



## **PANKAJ PRITI & ASSOCIATES**

### **CHARTERED ACCOUNTANTS**

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### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of **Pay with Indiamart Private Limited**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of **Pay With Indiamart Private Limited** ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2021 and the standalone Statement of Profit and Loss, including other comprehensive income, standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the period then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give a true and fair view in conformity with the accounting principle specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended:

- (a) in the case of the standalone Balance Sheet, of the state of affairs of the Company as at March 31, 2021.
- (b) in the case of the standalone Statement of Profit and Loss including other comprehensive income, of the profit for the period ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date; and
- (d) In the case of the Statement of Changes in Equity, of the changes in equity for the period ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards 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 financial statements under the provisions of the Companies Act, 2013 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 Ind AS financial statements.

## Emphasis of Matter Paragraph

We refer accounting policy to the Financial Statement of the Company, wherein financial impact of COVID-19 on the operations of the company have been disclosed. Future operations of the Company will be subject to developments on COVID-19 front together with stability in the economy which are currently uncertain.

Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial period ended at March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue recognition (as described in Note 2.2(d) and Note 14 of the standalone Ind AS financial statements)</b>	
<p>Total turnover for the period ended at March 31, 2021 amounted to Rs.27,696 thousands. The Company generates revenue primarily from web services and follows a prepaid model for its business.</p> <p>Revenue from web services are recognized 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.</p> <p>The service are delivered using IT system which manages very high volume on daily basis and generates reports from which Company recognizes revenue, and hence there is inherent risk around the completeness and accuracy of the revenue recognition. Given the involvement of high volume, IT systems and inherent risk involved as described above, we determined the revenue recognition as key audit matter of the audit.</p> <p>The Company's disclosures are included in Note 2.2(d) and Note 14 to the financial statement, which outlines the accounting policy for revenue and details of revenue</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>· We read the Company's revenue recognition accounting policies and assessed compliance of policies with applicable financial reporting standards.</li><li>· We obtained an understanding of the revenue recognition process and tested controls around revenue recognition.</li><li>· We involved IT specialist, to obtain an understanding, evaluate the design, and test the operating effectiveness of the IT controls related to the revenue recognition process.</li><li>· We tested the IT general controls (including access controls, change management control and other IT general controls.), the relevant application controls and tested the reports generated by the system.</li><li>· We selected a sample of transactions and performed tests of details including reading the contract, identifying performance obligation etc., and assessed whether the criteria for revenue recognition is met.</li><li>· We also obtained and tested overall reconciliation of revenue and collection as generated from IT systems with accounting system.</li></ul>

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### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, standalone cash flows and standalone changes in equity 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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Board of Directors are also responsible for 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; 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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, Board of Directors are responsible for assessing the ability of the Company's to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are 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 Ind AS 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Ind AS financial statements for the financial period ended at March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 on its financial position in its Standalone financial

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order.

**For Pankaj Priti & Associates**  
Chartered Accountants  
Firm's Registration No. 016461N

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**Pankaj Jain (Partner)**  
Membership No. 095412

Place: Delhi  
Date: 28 April 2021

**Annexure A to the Independent Auditor's Report to the Members of Pay With Indiamart Private Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting **Pay With Indiamart Private Limited** ("the Company") as of at March 31,2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting 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 (ICAI)". 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by The Institute of Chartered Accountants of India (ICAI). 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 over financial reporting was 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 system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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 authorizations of management and directors of the company; and
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting 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 (ICAI).

**For Pankaj Priti & Associates**  
Chartered Accountants  
Firm's Registration No. 016461N

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**Pankaj Jain (Partner)**  
Membership No. 095412

Place: Delhi  
Date: 28 April 2021

**Annexure B to the Independent Auditor's Report to the Members of Pay With Indiamart Private Limited  
Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the  
Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013  
("the Act") as referred to in paragraph 2 of 'Report on Other Legal and Regulatory Requirements' section.**

- i. The Company has no Fixed Assets, hence clause 3(i)(a) to (c) of the order is not applicable to the company.
- ii. In our opinion and according to the information and explanations given to us, the Company is not having any inventory. Accordingly clause 3(ii) of the Order is not applicable.
- iii.
  - (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly clauses 3(iii) (a) & (b) of the Order are not applicable.
  - (b) Since there are no such loans, the comments regarding repayment of the principal amount & interest due thereon and overdue amounts are not required.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii.
  - a. The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable
  - b. There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute:
- viii. The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.



- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and Company has not raised any term loans. Accordingly provisions of clause (ix) of the Order is not applicable on the Company.
- x. In our opinion, and according to the information and explanations given to us, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. In our opinion, and according to the information and explanations given to us, managerial remuneration has not been paid / provided. Therefore, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 177 and section 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and on an overall examination of the books of account, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence not commented upon.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For Pankaj Priti & Associates**  
Chartered Accountants  
Firm's Registration No. 016461N

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**Pankaj Jain (Partner)**  
Membership No. 095412

Place: Delhi  
Date: 28 April 2021

**Pay With Indiamart Private Limited**  
**Balance Sheet as at 31 March 2021**  
(Amounts in INR "Thousands" , unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Current assets</b>			
Financial assets			
(i) Investments	4	12,979	16,984
(ii) Cash and cash equivalents	5	26,150	11,622
(iii) Others financial assets	6	6,735	3,827
Other current assets	7	2,123	3,112
Current tax assets	13	11	25
<b>Total current assets</b>		<b>47,998</b>	<b>35,570</b>
<b>Total assets</b>		<b>47,998</b>	<b>35,570</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	8		
Equity share capital		1,000	1,000
Other equity		7,687	5,805
<b>Total equity</b>		<b>8,687</b>	<b>6,805</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	9	33,866	28,353
<b>Total non-current liabilities</b>		<b>33,866</b>	<b>28,353</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Trade payables	10		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		151	54
(ii) Other financial liabilities	11	5,255	310
Other current liabilities	12	39	48
<b>Total current liabilities</b>		<b>5,445</b>	<b>412</b>
<b>Total liabilities</b>		<b>39,311</b>	<b>28,765</b>
<b>Total equity and liabilities</b>		<b>47,998</b>	<b>35,570</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Pankaj Priti & Associates**

Chartered Accountants

ICAI Firm Registration No. 016461N

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**Per Pankaj Jain**

Partner

Membership No.: 095412

Place: New Delhi

Date: 28 April 2021

For and on behalf of the Board of Directors

**Pay With Indiamart Private Limited**

**PRAVEEN KUMAR GOEL**  
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**Praveen Kumar Goel**

(Director)

DIN- 03604600

Place: New Delhi

Date: 28 April 2021

**Amit Jain**  
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**Amit Jain**

(Director)

DIN- 03618294

**Pay With Indiamart Private Limited****Statement of Profit and Loss for the year ended 31 March 2021**

(Amounts in INR "Thousands" , unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income:</b>			
Revenue from operations	14	27,696	28,288
Other income	15	995	986
<b>Total income</b>		<b>28,691</b>	<b>29,274</b>
<b>Expenses:</b>			
Finance costs	16	4,122	3,219
Other expenses	17	23,685	28,608
<b>Total expenses</b>		<b>27,808</b>	<b>31,827</b>
<b>Profit/(loss) before tax</b>		<b>883</b>	<b>(2,552)</b>
<b>Income tax expense</b>			
Current tax	20	111	5
<b>Total tax expense</b>		<b>111</b>	<b>5</b>
<b>Profit/(loss) for the year</b>		<b>773</b>	<b>(2,557)</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss in subsequent years</b>			
Re-measurement gains/(losses) on defined benefit plans		-	-
Income tax effect		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive Profit/(loss) for the year</b>		<b>773</b>	<b>(2,557)</b>
<b>Earnings per equity share:</b>	18		
Basic Profit/(loss) per equity share		7.73	(25.57)
Diluted Profit/(loss) per equity share		1.73	(25.57)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Pankaj Priti & Associates**

Chartered Accountants

ICAI Firm Registration No. 016461N

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**Per Pankaj Jain**

Partner

Membership No.: 095412

Place: New Delhi

Date: 28 April 2021

For and on behalf of the Board of Directors

**Pay With Indiamart Private Limited**
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**Praveen Kumar Goel**

(Director)

DIN- 03604600

Place: New Delhi

Date: 28 April 2021

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**Amit Jain**

(Director)

DIN- 03618294

## Pay With Indiamart Private Limited

### Statement of Cash Flows for the year ended 31 March 2021

(Amounts in INR "Thousands" , unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Profit/(Loss) before tax</b>	<b>883</b>	<b>(2,552)</b>
<b>Adjustments for:</b>		
Interest expense	4,122	3,219
Fair value gain on financial assets measured at fair value through profit and loss	(994)	(984)
<b>Operating Profit/(loss) before working capital changes</b>	<b>4,012</b>	<b>(318)</b>
<b>Movement in working capital</b>		
(Increase)/decrease in trade receivables	1	-
(Increase)/Decrease in other financial assets	(2,908)	1,670
(Increase)/Decrease in other current assets	988	(56)
Increase/(Decrease) in other liabilities	(9)	(17)
Increase/(Decrease) in other financial liabilities	4,945	(2,724)
Increase/(Decrease) in trade and other payables	97	(403)
<b>Cash generated/(used) from operations</b>	<b>7,126</b>	<b>(1,847)</b>
Direct taxes paid/ (refund)	(98)	9
<b>Net cash generated/(used) in operating activities</b>	<b>7,028</b>	<b>(1,838)</b>
<b>Cash flow from investing activities</b>		
Investment in mutual funds	-	(22,000)
Redemption of mutual funds	5,000	6,000
<b>Net cash generated/(used) in investing activities</b>	<b>5,000</b>	<b>(16,000)</b>
<b>Cash flow from financing activities</b>		
Issue of preference share capital	2,500	10,000
<b>Net cash generated from financing activities</b>	<b>2,500</b>	<b>10,000</b>
Net (decrease) / increase in cash and cash equivalents	14,528	(7,838)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>11,622</b>	<b>19,460</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>26,150</b>	<b>11,622</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks:		
- On current/ nodal accounts	26,150	11,622
<b>Total cash and cash equivalents (note 5)</b>	<b>26,150</b>	<b>11,622</b>

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

As per our report of even date

**For Pankaj Priti & Associates**

Chartered Accountants

ICAI Firm Registration No. 016461N

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**Per Pankaj Jain**

Partner

Membership No.: 095412

Place: New Delhi

Date: 28 April 2021

For and on behalf of the Board of Directors

**Pay With Indiamart Private Limited**

**PRAVEEN  
KUMAR  
GOEL**

Praveen Kumar Goel

(Director)

DIN- 03604600

**Amit Jain** Digitally signed by Amit Jain  
Date: 2021.04.28 19:18:23 +05'30'

**Amit Jain**

(Director)

DIN- 03618294

Place: New Delhi

Date: 28 April 2021

**(a) Equity share capital (refer note 9)**

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
<b>As at 1 April 2019</b>	<b>1,000</b>
Changes in equity share capital during the year	-
<b>As at 31 March 2020</b>	<b>1,000</b>

As at 1 April 2020	1,000
Changes in equity share capital during the year	-
As at 31 March 2021	1,000

**(b) Other equity (refer note 9)**

Particulars	Equity portion of OCCRPS (refer note 10)	Reserve and Surplus Retained Earning	Total
<b>Balance as at 1 April 2019</b>	<b>23,070</b>	<b>(19,738)</b>	<b>3,332</b>
Loss for the year	-	(2,557)	(2,557)
Equity contribution	5,030	-	5,030
<b>Total comprehensive income</b>	<b>5,030</b>	<b>(2,557)</b>	<b>2,473</b>
<b>Balance as at 31 March 2020</b>	<b>28,100</b>	<b>(22,295)</b>	<b>5,805</b>

<b>Balance as at 1 April 2020</b>	<b>28,100</b>	<b>(22,295)</b>	<b>5,805</b>
Profit for the year	-	773	773
Equity contribution	1,109	-	1,109
<b>Total comprehensive income</b>	<b>1,109</b>	<b>773</b>	<b>1,882</b>
<b>Balance as at 31 March 2021</b>	<b>29,209</b>	<b>(21,522)</b>	<b>7,687</b>

The accompanying notes are an integral part of the financial statements

**PANKAJ  
KUMAR  
JAIN**

Place: New Delhi  
Date: 28 April 2021

## Pay With Indiamart Private Limited

**PRAVEEN  
KUMAR  
GOEL**

Digitally signed by PRAVEEN KUMAR  
GOEL  
DN: c=IN, o=Personal, cn=PRAVEEN  
KUMAR GOEL,  
serialNumber=665f717891228da4ef  
b529974af6a6fb6ab276b17889f670  
ab2f5c7f01b, postalCode=110091,  
2.5.4.20=f09c6d6f2d0005faca7b13f8a  
566a080803a5c6386f529ca6d4747  
6f26, st=Delhi  
Date: 2021.04.28 19:09:51 +05'30'

Place: New Delhi  
Date: 28 April 2021

**Amit Jain** Digitally signed by Amit Jain  
Date: 2021.04.28 19:19:27 +05'30'

**Amit Jain**  
(Director)  
DIN- 03618294

**Pay With Indiamart Private Limited**

**Notes to financial statements for the year ended 31 March 2021**

(Amounts in INR "Thousands" , unless otherwise stated)

**4 Current investments**

Investments in mutual funds- quoted (measured at FVTPL)

	As at 31 March 2021		As at 31 March 2020	
	No. of Units	Amount	No. of Units	Amount
ICICI Prudential Saving Fund-Direct Plan Growth	30,924	12,979	43,508	16,984
<b>Total</b>	<b>30,924</b>	<b>12,979</b>	<b>43,508</b>	<b>16,984</b>

**5 Cash and cash equivalents**

Balance with bank

- On current accounts

- On nodal accounts

**Total Cash and cash equivalents**

**Notes:**

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

As at 31 March 2021	As at 31 March 2020
22,615	8,552
3,535	3,070
<b>26,150</b>	<b>11,622</b>

**6 Other financial assets**

**Current (unsecured, considered good unless stated otherwise)**

Amount recoverable from payment gateway banks ( net of provision)

Receivable from related party

**Total**

These financial assets are measured at amortised cost.

As at 31 March 2021	As at 31 March 2020
6,632	3,827
103	-
<b>6,735</b>	<b>3,827</b>

**7 Other current assets**

**Current (Unsecured, considered good unless otherwise stated)**

Balances with government authorities

Prepaid expenses

**Total**

As at 31 March 2021	As at 31 March 2020
2,121	3,112
2	-
<b>2,123</b>	<b>3,112</b>

9	Borrowings	As at	As at
		31 March 2021	31 March 2020
	Non-current		
	Liability component of compound financial instrument		
	Optionally convertible cumulative redeemable preference shares (unsecured)	33,866	28,353
	Total	33,866	28,353
	Terms of conversion/ redemption of 0.01% Optionally Convertible Cumulative Redeemable Preference Share (OCCRPS)		
	The Company has issued only one class of preference shares i.e 0.01% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS). The OCCRPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up; the OCCRPS shall be participating in the surplus funds; the OCCRPS shall be participating in surplus assets and profits, on winding- up which may remain after the entire capital has been repaid; the OCCRPS will be entitled to dividend, if declared by the Board of Directors, on cumulative basis. With effect from 22 February 2019, the Company has changed its terms of OCCRPS to fix the tenure till 31 January 2028 and amount of redemption of preference shares to Rs. 30 per share including Rs 20 per share for premium on redemption. The OCCRPS holders have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Companies Act 2013. The OCCRPS will be optionally convertible into equity share of the Company at 1:1 ratio at the option of the holder at the expiry of terms on 31 January 2028 at Rs 30 per share including Rs 20 per shar for premium on redemption. Consequent to the change in redemption terms with effect from 22 February 2019 the nature is changed from fair value through P&L to measurement through amortise cost . During the year the company has issued OCCRPS in the same terms as referred above.		
	Authorised preference share capital	Number of shares	Amount
	At 31 March 2019	48,50,000	48,500
	Increase/(Decrease) during the year	-	-
	At 31 March 2020	48,50,000	48,500
	At 31 March 2020	48,50,000	48,500
	Increase/(Decrease) during the year	-	-
	At 31 March 2021	48,50,000	48,500
	Issued preference share capital (subscribed and fully paid up)	Number of shares	Amount
	At 31 March 2019	21,50,000	21,500
	Shares issued during the year	5,00,000	5,000
	At 31 March 2020	26,50,000	26,500
	At 31 March 2020	26,50,000	26,500
	Shares issued during the year	1,25,000	1,250
	At 31 March 2021	27,75,000	27,750
a)	Shares held by holding company	31 March 2021	31 March 2020
		Number	percentage
	Optionally Convertible Cumulative Redeemable Preference shares of Rs. 10 each fully paid		
	Indiamart Intermesh Limited	27,75,000	100%
		26,50,000	100%
b)	Details of shareholders holding more than 5% preference shares in the Company	31 March 2021	31 March 2020
		Number	percentage
	Optionally Convertible Cumulative Redeemable Preference shares of Rs. 10 each fully paid		
	Indiamart Intermesh Limited	27,75,000	100%
		26,50,000	100%
10	Trade payables	As at	As at
		31 March 2021	31 March 2020
	Current		
	Outstanding dues to micro enterprises and small enterprises (refer note 24)	-	-
	Dues to other than MSMEDs	-	-
	- Relaty party ( refer note 19)	151	54
	- others	-	-
	Total	151	54
11	Other financial liabilities	As at	As at
		31 March 2021	31 March 2020
	Other advances	5,255	310
	Total	5,255	310
12	Other current liabilities	As at	As at
		31 March 2021	31 March 2020
	Tax deducted at source payable	39	48
	Total	39	48
13	Current tax assets and liabilities	31 March 2021	31 March 2020
	Current tax assets (net of provisions)		
	Advance income tax	11	25
	Total	11	25

8 Share capital  
Equity share capital

Authorised equity share capital

Balance as at 1 April 2019  
Increase/(Decrease) during the year  
At 31 March 2020

Number of shares	Amount
2,50,000	2,500
-	-
2,50,000	2,500

Balance as at 1 April 2020  
Increase/(Decrease) during the year  
At 31 March 2021

Number of shares	Amount
2,50,000	2,500
-	-
2,50,000	2,500

Issued equity share capital (subscribed and fully paid up)

Balance as at 1 April 2019  
Shares issued during the year  
At 31 March 2020

Number of shares	Amount
1,00,000	1,000
-	-
1,00,000	1,000

Balance as at 1 April 2020  
Shares issued during the year  
At 31 March 2021

Number of shares	Amount
1,00,000	1,000
-	-
1,00,000	1,000

a) Terms/ rights attached to equity shares:

- 1) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share.
- 2) 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) Shares held by holding company

Equity shares of Rs. 10 each fully paid

Indiamart Internesh Limited ( including nominee shares held on behalf of IndiaMART InterMESH Limited)

31 March 2021		31 March 2020	
Number	percentage	Number	percentage
1,00,000	100%	1,00,000	100%

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

Equity shares of Rs. 10 each fully paid

Indiamart Internesh Limited ( including nominee shares held on behalf of IndiaMART InterMESH Limited)

31 March 2021		31 March 2020	
Number	percentage	Number	percentage
1,00,000	100%	1,00,000	100%

d) Other equity

Equity portion of optionally convertible cumulative redeemable preference shares (refer note 10)

Retained earnings

Total other equity

31 March 2021	31 March 2020
29,209	28,100
(21,522)	(22,295)
7,687	5,805



**Pay With Indiamart Private Limited****Notes to financial statements for the year ended 31 March 2021**

(Amounts in INR "Thousands", unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>14 Revenue from operations</b>		
<b>Sale of services</b>		
Income from Services	27,696	28,288
<b>Total</b>	<b>27,696</b>	<b>28,288</b>

Since the Company does not have any contract liabilities at the reporting date; therefore, the revenue expected to be recognised in the future related to performance obligation are not disclosed

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>15 Other income</b>		
Interest income		
- others	1	2
Fair value gain on financial assets measured at FVTPL		
-Investment in mutual funds	994	984
<b>Total</b>	<b>995</b>	<b>986</b>

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>16 Finance costs</b>		
Interest expense on financial liability measured at amortised cost	4,122	3,219
<b>Total</b>	<b>4,122</b>	<b>3,219</b>

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>17 Other expenses</b>		
Customer Support Expenses	-	2,101
Legal and professional fees	497	880
Referral fees	4,533	3,937
Rates and taxes	6	45
Auditor's remuneration	60	60
Collection charges	18,595	21,231
Allowances/( Reversal) for doubtful debts (including bad debts)	(6)	353
<b>Total</b>	<b>23,685</b>	<b>28,608</b>

**18 Earnings per share**

Basic EPS amounts are calculated by dividing the profit/(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 profit/(loss) for the year attributable to the equity holders of the Company by weighted average number of Equity shares outstanding during the year 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:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) for the year	773	(2,556.75)
Interest expense on convertible preference shares	4,122	3,218.82
Adjusted Profit/(loss) for the year	4,895	662.07
Weighted average number of equity shares in calculating basic EPS	1,00,000	1,00,000
Potential equity shares in the form of convertible preference shares	27,37,329	24,29,372
<b>Total no. of shares outstanding (including dilution)</b>	<b>28,37,329</b>	<b>25,29,372</b>
<b>Basic Profit/(loss) per equity share</b>	<b>7.73</b>	<b>(25.57)</b>
<b>Diluted Profit/(loss) per equity share</b>	<b>1.73</b>	<b>(25.57)</b>

**Pay With Indiamart Private Limited****Notes to financial statements for the year ended 31 March 2021**

(Amounts in INR "Thousands", unless otherwise stated)

**19 Related party transactions****a) Names of related parties and related party relationship****Holding Company**

Indiamart Intermesh Limited

**Key Management Personnel**Shrawan Kumar Sharma , Director  
Praveen Kumar Goel, Director  
Amit Jain, Director**b) Related party transactions :****i) The following table provides the total amount of transactions that have been entered into with the related parties during the year :**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Holding Company</b> Issue of preference Share (incl. premium)	2,500	10,000
<b>Holding Company</b> Reimbursement towards indemnifying cases	1,757	125
<b>Holding Company</b> Income from web services	1,595	1,479
Referral fees paid	4,533	3,937

**ii) The following table provides the Balance outstanding with the related parties :**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Holding Company</b> Amount Recoverable	103	-

**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. 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.

## 20 Income tax

### Income tax expense recognised in Statement of profit and loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Current income tax</b>		
Current income tax for the year*	111	5
	<u>111</u>	<u>5</u>
<b>Total income tax expense</b>	<b>111</b>	<b>5</b>

\* the current tax for the year represents capital gain tax on sale of Mutual Funds which cannot be set off with brought forward business losses

### a) Reconciliation of tax expense and the accounting loss multiplied by statutory income tax rate.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(Loss) before tax	883	(2,552)
<b>Accounting loss before income tax</b>	<b>883</b>	<b>(2,552)</b>
Tax expense at statutory income tax rate of 25.17% (March 31, 2020: 25.17%)	222	(642)
Fair value gain on financial assets measured at FVTPL ( unrealized)	(139)	(244)
<i>Non-deductible expenses for tax purposes:</i>		
Interest expense on OCCRPS	1,038	810
Brought forward business losses used on which no deferred tax was recognised	(1,009)	80
<b>Tax expense at the effective income tax rate of 12.57 % (March 31, 2020: 0.20% %)</b>	<b>111</b>	<b>5</b>

The Company has current tax liability of under the head "Income from Business & Profession" which have not resulted impact in statement of Profit & Loss since the Company has un-absorbed tax business losses on which no Deferred tax asset been recongnized ( Refer note (c) below. The same is now used to set-off with this Current tax liability arising from "Income from Business & Profession"

### (c) Detail of temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the balance sheet:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:		
- Tax business losses	15,401	19,440
	<u>15,401</u>	<u>19,440</u>

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.

**Pay With Indiamart Private Limited**

**Notes to financial statements for the year ended 31 March 2021**

(Amounts in INR "Thousands", unless otherwise stated)

**21 Financial instruments**

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:

**a) Financial assets**

a) Measured at fair value through profit or loss (FVTPL)

- Investment in mutual funds	Level 1	12,979	16,984
		12,979	16,984

b) Measured at Amortised cost

- Cash and cash equivalents	26,150	11,622
- Others financial assets	6,735	3,827
	32,885	15,449

**Total financial assets**

<b>45,864</b>	<b>32,434</b>
---------------	---------------

**Financial liabilities**

Measured at amortised cost

- Borrowings	33,866	28,353
- Trade payables	151	54
- Other financial liabilities	5,255	310
	39,272	28,717

**Total financial liabilities**

<b>39,272</b>	<b>28,717</b>
---------------	---------------

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

i) The carrying value of financial assets and liabilities measured at amortised cost approximate their fair value.

ii) The fair value of non current borrowings are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable input, including own credit risk

**22 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to ensure that the company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company is neither subject to externally imposed capital requirements nor exposed to external borrowings. For the purpose of the capital management, the management considers the borrowings pertaining to OCCRPS as part of the Capital.

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. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

**23 Details of dues to micro and small enterprises as defined under MSMED Act 2006:**

	As at 31 March 2021	As at 31 March 2020
Outstanding dues to micro enterprises and small enterprises	-	-
	-	-

**24 Figures for the previous years have been regrouped/reclassified to conform to the classification of the current year.**

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Pankaj Priti & Associates**

Chartered Accountants

ICAI Firm Registration No. 016461N

PANKAJ  
KUMAR  
JAIN

Per Pankaj Jain

Partner  
Membership No.: 095412

Place: New Delhi  
Date: 28 April 2021

For and on behalf of the Board of Directors

**Pay With Indiamart Private Limited**

PRAVEEN  
KUMAR  
GOEL

Praveen Kumar Goel

(Director)  
DIN- 03604600

Place: New Delhi  
Date: 28 April 2021

Amit  
Jain

Amit Jain

(Director)  
DIN- 03618294