



IndiaMART InterMESH Ltd.

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Date: May 12, 2020

To

The Manager - Listing
BSE Limited
(BSE: 542726)

The Manager - Listing
National Stock Exchange of India Limited
(NSE: INDIAMART)

Dear Sir/Ma'am,

Sub: Audited (Standalone and Consolidated) Financial Results for the quarter and year ended March 31, 2020

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 herewith Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended March 31, 2020 alongwith the report with unmodified opinion thereon issued by B S R & Co. LLP, Statutory Auditors, and a declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please take 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

BSR & Co. LLP

Chartered Accountants

Building No. 10, 8th Floor, Tower-B
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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF IndiaMART InterMESH Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of IndiaMART InterMESH Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020 ('standalone annual financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the 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, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income (loss) and other financial information for the year ended 31 March 2020.

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 Annual 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 financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone annual financial results.

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

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual 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 Standards 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. 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 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 standalone annual 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 annual 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 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

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

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual 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 standalone annual 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.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual 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

- a. The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the current financial year.

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- b. Attention is drawn to the fact that the corresponding figures for the quarter ended 31 March 2019 and for the period 1 April 2018 to 31 March 2019 are based on the previously issued standalone annual financial results and standalone financial statements of the Company that were audited by the predecessor auditor who expressed an unmodified opinion on those standalone annual financial results and standalone financial statements on 11 May 2019.

Our opinion on the standalone annual financial results is not modified in respect of the above matters.

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

ICAI Firm registration No: 101248W/W-100022

**KANIKA
KOHLI**

 Digitally signed by
KANIKA KOHLI
Date: 2020.05.12 15:35:33
+05'30'

Kanika Kohli
Partner

Place: Gurugram
Date: 12 May 2020

Membership No:511565
ICAI UDIN: 20511565AAAAAJ8054

I. Audited Standalone Financials Results

(Amounts in INR million, except per share data)

| S.No. | Particulars | Quarter ended | | | Year ended | |
|-----------|--|------------------|-------------------|------------------|------------------|------------------|
| | | March 31, 2020 | December 31, 2019 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | | Audited | Audited | Audited | Audited | Audited |
| 1 | Income: | | | | | |
| | a) Revenue from operations | 1,658 | 1,605 | 1,351 | 6,235 | 4,973 |
| | b) Other income | 173 | 165 | 100 | 684 | 360 |
| | Total income | 1,831 | 1,770 | 1,451 | 6,919 | 5,333 |
| 2 | Expenses: | | | | | |
| | a) Employee benefits expense | 623 | 678 | 655 | 2,548 | 2,217 |
| | b) Depreciation and amortisation expense | 58 | 57 | 12 | 209 | 40 |
| | c) Net loss on financial liability designated at FVTPL | - | - | - | - | 653 |
| | d) Finance costs | 17 | 5 | - | 33 | - |
| | e) Other expenses | 494 | 487 | 548 | 1,960 | 1,960 |
| | Total expenses | 1,192 | 1,227 | 1,215 | 4,750 | 4,870 |
| 3 | Profit before exceptional items and tax (1-2) | 639 | 543 | 236 | 2,169 | 463 |
| 4 | Exceptional items [loss/(income)] (Refer Note 6) | 69 | - | - | 69 | - |
| 5 | Profit after exceptional items and before tax (3-4) | 570 | 543 | 236 | 2,100 | 463 |
| 6 | Tax expense/(credit) | | | | | |
| | a) Current tax | - | - | 36 | (3) | 36 |
| | b) Deferred tax | 170 | (92) | 21 | 327 | 301 |
| | c) Tax impact related to change in tax rate and law [refer note 8 (a)] | - | - | - | 314 | - |
| | Total tax expense | 170 | (92) | 57 | 638 | 337 |
| 7 | Net Profit/(loss) for the period (5-6) | 400 | 635 | 179 | 1,462 | 126 |
| 8 | Other comprehensive income/(loss) (net of tax) | (16) | (3) | 2 | (54) | (7) |
| | -Items that will not be reclassified to profit or loss | | | | | |
| 9 | Total comprehensive income/ (loss) for the period (7+8) | 384 | 632 | 181 | 1,408 | 119 |
| 10 | Paid up equity share capital (face value : INR 10/- each) | 289 | 289 | 286 | 289 | 286 |
| 11 | Other equity for the year | | | | 2,456 | 1,321 |
| 12 | Earnings per equity share: | | | | | |
| | Basic earnings per equity share (INR 10 per share) | 13.84 | 21.95 | 6.27 | 50.73 | 4.87 |
| | (Not annualised) | (Not annualised) | (Not annualised) | (Not annualised) | (Not annualised) | (Not annualised) |
| | Diluted earnings per equity share (INR 10 per share) | 13.62 | 21.61 | 6.24 | 49.84 | 4.78 |
| | (Not annualised) | (Not annualised) | (Not annualised) | (Not annualised) | (Not annualised) | (Not annualised) |



II. Audited Standalone Balance sheet

(Amounts in INR million)

| | As at | |
|--|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| | Audited | Audited |
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 48 | 83 |
| Capital work in progress | 2 | 2 |
| Right-of-use assets | 800 | - |
| Intangible assets | 5 | 6 |
| Investment in subsidiaries and associates | 316 | 4 |
| Financial assets | | |
| (i) Investments | 89 | 90 |
| (ii) Loans | 1 | 1 |
| (iii) Others financial assets | 398 | 33 |
| Deferred tax assets (net) | 244 | 858 |
| Non-current tax assets (net) | 211 | - |
| Other non-current assets | - | 8 |
| Total non-current assets | 2,114 | 1,085 |
| Current assets | | |
| Financial assets | | |
| (i) Investments | 8,656 | 6,043 |
| (ii) Trade receivables | 11 | 4 |
| (iii) Cash and cash equivalents | 129 | 359 |
| (iv) Bank balances other than (iii) above | 69 | 375 |
| (v) Loans | 12 | 16 |
| (vi) Others financial assets | 76 | 152 |
| Current tax assets (net) | 75 | 100 |
| Other current assets | 46 | 54 |
| Total current assets | 9,074 | 7,103 |
| Total assets | 11,188 | 8,188 |
| Equity and liabilities | | |
| Equity | | |
| Share capital | 289 | 286 |
| Other equity | 2,456 | 1,321 |
| Total equity | 2,745 | 1,607 |
| Liabilities | | |
| Non-current liabilities | | |
| Financial liabilities | | |
| (i) Lease liabilities | 613 | - |
| (ii) Other financial liabilities | - | 3 |
| Provisions | 258 | 94 |
| Contract liabilities | 2,697 | 2,298 |
| Total non-current liabilities | 3,568 | 2,395 |
| Current liabilities | | |
| 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 | 177 | 127 |
| (ii) Lease liabilities | 153 | - |
| (iii) Other financial liabilities | 254 | 298 |
| Provisions | 40 | 67 |
| Contract liabilities | 4,138 | 3,553 |
| Other current liabilities | 113 | 141 |
| Total current liabilities | 4,875 | 4,186 |
| Total liabilities | 8,443 | 6,581 |
| Total equity and liabilities | 11,188 | 8,188 |



Notes to the Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2020:

- The above standalone financial results for the quarter and year ended March 31, 2020 were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on May 12, 2020. The statutory auditors have expressed an unmodified audit opinion on these results.
- 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.
- During the year ended March 31, 2020, 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.
- The standalone cash flow statement is attached in Annexure I.
- 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 year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from lease rent (in other expenses) into depreciation cost against the right-of-use asset and finance cost against interest accrued on lease liability.

The impact of application of Ind AS 116 on the standalone financials results is as follows:

(Amounts in INR "Millions")

| Particulars | Quarter Ended March 31, 2020 | Quarter Ended December 31, 2019 | Quarter Ended September 30, 2019 | Quarter Ended June 30, 2019 | Year ended March 31, 2020 |
|---|---------------------------------|------------------------------------|-------------------------------------|--------------------------------|------------------------------|
| a Rent, Rates & Taxes Expense is lower by | 44 | 48 | 48 | 45 | 185 |
| b Depreciation is higher by | (46) | (46) | (39) | (36) | (167) |
| c Finance Cost is higher by | (17) | (6) | (6) | (4) | (33) |
| d Other income is higher by | - | - | 1 | - | 1 |
| Profit Before tax is higher/(Lower) by | (19) | (4) | 4 | 5 | (14) |

- Exceptional item, during the quarter and year ended 31 March 2020, represents fair value change in the carrying value of investment in Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS), held in Tolexo Online Private limited, a wholly owned subsidiary company, due to the current economic conditions.
- The results for the quarter and year ended March 31, 2020 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.
- 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".
- a) Tax impact for the quarter ended September 30, 2019 and year ended March 31, 2020 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 i) deferred tax charge of INR 278 Million due to change in applicable tax rate, and ii) the MAT credit entitlement written off of INR 36 Million.
- b) Deferred tax for the quarter ended December 31, 2019 and year ended March 31, 2020 includes credit of INR 229 million on account of certain timing differences pertaining to the earlier years.
- In view of pandemic relating to COVID-19, the Company has considered internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, right-of-use assets, investment in subsidiaries and associate, and other financial assets, for possible impact on the Standalone Financial Results. However, the actual impact of COVID-19 on the Company's standalone financial statements may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.
- The CEO and CFO have certified these results under Regulation 33(2) of SEBI (LODR) Regulations, 2015.
- Figures for the previous periods have been regrouped/reclassified to confirm to the classification of the current period.

Place: Noida
Date: May 12, 2020



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

Dinesh Chandra Agarwal
(Managing Director and Chief Executive Officer)



Audited Standalone Statement of Cash Flows for the year ended 31 March 2020

Annexure -I

(Amounts in INR million)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Profit before tax | 2,100 | 463 |
| <i>Adjustments to reconcile profit before tax to net cash flows:</i> | | |
| Depreciation and amortization | 209 | 40 |
| Interest and other income | (45) | (29) |
| Gain from business transfer arrangement | - | (7) |
| Exceptional items | 69 | - |
| Fair value change on financial assets at FVTPL | (638) | (324) |
| Fair value change in share buyback obligations | - | 653 |
| Gain on disposal of property, plant and equipment | (1) | (0) |
| Share-based payment expense | 75 | 85 |
| Impairment allowance on investment in subsidiaries | - | 70 |
| Finance costs | 33 | - |
| Operating Profit before working capital changes | 1,802 | 951 |
| Movement in working capital | | |
| Increase in trade receivables | (7) | (1) |
| Decrease in other financial assets | 13 | 8 |
| Decrease/(increase) in other assets | 4 | (8) |
| (Decrease)/increase in other financial liabilities | (59) | 58 |
| (Decrease)/Increase in trade payables | 52 | (46) |
| Increase in other liabilities | 956 | 1,630 |
| Increase in provisions | 65 | 45 |
| Cash generated from operations | 2,826 | 2,637 |
| Income tax paid (net) | (184) | (50) |
| Net cash generated from operating activities | 2,642 | 2,587 |
| Cash flow from investing activities | | |
| Proceeds from sale of property, plant and equipment | 1 | 1 |
| Purchase of property, plant and equipment and other intangible assets | (42) | (50) |
| Purchase of current investments | (4,520) | (5,190) |
| Investment in subsidiaries and associates | (380) | (75) |
| Proceeds from sale of current investments | 2,546 | 2,606 |
| Interest received | 34 | 26 |
| Advances received from /(paid for) selling shareholders (net) | 69 | (69) |
| Payment of refundable security deposits for listing on stock exchange. | (24) | - |
| Investments in bank deposits (includes earmarked balances with bank) | (43) | (73) |
| Net cash used in investing activities | (2,359) | (2,824) |
| Cash flow from financing activities | | |
| Repayment of lease liabilities | (166) | - |
| Interest paid on lease liabilities | (33) | - |
| Dividend paid (including Dividend Distribution Tax) | (333) | - |
| Proceeds from issue of equity shares on exercise of stock option plans | 19 | 144 |
| Net cash generated from (used in) financing activities | (513) | 144 |
| Net decrease in cash and cash equivalents | (230) | (93) |
| Cash and cash equivalents at the beginning of the year | 359 | 452 |
| Cash and cash equivalents at the end of the year | 129 | 359 |



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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 Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of IndiaMART InterMESH Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the 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 reports of other auditors on separate audited financial statements of the subsidiaries and an associate, the aforesaid consolidated annual financial results:

a. include the annual financial results of the following entities:

Subsidiaries:

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

Associate:

6. Simply Vyapar Apps Private Limited

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income (loss) and other financial information of the Group for the year ended 31 March 2020.

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 Annual 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 annual financial results.

Management’s and Board of Directors’ Responsibilities for the Consolidated Annual Financial Results

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

The Holding Company’s Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income (loss) and other financial information of the Group including its associate in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 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 annual 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 annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual 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 Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual 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 annual 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 annual 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. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual 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 annual 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 annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual 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.

B S R & Co. LLP

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- (a) The consolidated annual financial results include the audited financial results of five subsidiaries, and an associate, whose financial statements reflect Group's share of total assets of INR 151.56 million as at 31 March 2020, Group's share of total revenue of INR 157.34 million and Group's share of total net loss after tax of INR 54.58 million and Group's share of net cash outflows of INR 68.03 million for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated annual 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.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- (b) The consolidated annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the current financial year.
- (c) Attention is drawn to the fact that the corresponding figures for the quarter ended 31 March 2019 and for the period 1 April 2018 to 31 March 2019 are based on the previously issued consolidated annual financial results and consolidated financial statements of the Group that were audited by the predecessor auditor who expressed an unmodified opinion on those consolidated annual financial results and consolidated financial statements on 11 May 2019.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters.

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

ICAI Firm registration No: 101248W/W-100022

KANIKA KOHLI

Digitally signed by KANIKA
KOHLI
Date: 2020.05.12 15:31:59
+05'30'

Kanika Kohli
Partner

Place: Gurugram
Date: 12 May 2020

Membership No:511565
ICAI UDIN: 20511565AAAAAK4713

I. Audited Consolidated Financials Results

(Amounts in INR million, except per share data)

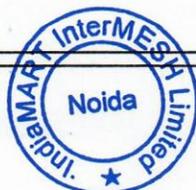
| S.No. | Particulars | Quarter ended | | | Year ended | |
|-----------|---|---------------------------|---------------------------|--------------------------|----------------|----------------|
| | | March 31, 2020 | December 31, 2019 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | | Audited | Audited | Audited | Audited | Audited |
| 1 | Income: | | | | | |
| | a) Revenue from operations | 1,701 | 1,649 | 1,380 | 6,389 | 5,074 |
| | b) Other income | 172 | 166 | 148 | 686 | 410 |
| | Total income | 1,873 | 1,815 | 1,528 | 7,075 | 5,484 |
| 2 | Expenses: | | | | | |
| | a) Employee benefits expense | 664 | 708 | 681 | 2,667 | 2,300 |
| | b) Depreciation and amortisation expense | 59 | 58 | 12 | 211 | 41 |
| | c) Net loss on financial liability designated at FVTPL | - | - | - | - | 653 |
| | d) Finance costs | 17 | 5 | - | 33 | - |
| | e) Other expenses | 514 | 505 | 498 | 2,033 | 1,951 |
| | Total expenses | 1,254 | 1,276 | 1,191 | 4,944 | 4,945 |
| 3 | Profit before exceptional items, share of net losses of investment accounted using equity method and tax (1-2) | 619 | 539 | 337 | 2,131 | 539 |
| 4 | Share in net profit/ (loss) of associates using equity method | (7) | (7) | - | (16) | - |
| 5 | Profit before exceptional items and tax (3+4) | 612 | 532 | 337 | 2,115 | 539 |
| 6 | Exceptional items | - | - | - | - | - |
| 7 | Profit before tax (5+6) | 612 | 532 | 337 | 2,115 | 539 |
| 8 | Tax expense/(credit) | | | | | |
| | a) Current tax | - | 3 | 34 | 1 | 37 |
| | b) Deferred tax | 169 | (91) | 21 | 326 | 301 |
| | c) Tax impact related to change in tax rate and law [refer note 7 (b)] | - | - | - | 314 | - |
| | Total tax expense | 169 | (88) | 55 | 641 | 338 |
| 9 | Net Profit/(loss) for the period [7-8] | 443 | 620 | 282 | 1,474 | 201 |
| | <u>Attributable to:</u> | | | | | |
| | - Equity holders of the parent | 443 | 620 | 282 | 1,474 | 201 |
| | -Non-controlling interests | - | - | - | - | - |
| 10 | Other comprehensive income/(loss) (net of tax) | | | | | |
| | -Items that will not be reclassified to profit or loss | (17) | (2) | 2 | (55) | (7) |
| 11 | Total comprehensive income/ (loss) for the period [9+10] | 426 | 618 | 284 | 1,419 | 194 |
| 12 | Total comprehensive income /(loss) for the period attributable to : | | | | | |
| | - Equity holders of the parent | 426 | 618 | 284 | 1,419 | 194 |
| | -Non-controlling interests | - | - | - | - | - |
| 13 | Paid up equity share capital (face value : INR 10/- each) | 289 | 289 | 286 | 289 | 286 |
| 14 | Other equity for the year | | | | 2,462 | 1,313 |
| 15 | Earnings per equity share: | | | | | |
| | Basic earnings per equity share (INR 10 per share) | 15.32 (Not annualised) | 21.45 (Not annualised) | 9.85 (Not annualised) | 51.14 | 7.75 |
| | Diluted earnings per equity share (INR 10 per share) | 15.07 (Not annualised) | 21.12 (Not annualised) | 9.79 (Not annualised) | 50.24 | 7.61 |



II. Audited Consolidated Balance sheet

(Amounts in INR million)

| | | As at | |
|--|--|----------------|----------------|
| | | March 31, 2020 | March 31, 2019 |
| | | Audited | Audited |
| I. Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 52 | 85 |
| Capital work in progress | | 2 | 2 |
| Right-of-use assets | | 800 | - |
| Intangible assets | | 5 | 6 |
| Investment in associates | | 296 | - |
| Financial assets | | | |
| (i) Investments | | - | - |
| (ii) Loans | | 1 | 1 |
| (iii) Others financial assets | | 400 | 36 |
| Deferred tax assets (net) | | 246 | 858 |
| Non-current tax assets (net) | | 211 | - |
| Other non-current assets | | 17 | 7 |
| Total non-current assets | | 2,030 | 995 |
| Current assets | | | |
| Financial assets | | | |
| (i) Investments | | 8,719 | 6,074 |
| (ii) Trade receivables | | 17 | 6 |
| (iii) Cash and cash equivalents | | 169 | 402 |
| (iv) Bank balances other than (iii) above | | 69 | 375 |
| (v) Loans | | 13 | 17 |
| (vi) Others financial assets | | 80 | 158 |
| Current tax assets (net) | | 79 | 106 |
| Other current assets | | 53 | 75 |
| Total current assets | | 9,199 | 7,213 |
| Total assets | | 11,229 | 8,208 |
| II. Equity and liabilities | | | |
| Equity | | | |
| Share capital | | 289 | 286 |
| Other equity | | 2,462 | 1,313 |
| Equity attributable to equity holders of the parent | | 2,751 | 1,599 |
| Non-controlling interests | | - | - |
| Total equity | | 2,751 | 1,599 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Lease and other financial liabilities | | 612 | - |
| (ii) Other financial liabilities | | - | 3 |
| Provisions | | 265 | 96 |
| Contract liabilities | | 2,697 | 2,298 |
| Total non-current liabilities | | 3,574 | 2,397 |
| Current liabilities | | | |
| 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 | | 179 | 129 |
| (ii) Lease liabilities | | 153 | - |
| (iii) Other financial liabilities | | 260 | 309 |
| Provisions | | 40 | 69 |
| Contract liabilities | | 4,156 | 3,562 |
| Other current liabilities | | 116 | 143 |
| Total current liabilities | | 4,904 | 4,212 |
| Total liabilities | | 8,478 | 6,609 |
| Total equity and liabilities | | 11,229 | 8,208 |



Notes to the Statement of Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2020:

- 1 The above consolidated results for the quarter and year ended March 31,2020 were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its meetings held on May 12,2020. 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 year ended March 31, 2020, 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 year ended March 31, 2020, the nature of expenses in respect of operating leases has changed from lease rent (in other expenses) into depreciation cost against the right-of-use asset and finance cost against interest accrued on lease liability.

The impact of application of Ind AS 116 on the Consolidated Financials Results is as follows:

| Particulars | (Amounts in INR "Millions") | | | | |
|---|--------------------------------|-----------------------------------|------------------------------------|-------------------------------|-----------------------------|
| | Quarter Ended March 31,2020 | Quarter Ended December 31,2019 | Quarter Ended September 30,2019 | Quarter Ended June 30,2019 | Year ended March 31,2020 |
| a Rent, Rates & taxes expense is lower by | 44 | 48 | 48 | 45 | 185 |
| b Depreciation is higher by | (46) | (46) | (39) | (36) | (167) |
| c Finance Cost is higher by | (17) | (6) | (6) | (4) | (33) |
| d Other Income is higher by | - | - | 1 | - | 1 |
| Profit Before tax is higher/(Lower) by | (19) | (4) | 4 | 5 | (14) |

- 6 The results for the quarter and year ended March 31, 2020 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 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 a) Tax impact for the quarter ended September 30, 2019 and year ended March 31, 2020 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 i) deferred tax charge of INR 278 Million due to change in applicable tax rate, and ii) the MAT credit entitlement written off of INR 36 Million.
- b) Deferred tax for the quarter ended December 31, 2019 and year ended March 31, 2020 includes credit of INR 229 million on account of certain timing differences pertaining to the earlier years.
- 9 The CEO and CFO have certified these results under Regulation 33(2) of SEBI (LODR) Regulations, 2015.
- 10 In view of pandemic relating to COVID -19, the Group has considered internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables, right-of-use assets, investment in associate, and other financial assets, for possible impact on the Consolidated Financial Results. However, the actual impact of COVID-19 on the Group's consolidated financial statements may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.
- 11 Figures for the previous periods have been regrouped/reclassified to confirm to the classification of the current period.

Place: Noida
Date : May 12 ,2020

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

Dinesh Chandra Agarwal
(Managing Director and Chief Executive Officer)





Audited Consolidated Statement of Cash Flows for the year ended 31 March 2020

Annexure -I

(Amounts in INR million)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Profit before tax | 2,114 | 539 |
| <i>Adjustments to reconcile profit before tax to net cash flows:</i> | | |
| Depreciation and amortization | 211 | 41 |
| Interest and other income | (46) | (30) |
| Gain from business transfer arrangement | - | (7) |
| Fair value change on financial assets at FVTPL | (640) | (373) |
| Fair value change in share buyback obligations | - | 653 |
| Gain on disposal of property, plant and equipment | (0) | (0) |
| Share-based payment expense | 79 | 95 |
| Allowances for doubtful debts | 2 | 1 |
| Share of net loss of associates | 16 | - |
| Finance costs | 33 | - |
| Operating Profit before working capital changes | 1,769 | 919 |
| Movement in working capital | | |
| Increase in trade receivables | (13) | 0 |
| Decrease in other financial assets | 13 | 2 |
| Decrease/(increase) in other assets | 2 | (12) |
| (Decrease)/increase in other financial liabilities | (62) | 69 |
| (Decrease)/Increase in trade payables | 50 | (49) |
| Increase in other liabilities | 965 | 1,629 |
| Increase in provisions | 67 | 46 |
| Cash generated from operations | 2,791 | 2,604 |
| Income tax paid (net) | (186) | (52) |
| Net cash generated from operating activities | 2,605 | 2,552 |
| Cash flow from investing activities | | |
| Proceeds from sale of property, plant and equipment | 1 | 1 |
| Purchase of property, plant and equipment and other intangible assets | (46) | (52) |
| Purchase of current investments | (4,578) | (5,199) |
| Proceeds from sale of current investments | 2,574 | 2,608 |
| Interest received | 34 | 26 |
| Advances received from /(paid for) selling shareholders (net) | 69 | (69) |
| Investment in associates | (312) | - |
| Payment of refundable security deposits for listing on stock exchange. | (24) | - |
| Investments in bank deposits (includes earmarked balances with bank) | (43) | (73) |
| Net cash used in investing activities | (2,325) | (2,758) |
| Cash flow from financing activities | | |
| Repayment of lease liabilities | (166) | - |
| Interest paid on lease liabilities | (33) | - |
| Dividend paid (including Dividend Distribution Tax) | (333) | - |
| Acquisition of non-controlling interest | - | (3) |
| Proceeds from issue of equity shares on exercise of stock option plans | 19 | 144 |
| Net cash generated from (used in) financing activities | (513) | 141 |
| Net decrease in cash and cash equivalents | (233) | (65) |
| Cash and cash equivalents at the beginning of the year | 402 | 467 |
| Cash and cash equivalents at the end of the year | 169 | 402 |





IndiaMART InterMESH Ltd.

6th floor, Tower 2, Assotech Business Cresterra,

Plot No.22, Sec 135, Noida-201305, U.P.

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E: customercare@indiamart.com

Website: www.indiamart.com

Date: May 12, 2020

To

The Manager - Listing
BSE Limited
(BSE: 542726)

The Manager - Listing
National Stock Exchange of India Limited
(NSE: INDIAMART)

Dear Sir/Ma'am,

Subject: Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Dinesh Chandra Agarwal, Managing Director & CEO of the Company, hereby declare that, the Statutory Auditors of the Company, B S R & Co. LLP (FRN: 101248W/W-100022) have issued an Audit Report with unmodified opinion on Audited Standalone & Consolidated Financial Results of the Company, for the quarter and year ended on March 31, 2020.

This declaration is given pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take note of the same.

Yours faithfully,

For Indiamart InterMesh Limited

(Dinesh Chandra Agarwal)
Managing Director & CEO

(Prateek Chandra)
Chief Financial Officer