated from (used in) financing activities</b>		<b>(513.04)</b>	<b>141.48</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(232.58)</b>	<b>(65.15)</b>
Cash and cash equivalents at the beginning of the period	11	401.96	467.11
<b>Cash and cash equivalents at the end of the period</b>	11	<b>169.38</b>	<b>401.96</b>
Summary of significant accounting policies	2		

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

As per our report of even date attached

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

**Kanika Kohli**  
Partner  
Membership No.: 511565  
Place: Gurugram  
Date: 12 May 2020

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

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

**Prateek Chandra**  
(Chief Financial Officer)

Place: Noida  
Date: 12 May 2020

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

**Manoj Bhargava**  
(Company Secretary)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 1. CORPORATE INFORMATION

IndiaMART InterMesh Limited (“the Company” or “the Parent Company”) is a public company domiciled in India and was incorporated on September 13, 1999 under the provisions of the Companies Act applicable in India. The company and its consolidated subsidiaries (hereinafter collectively referred to as “the Group”) 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-Daryagang, Netaji Subash Marg New Delhi-110002, India.

The consolidated financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 12 May 2020.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

- certain financial assets and liabilities measured at fair value where Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments);
- share-based payments

The preparation of these consolidated financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group’s accounting policies. The areas where estimates are significant to the consolidated

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

### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and associates as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group had the following subsidiaries and associates (The Parent Company together with its subsidiaries and associates are hereinafter collectively referred as the ‘Group’):

S. No.	Name of subsidiaries and date of shareholding	Proportion of ownership interest as at 31 March, 2020	Proportion of ownership interest as at 31 March 2019
1	Tradezeal International Private Limited (from May 31,2005)	100.00%	100.00%
2	Hello Trade Online Private Limited (from July 03,2008)	100.00%	100.00%
3	Ten Times Online Private Limited (from February 26, 2014 and additional 3.74% interest acquired on 9 May 2018)	100.00%	100.00%
4	Tolexo Online Private Limited (from May 28, 2014)	100.00%	100.00%
5	Pay With IndiaMART Private Limited (from February 7, 2017)	100.00%	100.00%
6	Simply Vyapar Apps Private Limited (from September 3, 2019)	26.00% (on Fully diluted basis)	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year/quarter are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 20 since the Group's subsidiaries and associate have the same reporting period end.

Consolidation procedure:

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the

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

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

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

## 2.3 Summary of significant accounting policies

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in these consolidated financial statements except for the adoption of the new standard Ind AS 116 Leases, effective as of 1 April 2019. As required by Ind AS 116, the nature and effect of these changes are disclosed in note 4.

### a) Statement of Compliance

The consolidated financial statements for the period ended 31 March 2020 have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act 2013 ("the Act") (as amended from time to time).

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

## b) Current versus non-current classification

The Group presents assets and liabilities in balance sheet based on current/non-current classification. An asset is classified as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) A cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing/servicing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

## c) Fair value measurement

The Group measures financial instruments, such as Investment in optionally convertible preference shares (OCRPS), investment in mutual funds and share buyback obligation, at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

The Group's management determines the policies and procedures for recurring fair value measurement, such as investment in debt instruments and convertible preference shares issued with share buyback obligation measured at fair value.

External valuers are involved for valuation of significant assets, such as unquoted investments

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

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

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

- Disclosures for significant estimates and assumptions (Note 3)
- Disclosures for valuation methods and quantitative disclosure of fair value measurement hierarchy (Note 30)

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

### Revenue from contracts with customers

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

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

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

### Rendering of services

Revenue from web services is recognised based on output method i.e. pro-rata over the period

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

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.

The Group also provides services of online marketing of exhibitions, trade shows and concerts for the clients. Revenue is recognized as and when the Group satisfies performance obligations by transferring the promised services to its customers.

### 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 when the payment is made or the payment is due (whichever is earlier). 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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31 March 2020

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

### Other income

#### Interest income

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

#### Dividends

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

### e) Property, plant and equipment

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

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

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

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

Based on the analysis, Group believes that it does not have any asset having useful life of its major components different from the property, plant and equipment, hence Group believes that there is no

material impact on the financial statement of the Group due to component accounting.

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

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

Leasehold improvements are depreciated on a straight-line basis over the lease period.

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

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

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

### f) Intangible assets

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

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

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

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

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

Intangibles being Softwares acquired by the Group are amortised on a written down value basis at 40% annually.

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

## g) Leases (as lessee)

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contact involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset. At the date of commencement of the lease, the Group recognizes a right-of-use asset

("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

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

Leasehold land classified as finance lease was amortised over the period of lease to maximum of 90 years.

## h) Investment in associates

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

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

Under the equity method, an investment in an associate is initially recognised in the consolidated

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

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

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

## i) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

Impairment losses are recognised in the statement of profit and loss.

For properties previously revalued the impairment is recognised in OCI up to the amount of any previous revaluation surplus recognised through OCI. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's

recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## j) Taxes

### Current Income tax

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

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

### Deferred Tax

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

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31 March 2020

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

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

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

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for

which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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

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

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

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

## **k) Provisions and contingent liabilities**

### **Provisions**

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

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

### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

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

## l) Retirement and other employee benefits

### Short-term obligations

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

### Post-employment obligations

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

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are

recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

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

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

### Other long-term employee benefit obligations

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

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

## m) Share-based payments

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

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

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

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

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

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

## n) Financial Instruments

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

### Financial assets

#### *Initial recognition and measurement*

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

#### *Subsequent measurement*

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

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

#### *Debt instruments at amortised cost*

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

losses arising from impairment are recognised in the profit or loss. This category generally applies to loans to employees, trade and other receivables. For more information on receivables, refer to Note 30.

## *Debt instruments at FVTOCI*

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

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

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

## *Debt instrument at FVTPL*

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

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

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

## *Derecognition*

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

- a) The rights to receive cash flows from the asset have expired, or
- b) The Group has transferred its rights to receive cash flows from the asset or has assumed an

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

## *Impairment of financial assets*

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

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

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31 March 2020

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

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

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

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

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

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

value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in OCI.

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

### Financial liabilities

#### *Initial recognition and measurement*

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

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

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

#### *Subsequent measurement*

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

#### *Financial liabilities at fair value through Profit or Loss:*

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

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

On conversion of the optionally convertible preference shares ("OCRPS") into equity shares,

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

the Group derecognise the financial liability and recognise the same to equity.

## *Loans and borrowings*

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

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

## *De-recognition*

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

## *Offsetting of financial instruments*

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

## **o) Foreign currency transactions**

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

### **Transactions and balances**

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

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

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

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

## **p) Earnings per share**

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

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

## **q) Cash and cash equivalents**

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

## **r) Segment reporting**

### **Identification of segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

activities of providing e-marketplace services for businesses is considered to be a single business segment. The analysis of geographical segments is based on the areas in which customers are based.

## Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

### s) Contributed equity

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

### t) Dividends

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

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates. The new significant judgements related to lease accounting under Ind AS 116 are as described in Note 4.

### Estimates and assumptions

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

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of assets and liabilities. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the Group, as at the date of approval of the financial statements has used internal and external sources of information. The impact of COVID-19 on the Group's financial statements may differ from the estimated as at the date of approval of these consolidated financial statements.

### a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

### b) Share based payment

The Group initially measures the cost of equity-settled transactions with employees using a Black-Scholes-Merton option pricing model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 29.

### c) Revenue from contracts with customers

The Group recognise the activation fee received in advance over the estimated customer churn period

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

of twenty seven months. The estimate is based on the historical trend analysis of the time period over which the customer is expected to be associated with the Group. The Group reviews its estimate at each reporting date.

#### d) Impairment of Non- financial assets

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

#### e) Defined benefit plans (gratuity benefit)

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

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

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

Further details about gratuity obligations are given in Note 28.

#### f) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 30 and 32 for further disclosures.

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

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

## 4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

### Ind AS 116 Leases

#### *Leases (as lessee)*

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. Refer Note 5B for further details.

The Group's lease asset classes primarily consist of leases for buildings and leasehold land. The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

This policy has been applied to contracts existing and entered on or after 1 April 2019.

The Group recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases under which the Group assumes substantially all the risks and rewards of ownership were classified as finance leases. When acquired, such assets were capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever was lower. Lease

payments and receipts under operating leases were recognised as an expense and income respectively, on a straight-line basis in the statement of profit and loss over the lease term except where the lease payments were structured to increase in line with expected general inflation.

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

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

Leasehold land classified as finance lease was amortised over the period of lease to maximum of 90 years.

## *Judgement & Estimates*

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

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

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 5A PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹ million, unless otherwise stated)

	Leasehold land (Refer Note 5B)	Computers	Office equipment	Furniture and fixtures	Motor vehicles	Total Property, plant and equipment	Capital work in progress (Refer note below)
<b>Gross carrying amount</b>							
<b>As at 1 April 2018</b>	<b>37.12</b>	<b>64.41</b>	<b>28.60</b>	<b>4.92</b>	<b>3.80</b>	<b>138.85</b>	<b>1.77</b>
Additions	-	38.89	10.04	1.09	-	50.02	-
Disposals	-	(0.71)	(0.25)	-	-	(0.96)	-
<b>As at 31 March 2019</b>	<b>37.12</b>	<b>102.59</b>	<b>38.39</b>	<b>6.01</b>	<b>3.80</b>	<b>187.91</b>	<b>1.77</b>
Transition impact of Ind AS 116	(37.12)	-	-	-	-	(37.12)	-
Additions	-	27.82	15.95	0.77	-	44.54	-
Disposals	-	(2.54)	(1.71)	(1.03)	-	(5.28)	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>127.87</b>	<b>52.63</b>	<b>5.75</b>	<b>3.80</b>	<b>190.05</b>	<b>1.77</b>
<b>Accumulated depreciation</b>							
<b>As at 1 April 2018</b>	<b>0.92</b>	<b>47.13</b>	<b>15.70</b>	<b>2.20</b>	<b>0.04</b>	<b>65.99</b>	-
Charge for the year	0.46	26.37	8.92	0.94	0.98	37.67	-
Disposals during the year	-	(0.39)	(0.16)	-	-	(0.55)	-
<b>As at 31 March 2019</b>	<b>1.38</b>	<b>73.11</b>	<b>24.46</b>	<b>3.14</b>	<b>1.02</b>	<b>103.11</b>	-
Transition impact of Ind AS 116	(1.38)	-	-	-	-	(1.38)	-
Charge for the year	-	30.38	8.79	0.86	1.01	41.04	-
Disposals during the year	-	(2.42)	(1.51)	(0.55)	-	(4.48)	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>101.07</b>	<b>31.74</b>	<b>3.45</b>	<b>2.03</b>	<b>138.29</b>	-
<b>Net book value</b>							
<b>As at 1 April 2018</b>	<b>36.20</b>	<b>17.28</b>	<b>12.90</b>	<b>2.72</b>	<b>3.76</b>	<b>72.86</b>	<b>1.77</b>
<b>As at 31 March 2019</b>	<b>35.74</b>	<b>29.48</b>	<b>13.93</b>	<b>2.87</b>	<b>2.78</b>	<b>84.80</b>	<b>1.77</b>
<b>As at 31 March 2020</b>	<b>-</b>	<b>26.80</b>	<b>20.89</b>	<b>2.30</b>	<b>1.77</b>	<b>51.76</b>	<b>1.77</b>

### Note:

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

**5B RIGHT-OF-USE ASSETS**

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

- As per the terms of the lease arrangement, the Company is required to complete the construction of building within 5 years from the date of handing over the possession. The Company had obtained extension for construction of building on the leasehold land till 5 October 2019 and is in the process of obtaining further extension.
- The Group has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases using modified retrospective approach, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has resulted in recognising a right-of-use asset of ₹ 204 Million and a corresponding lease liability of ₹ 224 Million by adjusting retained earnings net of taxes of ₹ 16 Million [the impact of deferred tax created ₹ 9 Million] as at 1 April 2019. The Group has also reclassified its leasehold land amounting to ₹ 36 Million as right-of-use asset. In the statement of profit and loss for the year ended 31 March 2020, the nature of expenses in respect of operating leases has changed from lease rent (in other expenses) into depreciation cost against the right-of-use asset and finance cost against interest accrued on lease liability.

The impact on the statement of Profit and Loss for the year ended 31 March 2020 is as below:

Particulars	For the year ended 31 March 2020
Rent, rates & taxes expenses are lower by	184.87
Depreciation is higher by	(167.09)
Finance Cost is higher by	(32.83)
Other Income higher by	1.34
<b>Profit Before tax is higher/ (Lower) by</b>	<b>(13.71)</b>
<b>The total cash outflow for leases during the year</b>	<b>(199.10)</b>

The Group has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2019, which is 9.75% for measuring the lease liability.

The Group has used hindsight in determining the lease term where the contract contains options to extend or terminate the lease. The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31 March 2019 compared to the lease liability as accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases and reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116.

Variable lease payments and taxes includes the rent related to the arrangements which are based on number of seats occupied and the amount paid for short term extensions.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## Details of Rent expenses during the year ended 31 March 2020

Particulars	For the year ended 31 March 2020
Expense relating to low value and short term leases	2.86
Expense relating to variable lease payments & taxes	20.04
<b>Total Rent</b>	<b>22.90</b>

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2020:

Particulars	As at 31 March 2020
Within one year	160.47
Within one - two years	160.33
Within two - three years	140.11
Within three - five years	256.70
Above five years	347.10
<b>Total lease payments</b>	<b>1,064.71</b>

The reconciliation of lease liabilities is as follows:

Particulars	As at 31 March 2020
Balance as at 1 April 2020	-
Transition impact of Ind AS 116	224.00
Additions	718.10
Amounts recognized in statement of profit and loss as interest expense	32.83
Payment of lease liabilities	(199.10)
Derecognition	(10.73)
Balance as at 31 March 2020 (Refer Note 16)	765.10

Most of the leases entered by the Group are long term in nature and the underlying leased properties are being used as offices. The Group doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per current business projections after considering the impact of COVID - 19.

## 6 INTANGIBLE ASSETS

Intangible assets	Software	Unique telephone numbers	Total
<b>Gross carrying amount</b>			
<b>As at 1 April 2018</b>	<b>11.68</b>	<b>4.70</b>	<b>16.38</b>
Additions	1.66	-	1.66
Disposals	(0.08)	-	(0.08)
<b>As at 31 March 2019</b>	<b>13.26</b>	<b>4.70</b>	<b>17.96</b>
Additions	1.88	-	1.88
<b>As at 31 March 2020</b>	<b>15.14</b>	<b>4.70</b>	<b>19.84</b>
<b>As at 1 April 2018</b>	<b>5.57</b>	<b>3.01</b>	<b>8.58</b>
Amortisation for the period	2.92	0.68	3.60
Disposals during the period	(0.03)	-	(0.03)
<b>As at 31 March 2019</b>	<b>8.46</b>	<b>3.69</b>	<b>12.15</b>
Amortisation for the period	2.45	0.41	2.86
<b>As at 31 March 2020</b>	<b>10.91</b>	<b>4.10</b>	<b>15.01</b>
<b>As at 1 April 2018</b>	<b>6.11</b>	<b>1.69</b>	<b>7.80</b>
<b>As at 31 March 2019</b>	<b>4.80</b>	<b>1.01</b>	<b>5.81</b>
<b>As at 31 March 2020</b>	<b>4.23</b>	<b>0.60</b>	<b>4.83</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 7 INVESTMENT IN ASSOCIATES - UNQUOTED

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
<b>(Accounted under equity method)</b>				
<b>Fully paid up - at cost</b>				
Compulsory convertible preference shares of ₹ 100 each (at premium of ₹ 52,217.90 each) in Simply Vyapar Apps Private Limited	5,954	311.50	-	-
Equity shares of ₹ 10 each (at premium of ₹ 52,307.90 each) in Simply Vyapar Apps Private Limited	10	0.52	-	-
Add: Share of loss of associate		(16.41)	-	-
		295.61		-

### Note:

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

## 8 FINANCIAL ASSETS

### a) Non-current investments

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
<b>Investment in others</b>				
<b>Investment in debt instruments - Unquoted (measured at FVTPL)</b>				
0.001% Optionally convertible redeemable preference share of Rs. 10 each in Instant Procurement Services Private Limited	12,446	-	12,446	-
0.001% Compulsorily convertible preference share of Rs. 10 each in Instant Procurement Services Private Limited.	3,764	-	3,764	-
<b>Total</b>		-		-

### Note:

The Group has invested in convertible preference shares of companies. Based on the terms, these have been classified as financial instrument in the nature of financial assets to be measured at fair value.

### b) Current investments

	As at 31 March 2020		As at 31 March 2019	
	No. of units	Amount	No. of units	Amount
<b>Investment in mutual funds - Quoted (measured at FVTPL)</b>				
HDFC Liquid fund - Growth	-	-	2,329	8.52
Aditya Birla Sunlife Short Term Fund-Growth Regular Plan	2,599,874	86.25	2,599,874	80.37
Aditya Birla Sunlife Corporate Bond Fund - Growth-Regular Plan	6,682,469	522.93	5,394,585	386.68
Aditya Birla Sun Life Corporate Bond Fund-Growth-Direct Plan	2,013,531	158.84	629,851	45.45
Bharat Bond ETF	400,000	408.08	-	-
Aditya Birla Sun Life Banking & PSU Debt Fund-Growth-Direct Plan	-	-	886,783	214.61
IDFC Bond Fund - Short Term Plan- DGP	1,259,265	54.61	5,468,770	216.27
HDFC Short Term Debt Fund-Direct Growth Plan	19,720,994	451.38	26,794,545	558.15
ICICI Prudential Savings Fund -Growth	109,221	42.31	81,581	29.27

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

	As at 31 March 2020		As at 31 March 2019	
	No. of units	Amount	No. of units	Amount
Aditya Birla Sunlife short term fund-Growth-Direct Plan	21,181,794	733.87	21,181,794	679.17
IDFC Low Duration Fund-Growth (Regular Plan)	16,451,049	469.96	16,451,049	435.91
HDFC Short Term Debt Fund - Regular Plan	8,380,984	189.74	8,380,984	172.98
IDFC Bond Fund-STP-Regular Fund	408,840	16.98	408,840	15.57
ICICI Prudential Savings Fund- Direct Plan-Growth	3,049,171	1,194.92	597,544	215.81
ICICI Prudential Short Term Fund - Growth Option	3,606,276	152.07	3,606,276	139.33
ICICI Prudential Short Term Fund - Direct	20,802,151	922.91	15,854,692	639.65
HDFC Low Duration Fund -Regular Plan-Growth	3,797,410	159.78	3,797,410	148.58
HDFC Low Duration Fund - Direct Plan-Growth	17,380,457	768.36	2,128,314	86.97
HDFC Credit Risk Debt Fund - Regular Plan - Growth	7,019,394	116.85	7,019,394	107.08
L&T Short term bond fund-DGP	37,122,589	747.51	37,122,589	681.67
Kotak Corporate Bond Fund - DGP	328,929	907.95	328,929	831.30
Kotak Liquid Fund - Direct Growth	24,984	100.31	-	-
Kotak Liquid Fund - Regular Growth	25,068	100.28	-	-
HDFC Equity saving fund-regular-growth	167,302	5.52	140,386	5.17
HDFC Cash management-retail-regular-growth	-	-	196,990	7.71
HDFC Short Term Debt Fund	514,032	11.64	378,460	7.81
L&T Short Term Bond Fund - Regular Growth	20,066,239	390.87	20,066,239	358.17
HDFC Hybrid Equity Fund-Regular-Growth	114,426	4.86	41,348	2.25
<b>Total current investments</b>		<b>8,718.78</b>		<b>6,074.45</b>
<b>Aggregate book value of quoted investments</b>		<b>8,718.78</b>		<b>6,074.45</b>
<b>Aggregate market value of quoted investments</b>		<b>8,718.78</b>		<b>6,074.45</b>

## c) Loans (measured at amortised cost)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(i) Loans to employees</b>		
<b>Non-current (unsecured, considered good unless stated otherwise)</b>		
Loans to employees	0.73	1.22
	<b>0.73</b>	<b>1.22</b>
<b>Current (unsecured, considered good unless stated otherwise)</b>		
Loans to employees	12.99	16.77
	<b>12.99</b>	<b>16.77</b>
<b>(ii) Inter corporate loan</b>		
<b>Non-current (unsecured)</b>		
Loans credit-impaired	5.00	5.00
Less: Loss allowance	(5.00)	(5.00)
	-	-
<b>Total loans</b>	<b>13.72</b>	<b>17.99</b>

### Note:

The above loans to employees represents interest free loans to employees, which are recoverable in maximum 24 monthly instalments.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

d) Others (measured at amortised cost)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current (unsecured, considered good unless stated otherwise)</b>		
Security deposits	51.11	35.60
Bank deposits with remaining maturity for more than twelve months (Refer Note 11)	349.72	-
<b>Total</b>	<b>400.83</b>	<b>35.60</b>
<b>Current (unsecured, considered good unless stated otherwise)</b>		
Security deposits	52.86	26.01
Amount recoverable from payment gateway	26.97	62.59
Other recoverables*	-	69.20
<b>Total</b>	<b>79.83</b>	<b>157.80</b>
<b>Total other financial assets</b>	<b>480.66</b>	<b>193.40</b>

Notes:

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

\*Represents amount recoverable for IPO expenses incurred in trust on behalf of selling shareholders in Offer for Sale (including the related parties as referred in Note 34)

## 9 OTHER ASSETS

	As at 31 March 2020	As at 31 March 2019
<b>Non-current (unsecured, considered good unless stated otherwise)</b>		
Capital advance	-	0.03
Prepaid expenses	0.44	0.14
Indirect taxes recoverable	16.78	-
Deferred rent expense (Refer Note 5B)	-	7.17
<b>Total</b>	<b>17.22</b>	<b>7.34</b>

	As at 31 March 2020	As at 31 March 2019
<b>Current (Unsecured, considered good unless stated otherwise)</b>		
Advances recoverable	16.66	14.38
Indirect taxes recoverable	10.57	38.03
Prepaid expenses	25.90	19.66
Deferred rent expense (Refer Note 5B)	-	3.15
<b>Total</b>	<b>53.13</b>	<b>75.22</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 10 TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
<b>Unsecured, considered good unless stated otherwise</b>		
<i>Considered good</i>		
Trade receivables	16.82	5.71
<i>Considered doubtful</i>		
Trade Receivables credit- impaired	1.68	0.81
Less: Loss allowance	(1.68)	(0.81)
<b>Total</b>	<b>16.82</b>	<b>5.71</b>

### Notes:

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

## 11 CASH AND BANK BALANCES

### a) Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.17	0.19
Cheques on hand	39.42	145.42
Balance with bank		
- On current accounts	129.79	256.35
<b>Total Cash and cash equivalents</b>	<b>169.38</b>	<b>401.96</b>

### Note:

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

### b) Bank balances other than cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
(i) Deposits with Banks		
- remaining maturity upto twelve months	52.91	375.48
- remaining maturity for more than twelve months*	349.72	-
	<b>402.63</b>	<b>375.48</b>
Less: Amount disclosed under Others financial assets- non current	349.72	-
	52.91	375.48
'ii) Earmarked balances with banks**	16.35	-
<b>Amount disclosed under current bank deposits</b>	<b>69.26</b>	<b>375.48</b>

\*Includes ₹ 23.78 (P.Y-Nil) pledged with bank against guarantee given to stock exchange.

\*\* Earmarked balances includes unpaid dividends of ₹ 14.97 millions and bank balance with Indiamart Employee Benefit Trust of ₹ 1.37 millions.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

### 12 SHARE CAPITAL

Authorised equity share capital (₹ 10 per share)	Number of shares	Amount
<b>As at 1 April 2018</b>	<b>18,277,930</b>	<b>182.78</b>
Increase during the year	11,722,070	117.22
<b>As at 31 March 2019</b>	<b>30,000,000</b>	<b>300.00</b>
<b>As at 31 March 2020</b>	<b>30,000,000</b>	<b>300.00</b>

Issued equity share capital (subscribed and fully paid up) (₹ 10 per share)	Number of shares	Amount
<b>As at 1 April 2018</b>	<b>9,976,805</b>	<b>99.77</b>
Bonus issue during the period <sup>1</sup>	9,976,805	99.77
Equity share capital issued on exercise of ESOP during the period (Refer Note 29)	1,566,630	15.66
Equity share capital issued on conversion of convertible preference shares <sup>2</sup>	7,071,766	70.72
<b>As at 31 March 2019</b>	<b>28,592,006</b>	<b>285.92</b>
Equity share capital issued on exercise of ESOP during the period	182,814	1.83
Equity share capital issued during the period	145,000	1.45
Equity share capital held by Indiamart Employee Benefit Trust (refer note (d))	(42,573)	(0.43)
<b>As at 31 March 2020</b>	<b>28,877,247</b>	<b>288.77</b>

#### Notes:

#### 1 Bonus issue

The shareholders of the Company at its general meeting held on 7 May 2018, approved the allotment of bonus share in the ratio of 1:1 as on the record date of 8 May 2018 to each of the equity shareholders of the Company. Subsequently, 9,976,805 Bonus Shares of ₹ 10 each amounting to ₹ 99.77 million, were allotted on 9 May 2018 in the ratio of 1:1 to the eligible equity shareholders.

#### 2 Conversion of convertible preference shares

During the year ended 31 March 2019, Company converted 1,493,903 Series A 0.01% Cumulative compulsory preference shares of ₹ 328 into 3,334,922 equity shares of ₹ 10 each, 1,722,047 0.01% Series B Cumulative compulsory preference shares of ₹ 100 into 3,444,094 equity shares of ₹ 10 each, 146,375 0.01% Series B1 Cumulative compulsory preference shares of ₹ 100 into 292,750 equity shares of ₹ 10 each.

#### a) Terms/ rights attached to equity shares:

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

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

	As at 31 March 2020		As at 31 March 2019	
	Number	% Holding	Number	% Holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Dinesh Agarwal	<b>8,630,747</b>	<b>29.84%</b>	9,483,200	33.17%
Brijesh Agrawal	<b>5,848,544</b>	<b>20.22%</b>	6,426,200	22.48%
Westbridge Crossover Fund, LLC	<b>1,544,154</b>	<b>5.34%</b>	1,544,154	5.40%
Intel Capital (Mauritius) Limited	<b>NA</b>	<b>NA</b>	3,851,746	13.47%

\* Intel Capital (Mauritius) Limited ceased to be a shareholder of more than 5% during the year ended 31 March 2020

#### c) Shares reserved for issue under options

Information relating to the Company's share based payment plans, including details of options and SAR units issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 29.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

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

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Opening balance	-	-	-	-
Purchased during the year	145,000	1.45	-	-
Transfer to employees pursuant to SAR exercised	102,427	1.02	-	-
<b>Total</b>	<b>42,573</b>	<b>0.43</b>	-	-

## 13 OTHER EQUITY

	As at 31 March 2020	As at 31 March 2019
Securities premium	4,753.90	4,686.54
General reserve	8.45	8.45
Employee share based payment reserve	116.16	88.48
Capital reserve	(2.04)	(2.04)
Retained earnings	(2,414.67)	(3,468.47)
<b>Total other equity</b>	<b>2,461.80</b>	<b>1,312.96</b>

### Nature and purpose of reserves and surplus:

- Securities premium:** The Securities premium account is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act 2013.
- General reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another.
- Employee share based payment reserve:** The Employee share based payment reserve is used to recognise the compensation related to share based awards issued to employees under Company's Share based payment scheme.
- Capital reserve:** The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve. The capital reserve pertains to acquisition of non controlling interest by the parent company.
- Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Group, and re-measurement gains/losses on defined benefit plans.

## 14 SHARE BUYBACK OBLIGATION

Measured at fair value through profit or loss (FVTPL)

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
<b>Share buyback obligation of preference shares</b>				
<b>Non-current</b>				
0.01% Series A cumulative convertible preference shares (CCPS) of ₹ 328 each	-	-	-	-
0.01% Series B compulsory convertible preference shares (CCPS) of ₹ 100 each	-	-	-	-
0.01% Series B1 compulsory convertible preference shares (CCPS) of ₹ 100 each	-	-	-	-
<b>Total</b>		-		-

### Notes:

The company had issued 1,493,903 0.01% Series A cumulative convertible preference shares (CCPS) at price of ₹ 328 per share amounting to ₹ 490 million. The Company has further issued 1,722,047 and 146,375 0.01% Series B compulsory convertible preference shares (CCPS)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

and 0.01% Series B1 compulsory convertible preference shares (CCPS) at price of ₹ 770 per share amounting to ₹ 1,325.98 million and ₹ 112.71 million respectively. As per the terms and conditions of issue of CCPS, Company has given right to the holders of CCPS to require the Company to buyback CCPS held by investors at reasonable approximation of fair market value in the event initial public offering (IPO) do not occur for specified period.

Based on these terms, CCPS has been classified as financial instrument in the nature of financial liability designated to be measured at fair value. Fair value of the instruments has been determined based on discounted cash flow valuation technique using cash flow projections and financial projections/budgets approved by the management. Gain/loss on subsequent re-measurement was recognised through Statement of Profit and Loss and disclosed under "Net loss on financial liability designated at FVTPL".

**Carrying amount of financial liability and gain/loss on subsequent re-measurement is set out below:**

	As at 31 March 2020	As at 31 March 2019
<b>At the beginning of the period/year</b>	-	3,729.30
Preference share capital issued during the period/year	-	-
Security premium received on issue of preference shares	-	-
Loss on re-measurement for the period/year (recognised through Statement of Profit and Loss)	-	652.63
Conversion of preference shares into equity shares during the period (Refer Note 12(2))	-	(4,381.93)
<b>At the end of the period/year</b>	-	-

### Authorised preference share capital

	Series A		Series B		Series B1	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
As at 1 April 2018	1,493,903	490.00	1,722,047	172	172,207	17.22
As at 31 March 2019	1,493,903	490.00	1,722,047	172	172,207	17.22
As at 31 March 2020	1,493,903	490.00	1,722,047	172	172,207	17.22

### Issued preference share capital (subscribed and fully paid up)

	Series A		Series B		Series B1	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
As at 1 April 2018	1,493,903	490.00	1,722,047	172	0.15	14.64
Shares converted to equity shares	(1,493,903)	(490.00)	(1,722,047)	(172)	(0.15)	(14.64)
As at 31 March 2019	-	-	-	-	-	-
As at 31 March 2020	-	-	-	-	-	-

## 15 TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
Payable to micro, small and medium enterprises	-	-
Other trade payables*	179.42	129.32
<b>Total</b>	<b>179.42</b>	<b>129.32</b>

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 16 LEASE AND OTHER FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
<b>(a) Lease liabilities</b> (Refer Note 5B)		
Current	152.61	-
Non current	612.49	-
<b>Total</b>	<b>765.10</b>	-
<b>(b) Other financial liabilities</b>		
<b>Non-current</b>		
Lease rent equalisation	-	2.84
<b>Total</b>	-	<b>2.84</b>
<b>Current</b>		
Payable to employees	244.55	305.67
Security deposits	0.14	0.14
Unpaid dividend*	14.97	-
Other advances	0.31	3.03
<b>Total</b>	<b>259.97</b>	<b>308.84</b>

\* Unpaid dividend represent the interim dividend amount declared during the current year and remaining to be paid to shareholders.

## 17 PROVISIONS

	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Provision for employee benefits*		
Provision for gratuity	199.61	96.00
Provision for Leave encashment	65.79	-
<b>Total</b>	<b>265.40</b>	96.00
<b>Current</b>		
Provision for employee benefits*		
Provision for gratuity	10.76	8.88
Provision for leave encashment	14.33	44.40
Provision-others**	15.38	15.38
<b>Total</b>	<b>40.47</b>	<b>68.66</b>

\*Refer Note 28

\*\* Contingency provision towards indirect taxes. There is no movement on this provision in the year ended 31 March 2020.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 18 CONTRACT AND OTHER LIABILITIES

	As at 31 March 2020	As at 31 March 2019
<b>Contract liabilities*</b>		
<b>Non-current</b>		
Deferred revenue	2,697.21	2,297.91
	<b>2,697.21</b>	<b>2,297.91</b>
<b>Current</b>		
Deferred revenue	4,013.44	3,245.58
Advances from customers	142.14	316.33
	<b>4,155.58</b>	3,561.91
<b>Total</b>	<b>6,852.79</b>	<b>5,859.82</b>
<b>Other liabilities-Current</b>		
Statutory dues		
Tax deducted at source payable	27.79	5.61
Contribution to provident fund payable	4.41	2.54
Contribution to ESI payable	0.10	0.11
Indirect tax payable	82.78	134.65
Professional tax payable	0.25	0.18
Payable for labour welfare fund	0.05	0.03
Others	0.19	0.07
<b>Total</b>	<b>115.57</b>	<b>143.19</b>

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

## 19 INCOME TAX ASSETS AND LIABILITIES

	As at 31 March 2020	As at 31 March 2019
<b>Income tax assets (net of provisions)</b>		
Current	79.34	105.54
Non current	211.60	-
	<b>290.94</b>	<b>105.54</b>

## 20 REVENUE FROM OPERATIONS

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Sale of services</b>		
Income from web services	6,321.22	5,019.25
Advertisement and marketing services	67.32	54.92
<b>Total</b>	<b>6,388.54</b>	<b>5,074.17</b>

### Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

	As at 31 March 2020		As at 31 March 2019	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Web services	4,150.29	2,697.21	3,557.74	2,296.25
Advertisement and marketing services	5.29	-	4.17	1.66
	<b>4,155.58</b>	<b>2,697.21</b>	<b>3,561.91</b>	<b>2,297.91</b>

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2020 and 31 March 2019.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## Contract liabilities

	As at 31 March 2020	As at 31 March 2019
Web services	6,847.50	5,853.99
Advertisement and marketing services	5.29	5.83
	<b>6,852.79</b>	<b>5,859.82</b>
Non-current	2,697.21	2,297.91
Current	4,155.58	3,561.91
	<b>6,852.79</b>	<b>5,859.82</b>

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance at the beginning of the period	5,859.82	4,240.68
Less: Revenue recognised from contract liability balance at the beginning of the period	(3,071.15)	(2,754.14)
Add: Amount received from customers during the period	7,381.51	6,714.12
Less: Transfer of contract liability pertaining to Hello travel business	-	(20.81)
Less: Revenue recognised from amounts received during the period	(3,317.39)	(2,320.03)
Closing balance at the end of the period	<b>6,852.79</b>	<b>5,859.82</b>

We earn revenue on Group majorly through sale of subscription packages (available on a monthly, annual and multi-year basis) to suppliers. We foresee that our revenue and deferred revenue would be impacted, as the customers may not opt for renewals or for more premium packages in short term due to current nation-wide lockdown & COVID-19, particularly in case of monthly Packages. However, in long-term, we believe that our business model remains robust and sustainable and is likely to gain from the ongoing global shift towards online.

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

## 21 OTHER INCOME

	For the year ended 31 March 2020	For the year ended 31 March 2019
Fair value gain on financial assets measured at FVTPL		
- Investment in mutual funds	639.77	373.20
Interest income from financial assets measured at amortised cost		
- on bank deposits	29.98	26.00
- on security deposits	10.22	3.48
Other interest income	4.14	0.16
Gain from business transfer arrangement	-	6.80
Gain on de-recognition of Right-of-use assets	1.34	-
Net gain on disposal of property, plant and equipment	0.46	0.08
<b>Total</b>	<b>685.91</b>	<b>409.72</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 22 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, allowance and bonus	2,409.20	2,065.56
Gratuity expense	31.78	26.13
Leave encashment expense	47.93	15.52
Contribution to provident and other funds	15.38	12.18
Employee share based payment expense	78.59	94.62
Staff welfare expenses	83.81	85.82
<b>Total</b>	<b>2,666.69</b>	<b>2,299.83</b>

## 23 FINANCE COSTS

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest cost of lease liabilities	32.83	-
<b>Total</b>	<b>32.83</b>	<b>-</b>

## 24 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (Refer Note 5A)	41.04	37.67
Depreciation of Right-of-use assets (Refer Note 5B)	167.55	-
Amortisation of intangible assets (Refer Note 6)	2.86	3.60
<b>Total</b>	<b>211.45</b>	<b>41.27</b>

## 25 OTHER EXPENSES

	For the year ended 31 March 2020	For the year ended 31 March 2019
Content development expenses	235.23	235.48
Buyer engagement expenses	171.78	185.99
Customer support expenses	230.99	245.89
Outsourced sales cost	724.48	575.58
Internet and other online expenses	232.29	177.11
Rent	22.90	154.03
Rates and taxes	31.19	19.63
Communication costs	9.03	6.31
Outsourced support cost	22.97	18.06
Advertisement expenses	21.64	20.99
Power and fuel	28.78	29.23
Printing and stationery	8.45	8.44
Repair and maintenance:		
- Plant and machinery	13.28	13.59
- Others	74.92	72.77
Travelling and conveyance	52.82	45.42
Recruitment and training expenses	29.86	28.00
Legal and professional fees	42.03	42.34
Directors' sitting fees	2.09	2.95
Insurance expenses	30.19	23.73
Foreign exchange fluctuation (net)	0.88	-
Collection charges	43.46	41.43
Corporate social responsibility activities expenses	1.05	-
Allowances for doubtful debts (including Bad debts)	1.86	0.81
Miscellaneous expenses	0.71	3.15
<b>Total</b>	<b>2,032.88</b>	<b>1,950.93</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 26 (A) EARNINGS PER SHARE (EPS)

“Basic EPS amounts are calculated by dividing the earning/(loss) for the period attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the period.

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Basic</b>		
Earnings for the period	1,473.82	200.44
Weighted average number of equity shares used in calculating basic EPS	28,819,744	25,868,950
Basic earnings per equity share	51.14	7.75
<b>Diluted</b>		
Earnings for the period	1,473.82	200.44
Adjustment on account of fair valuation of compulsory convertible preference shares	-	-
Adjusted earnings for the period	1,473.82	200.44
Weighted average number of equity shares used in calculating basic EPS	28,819,744	25,868,950
Potential equity shares	516,744	456,999
Total no. of shares outstanding (including dilution)	29,336,488	26,325,949
Diluted earnings per equity share	50.24	7.61

There are potential equity shares for the year 31 March 2020 and 31 March 2019 in the form of stock options granted to employees which have been considered in the calculation of diluted earning per share.

## (b) Dividends

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interim dividend for the year ended 31 March 2020 (31 March 2019- Nil) of ₹ 10 per fully paid equity share (excluding the Dividend distribution tax of ₹ 59.45 millions)	289.19	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

### 27 INCOME TAX

The major components of income tax expense are:

#### a) Income tax expense/(income) recognised in Statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Current tax expense/ (income)</b>		
Current tax for the period (Refer Note 41 (d))	4.06	37.50
Adjustments in respect of previous year	(3.39)	-
	<b>0.67</b>	<b>37.50</b>
<b>Deferred tax expense</b>		
Relating to origination and reversal of temporary differences	550.92	337.47
Relating to minimum alternate tax	3.31	(36.18)
Relating to earlier years	(228.61)	-
	<b>325.62</b>	<b>301.29</b>
<b>Tax expense /(income) related to change in tax rate/laws *</b>		
- Deferred tax	314.08	-
	<b>314.08</b>	-
Total income tax expense/(credit)	<b>640.37</b>	<b>338.79</b>

\* Tax impact for year ended 31 March 2020 includes the impact of adoption of Taxation Laws Amendment Ordinance 2019 as applicable to the Group. The deferred tax charge due to change in applicable tax rate is ₹ 277.90 Millions and due to reversal of MAT credit entitlement is ₹ 36.18 Millions.

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

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net loss on remeasurements of defined benefit plans	(18.56)	(3.81)

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	2,114.19	539.23
<b>Accounting profit before income tax</b>	<b>2,114.19</b>	<b>539.23</b>
Tax expense at the statutory income tax rate	532.14	168.24
Adjustments in respect of unrecognised deferred tax assets of previous years	(228.61)	-
Adjustments in respect of differences in current tax rates and deferred tax rates	-	39.05
Adjustments in respect of differences taxed at lower tax rates	-	(34.74)
Adjustments in respect of differences in deferred tax for prior years	-	-
Adjustment in respect of change in carrying amount of investment in subsidiaries	37.02	-
Utilisation of previously unrecognised tax losses	(10.90)	(9.81)
Tax expense /(income) related to change in tax rate/laws	314.08	-
<i>Non-deductible expenses for tax purposes:</i>		
Loss on fair valuation of Share buyback obligation	-	203.62
Income non-taxable for tax purposes	(19.51)	(42.44)
Other non-deductible expenses and non-taxable income	(2.35)	(2.22)
Others	(0.28)	-
Temporary differences for which no deferred tax was recognised	18.78	17.09
<b>Tax expense/(income) at the effective income tax rate of 25.17% (31 March 2019: 31.20%)</b>	<b>640.37</b>	<b>338.79</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

d) Breakup of deferred tax recognised in the Balance sheet

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Deferred tax asset</b>		
Property, plant and equipment and other intangible assets	7.46	8.42
Provision for gratuity	52.54	36.36
Provision for compensated absences	19.92	15.24
Provision for dimmution of investments in subsidiaries	-	31.49
Investment in subsidiaries measured at fair value	40.01	34.35
Deferred revenue	0.56	11.30
Tax losses	164.19	707.60
Unabsorbed depreciation	27.20	39.08
Goodwill Impairment	109.21	-
Provision of expenses, allowable in subsequent year	45.13	-
Ind AS 116 impact	0.17	-
Minimum alternate tax (Refer Note 41 (d))	-	36.18
Allowances for doubtful debts	0.42	0.21
Others	0.27	7.65
<b>Total deferred tax assets recognised (A)</b>	<b>467.08</b>	<b>927.88</b>
<b>Deferred tax liabilities</b>		
Re-measurement of investment in mutual funds to fair value	(214.75)	(67.32)
Accelerated deduction for tax purposes	(1.78)	(2.50)
Accelerated depreciation for tax purposes	0.11	-
Others	(4.96)	0.02
<b>Total deferred tax liabilities (B)</b>	<b>(221.38)</b>	<b>(69.80)</b>
<b>Net deferred tax assets (C) = (A) + (B)</b>	<b>245.70</b>	<b>858.08</b>

e) Breakup of deferred tax expense/(income) recognised in Statement of profit and loss and OCI

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Deferred tax expense/(income) relates to the following:</b>		
Provision for gratuity	(16.18)	(9.87)
Provision for compensated absences	(4.68)	(0.94)
Provision for dimmution of investments in subsidiaries	31.49	(24.50)
Investment in subsidiaries measured at fair value	(5.66)	(9.48)
Deferred revenue	10.74	33.62
Tax losses	543.41	292.96
Unabsorbed depreciation	11.88	20.98
Goodwill Impairment	(109.21)	-
Provision for expenses, allowable in subsequent year	(45.13)	-
Investment in mutual funds measured at fair value	147.43	37.57
Accelerated deduction for tax purposes	(0.72)	0.26
Property, plant and equipment and other intangible assets	0.96	(0.73)
Minimum Alternative Tax (Refer Note 41 (d))	36.18	(36.18)
Leases	8.60	-
Others	12.25	(5.99)
Allowances for doubtful debts	(0.21)	(0.21)
<b>Deferred tax expense/(income)</b>	<b>621.14</b>	<b>297.49</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

### f) Reconciliation of Deferred tax asset (Net):

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Opening balance as of 1 April</b>	<b>858.08</b>	1,155.57
Tax (expense)/income during the period recognised in Statement of profit and loss	<b>(325.62)</b>	(337.47)
Tax expense related to change in tax rate/laws	<b>(314.08)</b>	-
Tax income during the period recognised in OCI	<b>18.55</b>	3.81
Deferred tax on Ind AS 116 impact on retained earning	<b>8.77</b>	-
MAT credit entitlement	-	36.17
<b>Closing balance at the end of the year</b>	<b>245.70</b>	<b>858.08</b>

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:		
- tax business losses	<b>325.05</b>	275.22
- unabsorbed depreciation	<b>8.03</b>	6.99
- tax capital losses*	-	43.32
- other deductible temporary differences	<b>2.23</b>	2.54
	<b>335.31</b>	<b>328.07</b>

\* The unused tax capital losses will expire upto FY 2019-20.

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

The Management has performed an assessment of COVID-19 pandemic's impact to evaluate recoverability of its net deferred tax assets within the available time period as per tax laws and based on current expectation and projections, believes that there is no impact on recoverability of deferred tax assets as of 31 March 2020.

## 28 DEFINED BENEFIT PLAN AND OTHER LONG TERM EMPLOYEE BENEFIT PLAN

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

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

### Gratuity - Defined benefit

	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation	<b>223.31</b>	126.34
Fair value of plan assets	<b>(12.94)</b>	(21.46)
<b>Net liability arising from defined benefit obligation</b>	<b>210.37</b>	<b>104.88</b>

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

	As at 31 March 2020	As at 31 March 2019
Present value of other long term employee benefit plan	<b>80.12</b>	44.40
<b>Net liability arising from other long term employee benefit plan</b>	<b>80.12</b>	<b>44.40</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

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

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

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

Particulars	Gratuity	
	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	126.34	93.15
Benefits paid	(9.72)	(5.19)
Employee benefit obligation pursuant to the disposal group held for sale	-	(0.99)
Current service cost	23.74	20.78
Interest cost	9.70	7.27
Actuarial (gains)/losses		
- changes in demographic assumptions	27.77	14.61
- changes in financial assumptions	29.00	(6.62)
- experience adjustments	16.48	3.33
<b>Balance at the end of the year</b>	<b>223.31</b>	<b>126.34</b>

Particulars	Leave encashment	
	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the period/year	44.40	38.67
Benefits paid	(12.21)	(9.53)
Employee benefit obligation pursuant to the disposal group held for sale	-	(0.27)
Current service cost	25.00	12.58
Interest cost	3.40	3.02
Actuarial (gains)/losses		
- changes in demographic assumptions	8.13	7.19
- changes in financial assumptions	4.74	(5.60)
- experience adjustments	6.66	(1.66)
<b>Balance at the end of the year</b>	<b>80.12</b>	<b>44.40</b>

**Movement in fair value of plan assets**

Particulars	Gratuity	
	As at 31 March 2020	As at 31 March 2019
Opening fair value of plan assets	21.46	24.56
Interest income	1.65	1.93
Actuarial (gains)/losses	(0.78)	0.15
Benefits paid	(9.39)	(5.18)
<b>Closing fair value of plan assets</b>	<b>12.94</b>	<b>21.46</b>

Each year the management of the Company reviews the level of funding required as per its risk management strategy. The Company expects to contribute to gratuity ₹ 37.22 millions in FY 2020-21(31 March 2019: ₹ 30.88 million).

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Funds managed by insurer	100%	100%

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

b) *Expense recognised in profit or loss*

	Gratuity	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	23.74	20.78
Net interest expense	8.05	5.35
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>31.79</b>	<b>26.13</b>
Remeasurement of the net defined benefit liability:		
Actuarial (gain)/loss on plan assets	0.78	(0.15)
Actuarial (gain)/loss on defined benefit obligation	73.25	11.32
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>74.03</b>	<b>11.17</b>

	Leave encashment	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	25.00	12.57
Net interest expense	3.40	3.02
Actuarial (gain)/loss on other long term employee benefit plan	19.53	(0.07)
<b>Components of other long term employee benefit costs recognised in profit or loss</b>	<b>47.93</b>	<b>15.52</b>

c) *Actuarial assumptions*

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

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.26%	7.66%
Expected rate of return on assets	6.25%	7.66%

**Attrition rate:**

	As at 31 March 2020		As at 31 March 2019	
	Upto 4 years of service	Above 4 years of service	Upto 4 years of service	Above 4 years of service
<b>Ages</b>				
Upto 30 years	18.05%	11.45%	34.32%	12.83%
From 31 to 44 years	0.00%	8.00%	30.77%	11.20%
Above 44 years	8.25%	2.98%	1.05%	0.00%
<b>Future salary growth</b>				
Year 1	4.10%	5.99%	7.18%	12.00%
Year 2	11.74%	17.90%	7.18%	12.00%
Year 3 and onwards	8.00%	12.00%	7.18%	12.00%
<b>Mortality table</b>	India Assured Life Mortality (2012-14)		India Assured Life Mortality (2006-08)	

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## d) Sensitivity analysis

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

### Gratuity

For the year ended 31 March 2020	Increase	Decrease
Impact of change in discount rate by 0.50%	(12.62)	17.39
Impact of change in salary by 0.50%	9.84	(6.85)

For the year ended 31 March 2019	Increase	Decrease
Impact of change in discount rate by 0.50%	(6.50)	7.17
Impact of change in salary by 0.50%	3.62	(3.85)

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
Within one year	10.76	8.88
Within one - three years	21.75	21.09
Within three - five years	22.20	17.53
Above five years	168.60	78.84
<b>Total</b>	<b>223.31</b>	<b>126.34</b>

## 29 SHARE BASED PAYMENT PLANS

### a) Employee Stock Option Plan (ESOP)

The Company has provided various share-based payment schemes to its employees in the preceding financial years. During the year ended 31 March 2020, the following schemes were in operation:

	ESOP 2010	ESOP 2012	ESOP 2015	ESOP 2016	ESOP 2017
Date of grant	January 1, 2010	March 15, 2012	June 08, 2015	July 28, 2016	June 02, 2017
Date of Board Approval	November 24, 2009	January 25, 2012	June 08, 2015	July 28, 2016	May 04, 2017
Date Of Shareholder's approval	November 10, 2008	November 10, 2008	September 23, 2015	September 23, 2015	September 23, 2015
Number of options approved	453,420	645,560	539,000	276,980	200,730
Method of Settlement	Equity	Equity	Equity	Equity	Equity
Vesting period (in months)	0 to 48 Months	0 to 48 Months	0 to 48 Months	0 to 48 Months	0 to 48 Months

The details of activity have been summarized below:

### ESOP 2010

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	Nil	100	63,286	100
Granted during the period	Nil	100	Nil	100
Forfeited during the period	Nil	100	9,210	100
Exercised during the period	Nil	100	54,076	100
Expired during the period	Nil	100	Nil	100
Outstanding at the end of the period	Nil	100	Nil	100
Exercisable at the end of the period	Nil	100	Nil	100

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## ESOP 2012

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	Nil	150	150,136	150
Granted during the period	Nil	150	Nil	150
Forfeited/ expired during the period	Nil	150	4,603	150
Exercised during the period	Nil	150	145,533	150
Outstanding at the end of the period	Nil	150	Nil	150
Exercisable at the end of the period	Nil	150	Nil	150

## ESOP 2015

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	62,100	200	354,100	200
Granted during the period	Nil	200	Nil	200
Forfeited/ expired during the period	Nil	200	3,600	200
Exercised during the period	62,100	200	288,400	200
Outstanding at the end of the period	Nil	200	62,100	200
Exercisable at the end of the period	Nil	200	Nil	200

## ESOP 2016

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	41,850	200	194,268	200
Granted during the period	Nil	200	Nil	200
Forfeited/ expired during the period	2,400	200	16,200	200
Exercised during the period	20,025	200	136,218	200
Outstanding at the end of the period	19,425	200	41,850	200
Exercisable at the end of the period	Nil	200	Nil	200

## ESOP 2017

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	37,888	200	197,800	200
Granted during the period	Nil	200	Nil	200
Forfeited/ expired during the period	760	200	824	200
Exercised during the period	9,282	200	159,088	200
Outstanding at the end of the period	27,846	200	37,888	200
Exercisable at the end of the period	Nil	200	Nil	200

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

Figures for current period ended 31 March 2020 and previous year are as follows:

	As at 31 March 2020				
	ESOP 2010	ESOP 2012	ESOP 2015	ESOP 2016	ESOP 2017
Range of exercise prices	100	150	200	200	200
Number of options outstanding	-	-	-	19,425	27,846
Weighted average remaining contractual life of options (in years)	NA	NA	-	0.25	0.80
Weighted average exercise price	100	150	200	200	200
Weighted average share price for the options exercised during the period	NA	NA	300	300	300

	As at 31 March 2019				
	ESOP 2010	ESOP 2012	ESOP 2015	ESOP 2016	ESOP 2017
Range of exercise prices	100	150	200	200	200
Number of options outstanding	Nil	-	62,100	41,850	37,888
Weighted average remaining contractual life of options (in years)	NA	NA	0.25	1.25	1.80
Weighted average exercise price	100	150	200	200	200
Weighted average share price for the options exercised during the period	300	300	300	300	300

## Stock Options granted

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

	As at 31 March 2020				
	ESOP 2010	ESOP 2012	ESOP 2015	ESOP 2016	ESOP 2017
Weighted average share price	NA	NA	200	275.93	280.50
Exercise Price	NA	NA	200	200	200
Expected Volatility	NA	NA	0.00%	0.00%	0.00%
Historical Volatility	NA	NA	0.10%	0.10%	0.10%
Life of the options granted (Vesting and exercise year) in years	NA	NA	7.70	7.70	7.70
Expected dividends	NA	NA	Nil	Nil	Nil
Average risk-free interest rate	NA	NA	7.77%	7.20%	7.20%

	As at 31 March 2019				
	ESOP 2010	ESOP 2012	ESOP 2015	ESOP 2016	ESOP 2017
Weighted average share price	148.39	150	200	275.93	280.50
Exercise Price	100	150	200	200	200
Expected Volatility	0.00%	0.00%	0.00%	0.00%	0.00%
Historical Volatility	0.00%	0.00%	0.10%	0.10%	0.10%
Life of the options granted (Vesting and exercise year) in years	7.50	8.00	7.70	7.70	7.70
Expected dividends	Nil	Nil	Nil	Nil	Nil
Average risk-free interest rate	8.39%	8.39%	7.77%	7.20%	7.20%

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## Stock appreciation rights (SAR)

The Company has granted stock appreciation rights to its employees during the previous financial year. Details are as follows

	<b>SAR 2018</b>
Date of grant	October 01, 2018
Date of Board Approval	September 22, 2018
Date Of Shareholder's approval	May 07, 2018
Number of units approved	800,740
Method of Settlement	Equity
Vesting period (in months)	0 to 48 Months

The details of activity have been summarized below:

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number of SAR units	Weighted Average Exercise Price (₹)	Number of SAR units	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	779,740	500	NA	NA
Granted during the period	Nil	Nil	800,740	500
Lapsed during the period	45,332	500	21,000	500
Exercised during the period	149,816	Nil	Nil	Nil
Expired during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	584,592	500	779,740	500
Exercisable at the end of the period	Nil	Nil	Nil	Nil

Figures for period ended 31 Marh 2020 are as follows:

	<b>SAR 2018</b>
Range of exercise prices	500
Number of units outstanding	584,592
Weighted average remaining contractual life of units (in years)	2.50
Weighted average exercise price	500

## SAR units granted

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans are given in the table below:

	<b>SAR 2018</b>
Weighted average share price	597
Exercise Price	500
Expected Volatility	41.00%
Historical Volatility	41.00%
Life of the options granted (Vesting and exercise year) in years	4.00
Expected dividends	Nil
Average risk-free interest rate	7.80%

## Effect of the employee share-based payment plans on the statement of profit & loss:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Total Employee Compensation Cost pertaining to share-based payment plans	78.59	94.62
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	78.59	94.62

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

	As at 31 March 2020	As at 31 March 2019
Total Liability for employee stock options outstanding as at period/year end	116.16	88.48

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 30 FAIR VALUE MEASUREMENTS

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

	Level	As at 31 March 2020	As at 31 March 2019
<b>Financial assets</b>			
a) Measured at fair value through profit or loss (FVTPL)			
- Investment in mutual funds	Level 1	<b>8,718.78</b>	6,074.45
		<b>8,718.78</b>	<b>6,074.45</b>
b) Measured at amortised cost (Refer Note b(i) and (ii) below)			
- Trade receivables		<b>16.82</b>	5.71
- Cash and cash equivalents		<b>169.38</b>	401.96
- Loans		<b>13.72</b>	17.99
- Security deposits		<b>103.97</b>	61.61
- Bank deposits		<b>69.26</b>	375.48
- Other financial assets		<b>376.69</b>	131.79
		<b>749.84</b>	<b>994.54</b>
<b>Total financial assets</b>		<b>9,468.62</b>	<b>7,068.99</b>
<b>Financial liabilities</b>			
a) Measured at amortised cost (Refer Note b(i) and (ii) below)			
- Trade payables		<b>179.42</b>	129.32
- Security deposits		<b>0.14</b>	0.14
- Other financial liabilities		<b>259.83</b>	311.54
- Lease liabilities		<b>765.10</b>	-
		<b>1,204.49</b>	<b>441.00</b>
<b>Total financial liabilities</b>		<b>1,204.49</b>	<b>441.00</b>

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

- The carrying value of bank deposits, trade receivables, cash and cash equivalents, trade payables, security deposits, lease liabilities and other financial assets and other financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments. These have been assessed basis counterparty credit risk.
- The fair value of non-current financial assets and financial liabilities measured are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.
- Fair value of quoted mutual funds is based on quoted market prices at the reporting date, which factors the impact of COVID-19. We do not expect material volatility in these financial assets.

c) Reconciliation of level 3 fair value measurements

	Share buy back obligation	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	-	3,729.30
Gains or loss recognised in profit or loss	-	652.63
Conversion of preference shares into equity shares during the period	-	(4,381.93)
<b>Closing balance</b>	-	-

d) During the period ended 31 March 2020 and 31 March 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 31 CAPITAL MANAGEMENT

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of no debts and only equity of the company.

The Group is not subject to any externally imposed capital requirements.

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

### Gearing ratio

The Group monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total equity (as shown in the balance sheet). As at 31 March 2020 and 31 March 2019, the outstanding debt was ₹ Nil.

## 32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### i) Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and bank balances, trade receivables, investments in mutual fund, loans and security deposits.

(Amount in ₹ million, unless otherwise stated)

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

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

### Trade receivables

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

### Cash and cash equivalents, bank deposits and investments in mutual funds

The Group maintains its cash and cash equivalents, bank deposits and investment in mutual funds with reputed banks and financial institutions. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

### Security deposits and loans

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

### ii) Liquidity risk management

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

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## Maturities of financial liabilities

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

### Contractual maturities of financial liabilities

As at 31 March 2020	Within 1 year	Between 1 and 5 years and thereafter	Total
Trade payables	179.42	-	179.42
Lease and other financial liabilities	412.58	612.49	1,025.07
	592.00	612.49	1,204.49

As at 31 March 2019	Within 1 year	Between 1 and 5 years and thereafter	Total
Trade payables	129.32	-	129.32
Lease and other financial liabilities	308.84	2.84	311.68
	438.16	2.84	441.00

### iii) Market risk

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

#### a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The Group's exposure to unhedged foreign currency risk as at 31 March 2020 and 31 March 2019 has been disclosed in note below. Currency risks related to the principal amounts of the Group's US dollar trade receivables.

#### Unhedged foreign currency exposure

	As at 31 March 2020	As at 31 March 2019
Trade receivable	USD 0.07 (₹ 5.14)	USD 0.04 (₹ 2.50)

Sensitivity	Impact on profit/loss before tax	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>USD sensitivity</b>		
₹/USD - increase by 2%	0.10	0.05
₹/USD - decrease by 2%	(0.10)	(0.05)

#### b) Interest rate risk

Investment of short-term surplus funds of the Group in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives.

Sensitivity	Impact on profit/loss before tax	
	For the year ended 31 March 2020	For the year ended 31 March 2019
+ 5% change in NAV of mutual funds	435.94	303.72
- 5% change in NAV of mutual funds	(435.94)	(303.72)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 33 SEGMENT INFORMATION

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

### Information about geographical areas:

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

	Revenue from external customers		Non-current assets*	
	For the year ended 31 March 2020	For the year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
India	6,251.58	4,978.78	875.29	99.72
Others	136.96	95.39	-	-
	<b>6,388.54</b>	<b>5,074.17</b>	<b>875.29</b>	<b>99.72</b>

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

## 34 RELATED PARTY TRANSACTIONS

### i) Names of related parties and related party relationship:

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

Name	Designation
Dinesh Chandra Agarwal	Managing director and CEO
Brijesh Kumar Agrawal	Whole time director
Prateek Chandra	Chief financial officer
Anil Dwivedi	Company Secretary (resigned w.e.f 30 April 2018)
Manoj Bhargava	Company Secretary (appointed w.e.f 4 June 2018)
Dhruv Prakash	Non executive director
Mahendra Kumar Chouhan	Independent director (resigned w.e.f 30 April 2018)
Rajesh Sawhney	Independent director
Elizabeth Lucy Chapman	Independent director
Vivek Narayan Gour	Independent director

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

Mansa Enterprises Private Limited

#### c) Other related parties

Indiamart Employee Benefit Trust (separately administered Trust to manage employees share based payment plans of the company)

Indiamart Intermesh Employees Group Gratuity Assurance Scheme (separately administered Trust to manage post employment defined benefits of employees of the company)

Simply Vyapar Apps Private Limited (Associate) (with effect from 3 September 2019)

### ii) Key management personnel compensation

	For the year ended 31 March 2020	For the year ended 31 March 2019
Short-term employee benefits	119.15	102.79
Post-employment benefits	1.11	(0.57)
Other long-term employee benefits	3.67	0.47
Employee share based payment expense	32.39	4.85
	<b>156.32</b>	<b>107.54</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

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 year ended 31 March 2020	For the year ended 31 March 2019
<b>Entities where KMP and Individuals exercise Significant influence</b>		
<b>Expenses for rent</b>		
Mansa Enterprises Private Limited	3.07	4.18
<b>Key management personnel</b>		
<b>Recruitment and training expenses</b>		
Dhruv Prakash	3.09	1.85
Director's sitting fees	2.09	2.93
<b>Dividend paid</b>		
Dinesh Chandra Agarwal	86.31	-
Brijesh Kumar Agrawal	58.49	-
Prateek Chandra	1.01	-
Manoj Bhargava	0.01	-
Rajesh Sawhney	0.25	-
Dhruv Prakash	0.40	-
Vivek Narayan Gour	0.09	-
<b>Web services provided to</b>		
Simply Vyapar Apps Private Limited	0.01	-
<b>Associates</b>		
<b>Investment in associates</b>		
Simply Vyapar Apps Private Limited	312.02	-
<b>Indiamart Employee Benefit Trust</b>		
Interest free Loan given	1.50	-
Share capital issued	(1.45)	-
Dividend paid	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 at the period/year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

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

	As at 31 March 2020	As at 31 March 2019
<b>Balance Outstanding at the year end</b>		
<b>Amount Payable</b>		
Dhruv Prakash	0.13	-
<b>Investment in associates</b>		
Simply Vyapar Apps Private Limited	312.02	-
<b>Deferred Revenue</b>		
Simply Vyapar Apps Private Limited	0.02	-
<b>Loan given</b>		
Indiamart Employee Benefit Trust	1.50	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 35 GROUP INFORMATION

### Information about subsidiaries

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

Name	Principal activities	Country of incorporation	% equity interest	
			As at 31 March 2020	As at 31 March 2019
Hello Trade Online Private Limited	Business facilitation services	India	100	100
Tradezeal International Private Limited	Business facilitation services	India	100	100
Ten Times Online Private Limited	Business facilitation services	India	100	100
Tolexo Online Private Ltd	Cloud based solution for SMEs	India	100	100
Pay With Indiamart Private Limited	Payment facilitation	India	100	100
Information about associate				
Simply Vyapar Apps Private Limited	Software and apps service providing company	India	26	-

## 36 ADDITIONAL INFORMATION

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ million	As % of consolidated profit and loss	₹ million	As % of consolidated other comprehensive income	₹ million	As % of total comprehensive income	₹ million
<b>Parent</b>								
<b>Indiamart Intermesh Limited</b>								
Balance as at 31 March 2020	94.63%	2,744.94						
Balance as at 31 March 2019	104.76%	1,606.82						
For the year ended 31 March 2020			105.96%	1,462.08	97.67%	(54.17)	106.31%	1,407.91
For the year ended 31 March 2019			185.45%	125.93	92.48%	(6.81)	196.76%	119.12
<b>Subsidiaries</b>								
<b>Tolexo Online Private Limited</b>								
Balance as at 31 March 2020	-5.78%	(167.80)						
Balance as at 31 March 2019	-5.93%	(90.94)						
For the year ended 31 March 2020			-4.98%	(68.76)	0.54%	(0.30)	-5.21%	(69.06)
For the year ended 31 March 2019			-66.30%	(45.02)	1.75%	(0.13)	-74.58%	(45.15)
<b>Ten Times Online Private Limited</b>								
Balance as at 31 March 2020	1.52%	44.01						
Balance as at 31 March 2019	2.16%	33.06						
For the year ended 31 March 2020			0.64%	8.81	1.80%	(1.00)	0.59%	7.81
For the year ended 31 March 2019			6.27%	4.26	5.77%	(0.43)	6.33%	3.83
<b>Hello Trade Online Pvt Ltd</b>								
Balance as at 31 March 2020	0.00%	0.06						
Balance as at 31 March 2019	0.01%	0.11						
For the year ended 31 March 2020			0.00%	(0.04)	0.00%	-	0.00%	(0.04)
For the year ended 31 March 2019			-0.04%	(0.03)	0.00%	-	-0.04%	(0.03)
<b>Tradezeal International Pvt Ltd</b>								
Balance as at 31 March 2020	-0.79%	(22.89)						
Balance as at 31 March 2019	-1.28%	(19.63)						
For the year ended 31 March 2020			-0.24%	(3.25)	0.00%	-	-0.25%	(3.25)
For the year ended 31 March 2019			-1.05%	(0.72)	0.00%	-	-1.18%	(0.72)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ million	As % of consolidated profit and loss	₹ million	As % of consolidated other comprehensive income	₹ million	As % of total comprehensive income	₹ million
<b>Pay with Indiamart Private Limited</b>								
Balance as at 31 March 2020	0.23%	6.81						
Balance as at 31 March 2019	0.28%	4.33						
For the year ended 31 March 2020			-0.19%	(2.56)	0.00%	-	-0.19%	(2.56)
For the year ended 31 March 2019			-24.32%	(16.52)	0.00%	-	-27.28%	(16.52)
<b>Associate (accounting as per equity method)</b>								
Simply Vyapar Apps Private Limited								
Balance as at 31 March 2020	10.19%	295.61						
Balance as at 31 March 2019								
For the year ended 31 March 2020			-1.19%	(16.41)	0.00%	-	-1.24%	(16.41)
For the year ended 31 March 2019			0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March 2020	100.00%	2,900.74						
Balance as at 31 March 2019	100.00%	1,533.74						
For the year ended 31 March 2020			100.00%	1,379.87	100.00%	(55.47)	100.00%	1,324.40
For the year ended 31 March 2019			100.00%	67.90	100.00%	(7.36)	100.00%	60.54
<b>Adjustment arising out of consolidation</b>								
Balance as at 31 March 2020		(150.17)						
Balance as at 31 March 2019		65.13						
For the year ended 31 March 2020				93.95		-		93.95
For the year ended 31 March 2019				132.54		-		132.54
<b>Total</b>								
Balance as at 31 March 2020		2,750.57						
Balance as at 31 March 2019		1,598.88						
For the year ended 31 March 2020				1,473.82		(55.47)		1,418.35
For the year ended 31 March 2019				200.44		(7.36)		193.08

## 37 CONTINGENT LIABILITIES AND COMMITMENTS

### a) Contingent liabilities

	As at 31 March 2019	As at 31 March 2019
(i) Income-tax demand (refer note (a) and (b) below)	303	62

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

believe that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the financial statements for tax demand raised.

(b) In respect of Assessment year 2017-18, demand of Rs 242.99 million was raised on Tolexo Online Private limited due to addition of income relating to receipts of securities premium against share allotment made to IndiaMART InterMESH Limited . The Company is contesting the demand and the

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

management believe that its position is possible to be upheld in the appellate process. No tax expense has been accrued in the financial statements for tax demand raised.

- (ii) On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers altered historical understandings of such obligations, extending them to cover additional portions of the employee's income. However, the judgment isn't explicit if such interpretation may have retrospective application resulting in increased contribution for past and future years for certain employees of the Group. The Group, based on an internal assessment, evaluated that there are numerous interpretative challenges on the retrospective application of the judgment which results in impracticability in estimation of and timing of payment and amount involved. As a result of lack of implementation guidance and interpretative challenges involved, the Group is unable to reliably estimate the amount involved. Accordingly, the Group shall evaluate the amount of provision, if any, on obtaining further clarity on the matter.
- (iii) The Group is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, the outcome of which is inherently uncertain. Some of these matters include speculative and frivolous claims for substantial or indeterminate amounts of damages. The Group records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Management reviews these provisions and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Management believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Group, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March 2020.

## b) Capital and other commitments

- As at 31 March 2020, the company has estimated amount of contracts remaining to be executed on capital account not provided for, net of advance is Nil (31 March 2019: Nil).

(Amount in ₹ million, unless otherwise stated)

## c) Operating lease commitments

Office premises are obtained on operating lease. There are no contingent rents in the lease agreements. The lease term varies from 11 months to 9 years generally and are usually renewable by mutual consent. There are no restrictions imposed by lease agreements. There are no subleases.

Lease payments (for non cancellable lease) for year ended 31 March 2019 are ₹ 74.71 million

Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at 31 March 2019
Within one year	69.64
After one year but not more than five years	103.74
More than five years	0.81
	<b>174.19</b>

## 38 CSR EXPENDITURE

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended 31 March 2020 is 1.05 millions (31 March 2019: Nil), computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of 1.05 millions during the year ended 31 March 2020 (31 March 2019: nil), towards CSR expenditure.

## 39 ACQUISITION OF NON-CONTROLLING INTERESTS

### Acquisition of additional interest in Ten Times Online Private Limited

On 9 May 2018, the Group acquired an additional 3.75% interest in the voting shares of Ten Times Online Private Limited, increasing its ownership interest to 100%. Cash consideration of ₹ 2.50 million was paid to the non-controlling shareholders. The carrying value of the additional interest acquired at the date of acquisition was ₹ 0.46 million. Following is a schedule of additional interest acquired in Ten Times Online Private Limited:

	Amount
Cash consideration paid to non-controlling shareholders	2.50
Carrying value of the additional interest in Ten Times Online Private Limited	(0.46)
<b>Difference recognised in capital reserve within equity</b>	<b>2.04</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2020

(Amount in ₹ million, unless otherwise stated)

## 40 INVESTMENT IN ASSOCIATE

The group has no material associate as on 31 March 2020, The aggregate summarised financial information in respect of the Group's immaterial associate accounted for using the equity method is as below:

	As at 31 March 2019	As at 31 March 2019
Carrying value of the Group's interest in associates	295.61	-
Group's share in profit/(loss) for the year in associate	(16.41)	-

- 41** a) During the year ended 31 March 2020, the Group modified the classification of amount payable to employees from 'Trade payables' to 'Payable to employees' classified in 'other financial liabilities' to reflect more appropriately the nature of such amounts payable. Comparative amounts in the notes to the consolidated financial statements were reclassified for consistency. As a result, ₹ 305.34 as at 31 March 2019 was reclassified from 'Trade payables' to 'Payable to employees'.
- b) During the year ended 31 March 2020, the Group modified the classification of provision for service tax from 'Trade payables' to 'Provision-others' classified in 'Provisions' to reflect more appropriately the nature of such amounts provided in the books of account. Comparative amounts in the notes to the consolidated financial statements were reclassified for consistency. As a result ₹ 15.38 as at 31 March 2019 was reclassified from 'Trade payables' to 'Provision-others'.
- c) During the year ended 31 March 2020, the Company modified the classification of 'Net gain on disposal of current investments, and Fair value gain/(loss) on financial assets measured at FVTPL' from 'Net gain/(loss) on financial assets measured at FVTPL' to 'Other income' to reflect more appropriately the

nature of such amounts. Comparative amounts in the notes to the consolidated financial statements were reclassified for consistency. As a result, ₹ 233.82 for the year ended 31 March 2019 were reclassified from 'Net gain/(loss) on financial assets measured at FVTPL' to 'Other income'.

- d) Minimum alternative tax (MAT) for the year ended 31 March 2019 of ₹ 36.18 has been reclassified from "Deferred tax" expense to "Current Tax" expense under 'Income tax' expense note in Statement of Profit and Loss to reflect more appropriately the nature of such amounts provided in the books of account. Accordingly Note 27(e) has been modified to show deferred tax assets on MAT as at 31 March 2019.

- 42** The consolidated financial statements of the company for the year ended 31 March 2019 were audited by another firm of Chartered Accountants, who have expressed unmodified audit opinion on these financial statements.

## 43 EVENTS AFTER THE REPORTING PERIOD

The Group has evaluated all the subsequent events through 12 May 2020, which is the date on which these consolidated financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the consolidated financial statements.

### As per our report of even date attached

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

**Kanika Kohli**  
Partner  
Membership No.: 511565  
Place: Gurugram  
Date: 12 May 2020

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

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

**Prateek Chandra**  
(Chief Financial Officer)

Place: Noida  
Date: 12 May 2020

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

**Manoj Bhargava**  
(Company Secretary)







**INDIAMART INTERMESH LIMITED**

**CIN NO.: L74899DL1999PLC101534**

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