



**IndiaMART InterMESH Ltd.**

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**Date: October 22, 2019**

To

**National Stock Exchange of India Ltd.**

Exchange Plaza, Bandra Kurla Complex,

Bandra (East),

Mumbai - 400 051

**Symbol: INDIAMART**

**BSE Limited**

Listing Department,

Phiroze Jeejeebhoy Towers, Dalal Street

Mumbai - 400 001

**Symbol: 542726**

**Dear Sir/Madam,**

**Sub: Submission of Audited (Standalone and Consolidated) Financial Results for the quarter and half year ended September 30, 2019**

With reference to the captioned subject and in accordance with the provisions of Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, please find enclosed copy of Audited (Standalone and Consolidated) Financial Results for the quarter and half year ended September 30, 2019 and Auditor's Report thereon issued by the Statutory Auditors of the Company.

Please take on the above information on record.

Yours faithfully,

**For Indiamart Intermesh Limited**

**(Manoj Bhargava)**

**Sr. Vice President (Legal & Secretarial),**

**Company Secretary & Compliance Officer**



Encl: as above

# B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurugram - 122 002, India

Telephone: + 91 124 719 1000  
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## INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF IndiaMART InterMESH Limited

Report on the audit of the Standalone Interim Financial Results

### Opinion

We have audited the accompanying standalone interim financial results of IndiaMART InterMESH Limited ("the Company") for the quarter ended 30 September 2019, and the year to date results for the period from 1 April 2019 to 30 September 2019 ("the standalone financial results"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 30 September 2019 as well as the year to date results for the period from 1 April 2019 to 30 September 2019.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* 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 results 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.

### Management's and Board of Directors' Responsibilities for the Standalone Financial Results

These standalone financial results have been prepared on the basis of the interim standalone financial statements. The Company's Management and Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act and other accounting principles generally accepted in India and



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in compliance with Regulation 33 of the Listing Regulations. 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Management and the 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 management and 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 Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and the Board of Directors.
- Conclude on the appropriateness of the Management's and the 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 results 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.

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- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results 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.

**Other Matters**

Attention is drawn to the fact that the corresponding figures for the quarter and six months period ended 30 September 2018, for the year ended 31 March 2019, and for the quarter ended 30 June 2019 are based on the previously issued interim standalone financial statements, annual standalone financial statements and standalone interim financial results of the Company that were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements and standalone interim financial results on 30 October 2018, 11 May 2019 and 31 July 2019, respectively.

Our opinion on the standalone interim financial results is not modified in respect of this matter.

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

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022



**Jiten Chopra**

*Partner*

Membership No: 092894

ICAI UDIN:19092894AAAACQ7376

Place: *Gurgaon*

Date: *22 October 2019*



I. Audited Standalone Financials Results

(Amounts in INR million, except per share data)

S.No.	Particulars	Quarter ended			Six Months ended		Year ended
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
		Audited	Audited	Audited	Audited	Audited	Audited
1	<b>Income:</b>						
	a) Revenue from operations	1,529	1,443	1,199	2,972	2,315	4,973
	b) Other income	203	143	85	346	127	360
	<b>Total income</b>	<b>1,732</b>	<b>1,586</b>	<b>1,284</b>	<b>3,318</b>	<b>2,442</b>	<b>5,333</b>
2	<b>Expenses:</b>						
	a) Employee benefits expense	662	585	494	1,247	1,009	2,217
	b) Depreciation and amortisation expense	50	44	10	94	17	40
	c) Net loss on financial liability designated at FVTPL	-	-	-	-	653	653
	d) Finance costs	7	4	-	11	-	-
	e) Other expenses	496	483	475	979	943	1,960
	<b>Total expenses</b>	<b>1,215</b>	<b>1,116</b>	<b>979</b>	<b>2,331</b>	<b>2,622</b>	<b>4,870</b>
3	<b>Profit/(loss) before exceptional items and tax (1-2)</b>	<b>517</b>	<b>470</b>	<b>305</b>	<b>987</b>	<b>(180)</b>	<b>463</b>
4	Exceptional items	-	-	-	-	-	-
5	<b>Profit/(loss) after exceptional items and before tax (3-4)</b>	<b>517</b>	<b>470</b>	<b>305</b>	<b>987</b>	<b>(180)</b>	<b>463</b>
6	<b>Tax expense/(credit)</b>						
	a) Current tax	(70)	67	-	(3)	-	36
	b) Deferred tax	178	71	95	249	162	301
	c) Tax impact related to change in tax rate and law [refer note 8]	314	-	-	314	-	-
	<b>Total tax expense</b>	<b>422</b>	<b>138</b>	<b>95</b>	<b>560</b>	<b>162</b>	<b>337</b>
7	<b>Net Profit/(loss) for the period (5-6)</b>	<b>96</b>	<b>332</b>	<b>210</b>	<b>427</b>	<b>(342)</b>	<b>126</b>
	<b>Other comprehensive income/(loss) (net of tax)</b>						
8	-Items that will not be reclassified to profit or loss	(25)	(10)	(1)	(35)	(4)	(7)
9	<b>Total comprehensive income/ (loss) for the period (7+8)</b>	<b>70</b>	<b>322</b>	<b>209</b>	<b>392</b>	<b>(346)</b>	<b>119</b>
10	Paid up equity share capital (face value : INR 10/- each)	288	288	286	288	286	286
11	Other equity for the year						1,321
12	<b>Earnings per equity share:</b>						
	Basic earnings per equity share (INR 10 per share)	3.33 (Not annualised)	11.56 (Not annualised)	8.38 (Not annualised)	14.87 (Not annualised)	(14.76) (Not annualised)	4.87
	Diluted earnings per equity share (INR 10 per share)	3.26 (Not annualised)	11.36 (Not annualised)	7.30 (Not annualised)	14.55 (Not annualised)	(14.76) (Not annualised)	4.78



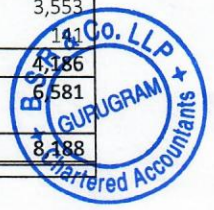
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II. Audited Standalone Balance sheet

(Amounts in INR million)

	As at	
	September 30, 2019	March 31, 2019
	Audited	Audited
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	54	83
Capital work in progress	2	2
Right-of-use assets	243	-
Intangible assets	6	6
Investment in subsidiaries and associates	316	4
Financial assets		
(i) Investments	108	90
(ii) Loans	1	1
(iii) Bank deposits	390	-
(iv) Others financial assets	65	33
Deferred tax assets (net)	316	858
Non-current tax assets (net)	183	-
Other non-current assets	-	8
<b>Total non-current assets</b>	<b>1,684</b>	<b>1,085</b>
<b>Current assets</b>		
Financial assets		
(i) Investments	7,179	6,043
(ii) Trade receivables	9	4
(iii) Cash and cash equivalents	161	359
(iv) Bank balances other than (iii) above	-	375
(v) Loans	15	16
(vi) Others financial assets	76	152
Current tax assets (net)	73	100
Other current assets	61	54
<b>Total current assets</b>	<b>7,574</b>	<b>7,103</b>
<b>Total assets</b>	<b>9,258</b>	<b>8,188</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	288	286
Other equity	1,763	1,321
<b>Total equity</b>	<b>2,051</b>	<b>1,607</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Share buyback obligations	-	-
(ii) Lease and other financial liabilities	137	3
Provisions	206	94
Contract liabilities	2,448	2,298
<b>Total non-current liabilities</b>	<b>2,791</b>	<b>2,395</b>
<b>Current liabilities</b>		
Financial liabilities		
(i) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	159	127
(ii) Lease and other financial liabilities	305	298
Provisions	41	67
Contract liabilities	3,845	3,553
Other current liabilities	66	141
<b>Total current liabilities</b>	<b>4,416</b>	<b>4,986</b>
<b>Total liabilities</b>	<b>7,207</b>	<b>6,581</b>
<b>Total equity and liabilities</b>	<b>9,258</b>	<b>8,188</b>





## Audited Standalone Statement of Cash Flows

## Particulars

	For the six month ended 30 September 2019	For the six months ended 30 September 2018
<b>Profit/(loss) before tax</b>	<b>987</b>	<b>(180)</b>
<i>Adjustments to reconcile profit/(loss) before tax to net cash flows:</i>		
Depreciation and amortization	94	17
Interest income	(29)	(13)
Gain from business transfer arrangement	-	(7)
Fair value change in investments through profit & Loss	(302)	(79)
Fair value change in share buyback obligations	-	653
Gain on disposal of property, plant and equipment	(1)	-
Share-based payment expense	51	26
Gain on disposal of current investments	(14)	(29)
Finance costs	11	-
<b>Operating Profit/(loss) before working capital changes</b>	<b>797</b>	<b>388</b>
<b>Movement in working capital</b>		
Increase in trade receivables	(6)	(2)
Decrease in other financial assets	6	61
Increase in other assets	(10)	(12)
Decrease in other financial liabilities	(90)	(81)
Increase in trade payables	32	5
Increase in other liabilities	367	642
Increase in provisions	38	15
<b>Cash generated from operations</b>	<b>1,134</b>	<b>1,016</b>
Income tax paid (net)	(152)	(18)
<b>Net cash generated from operating activities (1)</b>	<b>982</b>	<b>998</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	1	-
Purchase of property, plant and equipment and other intangible assets	(25)	(39)
Purchase of current investments	(2,010)	(3,264)
Investment in subsidiaries and associates	(330)	(32)
Proceeds from sale of current investments	1,190	1,966
Interest received	20	11
Advances received from /(Paid for) selling shareholders	84	(55)
Payment of refundable security deposits for listing on stock exchange	(24)	-
Investments in bank deposits (having original maturity of more than three months)	(14)	(61)
<b>Net cash used in investing activities (2)</b>	<b>(1,108)</b>	<b>(1,474)</b>
<b>Cash flow from financing activities</b>		
Payment of lease liabilities	(79)	-
Payment of Interest towards lease liabilities	(11)	-
Proceeds from issue of equity shares on exercise of ESOP	18	144
<b>Net cash generated from financing activities (3)</b>	<b>(72)</b>	<b>144</b>
<b>Net decrease in cash and cash equivalents ( 1+2+3)</b>	<b>(198)</b>	<b>(332)</b>
Cash and cash equivalents at the beginning of the year	359	452
<b>Cash and cash equivalents at the end of the period</b>	<b>161</b>	<b>120</b>






**Notes to the Statement of Audited Standalone Financial Results for the Quarter and Six months ended September 30, 2019:-**

- 1 The above standalone financial results for the quarter and six months ended September 30, 2019 were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on October 22, 2019. The statutory auditors have expressed an unmodified audit opinion on these results.
- 2 The above standalone financial results have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- 3 During the quarter ended September 30, 2019, the Company has completed an Initial Public Offering (IPO) through an offer for sale of 48,87,862 equity shares. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on July 4, 2019.
- 4 The standalone cash flow statement is attached in Annexure I.
- 5 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 recognition of right-of-use asset of INR 204 Million and a corresponding lease liability of INR 224 Million by adjusting retained earnings net of taxes by INR 16 Million [the impact of deferred tax created INR 9 Million] as at April 1, 2019. The Company has also reclassified its leasehold land amounting to INR 36 Million as right-of-use asset. In the statement of profit and loss of the quarter and six months ended September 30, 2019, 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 of application of Ind AS 116 on the standalone financials results is as follows:-

Particulars	(Amounts in INR "Millions")		
	Quarter Ended September 30, 2019	Quarter Ended June 30, 2019	Six Months ended September 30, 2019
a Rent, Rates & Taxes Expense is lower by	48	45	93
b Depreciation is higher by	(39)	(36)	(75)
c Finance Cost is higher by	(6)	(4)	(10)
d Other Income is higher by	1	-	1
<b>Profit Before tax is higher by</b>	<b>4</b>	<b>5</b>	<b>9</b>

- 6 The results for the quarter and six months ended September 30, 2019 are available on the BSE Limited website (URL:www.bseindia.com/corporates), the National Stock Exchange of India Limited website (URL:www.nseindia.com/corporates) and on the Company's website.
- 7 Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has only one 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 operating segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence, the Company has a single operating segment "Business to business e-marketplace".
- 8 Tax impact for the quarter and six months ended September 30, 2019 reflects changes made vide Taxation Laws Amendment Ordinance 2019 as applicable to the Company. It includes the "tax impact relating to change in tax rate and law" amounting to INR 314 Million which comprises of a) deferred tax charge of INR 278 Million due to change in applicable tax rate, and b) the MAT credit entitlement written off of INR 36 Million.
- 9 The CEO and CFO have certified these results under Regulation 33(2) of SEBI (LODR) Regulations, 2015.
- 10 Figures for the previous periods have been regrouped/reclassified to confirm to the classification of the current period.

Place: Noida  
Date : October 22, 2019

For and on behalf of the Board of Directors  
**IndiaMART InterMESH Limited**  
  
**Dinesh Chandra Agarwal**  
(Managing Director and Chief Executive Officer)







# B S R & Co. LLP

Chartered Accountants

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## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF IndiaMART InterMESH Limited

#### Report on the audit of the Consolidated Interim Financial Results

#### Opinion

We have audited the accompanying Statement of Consolidated Interim Financial Results of IndiaMART InterMESH Limited ("Holding company") and its subsidiaries listed in Annexure 1 (holding company and its subsidiaries together referred to as "the Group") and its associate for the quarter ended 30 September 2019, and the year to date results for the period from 1 April 2019 to 30 September 2019 ("the Statement" or "consolidated interim financial results"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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 subsidiaries, the Statement:

- a. includes the results of the entities listed in Annexure 1;
- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net profit and other comprehensive income) and other financial information of the Group for the quarter ended 30 September 2019 and for the period from 1 April 2019 to 30 September 2019.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Interim Financial Results* section of our report. We are independent of the Group and its associate 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 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 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 interim financial results.





## **Management's and Board of Directors' Responsibilities for the Consolidated Interim Financial Results**

These consolidated interim financial results have been prepared on the basis of the consolidated interim financial statements.

The Management and Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated interim financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group including its associate in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 of the assets of each 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 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 interim financial results 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 interim financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated interim financial results, the Management and the respective 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 Interim Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated interim financial results 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 interim financial results.

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 interim financial results, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results 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 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 interim financial results 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 interim financial results, including the disclosures, and whether the consolidated interim financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group and its associate to express an opinion on the consolidated interim financial results, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entity. For the other entities included in the consolidated interim financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company, 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matters**

- (a) (i) The interim consolidated financial results include the audited financial results of five subsidiaries, whose financial statements, net of consolidation adjustments, reflect Group's share of total assets of INR 120.53 million as at 30 September 2019, Group's share of total revenue of INR 38.10 million and INR 68.91 million and Group's share of total net loss after tax of INR 6.05 million and INR 13.20 million for the quarter ended 30 September 2019 and for the period from 1 April 2019 to 30 September 2019 respectively, as considered in the consolidated interim financial results, which have been audited by their respective independent auditors. The independent auditors' reports on interim financial statements of these entities have been furnished to us and our opinion

on the consolidated interim financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

- (a) (ii) The interim consolidated financial results include the unaudited financial information of an associate, whose interim financial information reflect Group's share of total net loss after tax (and other comprehensive income (loss)) of INR 2.11 million for the quarter ended 30 September 2019 and for the period from 1 April 2019 to 30 September 2019 respectively, as considered in the consolidated interim financial results. This unaudited interim financial information has been furnished to us by the Board of Directors and our opinion on the consolidated interim financial results, in so far as it relates to the amounts and disclosures included in respect of this associate is based solely on such unaudited interim financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this interim financial information is not material to the Group.

Our opinion on the consolidated interim financial results is not modified in respect of the above matters with respect to our reliance on the reports of the other auditors and the financial information certified by the Board of Directors.

- (b) Attention is drawn to the fact that the corresponding figures for the quarter and six months period ended on 30 September 2018, for the year ended 31 March 2019 and for the quarter ended 30 June 2019 are based on the previously issued interim consolidated financial statements, annual consolidated financial statements and consolidated interim financial results of the Group that were audited by the predecessor auditor who expressed an unmodified opinion on those consolidated financial statements and consolidated interim financial results on 30 October 2018, 11 May 2019 and 31 July 2019, respectively.

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

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

*Chartered Accountants*

ICAI Firm registration No: 101248W/W-100022

**Jiten Chopra**

*Partner*

Membership No: 092894

ICAI UDIN:19092894AAAACR8806

Place: Gurugram

Date: 22 October 2019



**Annexure 1: List of entities consolidated**

1. Tradezeal International Private Limited
2. Ten Times Online Private Limited
3. Tolexo Online Private Limited
4. Pay with Indiamart Private Limited
5. Hello Trade Online Private Limited

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I. Audited Consolidated Financials Results

(Amounts in INR million, except per share data)

S.No.	Particulars	Quarter ended			Six Months ended		Year ended
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
		Audited	Audited	Audited	Audited	Audited	Audited
<b>1</b>	<b>Income:</b>						
	a) Revenue from operations	1,566	1,473	1,225	3,039	2,358	5,074
	b) Other income	205	143	86	348	128	410
	<b>Total income</b>	<b>1,771</b>	<b>1,616</b>	<b>1,311</b>	<b>3,387</b>	<b>2,486</b>	<b>5,484</b>
<b>2</b>	<b>Expenses:</b>						
	a) Employee benefits expense	688	607	512	1,295	1,044	2,300
	b) Depreciation and amortisation expense	50	44	10	94	17	41
	c) Net loss on financial liability designated at FVTPL	-	-	-	-	653	653
	d) Finance costs	7	4	-	11	-	-
	e) Other expenses	515	499	488	1,014	967	1,951
	<b>Total expenses</b>	<b>1,260</b>	<b>1,154</b>	<b>1,010</b>	<b>2,414</b>	<b>2,681</b>	<b>4,945</b>
<b>3</b>	<b>Profit/(loss) before exceptional items, share of net losses of investment accounted using equity method and tax (1-2)</b>	<b>511</b>	<b>462</b>	<b>301</b>	<b>973</b>	<b>(195)</b>	<b>539</b>
<b>4</b>	Share in net profit/ (loss) of associates using equity method	(2)	-	-	(2)	-	-
<b>5</b>	<b>Profit/(loss) before exceptional items and tax (3+4)</b>	<b>509</b>	<b>462</b>	<b>301</b>	<b>971</b>	<b>(195)</b>	<b>539</b>
<b>6</b>	Exceptional items	-	-	-	-	-	-
<b>7</b>	<b>Profit/(loss) before tax (5+6)</b>	<b>509</b>	<b>462</b>	<b>301</b>	<b>971</b>	<b>(195)</b>	<b>539</b>
<b>8</b>	<b>Tax expense/(credit)</b>						
	a) Current tax	(69)	67	2	(2)	2	37
	b) Deferred tax	177	71	95	248	162	301
	c) Tax impact related to change in tax rate and law [refer note 8]	314	-	-	314	-	-
	<b>Total tax expense</b>	<b>422</b>	<b>138</b>	<b>97</b>	<b>560</b>	<b>164</b>	<b>338</b>
<b>9</b>	<b>Net Profit/(loss) for the period [7-8]</b>	<b>87</b>	<b>324</b>	<b>204</b>	<b>411</b>	<b>(359)</b>	<b>201</b>
	<u>Attributable to:</u>						
	- Equity holders of the parent	87	324	204	411	(359)	201
	-Non-controlling interests	-	-	-	-	-	-
<b>10</b>	<b>Other comprehensive income/(loss) (net of tax)</b>						
	-Items that will not be reclassified to profit or loss	(26)	(10)	(1)	(36)	(4)	(7)
<b>11</b>	<b>Total comprehensive income/ (loss) for the period [9+10]</b>	<b>61</b>	<b>314</b>	<b>203</b>	<b>375</b>	<b>(363)</b>	<b>194</b>
<b>12</b>	<b>Total comprehensive income /(loss) for the period attributable to :</b>						
	- Equity holders of the parent	61	314	203	375	(363)	194
	-Non-controlling interests	-	-	-	-	-	-
<b>13</b>	Paid up equity share capital (face value : INR 10/- each)	288	288	286	288	286	286
<b>14</b>	Other equity for the year						1,313
<b>15</b>	<b>Earnings per equity share:</b>						
	Basic earnings per equity share (INR 10 per share)	3.01 (Not annualised)	11.29 (Not annualised)	8.11 (Not annualised)	14.29 (Not annualised)	(15.48) (Not annualised)	7.75
	Diluted earnings per equity share (INR 10 per share)	2.95 (Not annualised)	11.09 (Not annualised)	7.07 (Not annualised)	13.98 (Not annualised)	(15.48) (Not annualised)	7.61



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II. Audited Consolidated Balance sheet

(Amounts in INR million)

	As at	
	September 30, 2019	March 31, 2019
	Audited	Audited
<b>I. Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	56	85
Capital work in progress	2	2
Right-of-use assets	243	-
Intangible assets	6	6
Investment in associates	310	-
Financial assets		
(i) Investments	-	-
(i) Loans	1	1
(ii) Bank deposits	390	-
(iii) Others financial assets	68	36
Deferred tax assets (net)	317	858
Non-current tax assets (net)	183	-
Other non-current assets	-	7
<b>Total non-current assets</b>	<b>1,576</b>	<b>995</b>
<b>Current assets</b>		
Financial assets		
(i) Investments	7,229	6,074
(ii) Trade receivables	16	6
(iii) Cash and cash equivalents	185	402
(iv) Bank balances other than (iii) above	-	375
(v) Loans	17	17
(vi) Others financial assets	82	158
Current tax assets (net)	76	106
Other current assets	83	75
<b>Total current assets</b>	<b>7,688</b>	<b>7,213</b>
<b>Total assets</b>	<b>9,264</b>	<b>8,208</b>
<b>II. Equity and liabilities</b>		
<b>Equity</b>		
Share capital	288	286
Other equity	1,740	1,313
<b>Equity attributable to equity holders of the parent</b>	<b>2,028</b>	<b>1,599</b>
Non-controlling interests	-	-
<b>Total equity</b>	<b>2,028</b>	<b>1,599</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Share buyback obligations	-	-
(i) Lease and other financial liabilities	137	3
Provisions	210	96
Contract liabilities	2,447	2,298
<b>Total non-current liabilities</b>	<b>2,794</b>	<b>2,397</b>
<b>Current liabilities</b>		
Financial liabilities		
(i) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	164	129
(ii) Lease and other financial liabilities	310	309
Provisions	42	69
Contract liabilities	3,858	3,562
Current tax liabilities (net)	1	-
Other current liabilities	67	143
<b>Total current liabilities</b>	<b>4,442</b>	<b>4,212</b>
<b>Total liabilities</b>	<b>7,236</b>	<b>6,609</b>
<b>Total equity and liabilities</b>	<b>9,264</b>	<b>8,208</b>





Audited Consolidated Statement of Cash Flows

(Amounts in INR million)

Particulars	For the six months ended 30 September 2019	For the six months ended 30 September 2018
<b>Profit/ (Loss) before tax</b>	<b>971</b>	<b>(195)</b>
<i>Adjustments to reconcile profit/(loss) before tax to net cash flows:</i>		
Depreciation and amortization	94	17
Interest income	(28)	(13)
Gain from business transfer arrangement	-	(7)
Fair value change in investment through profit and loss	(304)	(79)
Fair value change in share buyback obligations	-	653
Gain on disposal of property, plant and equipment	(1)	-
Finance costs	11	-
Allowances for doubtful debts	1	-
Share-based payment expense	52	31
Share in net loss of associates	2	-
Gain on disposal of investments	(14)	(29)
<b>Operating profit before working capital changes</b>	<b>784</b>	<b>378</b>
<b>Movement in working capital</b>		
Increase in trade receivables	(11)	(1)
Decrease in other financial assets	6	54
Increase in other assets	(12)	(19)
Decrease in other financial liabilities	(94)	(81)
Increase in trade payables	34	7
Increase in other liabilities	369	636
Increase in provisions	39	15
<b>Cash generated from operations</b>	<b>1,115</b>	<b>989</b>
Income tax paid (net)	(151)	(20)
<b>Net cash generated in operating activities (1)</b>	<b>964</b>	<b>969</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	-	-
Purchase of property, plant and equipment and other intangible assets	(26)	(33)
Purchase of current investments	(2,049)	(3,267)
Proceeds from sale of current investments	1,213	1,968
Interest income from financial assets measured at amortised cost	20	20
Advances received from /(Paid for) selling shareholders	84	(55)
Payment of refundable security deposits for listing on stock exchange	(24)	-
Investments in bank deposits (having original maturity of more than three months)	(15)	(61)
Investment in associates	(312)	-
<b>Net cash used in investing activities (2)</b>	<b>(1,109)</b>	<b>(1,428)</b>
<b>Cash flow from financing activities</b>		
Payment of lease liabilities	(79)	-
Payment of Interest towards lease liabilities	(11)	-
Acquisition of non-controlling interest	-	(3)
Proceeds from issues of equity shares on exercise of ESOP	18	144
<b>Net cash generated from financing activities (3)</b>	<b>(72)</b>	<b>141</b>
<b>Net decrease in cash and cash equivalents (1+2+3)</b>	<b>(217)</b>	<b>(318)</b>
Cash and cash equivalents at the beginning of the period	402	467
<b>Cash and cash equivalents at the end of the period</b>	<b>185</b>	<b>149</b>






**Notes to the Statement of Audited Consolidated Financial Results for the Quarter and Six months ended September 30, 2019:-**

- 1 The above consolidated results for the quarter and six months ended September 30, 2019 were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on October 22, 2019. The statutory auditors have expressed an unmodified audit opinion on these results.
- 2 The above financial results have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- 3 During the quarter ended September 30, 2019, the Company has completed an Initial Public Offering (IPO) through an offer for sale of 48,87,862 equity shares. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on July 4, 2019.
- 4 The Consolidated cash flow statement is attached in Annexure I.
- 5 The Group 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 Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has resulted in recognition of a right-of-use asset of INR 204 Million and a corresponding lease liability of INR 224 Million by adjusting retained earnings net of taxes by INR 16 Million [the impact of deferred tax created INR 9 Million] as at April 1, 2019. The Company has also reclassified its leasehold land amounting to INR 36 Million as right-of-use asset. In the statement of profit and loss of the quarter and six months ended September 30, 2019, 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 of application of Ind AS 116 on the Consolidated Financials Results is as follows:-

Particulars	(Amounts in INR "Millions")		
	Quarter Ended September 30, 2019	Quarter Ended June 30, 2019	Six Months ended September 30, 2019
a Rent, Rates & taxes expense is lower by	48	45	93
b Depreciation is higher by	(39)	(36)	(75)
c Finance Cost is higher by	(6)	(4)	(10)
d Other Income is higher by	1	-	1
<b>Profit Before tax is higher by</b>	<b>4</b>	<b>5</b>	<b>9</b>

- 6 The results for the quarter and six months ended September 30, 2019 are available on the BSE Limited website (URL:www.bseindia.com/corporates), the National Stock Exchange of India Limited website (URL:www.nseindia.com/corporates) and on the Company's website (www.indiamart.com).
- 7 Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has only one 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 operating segment based on the nature of the products, the risks and returns, the organization structure and the internal financial reporting systems. Hence, the Group has a single operating segment "Business to business e-marketplace".
- 8 Tax impact for the quarter and six months ended September 30, 2019 reflects changes made vide Taxation Laws Amendment Ordinance 2019 as applicable to the Company. It includes the "tax impact relating to change in tax rate and law" amounting to INR 314 Million which comprises of a) deferred tax charge of INR 278 Million due to change in applicable tax rate, and b) the MAT credit entitlement written off of INR 36 Million.
- 9 The CEO and CFO have certified these results under Regulation 33(2) of SEBI (LODR) Regulations, 2015.
- 10 Figures for the previous periods have been regrouped/reclassified to confirm to the classification of the current period.

Place: Noida  
Date : October 22, 2019

For and on behalf of the Board of Directors

IndiaMART InterMESH Limited

*Dinesh Chandra Agarwal*  
Dinesh Chandra Agarwal  
(Managing Director and Chief Executive Officer)



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