

# **COMPANY ANALYSIS ON INDIAMART**

Company Analysis Report in partial fulfilment of the requirements  
for the award of the degree of

**BACHELOR OF COMMERCE**

Of

**DAVANGERE UNIVERSITY**



**BY**

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**UNDER THE GUIDANCE OF**

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**ASSISTANT PROFESSOR DEPT. OF COMMERCE AND MANAGEMENT**

**DON BOSCO COLLEGE, CHITRADURGA**

**DAVANGERE UNIVERSITY**

**2021-24**

## **DECLARATION**

I hereby declare that the Company Analysis Report entitled “**INDIAMART**” submitted to the Department of Commerce, **Don Bosco College**, Davangere University, is a record of an original work done by me under the guidance of "**SHILPA P<sub>MCOM,PGDBA</sub>**, ASSISTANT PROFESSOR IN COMMERCE AND MANAGEMENT IN Davangere university " and this Company Analysis Report is submitted in the partial fulfilment of the requirements of for the award Bachelor Degree in Commerce by Davangere University.

I also declare that this report is the outcome of my own efforts and that it has not been submitted to any other university or Institute for the award of any other degree or Diploma or Certificate.

Place: CHITRADURGA

Name: DEEPTHI M

Date

Register Number: U13DO21C0004

## **CERTIFICATE OF ORIGINALITY**

Date:

This is to certify that the Company analysis report titled **"INDIAMART"** is an original work of MS **DEEPTHI M** bearing University Register Number- **U13DO21C0004** and is being submitted in partial fulfilment for the award of the Bachelor Degree in Commerce by Davangere University. The report has not been submitted earlier either to this University /Institution for the fulfilment of the requirement of a course of study

SIGNATURE OF THE GUIDE

SIGNATURE OF THE HOD

DATE:

DATE:

## CONTENTS

<b>CHAPTER NO.</b>	<b>INDEX</b>	<b>PAGE NO.</b>
1.	INDRODUCTION	01-09
2.	Financial And Market Analysis	10-24
3.	Management And Leadership	25-36
4.	Swot Analysis	37-45
5.	Summary Of Findings, Suggestions and Conclusions	46-49
	Learning Experience	50
	Bibliography	51

## LIST OF TABLES

<b>TABLE NO.</b>	<b>TABLE NAME</b>	<b>PAGE NO.</b>
2.1	BALANCE SHEET ANALYSIS	11-11
2.2	LIABILITIES	11-12
2.3	ASSETS	12-13
2.4	OTHER ADDITIONAL INFORMATION	13-14



## CHAPTER : 1

### INTRODUCTION

India MART Inter MESH Ltd is an Indian e-commerce company headquartered in Noida. It provides B2B and customer to customer sales services via its web portal. The company began in 1996 when Dinesh Agarwal and Brijesh Agrawal founded the website IndiaMART.com, a business-to-business portal to connect Indian manufacturers with buyers. After overcoming the dot-com bust, in 2008–09 when the recession hit the US, the company decided to pivot the focus from export oriented business to India-focused B2B market and raised \$10 million in Series A round funding from Intel Capital, a part of which was invested in India MART, One97 Communications and Global Talent Track. In November 2014, India MART started promotional campaigns featuring Indian film actor Irrfan Khan as its brand ambassador. In March 2016, it raised Series C Funding from Amadeus Capital Partners and Quona Capital to scale up the activities of IndiaMART and Tolexo. In 2016 and 2019, India MART invested in Proc Mart and Vyapar. In June 2018, India MART filed draft papers with SEBI to raise ₹600 crore through IPO and list on NSE and BSE. In July 4th 2019, India MART went public<sup>[20]</sup> via an IPO of ₹474 crore. The issue was oversubscribed by 36 times by the end of the final day of the bidding. India MART became the first online B2B marketplace to go public in India, and the first company to launch its IPO in the second tenure of Modi government. As of 2019, India MART was the largest Indian e-commerce platform for businesses with about 60% market share, according to KPMG

#### **Nature of business:**

India MART is India's largest online B2B marketplace, connecting buyers with suppliers. With 60% market share of the online B2B Classified space in India, the channel focuses on providing a platform to Small & Medium Enterprises (SMEs), Large Enterprises as well as individuals. B2B marketplace IndiaMART aims to help businesses escape the restrictions of traditional supply chains. By providing access to a digital platform optimized for access from desktops and mobile devices, businesses can improve their operations and generate more revenue. IndiaMART's suite of services includes web storefront, enquiry support, priority listings, premium number services, a lead management system, and payment facilitation. IndiaMART also provides —behaviour-based matchmaking<sup>||</sup> that identifies the supplier best equipped to meet buyer needs by product or service, category and location. IndiaMART then

matches the designated suppliers with the buyers. Finally, IndiaMART operates as a —horizontal marketplace—enabling suppliers to market to a large number of potential buyers—presenting a compelling offering for both groups. Amarinder S. Dhaliwal, Chief Product Officer of IndiaMART, says once IndiaMART grew to a certain size, it benefited from a network effect— as more buyers used the marketplace, more suppliers came on board, prompting yet more buyers to access the service and so on. Suppliers becoming buyers and using IndiaMART to purchase products is another growth driver. —There is not just a network effect, but a community effect as well, as a supplier becomes a buyer, says Dhaliwal. —This increases affinity, and supplier and buyer ‘lock-in’ to the marketplace increases multifold.



Enabling Business & Commerce with Strategic Investments at IndiaMART, we are focussed on building an ecosystem designed to further enhance the engagement of buyers and suppliers. In the last few years, we have made strategic investments in companies offering Saabs based solutions for problems faced by small and medium businesses. We aim to enable these offerings on our platform in the long-term, as they achieve scale, to provide end-to-end solution to businesses and enable their operations such as accounting, logistics support, distribution management and receivables management, invoice discounting, etc. Payroll these services are aligned to the key requirements of small and medium businesses, whose interests are central to our business proposition. It is our constant endeavour to strengthen and expand our business and commerce enablement services for them through strategic investments and acquisitions. Accounting – A Strategic Fit for IndiaMART Accounting has emerged as the most prominent among the key areas of our investment. The sector offers significant opportunity for us. Our Company believes that it can only be successful in the long term by creating value both for its shareholders and for society. Your Company is mindful of the needs of the communities and works to make a positive difference and create maximum value for the society. SEBI, vide its circular dated May 10, 2021, made BRSR mandatory for the top 1,000 listed companies (by market capitalisation) from FY 2023 in respect of reporting on ESG (Environment, Social and

Governance) parameters. In terms of Regulation 34 of the Listing Regulations initiatives taken by the Company on the environmental, social and governance front is annexed herewith as Annexure – 7 to this Report.

There was no change in nature of the business of the Company in FY 2023. The Company has complied with the applicable Secretarial Standards on Meeting of the Board (SS-1) and General Meetings (SS-2) specified by the Institute of Company Secretaries of India. Your Company is committed to contribute towards Corporate Social Responsibility (CSR) which forms an integral part of IndiaMART's activities. The Company's objective is to proactively support meaningful socio economic development. The Company endeavours to focus its CSR activities in the areas of:

- a) Education and Employment.
- b) Women, Children & Senior Citizens.
- c) Disaster Management.
- d) Hunger, Poverty, Malnutrition, Sanitation and Health.

**Mission and vision:**

Our mission statement is to help people succeed in today's ever changing business environment with the help of internet technologies. Sigma Softech team comprises of young, enthusiastic and passionate individuals who possess rich global experience in Web development and have worked in leading Product and IT Services Company in India and Abroad. Our experience of working with software companies, uniquely & strongly positions. We as a company that provides full range of website development services.

Our vision is to be a value driven organization, provider of high quality, cost effective and end-to-end web solutions across platforms and remain directed towards customer interest. Our vision is to perpetuate a profitable business enterprise that adds unique value and holds the respect of its customers, partners and investors alike and aims to achieve the best results through our commitment to consistent quality, process innovation and value based business ethics.

**Values:**

- a) Fairness – Ensure we have an impartial workplace which promotes commitment and innovation.
- b) Integrity – Build trust with clients and each other by actions and deliverables. We deliver what we promise to our people and our clients.



- c) Quality - We ensure we deliver high standards of deliverables time and again.
- d) Collaboration – We together work towards achieving long term growth for our clients, stake holders and benefit each other.
- e) Respect – We create an environment where each person feels valued and treated with dignity.
- f) Innovation – We innovate tools and solutions to stay ahead of issues facing businesses and industry.

**Goals, objectives and quality:**

- IndiaMART is responding by becoming, for buyers, a —mobile-first organization that meets the group’s technical and user experience requirements.
- IndiaMART is also adapting its marketplace to support two key trends:
- Buyers using long, conversational sentences to conduct online searches rather than simply typing in keywords.
- Non English-users the vast majority of people in India stepping up their use of the marketplace
- We expect that, within a few years, we will have more non-English users than English users on IndiaMART, says Dhaliwal.
- IndiaMART is also benefiting from Indian government measures to reform taxation and stimulate the digital economy. —There has been a huge focus on areas such as digital payments and the digitization of identity, says Dhaliwal. We have embraced elements of this agenda by implementing a digital payment platform and are continuing to look at ways of providing new digital services to suppliers.
- Meanwhile, the Indian government’s recent implementation of GST allows us to validate suppliers’ businesses and bring more qualified, more verified suppliers on our platform—improving the experience for buyers and suppliers.

**Areas of operation:**

In-Plant Operations Management: AAJ handles all end-to-end supply chain operations with utmost care and perfection. With the resources and the requisite technology, we ensure your operations are managed efficiently and safely. Our integrated solutions help us manage your post production supply chain seamlessly- even from your warehouse or manufacturing unit.



- Operations Management Services.
- Business Opportunities.
- Franchise Opportunities.
- Facility Management Services.
- Management Service.
- IT Solutions.
- Management Consultancy.
- Manufacturing Consultants.

Operations Management System providing very competent Manpower on different skillsets including manufacturing, construction, engineering, telecommunication, petrochemical, banking, information technology, trading and distribution, shipping and aviation, travel and leisure, health, accounting and auditing, financial services, transportation, call centres, business process outsourcing etc. We cater for temporary staffing and Permanent placements.

Operations Management System is into providing solutions for Remote Connectivity. In this case clients can use our services to establish a platform where either they can send data or monitor the status. Operations Management System is also in surveys and digitization related to GIS activities. Operations Management System has developed a ERP which can take care of your entire manpower operations and reduces operating cost and increasing operational efficiency.

### IndiaMART's Competitors

Top 7 indiamart.com Alternatives & Competitors:

- mazon.in , with 995.89M visits, 98 authority score, 51.77% bounce rate
- flipkart.com , with 548.26M visits, 97 authority score, 62.15% bounce rate
- justdial.com , with 63.26M visits, 92 authority score, 80.68% bounce rate
- tradeindia.com , with 4.03M visits, 61 authority score, 82.49% bounce rate
- facebook.com , with 18.86B visits, 100 authority score, 57.09% bounce rate

## COMPANY ANALYSIS ON INDIAMART

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- meesho.com , with 57.44M visits, 75 authority score, 64.71% bounce rate
- linkedin.com , with 1.7B visits, 100 authority score, 54.2% bounce rate

### **Infrastructure facilities:**

To achieve the goal of being India's leading transport solution provider, TSI has invested in a state of the art facility with modern infrastructure and production equipment to ensure high productivity and quality standards in the market. TSI Plant.

In Facility management services Silver Touch ensures that the customer's equipments are in top operational condition and that they are receiving services in a prompt and organized manner. We offer Facility management services to organizations that choose to outsource their facility management operations in lieu of maintaining their own facility management personnel and resources.

IT Facilities Management Services involve an effective combination of people, process and tools to ensure that your IT infrastructure is always up and running. Catering to the 24x7 service demands on your IT infrastructure, we undertake complete responsibility of ensuring availability and performance of your IT Infrastructure as per SLA. Our services are backed by over immense domain experience in providing products and services to various industries.



To improve your care we've invested in a new way of looking into your mouth-a procedure that's fast, and incredibly precise - digital x-rays. What's even more amazing is that we get an image immediately that is large, clear, and accurate, right next to your chair...ready for discussion. Digital x-ray technology speeds and simplifies the diagnostic part of your treatment, and most importantly allows us to provide a much higher level of care. Digital x-rays use 50-90% less radiation than old-fashioned x-rays. Additional benefits include the elimination of old fashioned dark room chemicals.

This is better for the environment. The highly detailed image of your teeth on our computer screen, can be rotated, magnified, adjusted for contrast, and even color-coded for educational purposes. Further, we can store it on our computer files, thus saving paper. For insurance purposes, referrals or patient education, it can be accurately reproduced any number of times.

In summary, digital x-rays are faster, cleaner, and allow us to provide better quality care.

**Ownership patterns:**

Shareholding Pattern (%)	Pre Issue	Post Issue
Promoters	58	53
Public	42	47

Selling Shareholders	No. of Equity Shares held	No. of Equity Shares to be Sold
Dinesh Chandra Agarwal (Promoter)	94,83,200	8,52,453
Brijesh Kumar Agrawal (Promoter)	64,26,200	5,77,656
Intel Capital (Mauritius) Limited	38,51,746	25,90,000
Amadeus IV DPF Limited	11,36,570	2,55,753
Accion Frontier Inclusion Mauritius	11,36,570	4,75,000
Other Shareholders	3,24,244	1,37,000

Source: RHP

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.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

## COMPANY ANALYSIS ON INDIAMART

### Achievements and awards:

- Mr. Manoj Bhargava enlisted in the Top Legal Power list 2022 as the Top General Counsel.



- Mr. Manoj Bhargava, Group General Counsel & Company Secretary, IndiaMART won the Best In-House Legal Counsel award in the Internet and e-Commerce category by Indian Business Law Journal.



- IndiaMART awarded as the Pride of India Brand by exchange4media in its North edition in 2023.



### IndiaMART - Awards

Here's a glance at the list of awards and recognitions IndiaMART earned throughout the years:

- Red Herring 100 Asia Awards 2008
- Manthan Award South Asia and Asia Pacific 2013 under the 'E-business and Financial Inclusion' category
- 'Special Contribution Award' at WASME – Super SME Awards, 2016
- 'Best Online Classified Website Award' at Drivers of Digital Awards, 2016
- 'Best Business App Award' at GMASA 2017 and 'Best Business App' at Drivers of Digital Summit & Awards, 2018
- 'Best Online Classified Application' at Drivers of Digital Summit & Awards, 2018
- 'Video Content in a Business Website- Special Mention' at Video Media Awards and Summit 2019
- India Law Awards 2019 for 'Technology, Media and Telecommunication In-House Legal Team'
- "Most Promising Company of the Year" at the CNBC Awaaz CEO Awards
- 'Bada Aasaan Hai' received the 'Best Video Content in a B2B Marketing Campaign Award' at the Video Media Awards & Summit, 2020.

Indiamart has fully acquired 2 companies to date. The company acquired accounting platform **Busy Infotech for Rs 500 crore on 25 January 2022**, prior to which, it acquired **Playcez on 23 August 2013**.

Indiamart acquired **26% stakes in IB Monotaro, a Japan-based company**, which operates in India under the brand name "Industry buying" and is focused on supplying industrial and business products for the eCommerce businesses, as per reports dated February 24, 2022. According to the deal, the popular B2B sales marketplace platform bought 810K shares from Emtex Engineering for a total consideration of Rs 104.2 crore, with an aim to offer an end-to-end commerce experience enablement and thus, serve the B2B businesses of the country.

## CHAPTER : 2

### FINANCIAL AND MARKET ANALYSIS

#### **Analysing the company's financial statements:**

IndiaMart has announced its results for the year ended March 2022. Let us have a look at the detailed performance review of the company during FY21-22.

#### **INDIAMART INTERMESH Income Statement Analysis:**

- Operating income during the year rose 30.8% on a year-on-year (YoY) basis.
- The company's operating profit decreased by 22.2% YoY during the fiscal. Operating profit margins witnessed a fall and stood at 23.3% in FY23 as against 39.2% in FY22.
- Depreciation charges increased by 160.1% and finance costs increased by 50.9% YoY.
- Other income grew by 60.9% YoY.
- Net profit for the year declined by 4.6% YoY.
- Net profit margins during the year declined from 39.5% in FY22 to 28.8% in FY23.

#### **INDIAMART INTERMESH Balance Sheet Analysis:**

- The company's current liabilities during FY23 stood at Rs 9 billion as compared to Rs 7 billion in FY22, thereby witnessing an increase of 30.1%.
- Current assets fell 3% and stood at Rs 24 billion, while fixed assets rose 85% and stood at Rs 12 billion in FY23.
- Overall, the total assets and liabilities for FY23 stood at Rs 36 billion as against Rs 31 billion during FY22, thereby witnessing a growth of 16%.

## COMPANY ANALYSIS ON INDIAMART

BALANCE SHEET OF INDIAMART INTERMESH (in Rs. Cr.)	MAR 23	MAR 22	MAR 21	MAR 20
	12 mths	12 mths	12mths	12 mths
<b>EQUITIES AND LIABILITIES</b>				
<b>SHAREHOLDER'S FUNDS</b>				
Equity Share Capital	30.58	30.55	30.32	28.88
<b>TOTAL SHARE CAPITAL</b>	<b>30.58</b>	<b>30.55</b>	<b>30.32</b>	<b>28.88</b>
Reserves and Surplus	2,033.83	1,848.57	1,576.59	236.02
<b>TOTAL RESERVES AND SURPLUS</b>	<b>2,033.83</b>	<b>1,848.57</b>	<b>1,576.59</b>	<b>236.02</b>
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>2,064.41</b>	<b>1,892.14</b>	<b>1,616.64</b>	<b>274.49</b>

**Table 2.1:** INDIAMART INTERMESH Balance Sheet Analysis

### Comparative Statement of Balance Sheet:

- The company's current liabilities during FY23 stood at Rs 9 billion as compared to Rs 7 billion in FY22, thereby witnessing an increase of 30.1%.
- Current assets fell 3% and stood at Rs 24 billion, while fixed assets rose 85% and stood at Rs 12 billion in FY23.
- Overall, the total assets and liabilities for FY23 stood at Rs 36 billion as against Rs 31 billion during FY22, thereby witnessing a growth of 16%.

NON-CURRENT LIABILITIES					
Long Term Borrowings	0.00	0.00	0.00	0.00	0.00
Deferred Tax Liabilities [Net]	0.00	15.64	20.72	0.00	0.00
Other Long Term Liabilities	454.30	377.76	310.99	330.96	230.08



## COMPANY ANALYSIS ON INDIAMART

Long Term Provisions	18.43	22.61	27.33	25.83	9.39
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>472.73</b>	<b>416.01</b>	<b>359.04</b>	<b>356.79</b>	<b>239.46</b>
<b>CURRENT LIABILITIES</b>					
Short Term Borrowings	0.00	0.00	0.00	0.00	0.00
Trade Payables	25.48	18.30	15.38	17.71	12.67
Other Current Liabilities	791.36	633.56	519.74	465.81	399.28
Short Term Provisions	6.65	4.95	4.74	3.98	6.69
<b>TOTAL CURRENT LIABILITIES</b>	<b>823.50</b>	<b>656.81</b>	<b>539.86</b>	<b>487.50</b>	<b>418.64</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>3,360.64</b>	<b>2,964.96</b>	<b>2,515.54</b>	<b>1,118.78</b>	<b>818.78</b>

**TABLE 2.2: LIABILITIES**

<b>NON-CURRENT ASSETS</b>					
Tangible Assets	53.09	55.87	64.72	84.77	8.27
Intangible Assets	0.10	0.16	0.27	0.46	0.57
Capital Work-In-Progress	0.18	0.18	0.18	0.18	0.18
Other Assets	0.00	0.00	0.00	0.00	0.00
<b>FIXED ASSETS</b>	<b>53.37</b>	<b>56.21</b>	<b>65.17</b>	<b>85.40</b>	<b>9.02</b>
Non-Current Investments	1,072.16	445.99	50.44	40.57	9.45
Deferred Tax Assets [Net]	1.90	0.00	0.00	24.40	85.81
Long Term Loans And Advances	0.08	0.07	0.24	0.07	0.12

**COMPANY ANALYSIS ON INDIAMART**

Other Non-Current Assets	10.67	29.59	22.58	60.99	4.06
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,138.18</b>	<b>531.86</b>	<b>138.43</b>	<b>211.43</b>	<b>108.45</b>
<b>CURRENT ASSETS</b>					
Current Investments	2,151.97	2,299.41	2,216.14	865.55	604.30
Inventories	0.00	0.00	0.00	0.00	0.00
Trade Receivables	1.58	1.33	1.25	1.10	0.35
Cash And Cash Equivalents	50.28	72.56	72.61	19.77	73.46
Short Term Loans And Advances	0.44	44.77	70.85	1.15	1.62
OtherCurrentAssets	18.20	15.04	16.27	19.79	30.59
<b>TOTAL CURRENT ASSETS</b>	<b>2,222.46</b>	<b>2,433.10</b>	<b>2,377.11</b>	<b>907.35</b>	<b>710.33</b>
<b>TOTAL ASSETS</b>	<b>3,360.64</b>	<b>2,964.96</b>	<b>2,515.54</b>	<b>1,118.78</b>	<b>818.78</b>

**TABLE 2.3: ASSETS**

<b>OTHER ADDITIONAL INFORMATION</b>					
<b>CONTINGENT LIABILITIES, COMMITMENTS</b>					
Contingent Liabilities	1.54	0.00	1.30	0.00	0.00
<b>CIF VALUE OF IMPORTS</b>					
Raw Materials	0.00	0.00	0.00	0.00	0.00
Stores, Spares And Loose Tools	0.00	0.00	0.00	0.00	0.00

**COMPANY ANALYSIS ON INDIAMART**

Trade/Other Goods	0.00	0.00	0.00	0.00	0.00
Capital Goods	0.00	0.00	0.00	0.00	0.00
<b>EXPENDITURE IN FOREIGN EXCHANGE</b>					
Expenditure In Foreign Currency	5.63	6.57	8.31	10.18	8.87
<b>REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDENDS</b>					
Dividend Remittance In Foreign Currency	--	--	--	--	--
<b>EARNINGS IN FOREIGN EXCHANGE</b>					
FOB Value Of Goods	--	--	--	--	--
Other Earnings	8.30	7.68	7.83	4.02	3.25
<b>BONUS DETAILS</b>					
Bonus Equity Share Capital	9.98	9.98	9.98	9.98	9.98
<b>NON-CURRENT INVESTMENTS</b>					
Non-Current Investments Quoted Market Value	--	--	--	--	--
Non-Current Investments Unquoted Book Value	185.71	176.87	19.05	8.96	9.04
<b>CURRENT INVESTMENTS</b>					
Current Investments Quoted Market Value	2,151.97	2,299.41	2,216.14	865.55	604.30
Current Investments Unquoted Book Value	--	--	--	8.96	9.04

**TABLE 2.4: OTHER ADDITIONAL INFORMATION**

**INDIAMART INTERMESH Cash Flow Statement Analysis**

- INDIAMART INTERMESH's cash flow from operating activities (CFO) during FY23 stood at Rs 5 billion, an improvement of 18.3% on a YoY basis.
- Cash flow from investing activities (CFI) during FY23 stood at Rs -3 billion on a YoY basis.
- Cash flow from financial activities (CFF) during FY23 stood at Rs -1 billion on a YoY basis.
- Overall, net cash flows for the company during FY23 stood at Rs 86 million from the Rs 94 million net cash flows seen during FY22.

**Current Valuations for INDIAMART INTERMESH:**

- The trailing twelve-month earnings per share (EPS) of the company stands at Rs 92.8, a decline from the EPS of Rs 97.4 recorded last year.
- The price to earnings (P/E) ratio, at the current price of Rs 5,616.0, stands at 53.5 times its trailing twelve months earnings.
- The price to book value (P/BV) ratio at current price levels stands at 8.5 times, while the price to sales ratio stands at 17.4 times.
- The company's price to cash flow (P/CF) ratio stood at 43.3 times its end-of-year operating cash flow earnings.
- Ratio Analysis for INDIAMART INTERMESH

**Current Ratio:** The company's current ratio deteriorated and stood at 2.8x during FY23, from 3.7x during FY22. The current ratio measures the company's ability to pay short-term and long-term obligations.

**Interest Coverage Ratio:** The company's interest coverage ratio deteriorated and stood at 46.5x during FY23, from 73.3x during FY22. The interest coverage ratio of a company states how easily a company can pay its interest expense on outstanding debt. A higher ratio is preferable.

**Return on Equity (ROE):** The ROE for the company declined and down at 14.0% during FY23, from 16.0% during FY23. The ROE measures the ability of a firm to generate profits from its shareholders capital in the company.

**Return on Capital Employed (ROCE):** The ROCE for the company declined and down at 18.7% during FY23, from 21.3% during FY22. The ROCE measures the ability of a firm to generate profits from its total capital (shareholder capital plus debt capital) employed in the company.

**Return on Assets (ROA):** The ROA of the company declined and down at 8.1% during FY23, from 9.7% during FY22. The ROA measures how efficiently the company uses its assets to generate earnings.

**What was the revenue of INDIAMART INTERMESH in FY23? How does it compare to earlier years?**

The revenues of INDIAMART INTERMESH stood at Rs 11,659 m in FY23, which was up 34.7% compared to Rs 8,657 m reported in FY22. INDIAMART INTERMESH's revenue has grown from Rs 5,484 m in FY19 to Rs 11,659 m in FY23. Over the past 5 years, the revenue of INDIAMART INTERMESH has grown at a CAGR of 20.8%.

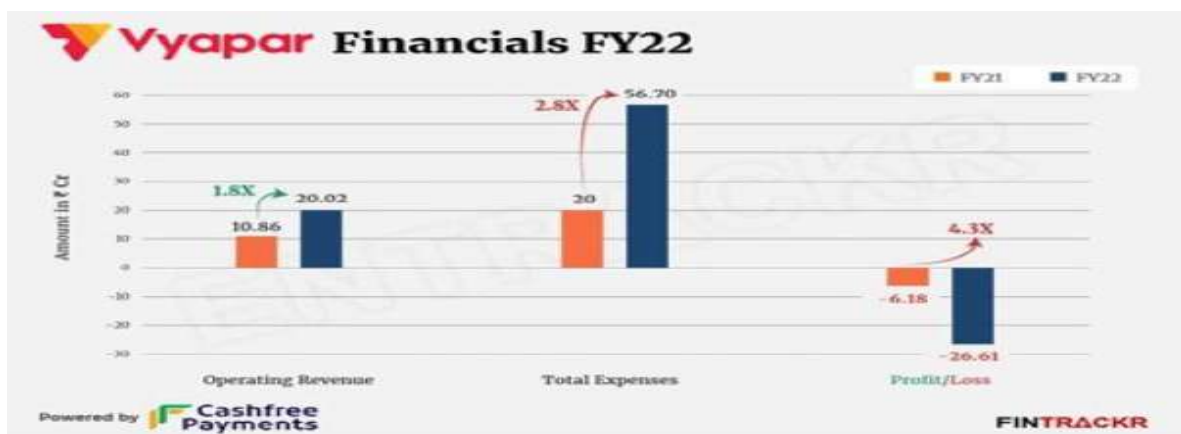
**What does the Key Ratio analysis of INDIAMART INTERMESH reveal?**

Be it the company's profitability, operations effectiveness or utilization of funds, ratio analysis is an important tool which helps in making investment decisions.

**The ratio/financial analysis of INDIAMART INTERMESH reveals:**

- Operating profit margins witnessed a fall and stood at 23.3% in FY23 as against 39.2% in FY22.
- Net profit margins declined from 39.5% in FY22 to 28.8% in FY23.
- Debt to Equity ratio for FY23 stood at 0.0 as compared to 0.0 in FY22.

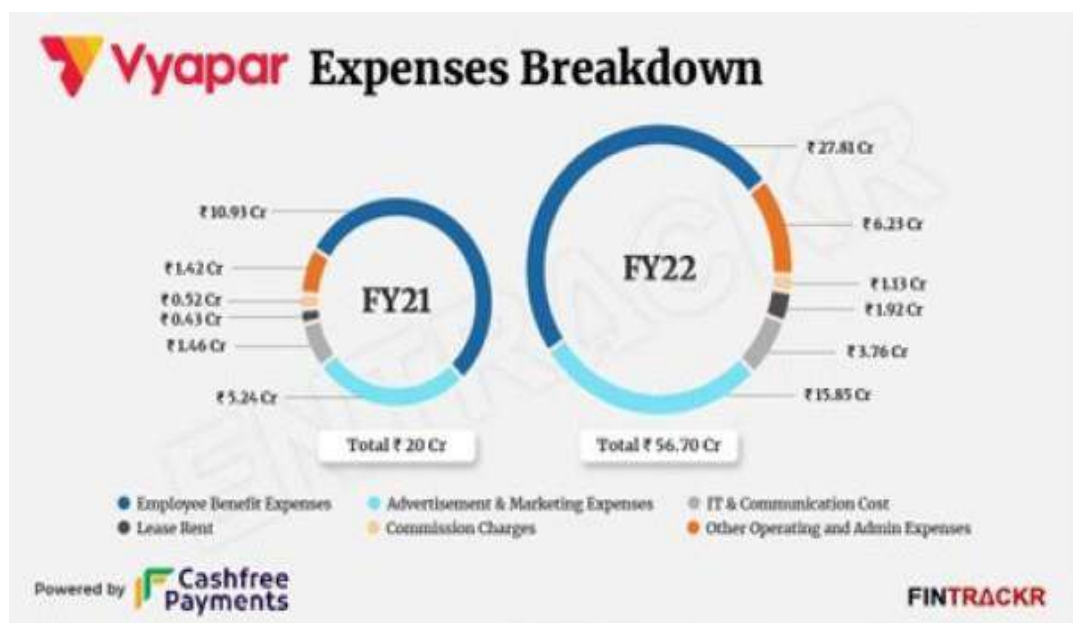
**Vyapar’s revenue touches Rs 20 Cr in FY22, losses shoot up over 4X:**



**Fig 2.1: vyapar financial FY22**

Founded by Sumit Agarwal and Shubham Agarwal in 2016, Vyapar helps SMEs keep track of their receivables and payables, inventory management, send customized invoices, payment reminders and transaction messages in multiple languages. The platform claims to have

more than 10 million customers. On the expense front, employee benefits expense emerged as the largest cost center for the company, contributing 49% to the total annual expenditure. This cost ballooned over 2.5X to Rs 27.81 crore in FY22 from Rs 10.93 crore during FY21. As per Fintrackr’s analysis, advertising & marketing expenses contributed 28% of the total expenses. These costs shot up 3X to Rs 15.85 crore in FY22 from Rs 5.24 crore in the preceding fiscal year (FY21). Similarly, commission charges surged 2.2X to Rs 1.13 crore during the last fiscal year.



**Fig 2.2:** vyapar expenses Breakdown

Vyapar also incurred IT & communication costs of Rs 3.76 crore in FY22 which include charges of API services, bulk SMS cost, payment gateway charges, et al. These cost elements surged nearly 2.6X from Rs 1.46 crore in FY21. In total, the annual expenses of the startup jumped 2.8X to Rs 56.7 crore in FY22 from Rs 20 crore during FY21. In line with annual expenses, losses of Vyapar also shot up 4.3X to Rs 26.61 crore in FY22 from Rs 6.18 crore during FY21. On a unit level, the company spent Rs 2.83 to earn a rupee of operating revenue during FY22. The 2.8X jump in annual expenditure led to the company’s EBITDA margin worsening to -168.21% during FY22 from -68.87% in FY21.



**Fig 2.3:** vyapar FY21-FY22

In the last quarter of FY22, Vyapar had scooped \$30 million in its Series B round led by WestBridge Capital. The proceeds will help Vyapar to ramp up its game against its major competitor Khatabook which raised \$100 million in August last year. Significantly, OKCredit is no longer a significant player in the bookkeeping space and is currently looking for buyers with a steep discount in its valuation. For Indiamart, which is an early investor from Vyapar’s Series A round in 2019, the returns, besides the valuation jump, are probably already coming in, assuming that Vyapar spends on the platform besides offering its services to Indiamart’s own user base of SMEs, easily the largest such platform in the country now.



The net profit of INDIAMART INTERMESH stood at Rs 2,838 m in FY23, which was down -4.6% compared to Rs 2,976 m reported in FY22. This compares to a net profit of Rs 2,798 m in FY21 and a net profit of Rs 1,474 m in FY20. Over the past 5 years, INDIAMART INTERMESH net profit has grown at a CAGR of 94.0%.

**What does the cash flow statement of INDIAMART INTERMESH reveal?**

The cash flow statement is the financial statement that presents the cash inflows and outflows of a company during a given period of time. This statement is one of the most useful tools for judging a company's liquidity position. The ratios and parameters in this statement helps test a company's financial health.

The cash flow statement of INDIAMART INTERMESH reveals:

- Cash flow from operations increased in FY23 and stood at Rs 4,758 m as compared to Rs 4,023 m in FY22.
- Cash flow from investments increased in FY23 and stood at Rs -3,240 m as compared to Rs -3,354 m in FY22.
- Cash flow from financial activity decreased in FY23 and stood at Rs -1,433 m as compared to Rs -575 m in FY22.
- 

**Activity Ratios:**

These ratios basically measure the efficiency with which assets are being utilized or managed. This is why they are also known as productivity ratio, efficiency ratio or more famously as turnover ratios. These ratios show the relationship between sales and any given asset. It will indicate the ratio between how much a company has invested in one particular type of group of assets and the revenue such asset is producing for the company. The following are the different kinds of activity ratios that measure the effectiveness of the funds invested and the efficiency of their performance.

**1] Stock Turnover Ratio:**

One of the most important of the activity ratios is the stock turnover ratio. This ratio focuses on the relationship between the cost of goods sold and average stock. So it is also known as Inventory Turnover Ratio or Stock Velocity Ratio. It basically counts the number of times a stock rotates (completes a cycle) in one given accounting period and the sales it effects in the same period.

So it calculates the speed with which the company converts stock (lying about) to sales, i.e. revenue.

**The formula for the ratio is as follows**

$$\text{Quick Ratio} = \left(\frac{\text{COGS}}{\text{Average Stock}}\right)$$

$$\text{COGS} = \text{Sales} - \text{Gross Profit}$$

$$\text{Average Stock} = \left(\frac{\text{Opening Stock} + \text{Closing Stock}}{2}\right)$$



From a managerial standpoint, this is an important ratio to calculate. It allows them to figure out their inventory reordering schedule, by indicating when all the stock will run out. It also helps them analyze how efficiently the stock and its reordering is being managed by the purchasing department.

## 2] Debtors Turnover Ratio:

This ratio measures the efficiency with which Accounts Receivable are being managed, hence it is also known as 'Accounts Receivable Turnover ratio'. The ratio shows the equation between credit sales (cash sales are not taken into consideration) and the average debtors of a firm.

### The formula is as below:

Debtors Turnover ratio =  $\frac{\text{Credit Sales}}{\text{Average Debtors}}$  OR

Debtors Turnover ratio =  $\frac{\text{Credit Sales}}{\text{Debtors} + \text{Bills Receivable}}$

And with a slight modification, we also derive the average collection period. This will indicate the average number of days/weeks/months in which the payment from the debtor is collected by a firm.

The formula for this formula is as below:

Average Collection Period =  $\frac{\text{Number of days/weeks/months}}{\text{Debtors T/O Ratio}}$

Both of these ratios are significant in managing the debtors and bills receivables of a company. Not only do they calculate the velocity with which debtors pay up, they help shape the credit policy of the firm as well.

## 3] Creditors Turnover Ratio:

This ratio shows the relation between credit purchases (cash purchases are ignored in this context) and the average creditors of a company at any given time of the accounting year. This ratio is also the 'accounts payable turnover ratio'. While calculating the net purchases we will minus any purchase return.

### The formula is as below:

Creditors Turnover ratio =  $\frac{\text{Credit Purchases}}{\text{Average Creditors}}$  OR

Creditors Turnover ratio =  $\frac{\text{Credit Purchases}}{\text{Creditors} + \text{Bills Payable}}$

Average Creditors =  $\frac{\text{Opening Creditors} + \text{Closing Creditors}}{2}$

Now using the same ratio, we can also calculate the average payment period in the number of days/weeks/months. We only have to modify the ratio a little, and remember this will be expressed as a function of time (days, months etc)

Average Payment Period =  $\frac{\text{Number of days/weeks/months}}{\text{Creditors T/O Ratio}}$

Again creditors turnover ratio has great importance. It calculates the velocity with which creditors are paid off during the year. It helps the management judge how efficiently the accounts payables are being handled.

#### **4] Working Capital Turnover Ratio:**

This one of the activity ratios will measure the efficiency with which the firm is using their Working Capital to support their sale volumes. So any excess of current assets over the current liabilities of a firm is their working capital.

##### **The formula for the ratio is:**

$$\text{Working Capital Turnover ratio} = \left(\frac{\text{Total Sales}}{\text{Working Capital}}\right)$$

$$\text{Working Capital} = \text{Current Assets} - \text{Current Liabilities}$$

A high Working Capital Turnover ratio means that the working capital is being very efficiently utilized. But sometimes it could mean that the creditors of the company are excessive (bringing down the working capital) and this could be a problem in the future. Conversely, a low ratio could mean that there are too many debtors or a very big inventory which is not an efficient use of resources.

#### **Market Analysis**

Industry and market analysis are the most essential steps in competitive business analysis that helps in the identification of the right target customers and their variegated requirements. We, at Market Quotient consider this as our basic homework before reaching out to our esteemed clientele with our services. Thus, when we reach the market in the final stage, we always remain confident that our customers will always be satisfied with our well researched and qualitatively superior services.

The cutting edge solutions provided by us in the arena of Industry and Market Analysis services are unparalleled. Our panel of experts never overlooks the thin line of demarcation between industry and market analysis too. We prioritize on each of them separately so that our internal system.

In case of industry analyses, we take into account the long-term trends and economic forces that are liable to affect the overall performance of the industry.

The major pointers that we keep as our primary concerns in this case are:-  
Probable presence of new entrants  
Possible threats that will come from competitors  
Possible substitutes that can emerge as a challenging factor  
Bargaining capacity and limit of suppliers and

buyersMajor areas of rivalry with the competitors. We plan our internal strategies accordingly so that we are never out of the track even in case of steep competition and challenges. While carrying out market analysis, we are a bit more concentrated. We try to understand these basic factors at play so that we can always operate better, satisfy each and every demand of our target market and give tough competition to our rival companies. The factors we look for are: Nature of the target marketFeature of the products and services the target market looks forThe special features that will make our clients products and services more saleable than their competitorsThe marketing vehicles that will be more effective during service promotionThus, when we develop our services and products on the basis of these triggers we are always confident about the quality we are about to offer, the competitive rates and the X-factor that will make us remain at the top favorite list among the outsourcing market. We provide the following services in this line of specializations.

Highly personalized industry intelligence research, both at the primary as well as secondary level, happens to be the key factor that makes Market Quotient most trustworthy. Thus, we are always able to live up to our claims of providing better and reliable service in an aim to create a segment of loyal customers.

Market Quotient is a professionally managed firm offering wide range of research and analytics outsourcing services to global clients. With innovative and state-of-the-art technologies and processes, our data driven solution has helped our clients to outperform its competitor by improving business and operational performance.

In fact, many of our clients have a vested interest in keeping their operational cost under control and they look to us to help them achieve their long term financial goals by increasing compliance, efficiencies, satisfaction & workforce effectiveness and subsequently decreasing costs considerably.

### Company's Position within the Industry



India MART is India's largest online B2B marketplace, connecting buyers with suppliers. With 60% market share of the online B2B Classified space in India, the channel focuses on providing a platform to Small & Medium Enterprises (SMEs), Large Enterprises as well as individuals. B2B marketplace IndiaMART aims to help businesses escape the restrictions of traditional supply chains. By providing access to a digital platform optimized for access from desktops and mobile devices, businesses can improve their operations and generate more revenue. IndiaMART's suite of services includes web storefront, enquiry support, priority listings, premium number services, a lead management system, and payment facilitation.

In line with our vision to empower businesses, we launched our Enterprise Solutions division in 2015. Through this, we have helped more than 1,000 large enterprises to promote their business online. We have been instrumental in not only opening a new channel for business promotions but also in handholding enterprises to smoothen their transition from offline to the online medium. We have, through our Enterprise Solution offering, helped scale up the position of businesses in the digital market. We enable brands to build strong visibility and effective lead generation, and also expand their reach across the country.

### **IndiaMart Market Trends**

In order to keep pace with never ending requisites and demands of our honored patrons, we are able to present Market Research Agency services. Presented services are broadly valued by our patrons for their precision and cost effectiveness. All personnel engaged in the process are highly competent and qualified selected from the finest talents in the industry.

NexGen Market Research Services Pvt. Ltd. are one of the renowned organizations occupied in providing an extensive range of services such as Market Research Services, Healthcare Research Consultancy Services, Online Market Research Services, Data Management Services, Industry Research Services, Data Entry Services, Market Segmentation, Product Tracking Studies, GIS Mapping Services, Customer Satisfaction Studies, Mystery Shopping, Employees Satisfaction Studies, Lead Generation Services, Online Survey and Strategic Sales Solutions and Promotion. To complete these services in efficient way, our organization has appointed experts professionals. Our professionals have rich vast understanding of this domain.

These experts work in close co-ordination with customers to delivering the right services within given time period. Our services are recognized in the market for reliability and timely completed. Moreover, we organize training classes on standard intervals to make them familiar of the advancements concerning our domain as well as norms and principles. Our services are highly acknowledged in the market owing to timely completion, stress free execution, hassle-free management and low rate.

## **CHAPTER : 3**

### **MANAGEMENT AND LEADERSHIP**

#### **Dinesh Chandra Agarwal - Managing Director & Chief Executive Officer**



Dinesh Agarwal is the Managing Director & Chief Executive Officer of our company. He studied at Maharaja Agrasen Vidyalaya Inter College, Lucknow and acquired his B.Tech engineering degree with a specialization in computer science from the Harcourt Butler Technological Institute, Kanpur. He has previously worked with Hindustan Management and Technical Services Private Limited, HCL America, Inc., HCL Limited, HCL Hewlett-Packard Limited, Centre for Development of Telematics (C-Dot) and CMC Limited. Dinesh has led various revolutionary ideas to promote and help Indian SMEs worldwide and has raised voice on multiple concerns like GST, taxation, infrastructure, power, technology, etc. Dinesh is a prolific investor and has invested in a large number of start-ups. He is a Member of the Governing Council of Internet and Mobile Association of India (IAMAI) from 2015 till present. From 2017, he has also been actively associated with the Indus Entrepreneur (TiE) and serves on the Advisory Committee of Amity International Business School.

**Brijesh Kumar Agrawal - Whole-Time Director**

Brijesh is a graduate in business management from University of Lucknow and NIILM, Delhi. Over the last 23 years, he has been focused on building an eco-system that powers the growth of MSMEs in India. He is a charter member of TiE-Delhi NCR & a Founder Trustee at Plaksha University.

**Dinesh Gulati - Chief Operating Officer**

Dinesh has acquired his MBA from Faculty of Management Studies (FMS), Delhi University, after completing his B. Tech from Kanpur University. He has a strong track record of building brands from inception to full-blown profitable businesses in the field of e-commerce, telecom, FMCG and media. Prior to joining IndiaMART, he has served as Group President at The Indian Express Ltd –a leading media house of the country. With a vast experience of entrepreneurship spanned over 25 years, he has also worked as Regional CEO with Reliance Communications and at many other senior positions with leading brands like Bharti Airtel, Etisalat DB Telecom, Kodak India Ltd.

### **Amarinder Singh Dhaliwal - Chief Product Officer**



Amarinder received his Graduate degree from IIT Delhi and Post Graduate in Management from IIM Ahmedabad. An adventurer, intrapreneur and entrepreneur, he is passionate about building consumer stories at the confluence of product, technology, design and marketing. He has held several leadership roles and has been a part of the Times of India Group, Micromax, SBI Capital Markets and Powergen Plc. He was the co-founder and CEO of DONE BY NONE, a founder business head for Zigwheels.com, and a business head for Indiatimes Shopping.com.



**Prateek Chandra - Chief Financial Officer**

Prateek holds a bachelor's degree (honours) in commerce from the University of Delhi. He is a qualified chartered accountant and has experience in the field of finance. Previously, he has worked with exl Service.com (I) Private Limited, Bharat S Raut & Co., Chartered Accountants and HT Media Limited.

**Manoj Bhargava - Group General Counsel, Company Secretary & Compliance Officer**

Manoj holds a bachelor's degree in commerce (honours) and a bachelor's degree in law from University of Delhi, and a master's degree in law from Guru Gobind Singh Indraprastha University, Delhi. He also holds a postgraduate diploma in intellectual property rights law from the Indian Law Institute and a postgraduate diploma in cyber laws from Amity Law School, New Delhi. He is also a qualified company secretary. He has experience in legal and corporate secretarial function. He has previously been associated with Capital Cars Private Limited, Integrated Databases India Limited (India Today group), Barista Coffee Company Limited, Varun Beverages Limited and HT Media Limited.

**BSE:**

15:45 | 27-10-2023

2776.25

Change: 117.90(4.43%)

Volume: 13,133

Open:

2689.25

Prv. Close: 2658.35

Today: 2672.20

2809.05

52-Wk: 2043.65

3293.45

Bid: 0(0)

Offer: 0(0)

**NSE:**

15:58 | 27-10-2023

2771.50

Change: 111.25(4.18%)

Volume: 239,787

Open: 2690.00

Prv. Close:

2660.25

Today: 2671.50

## COMPANY ANALYSIS ON INDIAMART

2807.95

52-Wk: 2043.50

3335.55

Bid: 0(0)

Offer: 0(0)

You can view name of Chairman, CEO, CFO, Management Team, Board of Directors and Key Executives of IndiaMART InterMESH Ltd.

Online marketplace IndiaMART today announced the appointment of Prateek Chandra as its chief finance officer. In his new role, Chandra will be responsible for managing the company's financial growth, driving key business initiatives and playing an integral role in ensuring the organisation's. Chandra holds over 14 years of experience in building business strategy, financial planning, M&As and managing investor relations in Indian and international markets.

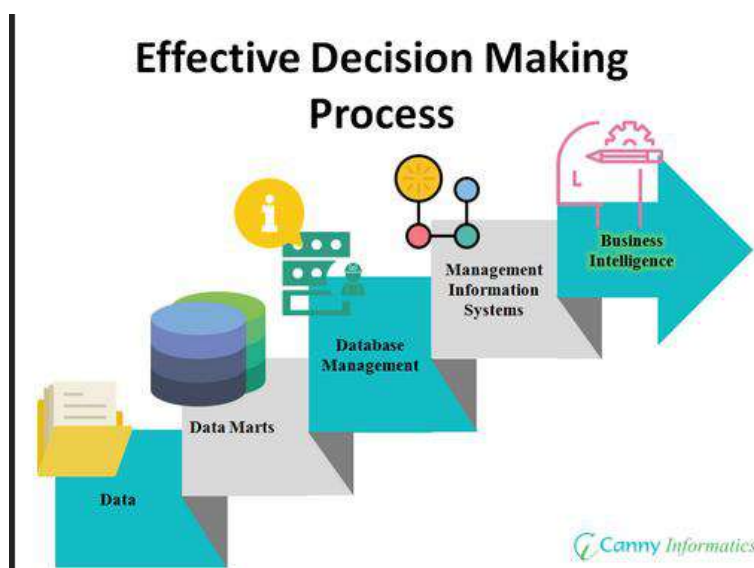


### Effective decision making process:

Some of the decision making techniques that we use in everyday life include:

- Arrow Listing the advantages and disadvantages of each option
- Arrow Flipping a coin, cutting a deck of playing cards, and other random or coincidental methods
- Arrow Accepting the first option that seems like it might achieve the desired result
- Arrow Prayer, tarot cards, astrology, augurs, revelation, or other forms of divination
- Arrow Acquiesce to a person in authority or an

"expert" Arrow Choosing the alternative with the highest probability-weighted utility for each alternative. Much of what managers and supervisors do is solve problems and make decisions. New managers and supervisors, in particular, often solve problems and decisions by reacting to them. They are "under the gun", stressed and very short for time. Consequently, when they encounter a new problem or decision they must make, they react with a decision that seemed to work before. It's easy with this approach to get stuck in a circle of solving the same problem over and over again. At Open Third Eye we offer different situations for quick or strategic decision making. After you've practiced them a few times, they'll become second nature to you - enough that you can deepen and enrich them to suit your own needs and nature.



- Business Intelligence brings the essential data and organisation goals on a synchronous platform
- Business Intelligence makes the immobile data actionable
- Business Intelligence brings value to the data, by converting it into information
- Business Intelligence can help extract insights out of the data
- Business Intelligence boosts productivity of the entire system, making the processes more efficient
- Business Intelligence generates relatedness between each measure and dimension of the Information System
- Business Intelligence organises the structure of the organisation.

### Corporate Governance:

Corporate governance refers to a combination of laws, regulations, procedures, implicit rules and voluntary practices which help companies to perform efficiently and maximize long term value for shareholders and at the same time looking after the interests of other stakeholders like buyers, government, society at large etc. Lenders whether national or international, also look for them for taking exposure in any corporate. It is a function of transparency and fairness in operations and making proper disclosures . Company as a business organization has become popular over the years. With the growth in size of these corporates, governance has become all the more important. SEBI and listing agreements of various stock exchanges require that the requirements of corporate governance are duly complied with.



### Our services include:

- Periodic monitoring through internal audit .
- Independent audit.
- Independent verification.
- Effective Supervision.
- Accountability.
- Sufficient number of Independent directors on the Board.
- Formation of an independent audit committee for the board .
- Adequate disclosure and transparency in reports.
- Participation in board meetings.

**Roles and Responsibilities:**

- Driving high growth in marketplace usage, traffic and user engagement
- Creating a product vision, maintaining a prioritized feature backlog and roadmap, and creating internal buy-in
- Partner with cross-functional Business and Technology teams to drive program roadmaps with plans for all phases of planning, implementation, and production readiness and support
- Working with the self-owned development team to ensure requirements are clear and rational, making trade-offs as needed, and delivering a finished product that achieves its goals, on schedule
- Proactively identifying and resolving strategic issues and risks that may impact the team's ability to meet goals
- Identify and clarify the critical few issues that need attention and drive appropriate actions.
- Defining and scoping projects by working closely with business customers to understand their needs and priorities along with internal and competitive information into clear, prioritized requirements
- Management and delivery of projects with the highest levels of performance, reliability, usability and customer delight
- Identification and prioritization of projects with an understanding of tradeoffs and impact
- Driving user work flow on user experience, review and clarification sessions with software and quality engineering teams to deliver maximum customer value with available time constraints and resources
- Cross functional leadership: Will be required to work in a highly dynamic work environment which requires strong skills in terms of cross-functional team coordination, consensus building among various verticals within the organization and across departments to achieve overall business objectives in a timely & efficient manner.

**Desired Skills:**

- Excellent verbal, written communication and presentation skills
- Well-versed with analysing web traffic trends using tools like Google Analytics and Google Search Console.
- Competency in MS Office especially Excel with good understanding of HTML, CSS, JS
- Deep, holistic understanding of the mobile user experience (e.g. technology, user behavior) and variances within Indian markets

- Experience designing simple and intuitive user interfaces ability to create examples through wire frames and mock ups.
- Strong business acumen.

**Lead Management System:**

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

The 10 million odd messages exchanged on the LMS platform every month underpin the extensive and successful adoption of this high-end tool by suppliers/buyers to change the very eco-system of their business operations. With its ability to track conversations and engagement, LMS continues to facilitate behaviour mapping, trends analysis and identification of best-fit solutions, to speed up the empowerment process.

Our decision, a few years ago, to onboard large enterprises, which have since become an important pivot of our growth, was the result of such mapping and analysis. During FY 2019-20, we added a host of advanced features to augment our LMS platform. These included: Syncing Email Replies to LMS, Showing Call Logs Data, Smart Reply Templates, Extending Attachment Limit, and Filter Options. These new features have helped businesses achieve significant transformation in their operations, thus enabling them to improve their lives in unforeseen ways.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

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

**COMMITTEES OF THE BOARD:**

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

**The Committees and their Composition are as follows:**

## ➤ Audit Committee:

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

## ➤ Nomination and Remuneration Committee:

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

## ➤ Stakeholders' Relationship Committee:

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

## ➤ Corporate Social Responsibility Committee:

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



## COMPANY ANALYSIS ON INDIAMART

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➤ Investment and Finance Committee:

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

➤ Share Allotment Committee:

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

## CHAPTER : 4

### SWOT ANALYSIS

A SWOT Analysis is a powerful tool to develop business strategies for start-up firms as well as for existing companies. This simple framework is used to evaluate the positioning of a firm in a competitive market. SWOT analysis of IndiaMART can lead the company towards making effective and wise business strategies.

The SWOT stands for-

- Strengths
- Weaknesses
- Opportunities
- Threats.

The internal environmental analysis can help an organisation to identify its core strengths and weaknesses. Whereas, external environmental analysis can help the organisation to identify opportunities and threats that must be considered to ensure long-term business survival. IndiaMART can adapt and control its strengths and weaknesses (internal factors), but it cannot control the external factors (opportunities and threats):

- Some examples of internal factors (strengths/weaknesses) are- leadership competencies, intellectual property rights, locational advantages and geographic presence.
- Some examples of external factors (opportunities/threats) are- customers' changing tastes and interests, competitive trends, inflation and population growth.

IndiaMART can use the SWOT matrix to exploit the opportunities and minimise the threats by leveraging its strengths and overcoming its weaknesses. Usually, it is presented in the two-by-two grid form. The framework is based on developing four types of strategies, including-

- Leveraging strengths to exploit external opportunities.
- Overcoming weaknesses to exploit external opportunities.
- Leveraging strengths to minimise the threats.
- Overcoming weaknesses to minimise the threats.



Fig 4.1: Swat analysis

**How to conduct SWOT analysis?**

SWOT analysis is a subjective approach, and there is no standardised way to conduct the analysis. Usually, the SWOT analysis involves three steps as given below:

1. Step one involves gathering the right people to take the input from them. The right people may involve from employees, managers, customers and other important stakeholders that have detailed know how of organisation's internal and/or external environment.
2. Step two includes arranging the brainstorming session with the identified people and asking them to identify the strengths, weaknesses, opportunities and threats. It is better to make small teams and ask all team members to make the lists individually.
3. After getting the bulk of information and a long list of identified internal and external factors, it is important to fill the gaps, avoid repetition and provide an additional explanation where required.

**SWOT Analysis of IndiaMART:**

SWOT analysis of IndiaMART can be based to make important strategic decisions and accomplish the business objectives. The four components of IndiaMART SWOT analysis are given below.

**Strengths of IndiaMART:**

Strengths of IndiaMART is the first element of the SWOT matrix.



- The geographic presence in different regions can act as one of the major strength of the organisation. It determines the business's reach to the target market and ensures the easy accessibility.
- The wide product portfolio can allow the organisation to expand the customer base and offset the losses from one product category with benefits obtained from the other.
- Strong online presence on different social networking sites and efficient social media management can enhance the effect of positive e-WOM and develop strong relationships with customers.
- Strong financial position and health can allow the firm to make further investments.
- Access to the suppliers that offer raw material at a lower cost can improve the overall business efficiency.
- The locational advantage can improve the competitive positioning of the firm in various ways, such as- lower cost, improved accessibility or enhanced brand image.
- The well-developed and efficiently integrated IT infrastructure can improve the operational efficiency and increase knowledge of the latest market trends.
- Competent and committed human capital can act as a powerful source of competitive advantage, particularly when business is service oriented in nature.
- High product quality increases brand loyalty and improves IndiaMART's performance in a competitive market.

## COMPANY ANALYSIS ON INDIAMART

- Workplace diversity can also act as a major business strength, particularly when the organisation intends to operate in the international market.
- The horizontal and/or vertical integration can increase the control over whole value chain, result in improved access to raw material and quick product delivery to the final customer.
- An organisation may own different intellectual property rights that can make the product offerings unique and exclusive, making it difficult for competitors to imitate.

### Weaknesses of IndiaMART:

Weaknesses of IndiaMART is the second element of the SWOT matrix.



- The organisation can draw the criticism from the environmentalists for its poor waste management practices and inability to integrate sustainability in business operations.
- The company may lose efficiency due to poor inventory management practices. The shortage or excessive inventory can either result into
- The cash shortage or insufficient current assets negatively affect the liquidity position and harms the overall business performance.
- Insufficient budget for the marketing and promotion activities weakens the firms' ability to expand the customer base and encourage repeat purchase.

- Less expenditure on the research and development activities can weaken the company performance due to poor local/international market knowledge.
- The inability to understand customers' needs and expectations lead to an ineffective strategic decision-making process. With this weakness, the organisation may not be able to identify the potential improvement seeking areas in product/service mix.
- The prices charged by the business may not be perceived as justified when compared to the product/service characteristics. It indicates the need to revise the pricing strategy.
- The poor customer service (such as inefficient customer complaint handling) can trigger the negative word of mouth about the business and affect business growth.
- The decision making in the IndiaMART takes too much time, causing expensive delays in introducing new products in the market.
- Poor project management practices can internally weaken the ability of the organisation to successfully open new branches or expand the product line.
- Lack of organisational commitment and high employee turnover can increase recruitment costs and reduce organisational productivity.
- High job stress and consequent low workers' morale makes the workforce less productive.
- The misalignment between the organisation's leadership style and its core strategic objectives can make the business organisation directionless.
- Organisational culture also becomes a big internal weakness when it does not align with the strategic/business objectives. For example, the main strategic objective of the chosen business organisation is to launch innovative and new products in the market. But there exists a risk averse attitude prevailing in organisational culture, which discourages employees from thinking creatively.

**Opportunities of IndiaMART:**

Opportunities of IndiaMART comes into the third column of SWOT matrix. IndiaMART. The organisation currently has the following opportunities available in the market:



- The exponential growth in the population, and particularly in the existing or potential customer segments is a great growth opportunity for the business organisation.
- The changing customer needs, tastes and preferences can act as an opportunity if the business organisation has good market knowledge.
- The development of new technologies to assist the product/service production and delivery process can be exploited to embed the innovation in business operations. The advanced technological integration can decrease costs, improve efficiency and result in the quick introduction of innovative products.
- Rise in the customers' disposable income and increase in the affluent customer base can be taken as an opportunity to introduce more high-end products.
- Reduction in the interest rates makes the fund raising and financing at lower cost easier for the business organisation.
- Customers may start preferring new and creative products/services as a result of changing tastes.
- The emergence of e-commerce and social media marketing as a trend can be a great opportunity for IndiaMART if it can ensure strong online presence on different social networking sites.
- The emergence of new market segments and new niches provide business and product line expansion opportunities.
- The diminishing boundaries and rising global interconnectedness allow the organisation to get into the international market; target geographically dispersed customer base and increased profitability.

- The subsidies provided by the government and other policies to make the business environment more friendly is a positive external environmental factor for IndiaMART.
- Improvement in the customers- lifestyle and standards mean more consumption on consumer goods and services, and more opportunities to encourage the purchase.
- IndiaMART can improve its performance by exploiting the above-mentioned opportunities. However, it must also recognise the threats presented in the next section.

**Threats of IndiaMART:**

Threats of IndiaMART comes into the fourth column of the SWOT matrix. IndiaMART. Besides different opportunities offered by external business environment, the organisation also faces some threats as presented below:

- The changing regulatory framework and introduction of new stricter regulations impose a major threat to the IndiaMART. It makes compliance with legal standards more complex and challenging for the business organisation. Inability to comply with changed regulations raises the risk of expensive law suits.
- Shortage of skilled labour in the market can make it difficult for the organisation to attract talent with the right skills set.
- The increasing number of direct and/or indirect competitors affects the organisation's ability to sustain and expand the customer base.
- The deteriorating economic conditions affect business performance when they directly influence the customers' spending patterns and purchasing power.
- The rise in inflation increases the cost of production and affects the business profitability.
- The growing environmental sustainability trends act as a major threat when offered products/services are not environment friendly. It draws the negative publicity and criticism from the environmentalists and affects the brand image in a competitive market.
- The globalisation pushes the organisation to cross national boundaries and deal with cultural diversity, which may have a detrimental impact if the organisation lacks the cultural intelligence.
- The IndiaMART SWOT Analysis requires IndiaMART to differentiate between threats having short-term or long-term implications. Threats with immediate implications need to be addressed on a priority basis to avoid any possible harm. While threats with long-term implications can be tackled after addressing the immediate threatening factors.



**Advantages and Limitations of SWOT analysis for IndiaMART:**

The detailed SWOT analysis can help the IndiaMART to exploit the opportunities by leveraging internal strengths quicker than competitors. SWOT analysis offers various advantages to the IndiaMART as explained below:

- It can provide useful information for developing wise business strategies.
- It enables the IndiaMART to maximise its strengths, overcome the weaknesses, reduce threats and exploit opportunities.
- IndiaMART can identify the core competencies, do market projections and do future planning.
- However, SWOT analysis of IndiaMART has certain limitations that the company must consider to achieve its strategic objectives.
- Sometimes, it is difficult to recognise the difference between opportunities and threats as the same opportunity can act as a major threat if the firm is unable to exploit it in a timely manner.
- It oversimplifies the process of identifying strengths, weaknesses, opportunities and threats. The identified factors are not ranked according to their importance and urgency, due to which SWOT provides only limited information.
- The complex interdependency between the internal (strengths/weaknesses) and external (opportunities/threats) environmental factors make the analysis more difficult.
- SWOT analysis does not consider the dynamic nature of a quickly changing environment.
- The SWOT analysis does not offer solutions or provide alternative strategies.
- The identification of strengths, weaknesses, opportunities and threats generates a bulk of information which may only be useful to a limited extent.
- The above-mentioned Limitations of SWOT Analysis for IndiaMART indicate the need to adopt a holistic view. Recognising and understanding these limitations can further improve the strategic decision-making process.

**Weighted SWOT analysis:**

- Weighted approach to IndiaMART SWOT Analysis is used to assign weights after identifying strengths, weaknesses, opportunities and threats.
- The decision-making based on weighted SWOT analysis can strengthen the Strategic competitiveness of IndiaMART and lead towards more informative strategic analysis.

- The weights are assigned by considering the probability of occurrence, intensity and impact on the environment.
- The weight assigning allows IndiaMART to determine which areas need to be focused, which areas can be avoided for short-term and which areas can be avoided for long-term due to low importance
- Although, weighted SWOT analysis is a better approach than the traditional, un-weighted SWOT analysis. However, weighted SWOT analysis is also not without limitations. For example, this approach does not offer a broader overview of how internal and external environmental factors collectively influence the business in the short and long-run.

### **Advanced SWOT analysis:**

IndiaMART SWOT Analysis can be further enhanced by adopting the advanced SWOT analysis technique. The application of advanced SWOT analysis can enhance the Strategic competitiveness of IndiaMART by providing more useful and detailed information. To do this, IndiaMART combines the strengths-opportunities, weaknesses-opportunities, strengths-threats, weaknesses-threats.

- Using strengths to exploit opportunities- SO.
- Reducing weaknesses to exploit opportunities- WO.
- Using strengths to reduce the threats- ST.
- Reducing weaknesses to reduce threats- WT.

## CHAPTER : 5

### SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

#### FINDINGS:

- The Group measures financial instruments, such as Investment in equity/preference/debt instrument of other entities, Investment in mutual funds, bonds, debentures, units of alternative investment funds and investment trust at fair value at each balance sheet date.
- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- Short-term obligations Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under other current financial liabilities in the balance sheet.
- Plant and Equipment The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.
- The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment.
- The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.
- The Group initially measures the cost of equitysettled transactions with employees using a Black– Scholes–Merton option pricing model to determine the fair value of the liability incurred.
- Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.
- The company boasts of a network of over 143 million registered buyers and 6.4 million+ suppliers
- IndiaMart hosts a whopping collection of 71 million+ products and services
- It has a staggering 60% market share of the online B2B Classified space in India

## COMPANY ANALYSIS ON INDIAMART

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- The B2B giant has further pulled in 259 Mn+ hits on its website and app in December quarter of 2021
- IndiaMART recorded opening 52 offices in 52 weeks, which boosted its sales 10X times in a single year
- IndiaMart has adapted a weekly salary pay disbursal system with an aim to extend a flexible and supportive working environment for its employees.
- Studied and identified as one of the most critical things that influence an employee, weekly payouts for the employees have been practiced in many countries like New Zealand, the United States, Hong Kong, Australia, and more and have yielded successful outcomes.
- The Group initially measures the cost of equitysettled transactions with employees using a Black– Scholes–Merton option pricing model to determine the fair value of the liability incurred.
- Being a pioneering Indian B2B e-commerce company, IndiaMart had to face numerous challenges ever since it was established back in 1996.
- From finding clients, spreading internet awareness, and getting them listed online to help them gain a convincing reputation online, IndiaMart had seen its share of challenges.
- Back when IndiaMart was established, emails weren't much popular so they had to take printouts of the queries and fax them. The 9/11 attack was another roadblock that IndiaMart saw when their exports were hugely truncated, which dragged down the revenues with them.
- Indiamart also faced the backlash of 2012 when the economy slowed down in India.
- IndiaMart has recently been featured in the United States Trade Representative (USTR) among one of the most notorious markets.
- The Notorious Market List of 2021 compiled a total of 42 online and 35 physical markets across the world, and all of these markets, according to USTR, are involved in trademark counterfeiting or copyright piracy.

**SUGGESTIONS:**

- The dynamism of IndiaMART's business revolves around its employees and thus, the organisation strives to make it a rewarding place to work.
- To support the employees, IndiaMART has implemented several benefits, aimed at increasing the employee retention rate whilst improving the quality of work being carried out.
- Eligible employees covered under health insurance, accident insurance, maternity and paternity benefits.
- Employees covered under the gratuity plan and under the Defined Contribution Plan they receive retirement benefits in the form of Provident Fund.
- The Company has adopted a holistic approach towards the welfare of its employees and has programmes and practices in place to ensure the same. Going an extra mile for its employees, IndiaMART was successful in launching the —Weekly Payout of Salary programme for all its employees.
- IndiaMART upholds highest standards of ethical practices and work in accordance with the human rights principles.
- Indiamart mast improve on its styling factor and make more attractive.
- Company should focus on the basic aspects like speed and style also.
- Recommendations help increase the sales and profile of the company. With increased competitors are seeing to it that they capture the buyers and impress on them that they are the best.

**CONCLUSION:**

Customer satisfaction is a marketing tool and a definite value added benefit. It is often perceived by customers as important as the primary product or service your organization offers, For making a better relationship with customer they always use genuine parts in their product. And after selling they have the services and maintenances. Their constant endeavor is to support the company's mandate of providing highest level of customer. satisfaction by taking good care of customer's two-wheeler service and maintenance through their vast network of more than 2100 committed dealers and service outlets spread across the country. Apart from that Hero MotoCorp Ltd focused on cleanliness and other aesthetics of the service stations and add such air conditioned waiting area, internet surfing, coffee shops etc to enhance the in house experience of the customers at those "customer touch point". To ensure that millions of customers in the rural area are not left waiting for adequate service as it is impossible for the company to introduce service station at every nook and corner of the country, mobile service stations are regularly arranged. with prior intimation to public about the rout that the mobile workshop would take when passing through that region so that customers can come and get their two wheelers serviced. All these activities are aimed to increase the customer loyalty and thus retaining customers.

## LEARNING EXPERIENCE

India MART Inter MESH Ltd is an Indian e-commerce company headquartered in Noida. It provides B2B and customer to customer sales services via its web portal. The company began in 1996 when Dinesh Agarwal and Brijesh Agrawal founded the website IndiaMART.com, a business-to-business portal to connect Indian manufacturers with buyers.

**Market Understanding:** Indiamart has learned to understand the diverse and dynamic Indian market. This involves catering to a wide range of consumers with varying needs and preferences, from fuel efficiency to performance.

**Innovation and Technology:** The company has embraced innovation and technology, developing a range of motorcycles with improved features, fuel efficiency, and environmental sustainability. Learning to integrate these elements has been crucial in staying competitive.

**Global Expansion:** Indiamart global expansion has taught the company about adapting its products to different markets, complying with regulations, and understanding varied customer expectations worldwide.

**Strategic Partnerships:** Learning from past collaborations and partnerships, Indiamart has gained insights into building strategic alliances, joint ventures, and collaborations to enhance its product offerings and market reach.

**Brand Building:** The journey has involved learning about brand building and maintaining a positive image. Building a brand requires consistent quality, customer service, and effective marketing strategies

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